

OPENING STATEMENT BY LARRY W. WALTHER
DIRECTOR-DESIGNATE, U.S. TRADE AND DEVELOPMENT AGENCY
SENATE COMMITTEE ON FOREIGN RELATIONS
FEBRUARY 7, 2008

Thank you very much Chairman Menendez, Senator Hagel and the Members of the Committee.

It is a pleasure to appear before you today as President George W. Bush's nominee to be the Director of the U.S. Trade and Development Agency (USTDA). If confirmed, I look forward to making a direct impact on the economic growth and development of middle income and developing countries around the world through the promotion and export of U.S. technology and ingenuity. My career has taught me many things that are relevant to successfully leading USTDA, but maybe none as important as the impact that the expansion of infrastructure has on economic growth.

Before being selected as the President's nominee for USTDA Director, I enjoyed an accomplished career in the private sector. I started as a Switching Engineer for Southwestern Bell Telephone Company in 1970 and was fortunate to have achieved success throughout my career. In my professional capacities, a significant portion of my career with SBC was spent in a leadership role in the area of governmental and regulatory relations. Specifically, I had the pleasure of representing the company before all levels of government, the majority of which was working with state regulatory commissions and the legislative and executive branches. I also had a major role within the company in economic analysis and marketing oriented business development.

Ultimately, I concluded 30+ years of service with SBC as the Vice President for Corporate Services and Chairman of the SBC Foundation. In that capacity, I oversaw a philanthropic organization that managed \$67.4 million in community and charity giving. As Chairman of the Foundation, I was charged with the responsibility for developing and refining the Foundation's strategic plan, implementing that vision, and ensuring it met the goals of the SBC Foundation's directors and the Chairman of SBC. In supporting various philanthropic organizations, I had to evaluate and identify those programs that best met the goals of the Foundation, and had a high likelihood of success, ensuring I was a good steward of the Foundation's funds.

More recently, I had the honor of serving as Director of the Arkansas Department of Economic Development (ADED). As the Director of the ADED, I was responsible for the overall direction and management of the Department and for representing the Governor and the State on all matters concerning statewide issues of economic development. In so doing, I provided direction and policy advice to the governor and his cabinet, the legislature, and regional and local

leaders on key issues affecting the economic development and business climate of Arkansas. I formed significant relationships with top level management within the private sector, addressing the economic conditions and business and investment opportunities in the State. In addition, I led numerous economic and trade development missions to the Far East and Europe, actively pursuing investment by foreign companies into the Arkansas economy.

As a result of this background, I have a deep appreciation for the essential role of infrastructure, both physical and institutional, in establishing the ideal environment for the private sector to serve as a catalyst for growth. I also understand the role of government in promoting and assisting growth. USTDA's trade and development missions reflect this focus. If confirmed, I look forward to applying my experience in building on the agency's outstanding record of success.

As you well know, USTDA activities position U.S. firms to play a key role in priority projects in developing countries. Through its strategic use of foreign assistance funds, USTDA seeks to create an environment favorable for trade, investment, and sustainable economic development. The agency accomplishes its mission by assisting early project planning activities designed to promote trade capacity and sector development.

Fundamentally, USTDA provides access to U.S. technology, expertise and ingenuity in meeting developmental challenges. This access serves as the basis of the public-private partnerships that are a hallmark of the agency's success. Often, USTDA investments are matched by contributions from U.S. firms that share the agency's and project sponsor's commitment to a development priority.

By engaging U.S. private sector expertise early in the project planning process, USTDA helps to ensure that U.S. firms will be competitive during the implementation phase. This model of foreign assistance has created successful mutual economic benefits for both U.S. industry and our partner countries in emerging economies. USTDA has an impressive record of achievement in carrying out this mission. Since 1981, USTDA has been associated with more than \$28 billion in U.S exports. This amounts to approximately \$39 in U.S. exports for every \$1 invested by the agency.

USTDA also has a strong record of support for U.S. small businesses. In fact, the agency contracts exclusively with small businesses in evaluating the funding proposals that the agency receives. These contracts help to provide small businesses with important international experience that they can apply in competing for other business opportunities.

In recent years, the agency has placed considerable emphasis on activities that advance U.S. policy objectives. Priority areas have included the promotion of global energy security, the application of environmental technologies, ensuring

secure and safe trade, and enhancing regional integration. In doing so, I believe the agency has significantly leveraged its resources, and magnified its impact, by focusing on areas that complement efforts by other U.S. Government agencies.

In addition, USTDA has targeted its program on developing countries' trade capacity. This area now accounts for half of the agency's obligations worldwide. Recognizing the capacity of trade to unleash the dynamic power of the private sector as an engine for growth, these activities are designed to enhance countries' ability to efficiently and effectively participate in the global economy.

In these ways, USTDA rightly recognizes that for the infrastructure to reach its fullest potential, the institutional capacity also must be in place for the private sector to succeed. By helping to create both the infrastructure and the environment for U.S. firms to compete overseas, USTDA is opening new markets to U.S. goods and services around the world.

USTDA has a unique trade and development mission, and I am committed to that mission. I am also interested in exploring additional efforts that the agency can make as an integral part of advancing larger U.S. policy priorities. I seek and welcome the guidance and support of the Congress in these efforts. The agency already has a significant focus on promoting the development of information and communications technology around the world. Given my background and the capacity of this sector to serve as a catalyst for the development of other sectors, I would like to reinforce the agency's commitment in this area.

Mr. Chairman, I am eager to undertake the role of USTDA Director. If confirmed, I will build upon the agency's outstanding reputation for responsiveness, flexibility and success with the U.S. business community. I intend to continue the agency's long track record of partnerships with exceptional project sponsors overseas to foster commercial solutions to their development goals. Moreover, I will consult regularly with this committee and its counterpart in the U.S. House of Representatives. I also plan to continue USTDA's close coordination with other U.S. Government agencies through the Trade Promotion Coordinating Committee, and with other agencies that possess technical expertise and other resources that can be applied in increasing the effectiveness of USTDA's programs.

I am deeply honored and humbled that the President has nominated me to serve as USTDA Director and look forward to working with you and your staff in the future. Thank you very much for holding this hearing today. I am happy to answer any questions that you have.