

U.S. POLICY TOWARD SOUTH ASIA

HEARING
BEFORE THE
SUBCOMMITTEE ON ASIA AND THE PACIFIC
OF THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTH CONGRESS
SECOND SESSION

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U.S. POLICY TOWARD SOUTH ASIA

TUESDAY, JUNE 22, 2004

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:03 a.m. in Room 2172, Rayburn House Office Building, Hon. James A. Leach (Chairman of the Subcommittee), presiding.

Mr. LEACH. The Committee will come to order. On behalf of the Subcommittee I would like to express a welcome to Assistant Secretary Rocca. We are pleased you are appearing before us again today, and we appreciate the public service that you have provided, and your cooperation with this Committee.

The hearing today is intended to provide an overview of significant recent developments in South Asia and their implications for the United States policy. South Asia's region, which has seen a sharply, or seen a sharp rise in prominence for American foreign policy in this region, which will likely increase in importance in the years ahead. Although the region remains potentially volatile, the ongoing diplomatic process that is engaged in India and Pakistan provides a credible prospect for strengthening mutual security in the subcontinent.

From a legislative perspective, the remarkable election won by India's congress party is a reflection of the vibrancy of Indian democracy. The new government, led by Prime Minister Manmohan Singh, appears to be focused on a domestic agenda designed to ensure that the benefits of India's market-focused reforms and a strong economic growth are shared more widely among its people.

In terms of foreign policy, my sense is that Indian diplomacy will largely be hallmarked by continuity in that the new government is committed to further deepening United States-Indian relations as well as a dialogue with Pakistan.

I am sure I speak for all Members when I say that Congress would welcome a visit by the Prime Minister at his earliest convenience.

As we all understand, the United States has embarked on a new partnership with Pakistan that continues to be critical both for the campaign against terrorism as well as bringing greater stability to Afghanistan. In recent months following two attempts on the life of President Musharraf, welcome signs have emerged that Islamabad has rededicated itself to thwarting international as well as domestic terrorist groups that have taken refuge in Pakistani soil.

With respect to the A.Q. Khan affair, Congress takes note of Deputy Secretary Armitage's statement that United States intelligence agencies are receiving the cooperation they need to roll up this unprecedented proliferation network, and we certainly expect the full cooperation of authorities in Islamabad. Likewise, we hope and expect the Administration will continue to work closely with the government and people of Pakistan to realize the vision of a modern, tolerant, democratic Islamic country.

Elsewhere in the region, one can only express dismay at the ongoing brutal Maoist insurgency in Nepal and the lack of political unity in Katmandu that continues to undermine the prospects for stable democratic governance. We hope to learn from the Assistant Secretary whether the time is right for any new and more concerted international efforts to help facilitate peace in Nepal.

In Sri Lanka, we hope that the new government in Colombo will be able to break the current stalemate with the Tamil Tiger guerrillas and revive the peace process the country so clearly wants and needs.

Finally, the Committee looks forward to increased cooperation between the United States and Bangladesh, the world's fourth most populous Muslim state.

In any regard, we look forward to the testimony of Assistant Secretary Rocca and the discussion that follows.

Mr. Faleomavaega.

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

On behalf of the Subcommittee, I would like to express a warm welcome to Assistant Secretary Rocca. We are pleased you are appearing before us again. We appreciate your public service and your cooperation with this Committee.

The hearing today is intended to provide an overview of significant recent developments in South Asia and their implications for United States policy. South Asia is a region which has sharply risen in prominence for American foreign policy and which will likely only increase in importance in the years ahead. Although the region remains potentially volatile, the ongoing diplomatic process between India and Pakistan provides a credible prospect for strengthening mutual security on the subcontinent.

From a U.S. legislative perspective, the remarkable election win by India's Congress Party is a reflection of the vibrancy of Indian democracy. The new government, led by Prime Minister Manmohan Singh, appears to be focused on a domestic agenda designed to ensure that the benefits of India's market-based reforms and strong economic growth are shared more widely among its people. In terms of foreign policy, my sense is that Indian diplomacy will be largely hallmarked by continuity and that the new government is committed to further deepening U.S.-Indian relations as well as dialogue with Pakistan. I am sure I speak for all Members when I say that the Congress would welcome a visit by the Prime Minister at his earliest convenience.

As we all understand, the U.S. has embarked on a new partnership with Pakistan that continues to be critical both for the campaign against terrorism as well as in bringing stability to Afghanistan. In recent months, following two attempts on the life of President Musharraf, welcome signs have emerged that Islamabad has re-dedicated itself to uprooting the international as well as domestic terrorist groups that have taken refuge on Pakistani soil.

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istani people to realize the vision of a modern, tolerant, democratic, Islamic Pakistan.

Elsewhere in the region, one can only express dismay at the ongoing brutal Maoist insurgency in Nepal and the lack of political unity in Katmandu that continues to undermine prospects for stable democratic governance. We hope to learn from the Assistant Secretary whether the time is ripe for any new and more concerted international efforts to help facilitate peace in Nepal. In Sri Lanka, we hope that the new government in Colombo will be able to break the current stalemate with the Tamil Tiger guerrillas and revive the peace process that the country so clearly wants and needs.

Finally, the Committee looks forward to increased cooperation between the United States and Bangladesh, the world's fourth most populous Muslim state.

In any regard, we look forward to the testimony of Assistant Secretary Rocca and the discussion to follow.

Mr. FALCOMA. Thank you, Mr. Chairman, and I too would like to offer my personal welcome to Assistant Secretary Rocca for being here this morning, and her staff.

Mr. Chairman, we are at a point in our history where we have the opportunity for great change. We are working to bring peace to foreign nations and put an end to terrorism. Yet we are concerned that one of our allies has supplied uranium enrichment technology to North Korea, and other countries. This is not a new issue. However, it is still a potential and serious threat to world peace.

Nuclear proliferation threatens all of us. North Korea has announced publicly its capability to produce an atomic weapon, and we cannot move to peace when threats like this remain and the trading of uranium enrichment technology still exists.

I submit that our most important responsibility is to do all in our power to further peace and there can be no peace without accountability. This is why in May of last year I introduced an amendment to the Foreign Relations Authorization Act which places conditions on future aid to Pakistan and sends a signal that one support war on terrorism does not negate a government's responsibility to be accountable for its choices.

If we are serious about peace, Pakistan must be accountable for transferring nuclear technology to terrorist nations. February of this year, Pakistan's most prominent nuclear weapons scientist, Abdul Qadir Khan, admitted that he provided nuclear know-how to Iran, Libya and North Korea on who's who is the world's most active sponsors of terrorism.

According to the *Washington Post* in February of this year, Mr. Khan initially told investigator that Pakistan's President General Musharaff—who came into power in 1999 in a military coup—knew about and approved of his efforts. The next day Mr. Khan changed his story and said that he provided nuclear expertise and equipment to nations promoting terror without authorization from the Pakistani government.

In exchange for his statement and in appreciation for it, Pakistan's President pardoned Mr. Khan, although a week earlier Pakistan had assured the International Atomic Energy Agency that it would take strong legal action against the culprits.

New claims continue to surface, Mr. Chairman. Mr. Khan's colleagues reportedly have stated that Mr. Khan had made over 40 visits to Dubai the last 3 years, and during this time he met with Iraqi intelligence officials who sought his help in having some of

the weapons of mass destruction material of Iraq lifted from Syria to Pakistan.

Sunday of June, just this past week, the *Los Angeles Times* reported that Saudi Arabia and Pakistan let terrorists flourish before 9/11, apparently in return for the protection from attacks by al-Qaeda, and that Pakistan provided even more direct assistance to military and intelligence agencies, often coordinating efforts with the Taliban and al-Qaeda.

Yet for fiscal year 2002 and 2003, Pakistan received more than \$1.5 billion in United States assistance with no strings attached.

June of last year President Bush pledged to work with Congress in establishing a 5-year \$3 billion aid package for Pakistan to begin in fiscal year 2005, stated that he supports conditions, but conditions have not yet been imposed.

As a Ranking Member of the Subcommittee, Mr. Chairman, I submit I believe the time for conditions is now, and I would like to clearly state that I do not believe we will see an end to terrorist and nuclear proliferation until the U.S. Congress imposes restrictions on United States aid to Pakistan.

In 1940, President Franklin Roosevelt said, and I quote:

“No man can tame a tiger into a kitten by stroking it,”

and such is the case, I believe, is the United States-Pakistan relations.

As for the United States-India relations, I believe we must take notice of the sweeping changes that took place during India’s national elections. We saw a huge reversal of the incumbent party, and this has been seen by many to show evidence that India’s role in urban poor were not persuaded by the India Shining campaign which sought to highlight India’s economic gains.

I believe also we need to, due to the fact that some 700 million Indians took to the polls is a classic demonstration of the largest democracy of the world showing that this can be done.

I am not sure what the implication of this decision will be in the coming months and the coming years, but I believe we must strengthen our bilateral ties with India. We must encourage growth and expand trade with the world’s largest democracy. We must also work to reduce the threats of the HIV/AIDS epidemic in India.

Our Nation has the responsibility to do the job at hand by the potential threat of escalating terrorism in a time when the international terrorist and rogue regimes seek to acquire weapons of mass destruction. We must find ways to work together to use common sense approaches to protect the interests of our own Nation and our allies.

I welcome the comments of our Assistant Secretary, and look forward to her testimony. Thank you, Mr. Chairman.

[The prepared statement of Mr. Faleomavaega follows:]

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVAEGA, A
REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

Mr. Chairman:

We are at a point in our history where we have the opportunity for great change. We are working to bring peace to foreign nations and put an end to terrorism. Yet we are concerned that one of our allies (Pakistan) has supplied uranium enrichment

technology to North Korea. This is not a *new* issue. However it is still a potential threat to the peace process.

Nuclear proliferation threatens all of us. North Korea has announced publicly its capability to produce an atomic weapon and we cannot move to peace when threats like this remain and the trading of uranium enrichment technology still exists.

I submit that our most important responsibility is to do all in our power to further peace and there can be no peace without accountability. This is why in May 2003 I introduced an amendment (Sec 709) to the Foreign Relations Authorization Act (H.R. 1950) which places conditions on future aid to Pakistan and sends a signal that one's support for the war on terrorism does not negate a government's responsibility to be accountable for its choices.

If we are serious about peace, Pakistan must be accountable for transferring nuclear technology to terrorist nations. In February of this year, Pakistan's most prominent nuclear-weapons scientist, Abdul Qadeer Khan, admitted that he provided nuclear know-how to Iran, Libya, and North Korea, the who who's of the world's most active sponsors of terrorism.

According to the Washington Post (February 3), A.Q. Khan initially told investigators that Pakistan's President, General Musharraf (who came into power as a result of a 1999 military coup), knew about and approved of his efforts. The next day, Mr. Khan changed his story and said that he provided nuclear expertise and equipment to nations promoting terror without authorization from the Pakistani government.

In exchange for his statement or in appreciation for it, Pakistan's President pardoned Mr. Khan, although a week earlier Pakistan had assured the International Atomic Energy Agency (IAEA) that it would take strong legal action against the culprits (Washington Post, January 23, 2004).

New claims continue to surface. Khan's colleagues reportedly have stated that A.Q. Khan made over 40 visits to Dubai in the last three years and during this time he met with Iraqi intelligence officials who sought his help in having some of the weapons of mass destruction (WMD) material of Iraq airlifted from Syria to Pakistan.

On Sunday June 20, 2004, the Los Angeles Times reported Saudi Arabia and Pakistan let terrorists flourish before 9/11 apparently in return for protection from attacks by Al Qaeda and that Pakistan provided even more direct assistance, "its military and intelligence agencies often coordinating efforts with the Taliban and Al Qaeda."

Yet, for FY2002 and FY2003, Pakistan received more than \$1.5 billion in U.S. assistance, with no strings attached. In June 2003, President Bush pledged to work with Congress on establishing a five-year, \$3 billion aid package for Pakistan to begin in FY2005 and stated that he supports conditions but conditions have not been imposed.

As the Ranking Member of the International Relations Subcommittee on Asia and the Pacific, I believe the time for conditions is now and I would like to clearly state that I do not believe we will see an end to terrorism or nuclear proliferation until the U.S. Congress re-imposes restrictions on U.S. aid to Pakistan. In 1940, President Franklin Roosevelt said, "No man can tame a tiger into a kitten by stroking it" and such is the case, I believe, with U.S.—Pakistan relations.

As for U.S.—India relations, I believe we must take notice of the sweeping changes that took place during India's national elections. We saw huge reversals for the incumbent party and this was seen by many to be evidence that India's rural and urban poor were not persuaded by the NDA's "India Shining" campaign which sought to highlight India's economic gains.

I am not sure what the implications of this election will have in the coming months and the coming years but I believe we must strengthen our bilateral ties with India and we must encourage growth and expand trade with what is the world's largest democracy. We must also work to reduce the threat of the HIV/AIDS epidemic in India.

My friends, we are pushed to do the job at hand by the potential threat of escalating terrorism. In a time when international terrorists and rogue regimes seek to acquire weapons of mass destruction, we must find ways to work together use common sense approaches to protect the interests of the United States and our allies.

I welcome the comments of our witnesses and I thank you, Mr. Chairman, for holding a hearing regarding U.S. policy toward South Asia.

Mr. ACKERMAN. Mr. Chairman.

Mr. LEACH. Yes, of course.

Mr. ACKERMAN. Thank you, Mr. Chairman, for scheduling this morning's hearing. South Asia presents the United States with a

full range of policy challenges from combating terrorism and preventing the spread of nuclear weapons to fighting Maoist insurgencies and strengthening democratic institutions.

This weekend brought some good news from the region with the announcement that India and Pakistan had agreed on a series of confidence-building measures with respect to each other's nuclear arsenals, and that the respective foreign secretaries would meet next week for further talks.

But this bit of good news following closely on the heels of India's successful free and fair elections still leaves the United States confronting one of its most central foreign policy dilemmas: What to do about Pakistan.

The Bush Administration would have us believe that General Musharraf is the pied-piper of enlightened moderation, as he described himself in the *Washington Post* earlier this month, a babler of extremism, a bringer of democracy, the very soul of moderate Islam.

Others, generally outside the Administration, hold a very different view of General Musharraf, arguing essentially that he does not practice what he preaches; that he battles extremists and terrorist only in a limited way; that he has in reality strengthened the military's role in Pakistani governance rather than bring democracy; and has done little to cut the ties that his military and intelligence services have to extremist and terrorists in Pakistan.

This portrait of General Musharraf says nothing about his governments or his own capacity or complicity in the nuclear "Wal-Mart" that A.Q. Khan was running "unbeknownst" to Musharraf, if you believe the Administration's version of events.

I continue to believe that our Administration is ignoring the law by failing to make a determination on the application of sanctions against Pakistan for the transfer of nuclear weapons designs and related technologies to terrorist states. Until someone in the Administration provides a detailed explanation of why Pakistan should not be sanctioned under either Glenn or Symington Amendments, I will continue in this belief and will continue to raise it at every appropriate opportunity.

The Administration is making a very bad bargain with Pakistan. In exchange for perceived cooperation on al-Qaeda and the Taliban, the Administration is giving Pakistan a pass on nuclear proliferation issues. To my knowledge, neither we nor the IAEA have had direct access to A.Q. Khan or any of his associates. Despite Pakistan's claims to the contrary, and our apparent acquiescence, this is not an internal Pakistani matter. Once Pakistan decided to sell its wares internationally, it became a matter for the international community, and for us.

If trading efforts against terrorism for turning a blind eye to nuclear proliferation were a good deal, which it is not, I do not think we are getting a 100 percent effort on terrorism from General Musharraf. It has been some time since Pakistan captured Khalid Shaikh Mohammed. The most recent defensive in the tribal areas netted only low-level fighters; that is, with the exception of those who escaped while General Musharraf's army was negotiating with tribal leaders. Where is Osama bin Laden? Where is Ayman Al-Zawahiri? Where is Mullah Omar?

Besides helping us capture these guys, General Musharraf is supposed to be rolling up the Kashmiri terrorist groups too, but as near as I can tell, Lashkar-e-Taiba and Jaish-e-Mohammed are alive and well, if operating under different names.

The very fact that General Musharraf has been the subject of repeated assassination attempts shows that his lip service to reform will be his undoing. By threatening Jihads without actually following through on reforms, he makes enemies among extremists without garnering any support among the moderate Pakistanis he claims to represent. In Pakistan, we are hitching our wagon to a very questionable horse.

Mr. Chairman, I would be remiss if I did not say a word of congratulations to India's new Prime Minister, Manmohan Singh, and note again the stark contrast that India's peaceful handover of government presents to many of its immediate neighbors. As we struggle to build democracies in Iraq and Afghanistan, I think we need only to look as far as India for lessons on how to make a multi-ethnic, multi-religious, multi-linguistic democracy work.

And I thank you very much, Mr. Chairman, and I look forward very much to hearing from Assistant Secretary Rocca.

Mr. CHABOT. Mr. Chairman.

Mr. LEACH. Yes, of course, Mr. Chabot.

Mr. CHABOT. Thank you, Mr. Chairman. I had not planned on making an opening statement, but if I could just very briefly just comment perhaps.

Relative to my friend from New York's comments about Pakistan in particular, I would just say that I would urge the Administration to continue to work with Pakistan and with President Musharraf in particular. I was in Pakistan, I believe it was in January, and we met with the President. This was several weeks after the second assassination attempt on his life.

I think it is critical that we continue—in fact, one of the problems that the Pakistanis have is equipment, and they need things like helicopters in order to be able to move their troops around, I think, more efficiently and more quickly. The problem is when they get word where Osama bin Laden or one of his cohorts might be, by the time they can get their troops up there, word has gotten to them and they are gone.

I just think that the best thing that we can do right now is continue to work with Pakistan, with President Musharraf in particular, and urge them to do everything within their power to put pressure on the terrorists and Osama bin Laden, and bring them to justice, which ultimately means that he will probably be eliminated.

But I just would be very wary of sending the wrong message out to Pakistan, and I think we need to continue to work with them.

I yield back the balance of my time.

Mr. LEACH. Well, thank you very much, Mr. Chabot. If there are no further statements, let me welcome Secretary Rocca.

By background, prior to joining the Department the Secretary was a Foreign Affairs Advisor to our distinguished colleague, Senator Sam Brownback. From 1982 to 1997, she was an intelligence officer with an American agency. A native of Washington, Mrs. Rocca holds a B.A. in History from King's College, London.

Welcome, Mrs. Rocca. Please proceed as you see fit, and without objection your full statement will be put in the record.

STATEMENT OF THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. ROCCA. Thank you very much, Congressman. I will shorten my statement so that we have more time for questions, and I appreciate the full statement being put in the record.

Thank you also very much for inviting me here today to talk about our policy priorities in South Asia.

September 2001 placed a South Asia riven by conflict and division on the front lines of the global war on terror. Not quite 3 years later—with the support of the American people, the American Congress, the Administration—the region stands on the verge of a number of potential breakthroughs.

The next few years will provide a crucial opportunity for the United States to help South Asia become a peaceful democratic and prosperous region, free from terror and nuclear threat. We are winning in consolidating the peace in Afghanistan, and while that is not a focus of my testimony today, success in Afghanistan is crucial to long-term regional stability.

Over the last year, and especially in recent months, momentum for positive change has increased. The United States and India are working to formally expand strategic cooperation while deepening their partnership along multiple fronts. Pakistan continues as a major ally in the war on terror. Al-Qaeda and Taliban operatives continue to be captured there, and the government has recently intensified its operations around the country and near the western border.

The recent rapprochement between India and Pakistan has enabled a new composite dialogue and given a new boost to regional cooperation meetings—in stark contrast to the threat of a possible nuclear confrontation in 2002.

The suspension of the Sri Lankan peace negotiations last year did not end the cease-fire or informal cooperation between the government and the LTTE.

In Bangladesh and throughout the region we continue to advocate and assist progress toward accountable democratic governance, sustainable development, and mutual understanding in order to address the underlying causes of extremism and instability.

Nepal, as you mentioned, Congressman, is a country of concern. It is a fragile democracy that is at risk there where Maoist urgency has unraveled the weak political and economic threads that held it together, and the United States must help South Asia avoid the potential humanitarian crisis and instability that this could cause as well as avoiding the emergence of a failed and authoritarian state.

I will start with India. With the newly elected government taking office in India, we are continuing cooperation on regional and bilateral issues. External Affairs Minister Natwar Singh visited Washington recently and had excellent meetings with Secretary Powell. Our defense—our Bilateral Defense Policy Group—met 3 weeks ago in New Delhi, and joint exercises and military exchanges continue to increase our security cooperation.

In January 2004, we announced our Next Step in Strategic Partnership, an initiative designed to deepen the United States-India relationship, and this week Bangalore is hosting the U.S.-India Space Conference.

We will also be increasing our efforts to strengthen the economic and commercial side of our relationship, which is growing but not nearly as fast as it could, and the high-technology cooperation group is advancing trade and investment.

The United States assistance programs, including our ESF initiative targeting areas of special concern to the government, are helping India to complete financial, trade, energy, water, and agricultural reforms to improve economic stability and reduce poverty.

Our programs also promote better access to education, justice, and services by women and vulnerable groups. Our health programs support the prevention of HIV/AIDS, Tuberculosis and other diseases, and increased child survival—issues also addressed through a bilateral Global Issues Forum whose concerns range from trafficking in persons and human rights to environment, science and health.

And finally, but certainly not least, the United States and India share a fundamental commitment to democracy. We hope to work more closely together to promote democracy, especially in problematic countries like Burma.

In Pakistan, all our policies and programs support our primary goal of helping Pakistan reach its objectives of becoming a moderate, prosperous, stable state, and preventing terrorism—directly through security programs and also through democracy, development and outreach program that combat extremism and instability.

As our FMS programs facilitate the capture of al-Qaeda and Taliban remnants and strengthen our military ties with Pakistan, we help to tackle the conditions that breed terror by providing substantial amounts in ESF for macro-economic stabilization and growth, and support for social sector programs.

We also continue to support grassroot economic development and health programs visible to ordinary Pakistanis through our USAID programs, and we are helping to provide substantial support to the Pakistani government's efforts to pursue education reform aimed at preparing young Pakistanis to gain employment and compete in the global marketplace.

A return to full democracy in Pakistan is central to long-term stability. After a prolonged impasse, Parliament is beginning to function, and a devolution program has begun to revitalize local government. U.S. democracy programs and exchanges are assisting in the development of accountable, responsive democratic institutions and practices, including effective legislators and local councils that respond to citizens and play a positive role in governance. We are vigorously engaging educators, the media, and civil society leaders, as well as younger, non-elite Pakistanis in communities resistant to democratic values.

Terrorist attacks in Pakistan over the last year, including the two attempts on the life of President Musharraf, remind us that progress hangs in the balance, while underscoring the need to shut down terrorist organizations and the networks that support them; something the government is working to do.

Seventy-seven Pakistani soldiers have lost their lives in anti-terror operations in the tribal areas since the beginning of this year. Other security personnel have been killed in Karachi and elsewhere, and numerous Pakistani civilians have been murdered in terrorist attacks. We offer our sincere condolences to the families and friends of those lost on the Pakistani front of the global war on terror.

On the issue of nonproliferation, given the realities we face in South Asia, we are also focused on preventing actions that would undermine the global nonproliferation regime and regional stability. Thus, we are working to prevent an open-ended nuclear and missile arms race in the region, discouraging nuclear testing, and prevent onward proliferation to other countries.

We are working with both India and Pakistan to strengthen nonproliferation export controls, and in Pakistan the government has just introduced a bill into Parliament that, if enacted, would significantly strengthen Pakistan's existing export control regime. This is important, especially in the wake of the A.Q. Khan case.

The public exposure of A.Q. Khan's activities and investigations by various government has disrupted his black-market proliferation network. It is now in the process of being dismantled, and Pakistan is taking these investigations seriously.

A stable South Asia is an important interest we share with the nations of the region. The recent agreement between India and Pakistan to pursue a wide-ranging composite dialogue with the objective of reaching a peaceful settlement of all bilateral issues, including Kashmir, is a real breakthrough. We are encouraged by the confidence-building measures agreed upon in recent months and days, and hope that they will be implemented quickly, and that there will be further progress along these lines.

Democratic Bangladesh, which has the fourth-largest Muslim population in the world, is a valued partner in the war on terror also. It is a moderate voice in regional and international fora, and a leading contributor to U.N. peacekeeping missions. Political rivalries and one of the most significant corruption problems in the world threaten democratic stability and impede economic growth there, however.

The challenges that lead to extremism—poverty, lack of education, and endemic corruption, combined with porous borders and lack of public faith in elected government—could increase the attractiveness of radical alternatives. We are pleased to see that the opposition party has returned to Parliament in recent days. This was an important step forward toward finding a way out of the political gridlock that has plagued the country and it is also an important step toward maintaining its democracy.

In Sri Lanka, the President has stated that talks with the LTTE are her top priority. Meanwhile, the cease-fire is holding and an informal peace process continues, bringing increased interaction among the ethnic communities, and growing trade and economic opportunities.

As we press the government and the LTTE to return to talks, our programs are providing an incentive to peace and a boost to reconstruction and reconciliation in war-torn areas. We will not remove our designation of the LTTE as a terrorist organization until it has

firmly and decidedly given up terrorism and such policies as the recruitment of child soldiers.

I should also mention the Islamic nation of Maldives, where we are encouraged by the proposed sweeping constitutional changes designed to strengthen democratic institutions and human rights and to head off radicalism.

We have worked closely with the United Kingdom and India to support Nepal and Nepal's democracy and its confrontations with the Maoists. Our assistance includes military equipment badly needed by the army, economic and development assistance to address root causes of insurgency and anti-terrorism training for the army and the police.

The preservation of Nepal's constitutional monarchy and system of multi-party democracy is key to defeating the challenge. Political rivalries have undercut resistance to the Maoists, and the King and the parties must unify—urgently to confront the insurgents. The King's recent appointment of Mr. Deuba as Prime Minister and the call for elections within a year is a welcome development, but all must work harder.

The United States, India, and the U.K. and others stand with the government, but we also share the view that there is no military solution to the conflict.

East of Nepal and between India and China is Bhutan, a small country seriously pursuing a peaceful transition to a constitutional monarchy. It is in our interest to support this democratization process. Despite its small size, Bhutan, too, struggles against instability. During the past year its military has taken action against camps of ethnic insurgents who have sought to use it as a base of operations against North East Indian states.

We are encouraging both Bhutan and Nepal to resolve a long-festering problem of 100,000 refugees in Nepal who claim Bhutanese citizenship, and this is a humanitarian problem that can and should be solved.

As we pursue the above priority policy goals, our ongoing programs also address other issues of regional concern. Our diplomatic efforts and programs aimed at combating trafficking in persons have been refocused and intensified to raise the performance of South Asian governments in accord with the criteria of the Trafficking Victims Protection Act. We are combating HIV/AIDS through the region, as well as in India where the numbers are the largest.

Corruption lies at the nexus of the government and economic failures in South Asia. Our development, democracy, and law enforcement programs combat corruptions by promoting transparency, accountability and efficiency, including through strengthened private sector, civil society and independent media involvement.

Finally, we remain ever-mindful of the plight of women throughout South Asia, and our programs across the board have integrated components to improve literacy, education, health, and economic and legal rights for women and girls.

Mr. Chairman, I have only been able to touch on our priority concerns very lightly, our concerns about stability and security in South Asia. On the whole, while the region faces many challenges,

I believe there is reason for confidence that the countries and peoples of South Asia will be able to build a secure, peaceful, and prosperous future.

Thank you, and I welcome any questions from you and Members of the Committee.

[The prepared statement of Ms. Rocca follows:]

PREPARED STATEMENT OF THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

UNITED STATES INTERESTS AND FOREIGN POLICY PRIORITIES IN SOUTH ASIA

Mr. Chairman and members of the Committee, thank you for inviting me to come here today to talk about our policy priorities in South Asia. September 2001 placed a South Asia riven by conflict and division at the front lines of the global war on terrorism. Not quite three years later, with the support of the American people, the Congress, and the Administration, the region stands at the verge of potential breakthroughs. The next few years will provide a crucial opportunity for the United States to help South Asia become a peaceful, democratic and prosperous region, free from terror and nuclear threat. We are winning and consolidating the peace in Afghanistan—and while not a focus of my testimony today, success in Afghanistan is critical to long term regional stability. Our commitment to assist Pakistan's full transformation into a modern and moderate Islamic democracy remains a pillar of our long-term strategy in the war on terrorism. As India increases its global reach, we are working to build an effective strategic partnership. Strong U.S. engagement is vital to ensure that Bangladesh does not fall back into poverty and fall victim to extremism. Due to its location, aspirations and capabilities, the future of Sri Lanka is assured, if it can achieve a lasting peace, and our long term strategic interests dictate that we pursue this goal. A fragile democracy is at stake in Nepal, where a Maoist insurgency has unraveled the weak political and economic threads that held it together, and the United States must help South Asia avoid the potential humanitarian crisis and instability this could cause as well as the presence of another failed or authoritarian state.

Over the last year, and especially in recent months, the momentum for positive change has increased. Pakistan continues as a major ally in the war on terrorism. Al-Qaida and Taliban operatives continue to be captured there, and the government has intensified its operations around the country and near the western border. Pakistan's economy has moved from crisis to stabilization and growth, and the impasse between President Musharraf and the legislature was resolved in December with his agreement to step down as head of the army at year's end. The public exposure of A.Q. Khan's activities and investigations by various governments has severely disrupted his black market proliferation network. It is now in the process of being dismantled. It appears that Pakistan is taking these investigations seriously. The recent rapprochement between India and Pakistan has enabled a new composite dialogue and given a new boost to regional cooperation meetings—in stark contrast to the threat of a possible nuclear confrontation in 2002. The United States and India are also working to formally expand strategic cooperation while deepening their partnership across multiple fronts. The suspension of Sri Lankan peace negotiations last year did not end the ceasefire or informal cooperation between the government and the LTTE. In Bangladesh and throughout the region, we continued to advocate and assist progress towards accountable democratic governance, sustainable development, and mutual understanding in order to address the underlying causes of extremism and instability.

An Ever-Growing Partnership with India

With the newly elected government taking office in India, we are continuing cooperation on regional and bilateral issues. In January 2004, we announced our Next Steps in Strategic Partnership (NSSP), an initiative designed to deepen our U.S.-India relationship. Expanded cooperation under the NSSP on civilian nuclear activities, civilian space programs, high technology trade, and an expanded dialogue on missile defense will bring significant economic benefits to both sides, and improve security in South Asia and beyond. The United States and India share a fundamental commitment to democracy. We hope to work more closely together to promote democracy, especially in problematic countries like Burma.

Our bilateral Defense Planning Group, joint exercises, and military exchanges have greatly increased security cooperation. A High Technology Cooperation Group is advancing trade and investment.

U.S. assistance programs, including our ESF initiative targeting areas of special concern to the government, are helping India to complete financial, trade energy, water, and agriculture reforms to improve economic stability and reduce poverty. Our programs also promote better access to education, justice, and services by women and vulnerable groups. In addition, our programs strengthen law enforcement capability. Our health programs support the prevention of HIV/AIDS, tuberculosis and other diseases, and increased child survival—issues also addressed through a bilateral Global Issues Forum whose concerns range from trafficking in persons and human rights abuses to environment, science and health.

We will also be working to strengthen the economic and commercial side of our relationship, which is growing, but not nearly as fast as it could.

Pakistan: Frontline State in the War on Terrorism

In Pakistan, all our policies and programs support our primary goal of helping Pakistan reach its objective of becoming a moderate, prosperous state, and preventing terrorism—directly through security programs and also through democracy, development and outreach programs that combat extremism and instability. In other words, the funding we are requesting for Pakistan in FY 2005 directly helps the United States in the Global War Against Terror and Operation Enduring Freedom.

As our FMF programs facilitate the capture of al-Qaida and Taliban remnants and strengthen our military ties with Pakistan, we help tackle the conditions that breed terror by providing substantial amounts in ESF for macroeconomic stabilization and growth, and support for social sector programs. The government's ongoing pursuit of structural reform, prudent economic policy initiatives, and effective macroeconomic management have impressed the IMF and donor community. As we assist this positive momentum with ESF, we also continue to support grassroots economic development and health programs visible to ordinary Pakistanis through USAID programs. We are also providing substantial support to the Pakistani government's efforts to pursue education reform, including for madrassahs, aimed at preparing young Pakistanis to gain employment and compete in the global marketplace.

A return to full democracy in Pakistan is central to long term stability. National elections in October 2002, although flawed, restored a Prime Minister, a National Assembly and four Provincial Assemblies, and President Musharraf has indicated he will step down as head of the military by the end of 2004. After a prolonged impasse, Parliament is beginning to function, and a devolution program has begun to revitalize local government. U.S. democracy programs and exchanges are assisting the development of accountable, responsive democratic institutions and practices, including effective legislatures and local councils that respond to citizens and that play a positive role in governance. Our programs also support much needed political party reform, the development of an independent media that provides balanced information, and effective civil society advocacy. We are also vigorously engaging educators, the media, and civil society leaders, as well as younger, non-elite Pakistanis in communities resistant to democratic values.

Terrorist attacks in Pakistan over the last year, including two attempts on President Musharraf's life, remind us that progress hangs in the balance, while underscoring the need to shut down terrorist organizations and the networks that support them; something the government is working to do. Seventy-seven Pakistani soldiers have lost their lives in anti-terror operations in the tribal areas since the beginning of the year. Other security personnel have been killed in Karachi and elsewhere, and numerous Pakistani civilians have been murdered in terrorist attacks. We offer our sincere condolences to the families and friends of those lost on the Pakistani front of the Global War on Terror.

Regional Stability: Nonproliferation and Indo-Pakistan Ties

Given the realities we face in South Asia, we are also focused on preventing actions that would undermine the global nonproliferation regime and regional stability. Thus we are working to prevent an open ended nuclear and missile arms race in the region, discourage nuclear testing, and prevent onward proliferation to other countries. Our actions with both India and Pakistan are consistent with our obligations under the NPT and with our commitment to the Nuclear Suppliers guidelines. We are working with both to strengthen non-proliferation export controls through our Export Control and Border Security (EXBS) program. In Pakistan, the Government has just introduced a bill into Parliament that, if enacted, would significantly strengthen Pakistan's existing export control regime.

A stable South Asia is an important interest we share with the nations of the region. The recent agreement between India and Pakistan to pursue a wide-ranging

composite dialogue with the objective of reaching a peaceful settlement on all bilateral issues, including Kashmir, is a real breakthrough. We are encouraged by the confidence-building measures agreed upon in recent months, and hope they will be implemented quickly. India is also conducting a dialogue with the Kashmiri All Parties Hurriyat Conference. We will continue to watch closely and encourage positive steps. Our public diplomacy funds are used to help facilitate deeper ties and understanding.

Supporting a Moderate Bangladesh

Democratic Bangladesh, with the fourth largest Muslim population in the world, is a valued partner in the war on terror, a moderate voice in regional and international fora, and a leading contributor to UN peacekeeping missions. Bangladesh's economy remains stable. Yet political rivalries and one of the most significant corruption problems in the world threaten democratic stability and impede economic growth. The challenges that lead to extremism—poverty, lack of education, and endemic corruption, combined with porous borders and lack of public faith in elected government—have increased the attractiveness of radical alternatives. Bangladesh recently passed legislation authorizing an anti-corruption commission, which we hope will be effective. Regional INCLE funds support anti-corruption efforts and law enforcement capacity. U.S. democracy programs seek to increase the accountability and transparency of democratic institutions, thereby assisting to defuse bitter rivalries and support civil society advocacy groups such as Transparency International Bangladesh. To promote sustainable development, our programs continue to improve basic education, foster scientific cooperation, assist economic growth and trade, combat trafficking in persons and increase health services for women and children.

Sri Lanka and the Maldives

In 2003, peace talks that began a year earlier between the Sri Lankan government and the separatist Tamil Tiger (LTTE) guerillas were suspended. By October, the LTTE had proposed an interim administration in predominantly Tamil areas as a way to re-engage, but a standoff between the Prime Minister and President prevented consideration of their proposals. In November 2003 the President suspended the Parliament. Elections called for April 2004 increased representation by the President's party, and brought the appointment of a new Prime Minister. The President has stated that talks with the LTTE are her top priority. Meanwhile, the ceasefire is holding, and an informal peace process continues, bringing increased interaction among the ethnic communities and growing trade and economic opportunities. As we press the government and LTTE to return to the talks, our programs are providing both an incentive to peace and a boost to reconstruction and reconciliation in war-torn areas. Our nationwide development and health programs support the government's economic growth and anti-poverty efforts, while our democracy programs promote human rights and political reintegration and reconciliation. Regional INCLE funds support law enforcement institutional capacity and reform, and counternarcotics coordination. We will not remove our designation of the LTTE as a terrorist organization until it has firmly and decidedly given up terrorism and such policies as the recruitment of children as soldiers.

I should also mention the Islamic island nation of Maldives, where we are encouraged by the proposed sweeping constitutional changes designed to strengthen democratic institutions and human rights and head off radicalism.

Nepal and Bhutan

We have worked closely with the United Kingdom and India to support Nepali democracy in its confrontation with the Maoists. Our assistance includes military equipment badly needed by the army, economic and development assistance to address root causes of insurgency and anti-terrorism training for the army and police. While the government needs to be able to counter the Maoist armed threat, this conflict cannot be resolved solely through military force. The preservation of Nepal's system of constitutional monarchy and multi-party democracy is key to defeating the challenge. Political rivalries have undercut resistance to the Maoists, and the King and the parties must unify—urgently to confront the insurgents. The King's recent appointment of Mr. Deuba as Prime Minister and call for elections within a year is a welcome development, but all must work harder.

In 2003, the Maoist insurgents in Nepal ended a seven-month ceasefire and resumed military attacks and terrorist activity, leading us to impose financial sanctions against the Maoists as a terrorist organization. The United States, India, the UK, and others stand with the Government, but we also share the view that there is no military solution to the conflict. As we continue to provide security assistance for the Government of Nepal, we are making our concerns known regarding suspen-

sion of the electoral process and numerous human rights abuse allegations against the government security forces and Maoists alike.

East of Nepal and between India and China is Bhutan—a small country seriously pursuing a peaceful transition to a constitutional monarchy. It is in our interest to support this democratization process. Despite its small size, Bhutan, too, struggles against instability. During the past year, its military has taken action against Indian Maoist groups who had sought to use it as a base of operations against north-eastern Indian states. We are encouraging both Bhutan and Nepal to resolve a long-festering problem of 100,000 refugees in Nepal who claim Bhutanese citizenship. This is a humanitarian problem that can and should be solved.

Other Issues of Regional Concern

As we pursue the above priority policy goals, our ongoing programs also address other issues of regional concern. Our diplomatic efforts and programs aimed at combating trafficking in persons have been refocused and intensified to raise the performance of South Asian governments in accord with criteria in the Trafficking Victims Protection Act. We are combating HIV/AIDS throughout the region as well as in India, where the numbers are the largest. Corruption lies at the nexus of the governance and economic failures in South Asia. Our development, democracy and law enforcement programs combat corruption by promoting transparency, accountability and efficiency, including through strengthened private sector, civil society and independent media involvement. Finally, we remain ever mindful of the plight of women throughout South Asia, and our programs across the board have integrated components to improve literacy, education, health, and economic and legal rights for women and girls.

Conclusion

Mr. Chairman, I have only been able to touch our priority concerns about stability and security in South Asia. On the whole, while the region faces many challenges, I believe there is reason for confidence that the countries and people of South Asia will be able to build a secure, peaceful and prosperous future.

Thank you, Mr. Chairman. I welcome questions from you and the Members of the Committee.

Mr. LEACH. Well, thank you very much, Madam Secretary. It appears the region is racked by a lot of internal division that, to some degree, is under control, and to some degree can explode at any point in time.

In Sri Lanka country, that everything is largely internal, in Bangladesh, with internal problems, but the two external circumstances are the India-Pakistan situation, and then the Pakistani everything-else situation.

First, with regard to India and Pakistan and their ongoing—their lasting disputes, what role is the United States Government playing on the Kashmir issue? Do you see any serious prospect for resolution of it in the nearby time frame?

Ms. ROCCA. First, let me say that at this moment, first of all, the United States is very much there to support both India and Pakistan as these two countries are coming together to try to find a peaceful solution to the problems that divide them, and they are numerous. We are not mediating in this dispute at all, but we are showing support for both nations.

The recent detente, or I should say improvement in relations that started with the bold step of Prime Minister Vajpayee last April, is a very heartening sign and it is something which we very much want to encourage. The prospects of resolution, I think, I do not have a crystal ball and I cannot really predict what will happen, but certainly it appears that both governments are entering the current composite dialogue with a very positive frame of mind, and we have heard comments from the Pakistani and the Indian foreign ministers who met yesterday in China on the margins of an international meeting.

They are certainly saying things which have not been said in the last 3 years, and so whether—certainly the mood is good and concrete steps were taken in the talks that have taken place so far, and I am speaking specifically of drugs and the nuclear CBMs.

The timeframe, I think, is unpredictable because this is a very complicated problem, and there are probably going to be bumps in the road, but at the moment things are looking very bright.

Mr. LEACH. Let me just turn then to Pakistan for a second. It strikes me that there are three circumstances, one relates to weapons of mass destruction and the A.Q. Khan affair. The second relates to the non-weapons of mass destruction, but possibly more dangerous circumstance of everything to do with terrorism. And then the third relates to the long-term issue that our Government had put almost no attention of until 2 or 3 years ago, and that is this issue of education and the question of the madrassas and what is being taught, and how it is being taught in many countries in the world.

Would you address each of those issues?

Ms. ROCCA. Okay. On the issue of WMD, as you know, the A.Q. Khan affair broke open in recent months, and we have had, as Mr. Armitage said, we have had very good cooperation from the government of Pakistan in breaking apart this network. It is a major goal of this Administration to break up this network and go after absolutely every single corner of it in order to make sure that it cannot be reconstituted either by someone in Pakistan, A.Q. Khan or someone else, or anybody else in the world, and we have had great cooperation from a number of countries that have been helping us on this front.

Meanwhile, we are also working very hard with Pakistan to increase their export control regimes, to tighten these up. They recently introduced a bill in their Parliament which, if passed, would go a long way toward meeting the standards that we are encouraging them to reach.

On the issue of terrorism, I think there are a number of issues here. You have the internal sectarian violence, which has been going on for 20 years now, if not longer. You have the issue of al-Qaeda and Taliban where we have had excellent support from the government of Pakistan. In fact, they are the front line of the war on terror, and we recently had the arrest of Ramzi bin al-Shibh's nephew in Karachi, and others, a number of others. They have gone after the terrorists wherever they have found them, and we have had excellent cooperation there.

The dealing with the domestic terror is something which I think is more—is rather complicated, and that they are going about in their own fashion. We obviously—I do not believe there is an easy solution to it because it is—there is a battle going on for the soul of Pakistan at the moment between extremists and moderates.

And on the issue of education, the United States is providing a minimum of at least \$25 million a year over the next 4 years—5 years, it was a 5-year commitment, to help Pakistan rebuild its education system, which was desperately broken, and is one of the things that gave the rise to the madrassas in the first place.

The government is going after—not going after, but is working on getting madrassas registered in order to, first of all, find out

how many there are. Not to go too deep into history, but there was a ban on registering madrassas back in the eighties, so there are a lot of them that have grown up that need to be identified. They are getting them registered and try to widen the syllabus, but really the real solution to the problem, if there is a solution to this problem, is long term because it needs to be a—Pakistan needs to have an education system that provides an alternative to the madrassas, and right now that does not exist everywhere.

They are working on it. They are putting an awful lot of their own funds in it as well as ours and the international communities, but it is a long-term project, and it is not something that we are going to see fixed overnight.

Mr. LEACH. Thank you, Madam Secretary.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

Madam Secretary, you know that weeks and weeks and months there has been a lot of, I should say, bashing of India by the media, and of course, some of our leaders also now are very critical of this problem that are—we call it outsourcing.

Ms. ROCCA. I am sorry. Media bashing of?

Mr. FALEOMAVAEGA. India.

Ms. ROCCA. Of India.

Mr. FALEOMAVAEGA. The issue of outsourcing of jobs to India by a lot of American companies, and I was wondering not only to know what the Administration's position on these accusations, but the reality.

What are we talking about in terms of jobs? Does this really have a very serious impact economically in our country of what is happening?

I mean, these are American companies now doing business with Indian companies, and in reading reports in the media it seems that there is a whole problem where outsourcing to imply millions of jobs. But I just wanted to know what is the Administration's position on this, and is it really true in what the media says about this outsourcing issue that has been—I just want to know, in fairness to India's efforts to do the close trade and commercial relationship with our country, is India the only country that American companies are doing this?

Ms. ROCCA. Congressman, I think, first of all, I do not know the numbers, so you will have to forgive me. I take that question in terms of how many jobs are actually outsourced, I do not have the latest numbers at my finger tips, and certainly India is not the only country to which the United States outsources jobs—U.S. companies outsource jobs.

I think the U.S. Trade Representative has made it clear that we do not oppose the outsourcing. What we would like to see in exchange is an opening of markets in India and other countries which, in turn, provide more jobs in the United States. That is sort of the way it has been formulated, but I do not think you have heard any India-bashing on the part of the Administration with respect to outsourcing of jobs.¹

¹ See the Appendix for additional information supplied to the Committee in writing by Ms. Rocca in response to Mr. Faleomavaega's question.

Mr. FALEOMAVAEGA. I think one of the reasons why India is such an attractive climate is because of its vast number of professional workers, especially in technology and all of this.

Is the fact that the largest or most is an English-speaking country, unlike China or maybe other countries that compete, commercial and all of this in the trade? I just wanted to set the record straight. There has been so much, as I said earlier, bashing of India, and it is so unfair to say that outsourcing 100,000 jobs, and yet we are losing 2 million for other reasons, and not because of the outsourcing of these jobs as the media has made such a big thing over.

Ms. ROCCA. But just to reiterate the point I made earlier, if there was more opening of markets in India, it would also help the furor die down because it would—by its nature would create—increase a lot of jobs here and elsewhere as well.

Mr. FALEOMAVAEGA. Now, maybe for the record also if you can clarify. You know that we had a duly-elected, democratically-elected President of Pakistan in Mr. Sharif, and of course there was a coup d'etat where General Musharraf had apparently a distinctively different opinion of how the government should be run, so there was a coup. And I would like to know what the status of former President Sharif is right now.

Secondly, I would like to know—I think President Musharraf has made promises that there will be national elections in Pakistan, and that there will be a democratically-elected President, and I would like to know where are we on that issue.

Ms. ROCCA. I believe Nawaz Sharif is living in Saudi Arabia.

Mr. FALEOMAVAEGA. Okay.

Ms. ROCCA. And that is according to a deal that he cut with the government of Pakistan.

With respect to the return to democracy in Pakistan, I think it is on course, we are not there yet, but certainly there is now a democratically-elected Parliament, and a Prime Minister, and there is a functioning Parliament, which is a big step forward.

President Musharraf has said he would take off his uniform by the end of the year, and we see all these things as good signs. Meanwhile, the devolution progress continues, and you are seeing more grassroots efforts to elect people at the grassroots level, and by the way, a lot of our programs are going into helping strengthen that.

Mr. FALEOMAVAEGA. One of the ironies in our relationship with this important region of the world is that there are more Muslims living in India than there are in Pakistan, and the irony is also, and I think a lot of the people in America do not realize that the Pakistanis and Indians are the same people. The only thing that separates them is the politics and the religion, and this is one of the things that is striking and somewhat very ironic in this part of the world.

Let me ask you, Madam Secretary—one more question, Mr. Chairman. I know we have—

Mr. LEACH. If you do not mind, we do have a second round.

Mr. FALEOMAVAEGA. All right, I will wait for the second round, Mr. Chairman. Thank you.

Mr. LEACH. I do not want anyone to think that Democrats or Republicans are the same people. [Laughter.]

We are close, we are close.

Mr. Weller, please.

Mr. WELLER. Thank you, Mr. Chairman, and Madam Secretary. Welcome this morning. It is good to have you with us. Appreciate your testimony.

I would like to focus my questioning on the small but strategically important nation of Sri Lanka, and a nation with pretty vibrant history, and an interesting history. And as I look back over the last few years, there has been growing recognition of the potential for Sri Lanka, and many believe there is potential to play a role similar to what Singapore did with Asia; in this case with the Indian subcontinent.

Prior to this year's elections, there was a—the previous government was actually working toward that goal simultaneously pursuing a free trade agreement with the United States, and also at the same time working to resolve the longstanding conflict with the Tamil separatists, the LTTE.

I was wondering, could you share with us a sense of your assessment of where things are today, and not only our relationship with Sri Lanka, but the status of the peace process in Sri Lanka, and what the role of the United States and the international community is with this process?

Ms. ROCCA. Thank you very much.

We agree with your assessment on the potential of Sri Lanka, and its potential importance. And it is a country that we have very close relationships with and want to continue to do so.

On the issue of the economic relationship, I will touch on that briefly. The commerce and trade minister was just here. We will revive our talks on the FTA. We currently have a Trade and Investment Framework Agreement with Sri Lanka, and our hopes are, and he was able to clarify the continuation of, or at least the continuation of the aspects of the economic relationship which made the TIFA possible with the new government with that of the old.

So it looks as if, on the economic front, we are certainly getting assurances that Sri Lanka wants to continue to move forward and take its place in the global marketplace as it was moving before, and we very much welcome that.

On the status of the peace process, while the President has said that this is her first priority, it is a little bit in a state right now over a disagreement on exactly how it should begin because the LTTE want the negotiation to start with an interim administration for them, for them to have an interim administration, and the position of the government is a little doubtful on that. Though they are willing to negotiate, they do not want to create a de facto separate state going into the negotiations, so that is sort of where, in a very broad brush, where the negotiations stand right now.

The Norwegians continue to play a heroic role in mediating between the government and the LTTE, and though we do not really expect to see talks start before August, we are hopeful that they will start some time soon because there definitely is the will on the part of the government to move forward on this.

Mr. WELLER. Yes. Madam Secretary, in June 2003 at the Tokyo Donor's conference, there was about \$4.5 billion in development assistance that was promised by the countries that were participating in that Tokyo conference. What is the status of that development assistance, and is that a significant inducement for the government to move forward with the peace process?

Ms. ROCCA. Thank you for asking. We recently had a meeting of the donor Co-Chairs in Brussels on the first of June to discuss exactly the status of the commitments that were made in Tokyo, and how we would proceed.

The donors came out with a very strong statement. The money is contingent on a peace process moving forward, and so the donors, after the meeting in Brussels, made a very strong statement about the need to move forward and to move forward quickly in order for them to be able to release these funds, and to make sure that the funds do not go elsewhere.

Mr. WELLER. Yes. The United States designates Sri Lanka's LTTE, it is on our list of foreign terrorist organizations. I am not suggesting this, but from the standpoint of our policy, what is our view of perhaps some day taking them off the list of terrorist organizations, what would be required, and is that an inducement for the LTTE to participate in productive peace negotiations that produce real results?

Ms. ROCCA. Well, Congressman Weller, we look forward to the day when the LTTE will take the steps necessary to get off the foreign terrorist organizations list. At the moment there is no plan to take them off. They continue to recruit child soldiers. They continue to conduct extra-judicial assassinations of politicians who disagree with them. They are continuing to stockpile weapons. These are all things which they will have to—they will need to renounce terrorism in word and in deed in order to be taken off the list, and we look forward to the day when they can do that.

Mr. WELLER. Thank you, Madam Secretary. I see my time has expired. Thank you, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Weller.

Mr. Ackerman.

Mr. ACKERMAN. Thank you, Mr. Chairman, Secretary Rocca, thank you very much. It is good to see you again. Thanks for your testimony.

Madam Secretary, in March of this year, Undersecretary Bolton appeared before our Full Committee, and he testified at that point that there was insufficient evidence to sanction Pakistan under either the Glenn Amendment or the Symington Amendment. Subsequent to that, Deputy Secretary Armitage told the Intelligence Committee that we were getting all of the cooperation we need from Pakistan with regard to A.Q. Khan.

Specific questions: Has the United States Government had direct access to A.Q. Khan or any of his associates? Has the IAEA had any direct access to A.Q. Khan or any of his associates? And if not, how do we know that the information that we are getting from Pakistan—filtered through them about Khan's network—is accurate?

And I say this fully appreciating the importance of Pakistan and their cooperation in areas of critical concern, and the delicate bal-

ance between being critical of Pakistan and keeping the current government bolstered, but I think that there are overriding long-term interests at stake here.

Ms. ROCCA. I understand your concern, Congressman. A lot of—I can only answer in very abbreviated form in this forum. As you know, it is an extremely sensitive matter.

To my knowledge, we have not had access to A.Q. Khan, and I do not know whether IAEA has done so, but I do not believe they have.

Mr. ACKERMAN. Have we asked?

Ms. ROCCA. In this forum, I cannot answer. I cannot answer that question, sir.

Mr. ACKERMAN. You cannot answer whether or not—

Ms. ROCCA. Not in this forum.

Our concern with—

Mr. LEACH. If the gentleman will yield.

Ms. ROCCA. Yes.

Mr. LEACH. Perhaps you could meet with several of us on the subjects.

Ms. ROCCA. Well, the leadership has been briefed and there are certain Members that have been briefed, and I do not—

Mr. LEACH. Fair enough. Fair enough. Thank you.

Ms. ROCCA. Okay.

Mr. ACKERMAN. Mr. Chairman, I, on behalf of whoever else would be interested, will request a briefing.

Mr. LEACH. I think that is fair, and we will go to the Department to see if the Department—

Mr. ACKERMAN. Thank you, Mr. Chairman.

The third part of the question was how do we know that the information that we are getting is accurate.

Ms. ROCCA. And on this one, once again, I will have to touch on very lightly, but I think that it is being borne out by some of the investigations that we are seeing elsewhere in the world as well.

Mr. ACKERMAN. Has any new information emerged from Pakistan regarding the Pakistani government's official complicity in transferring nuclear weapons technology to terrorist states sufficient to warrant sanctions, sanctions determination that the President would determine?

Ms. ROCCA. No, sir, we have no information to contradict the previous assessments.

Mr. ACKERMAN. Are we going to continue to ask the government of Pakistan for information or is this investigation over as far as the Administration is concerned?

Ms. ROCCA. Oh, no, it continues. It continues, and we are working very closely with the government of Pakistan in the investigation.

Mr. ACKERMAN. When the President announced the 5-year \$3 billion assistance package for Pakistan, the Administration officials suggested that Congress would be looking closely at Pakistan's progress on nonproliferation, anti-terrorism cooperation, and democratization. These comments were broad hints that some sort of conditionality on this assistance would be welcome.

What is the Administration's view on formally linking any or all of the \$3 billion package on progress to these three items? And if

you are opposed to formal conditionality on the assistance, how are we to leverage the assistance in a way that might serve our interests?

Ms. ROCCA. I think that we have—I mean, we have had very close cooperation with Pakistan on all of those issues that you raised, WMD, and the war on terror. We expect that to continue. We do not see any reason—there has been no cause at all for us to have second thoughts about providing that assistance to Pakistan, which as I mentioned in my statement, continues to be very cooperative on all the fronts of national—of vital national interest to the United States.

Mr. ACKERMAN. You have not mentioned in that list democratization which I mentioned.

Ms. ROCCA. Oh, democratization. Well, I think we are on track there. The President has said that—President Musharraf has said he will take off his uniform in the fall. We have a working Parliament. There are steps that have been taken and we are continuing to work with them on that.

Mr. ACKERMAN. Dictator Mengistu took off his uniform also, and had his civilian clothes painted on all the posters on every street corner.

Ms. ROCCA. Well, I do not know what will happen at the end of the—

Mr. ACKERMAN. So the Emperor has no uniform. What does that mean?

Ms. ROCCA. What it means is that he will not be the Chief of Army Staff at the same time as he will be President.

Mr. ACKERMAN. Does that indicate that it, you know?

Ms. ROCCA. Well, it—

Mr. ACKERMAN. Our President is the Commander and Chief. That does not mean we do not have a democracy. That is not necessarily the sign of what a democracy is.

Ms. ROCCA. It is a different system.

Mr. ACKERMAN. The question, if I could fine-tune it, is Pakistan more democratic than when Musharraf overthrew the duly-elected government?

Ms. ROCCA. Yes, it is. There is a functioning Parliament with a Prime Minister that is passing legislation. There are grassroots, there have been grassroots elections that went very well. There will continue to be elections, and we hope—they are definitely moving on the right path, so much so—

Mr. ACKERMAN. He did not rewrite the constitution and fire the supreme court before that?

Ms. ROCCA. He certainly did work to amend the constitution, and I think we will probably see more amendments—

Mr. ACKERMAN. It was not a hard lift for him.

Ms. ROCCA. I beg your pardon?

Mr. ACKERMAN. It was not a hard lift for him to amend the constitution.

Ms. ROCCA. I cannot comment on that.

Mr. LEACH. The gentleman's time has expired.

Ms. ROCCA. Okay.

Mr. ACKERMAN. Thank the Chairman.

Ms. ROCCA. Could I just point one last thing? I just want to say that the assessment of the Commonwealth was that they are moving back toward democracy, and that is why the Commonwealth allowed Pakistan back in.

Mr. LEACH. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much.

Let me just note that there was a meeting in Brussels in order to discuss a meeting that was in Tokyo in order to issue a statement. That does not give me reason for celebration. It seems to me that our allies are shirking their duty, and if we find that as something to celebrate about, they are having to issue a strong statement after a meeting and to discuss the last meeting. All I can say is I am disappointed in that.

The Administration should be tougher on our allies, whether it is the Japanese or the Germans or the French or the Belgians, and Asia is going through a crisis, and we need to—the Western democracies need to stand together and need to operate together in order to support those people in Asia and South Asia in particular who would like to be friends of the Western world, would like to be part of a global system that has some sort of consistent view of democracy and human rights, and international trade, and treating people decently.

Let me note that India has had an election since the last time you were here, and I think that India can be very proud of the fact that it again demonstrated that it is a democracy, and we had a change of party.

What is our assessment as to what that change of party will do to Indian policy, and where it will take India and that region?

Ms. ROCCA. If I could just address your first comment.

Mr. ROHRABACHER. Sure.

Ms. ROCCA. I want to make sure I did not misspeak when I was answering Congressman Weller's question.

The meeting in Brussels was called specifically because commitments had been made in Tokyo.

Mr. ROHRABACHER. Yes, I know. Yes.

Ms. ROCCA. And the peace process had broken down in November after the Tokyo meeting, and the condition—the money that was pledged was conditioned on the peace process.

So while there was no peace process and while there was this government—and it was because of the change of government within the Sri Lankan government—there was not really anywhere for the money that was pledged for the peace process to go.

Mr. ROHRABACHER. I guess what—

Ms. ROCCA. The bilateral assistance continues from all the countries involved.

Mr. ROHRABACHER. I guess I am just noting that whenever our friends, our friends do not seem to be stepping up to the plate in whatever theatre we are talking about. I do not think our European friends are doing enough. Wherever there is a crisis, they are not.

Now, they are relying on the United States as if we can bear the burden. Just let us note that Europe has a GNP that is, you know, very comparable to the United States. They have resources that are

available, and they claim that—they are always pointing their finger at us about that we do not give enough foreign aid.

Well, during the crisis time we are the ones who step up to the plate, and I do not think that they do. So there is always a reason.

Ms. ROCCA. Okay. But in this instance, I just want to say in—

Mr. ROHRABACHER. All right.

Ms. ROCCA [continuing]. Everybody's defense, it was tied to the peace process—

Mr. ROHRABACHER. All right.

Ms. ROCCA [continuing]. Which needs to move forward.

Mr. ROHRABACHER. Got you.

And then about India?

Ms. ROCCA. India, obviously, the Indian election pointed toward changes that will take place in internal Indian policies with respect to how they handle a number of issues. But I think what affects the—the affect of the election on the United States-India relationship is that it is not going to change. We have certainly had very, very positive comments on the part of almost all the new leaders in India that they want to continue this relationship, that they want to continue to move it forward as fast as it was moving before. We are very encouraged by that and we hope that that will continue like that.

Mr. ROHRABACHER. Well, I think that it is very symbolic that India, this large, huge country has had a change of leadership that is basically a peaceful change of leadership. I believe that for that same reason Pakistan needs to make sure that they work on their democracy if they could follow suit.

Talking about Pakistan, we sort of put Pakistan in a very bad situation about 15 years ago when they gave us hundreds of millions of dollars for some airplanes, the F-16s, and then not only did we not give them the airplanes, but we kept their money.

Has that been resolved?

Ms. ROCCA. Yes, it was resolved in the previous Administration. They came to an agreement. There was a payment, and I want to say a \$750 million in cash, but I am not sure of the exact numbers, and I will go back and get that for you. But they were paid in cash. They were also paid, and the difference was made up in P.L. 480.

Mr. ROHRABACHER. Okay. Let me just note that we can praise India for its election, and perhaps they should permit a free election by the people of Kashmir in order so the people of Kashmir—through a democratic process—can determine their own destiny rather than limited only to issues that are not going to determine the fundamental status of the country. As fundamental an issue that is, that is why you have democracies. You let people determine those fundamental issues.

So with that, are you allowing a last question, Mr. Chairman?

Mr. LEACH. If you could withhold.

Mr. ROHRABACHER. Yes.

Mr. LEACH. We are trying to do a second round.

Mr. ROHRABACHER. Pardon me. I was going to say you are optimistic at all about Kashmir, but thank you.

Mr. LEACH. Thank you.

Mr. TANCREDO.

Mr. TANCREDO. Thank you, Mr. Chairman.

Secretary Rocca, the issue that was developed earlier by Mr. Faleomavaega with regard to outsourcing of jobs, I would like to pursue that a little more.

In my mind, anyway, the major concern that I have had has not been necessarily with the outsourcing of jobs, although that is definitely disconcerting, but it is also very worrisome that there is an apparent disregard for the integrity of the visa process for which the State Department has some responsibility.

Specifically in regards to the H1B and L1 categories, the real problem, from my point of view, is that there is widespread, has been widespread misuse and abuse of those two categories. Right now there are somewhere near a million people, although we do not know exactly because the old INS never kept track of how many people overstayed those particular visas, but we think there is around a million people here who came originally on H1B and have long since had that category of visa time limit been—has, you know, run its course. But also, they were fraudulent in terms of their reasons for coming, and this is where the State Department has the responsibility.

Many of the people who came under that, as you probably know, came not because they were in fact, as the category demands, uniquely qualified, but because they would work for less. That is it. I mean, everybody knows that. There is no reason to argue whether or not that is accurate. The whole world knows that that is the truth. The Indian government has agreed that that is the case.

Now the same thing is happening with L1, because the cap has gone down on H1B and because there has been a lot of attention focused on it. A shift has occurred into the L1 category, so that—because it has no cap, first of all, but it still has some requirements that I hope the State Department is paying attention to. But we are seeing, of course, an explosion in the number of L1 category visas.

Now, although you do not have the responsibility to see what happens after they come here, and whether or not they overstay, you do have a responsibility for the validity of the process leading up to their coming here through that visa process.

So I would like to know what the State Department is doing in order to essentially firm up that process, or make sure that this misuse of the visa process does not go on anymore.

Ms. ROCCA. I am only going to be able to answer your question very superficially, but I will get you a much more comprehensive answer when I go back. My colleague, Maura Harty, is very focused on this, and just came back from a trip to India, and so she may have more up-to-date information on this.

Mr. TANCREDO. All right, I understand.

Ms. ROCCA. And I will get back to you.² Other than I would just like to say that I think our consular people are taking visa fraud issue very, very seriously, and—

Mr. TANCREDO. This is a new development. That is good. I am glad to hear it.

²See the Appendix for additional information supplied to the Committee in writing by Ms. Rocca in response to Mr. Tancredo's question.

Ms. ROCCA. No, I mean—I do not want to say that they did not always.

Mr. TANCREDO. Well, let me say it for you.

Ms. ROCCA. No, I did not mean to imply that at all.

Mr. TANCREDO. Oh, I did.

Ms. ROCCA. India is one of those countries where the visa request is booming. We have an extremely high number of Indians coming to the United States, and I will get more information for you on the specifics of L1 versus H1B.

Mr. TANCREDO. Thank you, because there was a whole industry developing in India to provide the kind of documentary evidence needed to assure that somebody could show that they had some sort of background in the area and all that sort of thing, body shops, you know, it was, again, widely known, yet we were not doing very much about it.

The last question I have for you is about the change of leadership now, the change of parties in India. In the past there was growing discrimination and persecution of religious minorities in the country. It was happening as a result of a lot of reasons, but nonetheless I am wondering if you could tell me what you think will be the change, if any, in the attitude of the new government vis-a-vis their religious minorities, christian and the like.

Ms. ROCCA. I think India as a nation has always prided itself on its secular character, and I think the Congress Party, in particular, has made a point of reaching out to minorities, to all minorities, and of wanting to maintain the secular character of the Indian nation. And I think we will see—that will probably—I am sure that will be the policy, they have enunciated it has such.

Mr. TANCREDO. Thank you. Thank you, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Tancredo.

Mr. Crowley.

Mr. CROWLEY. Thank you, Mr. Chairman, and thank you, Mr. Faleomavaega for allowing me to participate, not as a Member of the Subcommittee, but as a Member of the whole Committee to be here today and participate. I appreciate it.

Secretary Rocca, good to see you again. Thank you for your testimony today, and first let me thank you for your attention to this so vital important area of the world today, South Asia, and for the work that you are doing and engaged in. It is not easy, to say the least.

I did read with interest on your trip to Bangladesh, your speech before the American Chamber of Commerce, and was pleased with your remarks. I, myself, was in the region in January. I was in India and in Bangladesh, and I have to also comment on the work of Ambassador Thomas in Dhaka, and the staff there; incredibly helpful to our delegation and our trip. So if you can relay that to him as well.

When I was in Bangladesh, I was impressed by the American Center. The American Center is how the United States, I believe, should be getting our message of tolerance and democracy out to—all throughout Bangladesh and beyond. But it seem that, in my opinion, that the staffing levels need attention, at least from what I could see.

My question, my first question to you is, how can Congress help our Embassy get out the message besides just by increasing in funding for the American Center, or is there anything else we should be doing to help that process throughout Bangladesh?

Ms. ROCCA. Well, Congressman, I think Congress and you personally, by your trips out to Bangladesh, are helping immensely because you are conveying a very important message, and there is an awful lot of coverage when you go to Bangladesh, and I think the more people who can go, the more Congressmen who can go, the more CODELs there are, frankly, the more STAFFDELS there are, the more understanding, and the more public comments you can make when you are out there is extremely helpful.

It is also extremely helpful to talk to the Bangladesh-American community in the United States, because word does get back. So we appreciate what you have done so far and we hope that you will continue to show that support.

Mr. CROWLEY. I would also point out, at least to my knowledge, for the record, that in the past 3 years there have only been two congressional delegation trips to Bangladesh, and only three Members of Congress, if I count myself twice. In fact, there have only been two Members of Congress in the last 2 years that have been to Bangladesh. I think it is important for Members as well, I agree with you 100 percent.

Could you just comment, I think there has been a lot of progress in Bangladesh as well. I mean, in terms of what they are doing to combat the corruption, the recent legislation that their Parliament passed into law, can you comment on that at all?

Ms. ROCCA. Yes. First of all, the setting up of a commission, of a corruption commission I think is extremely important. I will get the exact name of it. I am sorry, it has suddenly gone out of my head.

Mr. CROWLEY. It is the Independent Anticorruption Commission.

Ms. ROCCA. Thank you.

The Independent Anticorruption Commission, setting it up was extremely important. Making sure that it has teeth, that it is independent, and that it actually has the capability to implement anticorruption measures, I think is extremely important, and we will be looking very carefully and encouraging the government of Bangladesh to make sure that that happens, because corruption, as you mentioned, is an enormous problem in the country. It is something that affects everything—the economy, social life. I mean—

Mr. CROWLEY. Foreign aid and assistance.

Ms. ROCCA. Foreign aid, assistance, trafficking in women and children, everything is affected by corruption, and going at it is extremely important. I think the government has indicated that it is going to.

One other positive sign, I think, is the fact that the opposition came back to Parliament.

Mr. CROWLEY. Yes, that is true too.

Ms. ROCCA. This is something that we have been encouraging, and we are very happy to see it because Bangladesh had reached a point of political gridlock with the opposition staying away from Parliament, and essentially voicing its differences through strikes, which were disrupting the economy and social life in Bangladesh.

So we are very happy they have gone back, and we hope to now see an act of Parliament.

Mr. CROWLEY. Just one final question. That is on India as well. I did notice with great interest the ascension basically of Pakistan has a major non-NATO ally, and the whole process of how it came about. I know that Secretary Powell was in India prior to going to Pakistan and making the announcement.

Why was it that when he was in India he did not consult with the Indian government?

I mean, I am not going to go beyond what the impact may have been in terms of the embarrassment that was created, but certainly I think they had made up their mind prior to going to India and going to Pakistan they were going to offer this or extend this to them, and there was no vote back.

Why was it they did not communicate that with the Indian government prior to making the announcement?

Ms. ROCCA. No, there had not been a final decision to provide it to Pakistan. In fact, we did not think we were going to, and that is why. It was not a live issue when we were in India. There was a day in between the trip to India and the arrival in Pakistan, because Secretary Powell went to Afghanistan.

Mr. CROWLEY. Were the Indians made aware of it prior to the announcement?

Ms. ROCCA. No. No. It was not a live issue when we were in India.

Mr. CROWLEY. No, but when it became a live issue, was there any communication?

Ms. ROCCA. Let me just say this. We have certainly made it clear that had it been—had we been able to, had we had the time to do it, we certainly would have consulted and apprised the government of India of this decision. This is the perfect storm of circumstances that conspired to prevent this from happening, and we have talked to the government of India about it. This was not the way we would have wanted it to play out, and consulting with India is—I have been quoted before as saying it was a no-brainer. Had it been a live issue, we certainly would have done so.

Mr. CROWLEY. Thank you.

Mr. LEACH. Mr. Pitts.

Mr. PITTS. Thank you, Mr. Chairman, and thank you for permitting me to take part in the hearing as a Member of the Committee, but not the Subcommittee.

Madam Secretary, first of all on Afghanistan, what is the United States position on moderate Talibs? Is there such a thing as a moderate Talib? And why is our Government urging the Afghan government to reach out to them? And what is the Pakistani government communicating with the U.S. Government on moderate Talibs?

Ms. ROCCA. On your second question, I do not think we have talked to them about it, so I do not have an answer on that.

The issue of moderate Taliban, I think, is something which is an initiative of President Karzai's, and it is a recognition of the fact that everybody who joined the Taliban movement was not a hardcore believer in the policies of the Taliban, and there were—I do not want to coin a phrase here, but there were Taliban of conven-

ience. I mean, people who were either swept up or who went along in order to get along, and to survive.

Those who do did not implement the policies are a considerable portion of the country, or at least have a certain—there is certainly a high number of them, and I think President Karzai feels that there needs to be reconciliation nationwide among all ethnic groups in order to ensure long-term stability in Afghanistan.

Mr. PITTS. To stay on Afghanistan, what is the United States mission in Afghanistan? Is our mission to combat terrorism and al-Qaeda? What is our position on the linkages between terrorism and narcotics, and what is the U.S. response to the problem of narcotics and their relationship to the terrorists that we are fighting?

Ms. ROCCA. Okay. First of all, I would say there are two goals. While we continue to go after the Taliban and al-Qaeda in Afghanistan, one of our primary missions, if not the primary mission, is to maintain stability in that country and help it build up into a successful moderate democracy, and a peaceful country, and we are well on the way to winning the peace. We are not there yet. There are still serious obstacles along the way, and one of them is the one that you just mentioned, which is the issue of narcotics.

I think President Karzai was very clear when he was here 2 weeks ago that the issue of narcotics, the rise of narcotics in Afghanistan could be something that would undermine everything that we have achieved so far. And so there is a renewed effort on his part to go after this, and I think the United States has been working all along to go after this. Britain has been taking the lead.

We have been working hard to help the Afghans police this. This is not something that is going to be done by an outside power alone, though we obviously have a role in helping eradication and in substitution crops, and helping to build up the military and helping to build up the police, and training them on their border controls. It is something that ultimately is only going to be effective if the Afghans themselves are doing the policing.

So that is where the—this is where the majority of our efforts are going right now, as I said, in conjunction with the British, and I think I cannot understate the importance that we attach to this, because as I said, it does have the capability to undermine all our other efforts.

Mr. PITTS. Thank you.

Finally on Pakistan, what steps is the Pakistani government taking to find Osama bin Laden? And what pressure is the United States exerting on Pakistan to encourage them to pursue to capture al-Qaeda terrorists along the border of Afghanistan?

Ms. ROCCA. I think you have seen the operations along the border that Pakistan has been conducting essentially since last October. Let me start by saying that I do not think much pressure needs to be exerted because bin Laden is not a friend of Pakistan or of President Musharraf. So it is not—they are not trying, and I think all efforts are being made to locate him both together, and I am sure that the Pakistanis are also working it separately.

The fight against terrorism is something which is also in the interest of Pakistan, and that Pakistan is doing for itself. The Federally-Administered Tribal Areas are areas where we find that terrorists have been able to hide out. It is an area that has not, for

150 years, has not been under any government control, and so what you are seeing now is an effort on the part of Pakistan, with the help of the United States military as well as—not so much military, but with the help of the United States going in there, building roads, and essentially going all the way up to the border in order to flush them out.

The strategy is to work with the Afghans on the other side of the border and the United States forces on the other side of the border to essentially squeeze them out of that part of the world, and bring along development and roads to markets and other things which will help that area, essentially which will help drain the swamp. And we have seen Pakistan be extremely active in that area, and we have seen them also take—well, up to now there are over 77 casualties of Pakistani soldiers who died in this fight. It is not part of the country that is traditionally welcoming to any government.

Mr. PITTS. Thank you, Mr. Chairman.

Mr. LEACH. Well, thank you, Joe.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I just have one question and an issue that I would like Secretary Rocca to help me with.

I believe the question or the statement does have very serious implications to this region in South Asia. Our country has more or less opened Pandora's Box on how and why we apply the doctrine of preemption whereby we only need to believe that our national security is severely at risk and therefore we waged a full-scale war against another country, Iraq, which was ruled by a very cruel dictator by the name of Saddam Hussein.

Now, we proclaim this policy or this doctrine to the world because we, as a sovereign Nation, we can do so. It is the most powerful Nation, and the only superpower left after the cold war, but at the same time we continue to advocate vigorously the virtues of nonproliferation, and tell the other nations not to develop weapons of mass destruction, especially nuclear weapons.

What is to prevent our Nation to tell, in fairness to Pakistan, whether Pakistan is a democratic or a non-democratic county, to also apply the same doctrine, that Pakistan only needs to believe that India might do something that will seriously bring their national security at risk, so therefore what is to prevent Pakistan from using weapons of mass destruction in India, and the chain reaction continues on?

What is to prevent India the same, to believe that the People's Republic of China's nuclear threat might be seriously given to threaten India's national security?

My reason for saying that we now open Pandora's Box, and on the merits of whether or not the Administration has been able to justify itself in applying this doctrine of preemption.

I wanted to ask you, what do you think of the implications and the fact that we are now even questioning Iran's capability of developing weapons of mass destruction, and as a sovereign nation why should we disallow Iran from developing nuclear weapons just like India and Pakistan have done so in the past?

Ms. ROCCA. As Iran is not part of my bailiwick, I will stick to the South Asia portion.

Mr. FALEOMAVAEGA. Yes.

Ms. ROCCA. But let me say that this issue came up in 2002 when India and Pakistan were facing each other, and I think Secretary Powell and the President also made it very clear that they are different situations; that different situations apply, and that a nuclear war between India and Pakistan was unthinkable, and it was a situation in which an assessment or a judgment that was agreed upon by the international community as a whole.

When the theory arose, all countries around the world joined the United States to recommend that this not be the policy between two nuclear powers.

Mr. FALEOMAVAEGA. Well, it was unthinkable, as I recall, in the Korean crisis. We had a very famous General by the name of Douglas MacArthur who absolutely believed that the uses of nuclear weapons against China was not only in our national interest, but as well as the world's interest in maintaining peace, and there have been other advocates who—we have come very close in applying nuclear weapons even in other crisis that we have found ourselves in.

But the fact of the doctrine of preemption really troubles me because we have told the world that this is how we have justified ourselves in waging war against Iraq, and this is where I am very concerned, by applying this doctrine of preemption against Iraq. What is it to prevent other nations from doing the same if their national security is at risk in the same way that we went after Saddam Hussein?

I just wanted to express that concern, and I appreciate it, Mr. Chairman.

Mr. LEACH. Well, thank you very much.

Mr. Ackerman.

Mr. ACKERMAN. Thank you, Mr. Chairman.

Just following up on the question from my good friend from American Samoa. Is the Bush doctrine on preemption still in effect?

Ms. ROCCA. I have to get back to you on that, sir.

Mr. ACKERMAN. In open or closed session?

Ms. ROCCA. Open

Mr. LEACH. If the gentlelady—I am confident that the Bush doctrine has not been rescinded. Whether it is the right doctrine at the right time is a matter of open discourse, but I am confident it has not been rescinded.

Mr. ACKERMAN. I thank the Chairman for his astute observation, and guidance.

Madam Secretary, there was a report in *Defense News* 2 weeks ago concerning a high-level delegation visit from Iran to New Delhi in order to implement the strategic cooperation deal that the two nations signed last year. This agreement does cause some consternation among India's friends, particularly as we pursue the NSSP process with India.

Have we raised the issue with India's military cooperation with Iran, with our friends in New Delhi?

Ms. ROCCA. Yes, we have on a number of occasions and we have also provided them with copies of all the laws that are in effect relating to military relationships with Iran.

Mr. ACKERMAN. And how have they responded?

Ms. ROCCA. They have certainly told us that they do not expect the relationship to reach the levels that we were concerned about, where there would be any concern for us or for other countries that share our concerns.

Mr. ACKERMAN. And we are satisfied with that?

Ms. ROCCA. We continue to talk to them about it, but yes.

Mr. ACKERMAN. I thank you.

Ms. ROCCA. Thank you.

Mr. LEACH. Mr. Crowley.

Mr. CROWLEY. Thank you, Mr. Chairman.

Mr. LEACH. And by the way, you are a welcome addition to the Subcommittee.

Mr. CROWLEY. Oh, thank you, Mr. Chairman.

Madam Secretary, let me just follow up again on the last question I had. I know it is not a comfortable question or a comfortable subject for you, but it seems interesting to me that a decision of the magnitude of—maybe it is not that big a deal as it has been made out to be, but to raise a nation's level to a non-NATO ally by Pakistan; that a decision like that is made overnight. I would imagine it is a major decision that is made overnight, and basically done on a whim, and you led me to believe that there was no discussion or even—

Ms. ROCCA. No. No, sir.

Mr. CROWLEY. Okay.

Ms. ROCCA. That is not at all the case. Of course, there was discussion for a long, long time, but—

Mr. CROWLEY. And no need to talk to India about it until—

Ms. ROCCA. Well, because—

Mr. CROWLEY [continuing]. You actually did it.

Ms. ROCCA. Well, when we actually had a plan to do it. That was it.

Mr. CROWLEY. What did you think the fallout might be with India after making that decision public without discussing it with them first? What would you anticipate it would be?

Ms. ROCCA. Exactly what happened, sir.

Mr. CROWLEY. So it was intentional?

Ms. ROCCA. It was not intentional.

Mr. CROWLEY. But you knew there would be fallout?

Ms. ROCCA. I would be happy to give you all of the ins and outs of who did what to whom, when, in another forum, but I can tell you that, of course, had—I will just repeat what I said earlier, which was that had this decision, had we known that we were going to implement this we would have talked to India first.

Mr. CROWLEY. You would have?

Ms. ROCCA. We would have talked to the Indians while we were in New Delhi, of course.

Mr. CROWLEY. So, again, but there was no communication, just to be clear, when the decision was made in Pakistan.

Ms. ROCCA. No, there was no time.

Mr. CROWLEY. No communication was given even through back channels or through the United States to India.

Ms. ROCCA. No, there was no time.

Mr. CROWLEY. No time.

Ms. ROCCA. But we did, I mean, we immediately went in to see them to explain, but by then it had already gone public in Pakistan.

Mr. CROWLEY. Because I just think it is interesting that you may have been on the verge—well, obviously you did it. Let me say we did it.

Ms. ROCCA. Right.

Mr. CROWLEY. So we were maybe on the verge of offering this status to Pakistan, and that there was no mention in any way, shape or form with the Indians prior to that that that was going to take place. You know, in terms of balance I just think that that was not very balanced, in my opinion.

Ms. ROCCA. We agree with you.

Mr. CROWLEY. State agrees. Okay. Thank you.

Ms. ROCCA. No, no. The U.S. Government agrees.

Mr. CROWLEY. The U.S. Government agrees.

Ms. ROCCA. There were better ways to do this.

Mr. CROWLEY. Thank you. I thank the Secretary. Thank you, Mr. Chairman.

Mr. LEACH. I would like to follow up for a second on this. What the Assistant Secretary is suggesting is that there was no advanced consultation with the Indian government.

Ms. ROCCA. That is correct.

Mr. LEACH. Could you outline for the Subcommittee the advanced consultation with the United States Congress on this subject?

Ms. ROCCA. I am going to have to go back and look at my record. I cannot answer that right now. I do not know, sir.³

Mr. LEACH. Well, this is a substantial national security step, and I do not want to suggest how you would have been advised by the individual Members of Congress. But I will tell you I think the reaction of us on the Hill was similar to that of the Indian government in terms of consultation. And when the Administration takes steps of this nature it is not unwise to seek a broader assessment of a judgment, and now I could be wrong. Perhaps Mr. Ackerman was consulted.

Mr. ACKERMAN. I will tell you that in a different forum. [Laughter.]

No, I was not consulted.

Mr. LEACH. Mr. Faleomavaega?

Mr. ACKERMAN. If I might follow up on your follow up on this subject.

Mr. LEACH. Yes, of course. The gentleman's time from Iowa has been expired. I will be delighted to yield to the gentleman from New York.

Mr. ACKERMAN. I thank you, Mr. Chairman.

On this very matter of how the Administration designates a major non-NATO ally, I have introduced legislation for consideration before the Committee and the House that basically changes the process, which would be inclusive of this branch of Government, which basically says the President would certify that the po-

³See the Appendix for additional information supplied to the Committee in writing by Ms. Rocca in response to Mr. Leach's question.

tential designee is cooperating with us on nuclear proliferation issues, which you say that Pakistan is, and also is a democracy, which you have no concerns about as far as the progress being made right now.

Would the Administration be supportive of this legislation of allowing us to participate in the government?

Ms. ROCCA. Can I get back to you because I do not have the answer to that?⁴

Mr. ACKERMAN. Sure. Appreciate that.

Ms. ROCCA. Okay.

Mr. ACKERMAN. Thank you, Mr. Chairman.

Mr. LEACH. Before bringing the hearing to an end, I do want to raise the subject of Nepal, and do you have any assessments of whether the new Prime Minister has the political stature to bring the parties together and perhaps restart negotiations with the Maoists?

Ms. ROCCA. It is my understanding that he was acceptable to all the other political parties. He was the Prime Minister when the King suspended the Parliament last time. It is a step forward. I think there is still one or two outstanding parties that need to join in. I cannot understate how important it is for all the political parties in Nepal to pull together and to work with the King to deal with this threat.

They have been driven by political competition between them, and have not been able to focus on the Maoists, and it is only if they all pull together and stand as one that they will be able to combat this, or that they will be able to actually have a good—a peace process or come to the table.

I think, to repeat what I said in my statement, it is very clear that there cannot be a military solution to this problem. Neither side is going to win militarily, and it will have to be resolved at the peace table, and the parties on each side of that table need to be united, and certainly the democratic government and the King have got to be together and have a common agenda in order to deal with this threat, which poses a threat to stability in the region, and a very serious potential humanitarian crisis.

Mr. LEACH. Thank you very much.

If there are no further questions, the Committee stands adjourned.

Ms. ROCCA. Thank you.

[Whereupon, at 4:35 p.m., the Subcommittee was adjourned.]

⁴See the Appendix for additional information supplied to the Committee in writing by Ms. Rocca in response to Mr. Ackerman's question.

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF INDIANA

Mr. Chairman, thank you for convening this hearing today to discuss U.S. policy towards countries in South Asia. Since 9/11, South Asia has been a particular focus of United States foreign policy. While South Asia has been one of the most dynamic region of the world for development since the 1990s, major economic, political, environmental, and security changes in recent years have challenges the political and social institutions of many nations in the region. These changes have created both opportunities, as seen in Afghanistan and Sri Lanka, and new challenges, as in the cases of Pakistan and India.

Transnational terrorism; military tensions between nuclear powers India and Pakistan; poverty—more than 40 percent of the region's 1.4 Billion people live on less than one dollar a day, making South Asia home to nearly one-half of the world's poor—disease—South Asia has alarming infant and child mortality rates, and a rapidly spreading HIV/AIDS epidemic—religious radicalism, and weak democratic institutions threaten to unravel the stability of the region if not confronted promptly and decisively. Left unchecked, these conditions create fertile ground for the rise of even more radical political ideologies, groups, and activities than Al Qaeda and its affiliated terrorist networks. South Asia is the only place left in the world where two nuclear-armed countries stand poised on a hair-trigger to go to war.

The stand-off between Pakistan and India has been an issue that I've been personally involved with for many, many years. I firmly believe that the economic and social development of both India and Pakistan—and, in fact, the entire South Asia subcontinent—have been substantially held hostage by the half-century old Kashmir dispute. The bitterness and suspicion resulting from the continuing feud have led both countries to devote a comparatively large percentage of their resources to defense, including conventional, nuclear, and ballistic missile weapons capabilities.

The Kashmir conflict not only continues to raise the specter of war between India and Pakistan, but it also continues to produce serious human rights violations: summary executions, rape, and torture by both sides. In their effort to curb support for pro-independence militants, Indian security forces have resorted to arbitrary arrests and collective punishments of entire neighborhoods, tactics which have only led to further disaffection from India. From the outset, the Indian government's campaign against the militants has been marked by widespread human rights violations, including the shooting of unarmed demonstrators, civilian massacres, and summary executions of detainees. In the mid-1990s, Indian security forces began arming and training local auxiliary forces made up of surrendered or captured militants to assist in counterinsurgency operations. These state-sponsored paramilitary groups have committed serious human rights abuses, and human rights defenders and journalists have been among the principal victims.

On May 12th of this year, I chaired the first and only Congressional hearing to examine in depth the egregious human rights violations taking place in Kashmir. The stories we heard of Indian soldiers committing rape, torture and murder were sickening. There is no question that some pro-Pakistani militant groups have resorted to terrorist deeds like kidnapping, assassination, extortion and even common crime. No political grievance justifies such actions, and I strongly condemn the violence perpetrated by these groups. But the violence perpetrated by India's military forces, and the Para-military forces allied with them, is even more disturbing and abhorrent. Just as the world is disgusted by the abuse of Iraqi prisoners by United States Service men and women, we should be disgusted by the tactics that have

been systematically employed by Indian military and Para-military forces in Kashmir.

India claims to be the world's largest democracy, and like any other great democracy, its soldiers should be and must be held to a higher standard of conduct. Yet, India's insistence on resolving a political problem by force has dragged it down into a campaign of essentially lawless state terrorism.

Critics of mine have argued that I am grossly overstating the situation and blaming an entire country for the actions of a few individuals. But the fact of the matter is that credible, independent human rights organizations—including Amnesty International, Human Rights Watch, Asia Watch, and Freedom House, and even the United States Department of State, have documented how Indian forces have used brutal techniques to subjugate the Kashmiri population and other ethnic minorities, such as Sikhs and Christians, and against women.

Recent dialogue between India and Pakistan has moved the two countries closer to building peace in the subcontinent, and within the last week the two countries agreed to establish a nuclear hot line to reduce the risk of war. The countries have also reaffirmed their commitments to an atomic testing moratorium—all of these things are positive steps forward in their effort to normalize relations. Perhaps these confidence building will lead to other avenues of dialogue and eventually to a summit between Pakistani President Gen. Pervez Musharraf and India's new prime minister, Manmohan Singh. I would encourage the State Department to work with their Indian and Pakistani counterparts to bring about such a meeting.

While the steps taken so far have been largely symbolic at this stage, these are important to the long-term objective of strengthening relations between these countries, thus improving the prospects for security and prosperity in the region. But much more needs to be done. Pakistan must continue its efforts to prevent militants from crossing the Line of Control into Indian occupied Kashmir; and the Government of India must reduce troop levels in the region, repeal its domestic laws that have aided and abetted human rights violations in the region, and finally, the Kashmiris are stakeholders and they must be connected to the peace process or any effort to achieve a lasting peace will fail. If the peace process fails, the results will be disastrous for the region and the world.

As we champion the cause of freedom around the world we must be engaged in championing freedom in South Asia, where the institutions of democracy have too often proven elusive to take root. I look forward to hearing Assistant Secretary Rocca's testimony regarding the State Department's most recent efforts to engage and assist the various countries of the region resolve, not only the situation in Kashmir, but the many broader challenges confronting them.

ADDITIONAL INFORMATION SUPPLIED TO THE COMMITTEE IN WRITING BY THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, IN RESPONSE TO QUESTIONS ASKED BY MEMBERS DURING THE HEARING

Mr. Faleomavaega's Question:

What are we talking about in terms of [outsourced] jobs? . . . is India the only country that American companies are doing this [to]?

Ms. Rocca's Written Response:

A widely-cited Forrester Research study estimates that about 500,000 US jobs will have been outsourced overseas by the end of 2004. This is out of a total US labor market of approximately 140 million jobs, or 0.36 percent.

The majority of jobs that have been outsourced have gone to India, though India is certainly not the only country to have benefited from outsourcing. US companies have also outsourced to other countries, such as Sri Lanka, China, and the Philippines. It's expected that future outsourced jobs will be more widely distributed to other countries.

Overall, more work is outsourced to the US than away from it. The US is by far the world's biggest exporter of services, posting a \$53.64 billion surplus last year in trade in private services. India, for example, imported \$4.986 billion from the US in goods and services in 2003.

Mr. Tancredo's Question:

What is the State Department doing to counter abuse of the L-1 visa process?

Ms. Rocca's Written Response:

In February the State Department transmitted guidance to posts alerting them that interest in the L category would likely surge as the cap for H-1b visas was

reached. In addition, the cable reminded posts of the guidance on how to deal with potential abuse of the L category. One possibility for L abuse is “job shop” employment companies that use the L visa to transfer low wage personnel to U.S. businesses as “consultants” who qualify under the “specialized knowledge” portion of the L visa category. The guidance describes the essential elements in determining the employer-employee relationship and the applicant’s “specialized knowledge” and explains what the consular officer should do in cases where a “job shop” arrangement is believed to exist. Thus, consular officers have appropriate guidance to address identifiable job shop situations and return the L visa petitions to DHS for revocation.

CA’s Office of Fraud Prevention Programs (CA/FPP) has been following this issue. Posts in India, Dubai, China, and elsewhere have reported abuses in the L visa category and made suggestions for improving detection of fraudulent L visa applications. CA/FPP has assembled these reports and will make them available to consular officers in its e-room (electronic bulletin board) and on its internal State Department web site. CA/FPP covers petition-based visa fraud in its advanced fraud training and is developing additional general consular training materials specific to L visas based on experience from the field.

However, the vast majority of H and L applications appear to be from well-qualified applicants going to work for legitimate companies in full compliance with law and regulation. Problems with abuse of the L category occur when U.S. employers attempt to use the category to import workers at lower cost than H-1b workers and with fewer bureaucratic hurdles. Many of these problems could best be addressed through regulatory reform in this area, such as by tightening the definition of specialized knowledge.

Mr. Leach’s Question:

Could you outline for the subcommittee the advanced consultation with the United States Congress on this subject [designation of Pakistan as a Major Non-NATO Ally]?

Ms. Rocca’s Written Response:

As with other Major Non-NATO Ally designations in the past and in accordance with 22 USC 2321k (Section 517 of the Foreign Assistance Act of 1961, as amended (FAA)), the Department of State, upon being informed of the President’s decision to designate a country as a MNNA, provides a required 30-day notification to Congress regarding the President’s intentions. In the case of Pakistan, the State Department notified Congress on April 19, 2004, of the President’s intention to designate Pakistan a MNNA. No Congressional opposition was voiced during the thirty-day period and Pakistan was designated a Major Non-NATO Ally on June 16, 2004.

Mr. Ackerman’s Question:

Would the Administration be supportive of this legislation? [i.e. the Ackerman amendment requiring that MNNA status be denied to countries POTUS does not certify as being democracies and cooperating on nuclear nonproliferation.]

Ms. Rocca’s Written Response:

The President designates countries Major Non-NATO Allies (MNNAs) because doing so best serves the foreign policy interests of the United States. MNNAs are important partners in pursuing important U.S. foreign policy objectives—such as the Global War on Terrorism, regional stability, and peacekeeping.

The standards for MNNA designation specified in H.R. 4021 address commendable objectives that are already important components of U.S. foreign policy. But this legislation would undercut the President’s ability to conduct U.S. foreign policy and dramatically reduce the utility of a foreign policy tool that has proven helpful.

The requirement that MNNAs be participants in the nonproliferation regimes, or be a party to an international understanding that meets the export control standards of these regimes is unrealistic and undesirable. More than half of current MNNAs are not members of the supplier regimes (such as the MTCR and NSG), nor would the United States support membership for all of these countries in all of the regimes.

In addition, we believe that it would be a mistake to bind MNNA status to specific criteria. The ability to engage key allies in a cooperative fashion is an important tool for the President, with the appropriate Congressional notification, in the fight to protect the United States from terror and advance the national security interests of the United States.

RESPONSES FROM THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE JOSEPH R. PITTS, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF PENNSYLVANIA

PAKISTAN

Question:

The assertion that AQ Khan acted on his own to sell a nuclear weapons appears to be a facade—what steps is the US taking to ensure that a Pakistani nuclear weapon does not fall into the hands of Al-Qaeda or rogue nations?

Response:

We have urged the government of Pakistan to ensure that illegal activities such as those carried out by the A.Q. Khan network cannot take place again from Pakistan. President Musharraf has pledged to take steps to ensure that Pakistan will not be a source for illegal proliferation in the future. We believe President Musharraf takes these issues seriously.

Moreover, we continue to work, both unilaterally and bilaterally with our international partners, and in international organizations to implement measures to strengthen international efforts to counter the threat of proliferation of weapons of mass destruction. We have an ongoing dialogue with the government of Pakistan on these issues. In connection with this, we have a bilateral program to help Pakistan bring its export controls in line with accepted international standards; Pakistan's cooperation with us in this area continues.

Question:

What steps is the Pakistani government taking to find Osama bin Laden and what pressure is the U.S. exerting on Pakistan to encourage them to pursue and capture Al Qaeda terrorists along the border of Afghanistan?

Response:

The U.S. stresses the paramount importance of counterterrorist efforts in all discussions with Pakistani officials, from President Musharraf down. The Pakistani Government recognizes the importance of ridding the country of the destabilizing threat represented by Al Qaeda, and regularly consults with the U.S. Government to this end. It places a high priority on apprehending Al Qaeda terrorists, and has turned over to the U.S. more than 500, including September 11 plotters. Recently, the Pakistani government has stepped up its efforts by increasing its military presence in the tribal areas along the border of Afghanistan, traditionally a safe haven for terrorists, launching operations against al Qaeda elements on the Pakistan side of the border, and tightening border security to prevent unauthorized crossings.

KASHMIR

Question:

What recent engagement has the US government had with India and Pakistan to encourage progress in resolving conflict over Kashmir?

Response:

We believe that the resumption this year by India and Pakistan of a wide-ranging composite dialogue, with the objective of reaching a peaceful settlement on all bilateral issues—including Kashmir—is a real breakthrough.

This dialogue offers the best hope of resolving problems between Indian and Pakistan, including Kashmir. We are also very encouraged by the numerous confidence-building measures agreed to by both sides over the last year, and hope that they will continue to be implemented quickly. This improves the atmosphere within which the dialogue takes place. While the United States is not a mediator in this process, we strongly support the decision by India and Pakistan to engage in dialogue and stand ready to help in any way both sides request.

We regularly express our encouragement for the dialogue process to the Governments of Pakistan and India, including during Deputy Secretary Armitage's July visit to the region.

AFGHANISTAN

Question:

What is the US position on moderate Talibs? Is there such a thing as a moderate Talib and why is the government urging the Afghan government to reach out to

them? What is the Pakistani government communicating to the US government on moderate Talibs?

Response:

The United States views all individuals and entities actively seeking to destabilize Afghanistan as a direct threat to our national security interests. The United States is not urging the Afghan government to reach out to “moderate Taliban” and the Government of Pakistan is not communicating to the U.S. government on matters pertaining to “moderate Talibs”.

Question:

We applaud the work that has been done in capturing some Al Qaeda leaders-What is the US government assessment as to why Al Qaeda members, but not Talib leaders, have been captured in Pakistan?

Response:

The Government of Pakistan’s limited successes against the Taliban remains an issue of mutual concern. The GOP recognizes the threat posed by the Taliban in Pakistan and is working actively to eliminate the threat in a manner conducive with the social, political, and military realities in the border areas. The United States government is confident that the Government of Pakistan will continue its efforts to target both Al Qaeda, Taliban, and other extremists operating within its territory. We recognize the political and military challenges associated with the unprecedented nature of such operations and we will continue to engage with the Government of Pakistan to ensure a sustained and broad effort.

Question:

Why have the incidents of violence increased in Afghanistan at a time when there are increased efforts against terrorists along the border with Pakistani troops involved-What reports has the Administration received regarding opportunities that continue to exist in Pakistan for training and recruitment of terrorists?

Response:

Incidents of violence are on the rise in certain parts of Afghanistan primarily in response to the continued rise in voter registration in the run-up to elections. The perpetrators are attempting to derail the registration process in an effort to undermine the elections. Despite their efforts, the number of registered voters continues to grow at an average rate of 100,000 per day nationwide. The Administration is concerned about the continued presence of extremist elements operating from the tribal territories in Pakistan. The Government of Pakistan shares our concern and is actively pursuing measures to eliminate this threat to its internal stability and our joint efforts in the war on terrorism.

ELECTIONS

Question:

The original timetable for the presidential election, per the Bonn Agreement, was June 2004. The election was postponed until September 2004 with little opposition or outcry. What are the risks if the election were postponed a little longer?

Response:

The Joint Electoral Management Body (JEMB), the 13-member commission responsible for elections under Afghanistan’s electoral law will make the ultimate decision on the election date. The JEMB is working to ensure that elections take place on a timeline consistent with the Bonn Agreement, the Afghan constitution, and the Afghan electoral law. The JEMB is also committed to ensuring that “all voters shall have equal right of participation in the elections,” as directed in the election law. As logistical and security arrangements progress, it may become necessary to shift the election dates to ensure the greatest possible participation in the election process. We support the Afghan Government and the JEMB in their efforts to carry out elections consistent with the laws and wishes of the Afghan people, and the ultimate decision on an elections date will be an Afghan decision. We are confident that the JEMB will postpone elections only if it is in the best interests of the Afghan people, and that the people of Afghanistan will support the JEMB’s decision.

Question:

Where will the candidates’ financing come from for campaigning for the presidential and parliamentary elections in terms of campaigning? What protections are in place to ensure that the wealthy warlords do not have the advantage in the elections?

Response:

Article 15 of the Afghan Political Party Law directs that parties may receive income from (a) membership contributions, (b) individual private donations of up to 2 million Afghani (about 50,000 USD) per year, (c) income from a party's property, (d) subsidies from the government, and (e) other contributions from by members. The Afghan Elections Law prohibits donations from foreign sources or from internal illegal sources to both presidential and parliamentary candidates. In addition the Political Party Law prohibits parties that have military organizations or affiliations with armed forces.

To ensure that these legal standards are met, the Ministry of Justice (MoJ) vets all political parties for compliance with the law before registering them, and the Independent Electoral Commission (IEC) has oversight responsibility for campaign financing. The USG has funded technical assistance to both the MoJ and the IEC to help them carry out their oversight responsibilities. In addition, the USG is providing funding for political party resource centers throughout the country. These resource centers will provide training in party organization, platform development, campaigning and other skills, as well as access to office supplies and other items necessary to run a political campaign. They will be accessible by any Afghan party that supports the democratic process and will help to equalize potential resource disadvantages for democratic parties.

NARCOTICS

Question:

What is the U.S. mission in Afghanistan? If our mission is to combat terrorism and al-Qaeda, what is the U.S. position on the linkages between terrorism and narcotics and what is the U.S. response to the problem of narcotics and their relationship to the terrorists we are fighting?

Response:

The U.S. mission in Afghanistan is to support the efforts of the Afghan government in firmly establishing a democratic nation, committed to the fight against international terrorism and drug trafficking and cultivation.

We do not know to what extent al-Qaeda profits from the drug trade in Afghanistan. USG agencies have anecdotal reports of drug trafficking by elements aligned with al-Qaeda, but there is no evidence that such activities are centrally directed. Al-Qaeda continues to rely on private donations and funding sources other than narco-trafficking for most of its income, and there is nor corroborated information in US government holding to suggest that drug trafficking provides a significant percentage of al-Qaeda's income. We remain deeply concerned about the possibility that substantial drug profits might flow to al-Qaeda, however, and continue to be vigilant for signs that this is occurring.

The involvement of anti-government Afghan extremists in the drug trade is clear. US troops in 2002 raided a heroin lab in Nangarhar Province linked to the Hizbi Islami Gulbudin, and officials from the UN and the Afghan Government report that the Taliban earns money from the heroin trade. Based on the information available, however, we cannot quantify how much these groups earn from the drug trade, nor can we determine what percentage of their overall funding comes from drugs.

HUMAN RIGHTS

Question:

It seems that the same people who failed Afghanistan in the past and wreaked havoc on the country, particularly in terms of violence and human rights violations, continue to be legitimized. These warlords and their actions were what caused the Afghan people to welcome the stability and order provided by the Taliban. I am concerned that we are creating the impression among the Afghan people that the cycle of human rights violations will continue with impunity due to the fact that the coalition forces in Afghanistan are working closely with the very same people who committed the horrifying violations. What is your assessment of this and what are we losing in terms of legitimacy by working with the warlords who are so hated by the general population?

Response:

The United States remains committed to supporting national institutions and organizations in Afghanistan seeking to enhance internal stability, democratic reforms, and economic prosperity. The United States does not support warlords as part of our policy toward Afghanistan. Warlordism and the continued presence of

armed militias in Afghanistan pose a threat to the democratic reform process currently underway in that country. As a result, the United States remains heavily engaged with the Governments of Afghanistan, Japan, and the United Nations to ensure the demobilization, disarmament, and reintegration of armed militias in Afghanistan. We have also played a pivotal role in helping to establish the Afghan Independent Human Rights Commission currently active throughout Afghanistan. We are confident that such measures will allow Afghanistan to cement the reforms and successes that will continue to foster stability and prosperity.

DISARMAMENT/RECONSTRUCTION

Question:

NATO has called Afghanistan its number one priority and it was supposed to have 5 PRTs (Provincial Reconstruction Teams) in place by the end of June 2004, yet currently only has one PRT in place. What are the obstacles preventing NATO from filling its commitment to Afghanistan?

Response:

There are over 7,000 International Assistance and Security Forces (ISAF) troops in Afghanistan, mostly in Kabul. NATO assumed command of ISAF in August 2003 and coordinated with the UN to authorize ISAF expansion in December 2003 to northern Afghanistan starting with a German PRT in Konduz. Following NATO's Istanbul Summit, ISAF has expanded to takeover the Mazar e-Sharif PRT and establish a PRT in Maimana and are now responsible for 9 provinces across the north of Afghanistan.

The Netherlands has announced they will establish a PRT in Pol e-Khomri and Germany will establish a second PRT in Feyzabad by late summer or early fall. There has been some recent movement to generate additional forces for elections security, but NATO's slow expansion has frustrated President Karzai and the GoA. ISAF continues to raise the level of its in-country forces, including Spanish forces and possibly an element of the new NATO Response Force (NRF), to support the GoA and UNAMA in providing elections security.

The Administration actively pursued NATO Allied nation troop contributions for ISAF expansion prior to and during the Istanbul Summit. We continue to press NATO, including the SYG and member states, to meet this vital commitment to support the Afghan people.

