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A NEW STRATEGY FOR ENHANCED PARTNERSHIP WITH PAKISTAN

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

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A NEW STRATEGY FOR ENHANCED PARTNERSHIP WITH PAKISTAN

WEDNESDAY, JUNE 25, 2008

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 9:30 a.m., in Room SD–419, Dirksen Senate Office Building, Hon. Joseph R. Biden, Jr. (chairman of the committee) presiding.

Present: Senators Biden, Feingold, Bill Nelson, Menendez, Cardin, Casey, Lugar, and Hagel.

OPENING STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S. SENATOR FROM DELAWARE

The CHAIRMAN. The hearing will come to order. Now that Senator Hagel is here, we can begin. As General Zinni knows, we don't do a thing without Hagel, in this committee.

All kidding aside, thank you all so much for being here, this is an important hearing, at least we believe it is, and I hope you do, as well.

For far too long, the United States-Pakistani relationship has been—in my view—in desperate need of serious overhaul. For too many years, through too many administrations, not just one, it has been an unsteady balancing act, and one of the most turbulent spots on earth, that—in the last year alone—has seen a Taliban resurgence, a state of emergency, the assassination of Prime Ministerial candidate and former Prime Minister, Benazir Bhutto, the return of a democratic government, and now, a political stalemate in that country.

The core of the problem, in my view, is this: The relationship between the United States and Pakistan has, for the past several decades, been largely transactional. And this transaction isn't working, in my view, for either party.

From the American perspective, we spend billions of dollars, and we've gotten far too little to show for it. From the Pakistani perspective, America is an unreliable ally, that will abandon Pakistan the moment it is convenient to do so, and whose support, to date, has done little more than bolster unrepresentative rulers, both in and out of uniform.

We believe we are paying too much and getting too little. The Pakistanis believe exactly the opposite, and both sides feel the costs of the relationship may soon outweigh the benefits; the status quo is unsustainable.

We've got to move from this transactional relationship, in my view, the exchange of aid for services, to a type of normal, functional relationship we enjoy with all of our other military allies and friendly nations.

Like any major shift—any major policy shift—to gain long-term benefits, we have to shoulder transitional costs. Here, as I see it, are the central elements of what should be our new plan.

Triple the nonsecurity aid to $1.5 billion annually, and make this a long-term commitment, a long-term commitment over 10 years. This aid would be unconditioned, it's our pledge to the Pakistani people. Instead of funding military hardware, it would build schools, clinics, roads, and help develop the Federally Administered Tribal Areas, which Senator Hagel and I recently were on the border of and spent time speaking with Pakistanis as well as Afghanis about. Where extremism is taking even deeper root, in my view, than it had in the past.

We should tie security aid to performance. We're spending a billion dollars annually, and it's not clear we're getting our money's worth. We should be willing to spend more if we get better returns, and less—less—if we don't.

We should help Pakistan enjoy a democracy dividend. Back in November, I called for $1 billion in the first year of Pakistan's return to democratic rule. The supplemental now before the Senate contains a downpayment on this democracy dividend of $150 million. This money would help moderate, secular, political leaders show the Pakistani people that they can deliver the goods, as well as the generals.

We should engage the Pakistani people—not just the rulers—we need a broad-based engagement, not just a government-to-government, that gets to the issues that matter to the Pakistani people most—not just the ones that only matter to us.

The plan I propose would fundamentally change the dynamic between the United States and Pakistan, and here's why I think it would.

First, a significant increase in nonmilitary, and nonsecurity aid, guaranteed for a long period, would help persuade the Pakistani populace that America is not a fair-weather friend, but an all-weather friend. But also help persuade the Pakistani leaders that America is an ally that can be relied upon.

Pakistanis suspect that our support is tactical and temporary. They point to the aid cutoff that followed the fall of the Soviet Union, to our refusal to either deliver or refund purchased jets throughout the nineties, and to our blossoming relationship with rival India—something I support.

Many Pakistanis believe that the moment Osama bin Laden is gone, the United States interest will be gone. So, Pakistani policymakers hedge their bets, and many Pakistani citizens see the United States in a hostile light.

When U.S. aid makes a real difference in people's lives, the results are immediate and lasting. After the devastating earthquake in 2005, American Chinooks delivering relief aid accomplished far more to improve our standing with the Pakistani people than any amount of arms sales or debt rescheduling we have done.

Second, tying security aid, now about three-quarters of the package, to results would push the Pakistani military to finally crush al-Qaeda and the Taliban. Our best shot of locating bin Laden and his crew, and of shutting down the Taliban and the next generation of terrorist outfits, lies in the committed partnership of the Pakistani Security Services who, as some would point out, need to be better trained. They now have a military that's designed to deal with a land war with India, and they do not have a counter-insurgency capability, in my view.

Their performance, to date, has been decidedly mixed. We've caught more terrorists in Pakistan than any other country, but Pakistan remains the central base for al-Qaeda operations.

To put things in perspective, the $11 billion we spent in Pakistan in the last 6 years is less than we spend in Iraq in 6 weeks. The Pakistani Security Services will be vital players for the foreseeable future. We can't simply insist that they combat the Taliban and al-Qaeda. We've got to help them develop the capacity to do so.

Our relationship with the army intelligence agency, unlike our relationship with the nation as a whole, will always have a strong transactional element, but we've got to make sure we're striking a much better bargain than we have now, in my view.

Third, a democracy dividend would empower the Pakistani moderate mainstream. Ever since the start of the Bush administration we've had a Musharraf policy, in my view, rather than a Pakistani policy. The democracy dividend will help secular, democratic, civilian political leaderships to establish their credibility with the Pakistani public. They must prove that they—more so than the generals of the radical Islamists—can bring real, measurable improvement to the lives of their constituents.

Last, by engaging the Pakistani people, not just the rulers, on issues important to them, we're much more likely to secure their support on important issues to us. On a host of topics—Afghanistan, Iraq, Palestine, Kashmir, the list goes on—Pakistanis want a respectful hearing.

Ask any ordinary Pakistani to list the top items of concern about our country, and you may get some answers unrelated to international grand strategy: Our visa policy, our textile quotas, our harassment of Muslims in America—in their view. Ask any Pakistani about Abu Ghraib, or Gitmo, or about water boarding or torture. Pakistanis don't see these as mere issues. They see these things as a moralstain on the very soul of our Nation, and in my opinion, so should we.

History may describe today's Pakistan as a place akin to 1979 Iran, or 2001 Afghanistan. The world's second-largest Muslim nation could become a failed state with an arsenal of nuclear weapons, and a population larger than those of Iran, Iraq, Afghanistan, and North Korea combined. We're far from that point, but it's a possibility.

On the other hand, a stable democratic and secular Pakistan, could be a bridge between the West and the global Islamic community. The broad mass of the Pakistani people still want a lasting friendship with America.

Which future unfolds will be strongly influenced, although certainly not determined by, the actions of the United States. The

current transition in Pakistan provides us, in my view, with an opportunity to make this historic leap to a positive future.

Today, we have two distinguished panels of witnesses. The administration's position will be spelled out by the Assistant Secretary of State—Richard Boucher, by the Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs, Mitchell Shivers, and Deputy Assistant USAID Administrator, Mark Ward.

Our private panel consists of two witnesses with deep, on-the-ground experience in Pakistan. General Anthony Zinni served as CENTCOM commander during the period that included the India-Pakistani nuclear test, the Kargil conflict, and Musharraf's coup d'etat. Ambassador Wendy Chamberlin took up her post in Islamabad less than 2 months before 9/11 and served through a time when nobody knew which direction Pakistan would go.

Both General Zinni and Ambassador Chamberlin helped prevent the relationship from running adrift in some very dangerous times.

But we can't keep jumping from crisis to crisis, relying on exceptional diplomats and military officers who save us from disaster. We need a new strategy, and to set the relationship on a stable course, and I hope that's what we'll discuss today.

Now, I yield to my colleague, Senator Lugar.

OPENING STATEMENT OF HON. RICHARD G. LUGAR, U.S. SENATOR FROM INDIANA

Senator LUGAR. Thank you very much, Mr. Chairman, and I thank you for continuing this important series of hearings on Pakistan. It's given members an opportunity to review the dynamic political and security situation in Pakistan, as well as United States policy options, and the resources required to pursue them.

We've examined a number of critical issues, including the size and purpose of our foreign assistance mechanism in Pakistan, the terrorist threat emanating from the Federally Administered Tribal Areas, and the prospects for democracy and stability.

This is our fifth hearing on Pakistan in the last year, and we are better equipped to consider new directions for United States policy today.

The United States has an intense strategic interest in the events and conditions in Pakistan and the surrounding region. Among other goals, we seek strong cooperation from the Pakistan Government in combating terrorist forces, the continued improvement in Indo-Pak relations, that maintain peace between these powerful neighbors, the development of Afghanistan as a free and stable country, governed by the rule of law, the secure management of Pakistan's nuclear program, and continued economic opportunity and development in the region.

Shortly after the momentous Pakistan general election in February, we held a hearing to discuss the outcome. Deputy Secretary of State John Negroponte provided the American public with a sense of the optimism that successful elections often engender.

However, he also provided a sobering comment on the potential for political backsliding and brinksmanship that such situations sometimes reveal. Nonetheless, his testimony reinforced congressional interest in seizing the historical opportunity, revitalizing our

relationship. Inevitably, this leads us to ask whether more can be achieved through United States assistance programs.

Last December, we reviewed the size and purpose of our various assistance mechanisms. Testimony helped Senators better grasp the difficulties our diplomats and development experts encounter, ineffectively implementing and monitoring U.S. assistance.

The discussion also touched on the challenge of effectively modulating our assistance to achieve certain ends. Acting Deputy Administrator of USAID, Jim Kunder, recounted the impact of the Pressler amendment, which effectively halted U.S. cooperation with Pakistan in 1990, and this decision still confounds Pakistanis in discussions today.

Chairman Biden has put forward a proposal for dramatic adjustments to United States foreign assistance to Pakistan, which has given our committee an important model for discussion. We should carefully consider both the amounts that we are providing, and the goals we are hoping to achieve.

Establishing Reconstruction Opportunity Zones in frontier regions, continued investment in important sectors, such as education, and efforts to restructure our military assistance to Pakistan, are all steps in the right direction.

The United States should make clear to the people of Pakistan that our interests are focused, not on supporting a particular leader or party, but on democracy, pluralism, stability, and the fight against violence and extremism, and these are values supported by a large majority of the Pakistani people.

If Pakistan is to break its debilitating cycle of instability, it will need to achieve progress on fighting corruption, delivering government services, promoting broad-based economic growth.

The international community and the United States should support reforms, and contribute to the strengthening of Pakistani civilian institutions.

I commend Deputy Secretary Negroponte and the administration for sustaining their commitment to work with our committee, on a bipartisan basis, to explore ways to improve our assistance to Pakistan. Our administration panel today reflects that continued cooperation, and I look forward to their testimony, as we consider the scope and prospect of substantially increasing long-term economic assistance to Pakistan, alongside our continued security assistance.

I welcome all of the distinguished witnesses, and thank the Chairman.

The CHAIRMAN. Thank you, Mr. Chairman.

Gentlemen, again, welcome, and Mr. Secretary, Secretary Boucher, why don't you begin?

STATEMENT OF HON. RICHARD BOUCHER, ASSISTANT SECRETARY FOR SOUTH AND CENTRAL ASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Mr. BOUCHER. Thank you very much, Mr. Chairman. I'm very pleased to be here today, and thank you for hosting this important hearing, I'm glad to be here with colleagues from the Department of Defense and the Agency of International Development. The three of us sit together just about every day to talk about Pakistan in

one shape—one form of meeting or another. So, hopefully you'll find us in harmony, or at least interesting.

Before I go into the substance, I want to pay special tribute to you, Mr. Chairman, Senator Lugar, and other members of the committee who've really paid sustained and, I think, important attention and leadership on the subject of Pakistan—you've all traveled out there, some of you were out there to help ensure the election was a good election, some of you have been there more than several times, and I think it's a very, very important factor for all of us, that we have a cooperation between the legislative and executive branch and between the different parties, in showing the broad United States support for Pakistan and the goals that we have are shared goals that are endorsed by the Congress and the American people.

You all, certainly, know why Pakistan is important to the United States and how important it is. Pakistan is the second-most populous Muslim nation in the world, it's on the front lines of the fight against extremism and terrorism, it's located in a very strategically important region with new strategic opportunities, and important neighbors like Afghanistan, India, Iran, and China.

The safety and security of the United States is inextricably linked to the success, the security and the stability of a democratic Pakistan.

On February 18 of this year, the Pakistani people went to the polls and elected moderate leaders who set a path for Pakistan into the future. We want to see this new government succeed, because it represents the desires of the Pakistani people, and because we believe that a moderate government with a democratic mandate is the most effective partner in the fight against terrorists and violent extremism.

Successful elections earlier this year were an important moment for Pakistan and its democratic development, but a number of very difficult challenges remain for the new civilian government, from facing down extremism to stimulating economic growth and dealing with energy and food shortages.

Our support in these efforts is critical to the success and stability of Pakistan as a nation, and therefore, we will continue to pursue a long-term comprehensive partnership with Pakistan that seeks to address their most important needs and strengthens our relationship as democratic allies and partners.

The new government is at the core of our strategy for working with Pakistan. We want to help the new leaders modernize the nation in all its aspects—modernize its democratic institutions; modernize the economy to provide jobs to the citizens; modernize the education system; modernize the security services, so that they can effectively fight terrorists; and bring arrangements for the tribal areas of Pakistan up to date, so that the writ of government prevails throughout the nation.

With a new Pakistani Government, we're already working to do these things that we hope can strengthen democratic and civilian institutions, promote good governance, enhance counterterrorism cooperation, so that we can all work to eliminate the social and economic conditions that allow extremism to flourish.

And I would note, sir, there's a statement coming out today that we understand is coming out from the Prime Minister's office in Pakistan, that involves the—all the political and military and appointed leaders of Pakistan who are dealing with the crisis in the tribal areas that brings them together on a common approach against terrorism, states the principles under which they intend to operate, and we see this is a very important development—it brings together all of the proper players, it states a very clear, multipronged approach, it states very clearly the goals of ending the violent extremism, ending the cross-border activity and expelling the foreign fighters, and it states very clearly, the goal of working with the tribes to develop and stabilize the area. So, I think that's a very important development today, and we'll look forward to working with them to implement that statement that's coming out.

Over the past year, we in the U.S. Government have been developing a strategy intended to reinforce our existing commitment to the kind of long-term partnership that we're all talking about. This strategy addresses Pakistan's needs in education, strengthen democratic institutions, economic growth, and adequate health care.

We're pleased that Senator Biden, you sir, are proposing just such a commitment in new legislation, and we want to work with you on that legislation, even if we don't agree with you on every point of the current version.

But we welcome the initiative, we feel strongly that a new bipartisan commitment to partnership with Pakistan is crucial, and we will continue to work in a bipartisan manner, as Senator Lugar said, our Deputy Secretary Negroponte has pledged to work with you, together, to try to move forward.

A sustained and integrated commitment to developing Pakistan's economy and social infrastructure cannot be separated from our key strategic objectives in the war on terror. There are a number of very important initiatives that we're taking in this vein. My colleagues and I would be happy to talk to you about them. I would like to highlight just one, and that's the Reconstruction Opportunity Zones.

Certain goods produced in the border, and earthquake-affected areas of Pakistan—and indeed in all of Afghanistan—would be eligible for duty-free treatment on entry into the United States. These zones can help counter extremism by stimulating sustainable development and providing alternatives to extremism, narcotics trafficking, and other illicit activities.

Reconstruction Opportunity Zone legislation is expected to be introduced in the House of Representatives very shortly, and I hope that we will see your support for the Cantwell bill that's already been introduced in the Senate.

Mr. Chairman, I'm going to be traveling to Pakistan next week to talk with the new government about how we can best face the challenges ahead, together. My message will be simple and consistently delivered to political, military, and civil society leaders, and here's what I'm going to say.

The United States welcomes and supports the democratically elected Government of Pakistan. We believe firmly that now is the time for everyone to get past political maneuvering, and focus on

the issues that are important for the Pakistani people. We will work with you to support the modernization of Pakistan in all areas. We will work with you to support local leadership and oppose militants, because terrorism is our common enemy, and we will work together to determine how we can best focus our assistance in areas that matter most to the people of Pakistan.

And I think when I convey that message, I can say that that is a basic message that's understood by Members of the Congress, Members of the Senate, as well as the American people.

Looking ahead, for our commitment to Pakistan to be successful, it must be a long-term partnership, and it must be based upon a bipartisan consensus. We hope that together the Congress and the administration can establish a new framework for economic and security assistance, that can support Pakistan's democracy, counter its terrorism threats and strengthen its development.

So, thank you very much for the chance to appear today, and I'd be happy to take any questions you may have.

[The prepared statement of Mr. Boucher follows:]

PREPARED STATEMENT OF HON. RICHARD BOUCHER, ASSISTANT SECRETARY FOR SOUTH AND CENTRAL ASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Mr. Chairman and members of the committee, thank you for inviting me. I'm pleased to be here with my colleagues from the Department of Defense and from the U.S. Agency for International Development. We three, and others, sit together frequently to discuss the topic you've asked us to talk about here today: U.S. strategy towards Pakistan.

Before delving into substance, I want to first thank the committee members for their interest, continued engagement and leadership on U.S. policy in Pakistan. The chairman and Senator Lugar in particular have demonstrated exemplary leadership and bipartisan cooperation in forging a strong, sustained partnership between the United States and Pakistan.

You all know how important Pakistan is to the United States, and I believe you know the reasons why. Pakistan is the second most populous Muslim nation in the world, at the front line in the fight against extremism and terrorism, in a strategically important region, with other important neighbors like Afghanistan, India, Iran, and China. The safety and security of the United States is inextricably linked to the success, security, and stability of a democratic Pakistan.

On February 18 of this year, the Pakistani people went to the polls and elected moderate leaders who will set the path for Pakistan into the future. We want to see this new government succeed, because it represents the desires of the Pakistani people and because we believe that a moderate government with a democratic mandate is the most effective partner in the fight against terrorists and violent extremism.

The successful elections earlier this year were an important moment for Pakistan and its democratic development, but a number of difficult challenges remain for the new civilian government, from facing down extremism to stimulating economic growth and dealing with energy and food shortages. Our support in these efforts is critical to the success and stability of Pakistan as a nation. Therefore we will continue to pursue a long-term, comprehensive partnership with Pakistan that seeks to address their most important needs and strengthens our relationship as democratic allies and partners.

The new government is at the core of our strategy for working with Pakistan. We want to help the new leaders modernize the nation in all its aspects. Modernize democratic institutions. Modernize an economy that can provide jobs to its citizens. Modernize the education system. Modernize the security services so that they can effectively fight terrorists. And, bring the arrangements for the Tribal Areas up to date so that the writ of government prevails throughout the nation. With the new Pakistani Government, we are already working to do these things that we hope can strengthen democratic, civilian institutions, promote good governance, enhance counterterrorism cooperation and that we hope can eliminate the social and economic conditions that allow extremism to flourish.

Over the past year, we in the U.S. Government have been developing a strategy intended to reinforce our existing commitment to the kind of long-term partnership

I just described. This strategy addresses Pakistan's needs in education, strengthened democratic institutions, economic growth and adequate health care. We are pleased that Senator Biden is proposing just such a commitment in new legislation. While we do not agree on every point in the current version of the proposed legislation, we welcome this initiative and feel strongly that a new, bipartisan commitment to partnership with Pakistan is crucial. We look forward to working closely with this committee to see this initiative through.

A sustained and integrated commitment to developing Pakistan's economy and social infrastructure cannot be separated from our key strategic objectives there in the war on terror. There are a number of important initiatives in this vein, but I would particularly like to highlight one: Reconstruction Opportunity Zones. Certain goods produced in zones in the border and earthquake-affected areas of Pakistan (and all of Afghanistan) would be eligible for duty-free treatment on entry into the United States. These zones will help to counter extremism by stimulating sustainable development and provide alternatives to extremism, narcotics trafficking, and other illicit activities. Reconstruction Opportunity Zone legislation is expected to be introduced in the House of Representatives very shortly and I hope we will have your support for the Cantwell bill in the Senate.

I will be traveling to Pakistan next week to talk with the new government about how we can best face the challenges ahead together. My messages will be simple and consistently delivered to political, military, and civil society leaders. I intend to say clearly: The United States welcomes and supports the democratically elected Government of Pakistan. We believe firmly that now is the time for everyone to get past political maneuvering and focus on the issues that are important for the Pakistani people. We will work with you to support the modernization of Pakistan in all areas. We will work with you to support local leadership and oppose militants, because terrorism is our common enemy. And, we will work together to determine how we can focus our assistance in the areas that matter most to the people of Pakistan.

Looking ahead, for our commitment to Pakistan to be successful, it must be a long-term partnership and it must be based upon a bipartisan consensus. We hope that together, Congress and the administration can establish a new framework for economic and security assistance that can support Pakistan's democracy, counter its terrorism threats, and strengthen its development.

The CHAIRMAN. Thank you very much, Mr. Secretary.

I want to make it clear that the legislation that I reference, I've been working very closely with Senator Lugar, and the hope is, whatever is introduced, will be introduced in a bipartisan fashion. And other members of the committee also have been working very hard on it, as well.

Let me hear from the Defense Department.

STATEMENT OF MITCHELL SHIVERS, PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR ASIAN AND PACIFIC SECURITY AFFAIRS, OFFICE OF THE SECRETARY OF DEFENSE, THE PENTAGON, WASHINGTON, DC

Mr. SHIVERS. Good morning. Chairman Biden, Ranking Member Lugar, members of the committee, thank you for the opportunity to discuss the new strategy for an enhanced relationship with Pakistan. I've prepared a written statement, which I would ask to be inserted into the record.

The CHAIRMAN. Your entire statement will be place in this record.

Mr. SHIVERS. I would like to use this brief introductory statement to summarize my written testimony which focuses on the United States security assistance relationship with Pakistan, and as requested, provides an understanding of why the Department of Defense (DoD) considers the United States effective, long-term, constructive engagement with this important ally so essential to U.S. interests.

First, Pakistan is the second most populous Muslim state, the sixth most populous country in the world, and is located at the geopolitical crossroads of South and Central Asia.

Second, Pakistan possesses nuclear weapons, and has already fought three conventional wars with another nuclear nation next door—India.

Third, Pakistan has a large, growing middle class, striving for democracy.

Fourth, elements of extremism and terrorism are at work within Pakistan.

Fifth, the wholehearted assistance of the Pakistani people and their government will help the United States achieve its national security objectives in Afghanistan.

Sixth, and most importantly, militants and terrorists within the border region of Pakistan constitute a direct threat to the United States homeland. More than ever, U.S. national security is linked to the success, security, and stability of a democratic Pakistan.

While Pakistan has made important strides toward democracy and stability, much remains to be done. The February elections were an important step, but Pakistan is now facing severe budgetary and economic issues at the very time that the government must act decisively to eliminate the al-Qaeda and Taliban safe havens in the Federally Administered Tribal Areas, the FATA, and North-West Frontier Province, the NWFP.

The new coalition government has a difficult road to navigate, and requires the United States steadfast support. Pakistan is a key partner in the war on terror, and plays a major role in long-term efforts to build a stable Afghanistan. Without U.S. assistance and support, Pakistan could not afford to deploy and maintain 100,000 military and paramilitary forces in the FATA.

Since 2001, the Pakistani Army has conducted 91 major, and countless small operations, in support of the war on terror, and it has captured or killed more al-Qaeda or Taliban extremists than any other coalition partner.

The security of the border between Afghanistan and Pakistan has been the subject of increasing concern. The FATA border region has been identified as a safe haven where Taliban and al-Qaeda forces recruit, train, and equip fighters to infiltrate into Afghanistan.

This area has always had a special constitutional status in Pakistan and is governed only loosely under the provision of the century-old Frontier Crimes Regulations. Operating in the FATA is challenging even for the Pakistanis, who are generally considered to be outsiders and interlopers by the fiercely independent Pashtun tribesman there.

The Government of Pakistan must develop localized engagement strategies that can earn the support of border inhabitants while achieving the government's aims. It is only by working with local security elements in the Pakistan military, that security is possible in the FATA and NWFP.

Helping to ensure that Pakistan has capable, professional security forces will better align the security objectives of our two nations. Without effective security forces, Pakistan's efforts will fail.

DOD appreciates this committee's consideration of the new possibilities with Pakistan and the tools that will be necessary to yield the desired results. We are committed to enhancing Pakistan military's effectiveness, via training and equipping programs, for their Special Operations Forces and paramilitary personnel.

But, despite our commitment, we are not well-armed with regard to funding. The Security Development Plan is funded using a patchwork of authorities. It does not have a dedicated source of funding that is as flexible and adaptable as the enemy.

While we recognize the committee's interest in ensuring that our security assistance and reimbursement programs advance U.S. national security interests, we feel that such concerns are best dealt with via the day-to-day interactions between our governments, and not as a litmus test of the commitment of either country to fight against the adversaries we face together.

In conclusion, the Department of Defense strongly endorses the administration's interagency efforts to implement a truly comprehensive strategy to ensure our overall relationship with the people of Pakistan succeeds. The American and Pakistani peoples can greatly benefit from a strategic dialogue, built upon a foundation of mutual trust and commitment. To do so, we must be good allies, with long-term perspectives.

Of immediate concern, our success in protecting our homeland and achieving our goals in Afghanistan will require Pakistan's success in addressing the various security-related needs in the FATA and the North-West Frontier Province.

Sufficient, flexible, and legislatively unconditioned U.S. security assistance, therefore, is critical to our eventual success in Afghanistan and the war on terror.

Thank you, Chairman, I look forward to your questions.

[The prepared statement of Mr. Shivers follows:]

PREPARED STATEMENT OF MITCHELL SHIVERS, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR ASIAN & PACIFIC SECURITY AFFAIRS, THE PENTAGON, WASHINGTON, DC

Chairman Biden, ranking member Lugar, members of the committee, thank you for the opportunity to discuss the "New Strategy for an Enhanced Relationship with Pakistan." This morning I would like to discuss our United States security assistance relationship with Pakistan and, as requested, provide the public with an understanding of why the Department of Defense considers the United States effective, long-term constructive engagement with this important ally so essential to U.S. interests.

First, Pakistan is the second most populous Muslim state, the sixth most populous country in the world, and is located at the geopolitical crossroads of South and Central Asia. Second, Pakistan possesses nuclear weapons and has already fought three conventional wars with another nuclear nation next door—India. Third, Pakistan has a large, growing moderate middle class striving for democracy. Fourth, elements of extremism and terrorism are at work within Pakistan. Fifth, the whole-hearted assistance of the Pakistani people and their government will help the United States achieve its national security objectives in Afghanistan. Sixth, and most importantly, militants and terrorists within the border region of Pakistan constitute a direct threat to the United States Homeland. More than ever, U.S. national security is linked to the success, security, and stability of a democratic Pakistan. Pakistan has made important strides toward democracy and stability in the past several months, though much remains to be done. Pakistan's elections in February 2008 were an important step for Pakistan; we applaud the return of civilian leadership and remain committed to helping the people of Pakistan achieve their democratic goals. But Pakistan is now facing severe budgetary and economic issues at the very time when the government must act decisively to eliminate the al-Qaeda and Taliban safe

havens in the Federally Administered Tribal Areas (FATA) and North West Frontier Province (NWFP). The new coalition government has a difficult road to navigate, and requires the United States steadfast support.

IMPORTANCE OF PAKISTAN TO U.S. NATIONAL SECURITY INTERESTS

Following the tragic events of September 11, 2001, Pakistan became a member of the coalition formed to defeat al-Qaeda and the Taliban Government of Afghanistan. At the request of the United States, during the early phases of Operation Enduring Freedom (OEF), Pakistan offered the use of its airspace, four airfields, and a seaport; and fuel, water, and utilities at those locations; deployed large numbers of its armed forces to protect deployed U.S. personnel; and later permitted the establishment of air and ground lines of communication through Pakistan into Afghanistan. Today, much of the fuel and dry cargo required to support U.S. and NATO military operations in Afghanistan transit Pakistan, and because of our cooperative relationship with Pakistan's armed forces, coalition forces lose very little of the supplies to insurgent activity, despite the close proximity of these lines of communication to areas al-Qaeda and the Taliban frequent.

At the request of the United States in 2001, Pakistan deployed its Army for the first time in its history into the tribal agencies of the FATA along the border with Afghanistan to assist U.S. operations in Afghanistan by capturing al-Qaeda and Taliban fighters fleeing Tora Bora. The Pakistan Army captured and turned over to U.S. custody several hundred of these fighters. For example, Pakistani forces captured Abu Zubaydah, a senior al-Qaeda operative and Osama bin Laden confidant. During a raid on a residence in Rawalpindi, Pakistani forces arrested al-Qaeda senior leader Khalid Sheikh Mohammad, the alleged mastermind behind the September 11 attacks who was also wanted by the U.S. for his involvement in the 2002 murder of U.S. journalist Daniel Pearl.

Pakistan is a key partner in the war on terror (WOT) and plays a major role in long-term efforts to build a stable Afghanistan. Without U.S. assistance and support Pakistan could not afford to deploy and maintain 100,000 military and paramilitary forces in the FATA. Since 2001, the Pakistan Army has conducted 91 major and countless small operations in support of the WOT, and it has captured or killed more al-Qaeda and Taliban extremists than any other coalition partner. Following Pakistan's decision in July 2007 to remove by force a group of religious extremists that had seized the Red Mosque in Islamabad, the number of retaliatory suicide bombings and ambushes of Pakistani military and police personnel increased dramatically. This was a watershed moment for Pakistan in some respects. Liberating the Red Mosque occurred at the same time Pakistan abandoned the failed Waziristan peace agreements and moved a substantial amount of new soldiers and paramilitary forces into the FATA, NWFP, and parts of Baluchistan. In the past 5 years, Pakistani soldiers have sustained more than 1,400 combat deaths—700 just since July 2007—and more than 2,400 wounded in action. Accordingly, the degree to which senior Government of Pakistan and military officials understand that extremism is a domestic threat reached a new high.

THE FEDERALLY ADMINISTERED TRIBAL AREAS (FATA)

The security of the border between Afghanistan and Pakistan has been the subject of increasing interest and concern to the administration, Congress, and the international community. The FATA border region with Afghanistan is now and has historically been a largely ungoverned space. This area—approximately the size of Maryland—was identified in the July 2007 "National Intelligence Estimate (NIE) on the Terrorist Threat to the U.S. Homeland" and the "Country Reports on Terrorism 2007" as a safe haven where Taliban and al-Qaeda forces recruit, train, and equip fighters and infiltrate them into Afghanistan. The FATA has always had a special constitutional status in Pakistan. Federal and provincial laws do not apply, and the area is governed only loosely under the provisions of the century-old Frontier Crimes Regulations. Operating in the FATA is challenging even for the Pakistanis who are generally considered to be outsiders and interlopers by the fiercely independent Pashtun tribesman. The tribes of the FATA have a long history of military resistance and success in preventing alien armies from entering, conquering, or imposing their will on these tribal areas.

These areas along the border with Afghanistan have challenged generations of would-be external governors. Today's border inhabitants will not meekly yield their strongly embraced customs and traditions to outsiders who seek to alter their way of life. Accordingly, the Government of Pakistan must develop localized engagement strategies that can earn the support of border inhabitants while achieving the government's aims.

It is only by working with local security elements and the Pakistan military that security is possible in the FATA and NWFP. Neither the Government of Pakistan (GOP) nor a meaningful percentage of Pakistan's citizens support a U.S. force presence in the country. Of course, the Pakistani people's support is essential to both our short-term and long-term bilateral objectives. Consequently, the U.S. is assisting Pakistan by equipping and training indigenous security forces such as the Frontier Corps along with supporting specialized Pakistan military units, like the Special Services Group (SSG), and by supporting the government's broader frontier development strategy. These initiatives will take time to succeed and the United States must, as good allies, have appropriate patience while awaiting the benefits of our current investments.

Helping to ensure Pakistan has capable, professional security forces will better align the security objectives of our two nations. Capable forces, and their leaders, are much more likely to directly confront difficult security challenges—ones like those that occur along the Afghanistan-Pakistan border. Ridding the mountainous, rugged FATA and NWFP of anticoalition militants, terrorists, and extremists will demand both highly professional troops with specialized counterinsurgency (COIN) skills and reliable indigenous local security forces that can hold territory and earn the support of local tribes. Without effective security forces Pakistan's efforts will fail.

UNITED STATES COUNTERINSURGENCY INITIATIVE

In response to a request from Pakistan for assistance, the U.S. Government has developed a COIN strategy for Pakistan's western border region. This area encompasses the FATA, parts of NWFP, and parts of Baluchistan. One of the assumptions of COIN doctrine is that security is a means to an end, not the end itself. In this instance, the U.S. and Pakistan realize that securing the border with Afghanistan and curtailing safe haven protection for extremists cannot be accomplished with force alone. It will only work if we can change the environment for the resident population and that means an approach that embraces security, infrastructure improvements, overall development, and enhancements to the governance mechanisms of the region.

Our colleagues at the Department of State and USAID are helping the Government of Pakistan implement development and governance projects in the FATA and NWFP. DOD is beginning work to enhance the ability of Pakistan's military to engage in counterinsurgency operations.

United States security assistance efforts are designed to enhance the ability of the Pakistan Army's special operations forces to conduct targeted counterterrorism raids against extremist targets in the border region. The U.S. is working with Afghan, Pakistani, and ISAF colleagues to establish a network of Border Coordination Centers (BCCs) along the border to enhance the ability of liaison officers from all of the forces to see a common view of the area. Finally, the United States is also working with Pakistan's paramilitary Frontier Corps to train and equip this force and enhance its ability to capitalize on the unique skills, access, and abilities that it has in the border area. The Frontier Corps' status as a locally raised Pashtun force allows it access and acceptability amongst the indigenous population that even the Pakistani Army does not have.

These efforts will take time to bear fiuit. Pakistan has been struggling with the degree to which its writ of governance extends into the FATA since its inception. The U.S. COIN strategy mirrors Pakistan's own FATA Sustainable Development Plan—a 9-year effort focused largely on development and the reform of governance institutions. Security assistance targeted at the FATA is delayed by the availability of funds and the work that must be done to build infrastructure, acquire equipment, and commit trainers.

Let me say a word about Pakistan's current round of peace negotiations. The United States is deeply concerned about reports of cease-fire negotiations and agreements in South Waziristan and other locations in the FATA and NWFP. Previous attempts by the GOP to negotiate cease-fires and other agreements with the tribes in the FATA and NWFP were deeply flawed. After the Government of Pakistan signed similar agreements in 2005 and 2006, cross-border operations by extremist groups against the Afghan, U.S., and NATO forces increased substantially, due in part, we believe, to the provisions of the agreements. The United States recognizes that there is no purely military solution to insurgency, but has made it clear to the GOP that any agreement should be enforceable and backed up by the credible threat of force. Also, any agreement should include a commitment to deny a safe haven to foreign terrorists and prevent attacks against U.S., coalition, Afghan, or Pakistani forces in either Afghanistan or Pakistan. Finally, it is equally important that

Pakistan's military forces remain in the FATA and NWFP in order to enforce agreements. This message has been delivered to all levels of Pakistan's Government over the past 2 months, and the Government of Pakistan has told us it will not approve any agreement that does not contain all of these conditions.

THE TOOLS AVAILABLE

DOD appreciates this committee's consideration of the new possibilities with Pakistan and the tools that will be necessary to yield the desired results. The Department of Defense ambitions are high, but they match the urgency of the situation. The administration is committed to working with this sovereign nation—a key ally in the WoT—to help Pakistan reorient its military toward the doctrine and capabilities necessary for an effective COIN-focused strategy. DOD is committed to enhancing the Pakistan military's effectiveness via training and equipping programs for their special operations forces and paramilitary personnel. DOD is committed to creating mechanisms—such as the BCCs—that put actionable intelligence into the hands of those who need to use it. We also understand the importance of continuing to build capabilities in the Pakistan military's regular forces, including air mobility (helo) and other key enablers.

But despite our commitment, we are not well armed with regard to funding. The Security Development Plan, which encompasses each of these program elements, is funded using a patchwork of authorities. It does not yet have a dedicated source of funding that is as flexible and adaptable as the enemy. Foreign Military Financing (FMF) is a useful authority and has played a major role in our effort to enhance and reform Pakistan's military. Section 1206 funding is useful for emergent needs, but not intended for programs that require continuity beyond a given fiscal year. The special $75M authority Congress created for the Frontier Corps is an effective tool to aid U.S. efforts, but it too has its limitations—specifically, that it cannot be used for any other nonmilitary force (which excludes, for example, the Frontier Constabulary, etc.). Indeed, Defense will provide a staff briefing to this committee on the Frontier Corps program later this afternoon and hopes that the committee, after consideration, will release its hold on this funding so it might get the field to support this important initiative. International Military Education and Training (IMET) funds are also an important element of our engagement strategy. While generally requiring the commitment of fewer resources per instance than FMF, IMET funds allow us to connect with Pakistan in a uniquely personal way—establishing relationships with rising career military personnel and exposing them to our practices relating to ethics, civilian oversight, and human rights. The expansion of our IMET program with Pakistan is a priority for DOD.

Both the economy and security situation in Pakistan need U.S. support. The concept of a "democracy dividend" should not come at the expense of that nation's legitimate defense needs. Pakistan's ability to maintain security and the needs of its population should not be an "either/or" proposition.

The Department of Defense strongly supports a long-term commitment to Pakistan. But DOD opposes introducing legislated conditional language on the security assistance we give to Pakistan. Doing so undermines the trust relationship with Pakistan at a time when it is most critical. Imposing legislated conditions on our support leaves our ally with a mixed impression of American interests and commitment. The legacy of perceived abandonment after the Soviet occupation of Afghanistan ended and, later, the imposition of sanctions related to Pakistan's development of a nuclear capability—continue to negatively affect our relations with elements of Pakistan's military, civilian government, and population. Indeed, despite our assistance and engagement, the U.S. is sometimes viewed as an inconsistent ally. While we recognize the committee's interest in ensuring that our security assistance and reimbursement programs advance U.S. national security interests, we feel that such concerns are best dealt with via the day-to-day interactions between our governments and not as a litmus test of the commitment of either country to the fight against the adversaries we face together.

CONCLUSION

In conclusion, the Department of Defense strongly endorses the administration's interagency efforts to implement a truly comprehensive strategy to ensure our overall relationship with the people of Pakistan succeeds. The American and Pakistani peoples can greatly benefit from a strategic dialogue built upon a foundation of mutual trust and commitment. To do so we must be good allies with long-term perspectives. Of immediate concern, our success in protecting our Homeland and achieving our goals in Afghanistan will require Pakistan's success in addressing the various security-related needs in the FATA and NWFP.

The new civilian government in Islamabad is currently struggling to balance the requirement to alleviate poverty and illiteracy; deal with nationwide shortages of food, fuel, and energy; contain the spread of religious extremism; and maintain large military forces along the Pakistan-Afghanistan border. Sufficient, flexible, and legislatively unconditioned U.S. security assistance, therefore, is critical to our eventual success in Afghanistan and the WOT.

The CHAIRMAN. Thank you very much.

Deputy Administrator Ward.

STATEMENT OF MARK WARD, SENIOR DEPUTY ASSISTANT ADMINISTRATOR FOR ASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Mr. WARD. Mr. Chairman, Ranking Member Lugar, and other members of the committee, thanks very much for having USAID along today, as well.

I've spent much of my foreign service career working in, or on, Pakistan.

Senator Lugar, you talked about the Pressler amendment. I lived there when it came into effect in the nineties, and I moved back when we reopened in 2002, so I particularly welcome the committee's interest.

I read your letter, very carefully, Mr. Chairman, and I'd like to respond to each of the questions that you put to me in the letter.

You asked about the current assistance environment in Pakistan. When we went back—and I was the first one back—in 2002, the security environment had changed for the worse since we left in 1995. So, we faced a real challenge: Keeping our footprint small, but standing up a very visible program, fast.

So, we focused on four sectors, the ones that you've mentioned: Education, health, economic growth, and democracy in governance, and after consulting with the government, and the other donors, we decided to focus, in particular, on Sindh and Balochistan, because it seemed that those two provinces were getting the least attention from the other donors.

Now, over the past 6 years, since our return, we've added more staff—mostly Pakistani professionals—but for the most part, we've stayed focused on those four sectors in the settled areas in the country, and then we've expanded our program geographically into Azad Kashmir, after the devastating earthquake that you've already referenced, in October 2005, and of course into the tribal areas.

Going forward, we hope to expand into the Swat Valley in the North-West Frontier, Southern Punjab, and Northern Sindh, where we see growing extremist threats to the government. And if we receive additional resources in the future, we hope that we can consider new programs, in addition to the sectors that we've been engaged in, and that you've mentioned, we'd also like to take a look at agriculture, energy, and additional jobs programs, with the private sector in the lead.

The assistance environment in the Frontier is, of course, the least permissive. There, we face a number of challenges—extreme poverty, illiteracy, poor governance, tribal insurgency, and as my colleagues have said, distrust of anything, and anybody, foreign.

We've adopted new approaches, in the face of these challenges. The sectors that we're working in, in the tribal areas may sound

familiar: Maternal and child health, education, jobs programs, capacity-building for local government officials, but our approaches have changed.

We're taking the time in the tribal areas to bring local communities into the discussion—we're letting the communities set the priorities, weigh the options, and make the decisions with local officials.

Is it fast? No. But in some communities this will mean a new road, in some communities it will mean a well, or an irrigation canal, but in all communities, it will mean giving people a stake in their future, positive interaction with their local officials, for the first time.

You asked about opportunities. In any other country, I don't know how we could manage such a large assistance program with so few Foreign Service Officers, and if I may, I doff my cap to them—all of them out there—who are working so hard under difficult conditions.

Thankfully, in Pakistan, we have a very strong private sector and civil society that we can—and have—turned to, to help us manage our programs. Functions that we might perform with Foreign Service Officers in other countries, where security is less of an issue, such as project oversight, are well within the expertise of Pakistani accounting firms, engineers, think tanks and universities.

We're also committed to using more Pakistani contractors and grantees to implement our projects. They know the country very well, they speak the language, they don't require the added security costs that an expatriate firm would, to ensure that the assistance dollars that you entrust to us, go further.

The recent national elections—as both of my colleagues have said—also created opportunities, particularly in the Frontier. One very hopeful example in the federal government is the new Minister of Education, who's spoken publicly about the need to increase incentives for teachers, which we think is a critical missing element in any long-term plan to reform education in Pakistan. We don't want to disrupt or delay our ongoing programs, but we look forward to engaging with the new leadership, to be certain that what we're doing is completely responsive to their priorities.

You asked about obstacles. Security, security, security. It's a real and serious concern, and it can impede implementation of our programs. We have to ensure the safety of our staff, and that can affect our monitoring.

For example, unlike my first tour there in the early nineties, our staff now finds it difficult to get outside of the Embassy, or the consulate in Peshawar, to the detriment of our project management responsibilities. This is particularly acute in the tribal areas, but we're always looking for new ways to manage our programs.

As I said a minute ago, we're relying much more on Pakistani professionals to perform some of the oversight. For the tribal areas, we've established a new office in Peshawar, to be closer to the action, and created a second deputy director position there, to lead our efforts in the Frontier. And we've also built a very strong relationship with the political agents that work in those agencies, who

come into the settled areas regularly to report to us on progress and impediments.

You asked how the Pakistanis would view an increase in our assistance. Well, they would welcome that increase, but as my colleagues have said, what they would welcome the most—and you have said—is a long-term commitment from the United States, a commitment that would reassure the Pakistani people that we will be their partner for many years to come.

You asked in the letter if USAID would be able to handle additional resources. Well, we've already handled a pretty significant increase since we returned in 2002. When I went back in 2002, we had about $15 million. We're over $400 million now, that we're managing each year. We're staffing up in Islamabad, I told you that we've opened an office in Peshawar, to oversee our programs in the Frontier.

Now, our capacity to manage additional resources is not infinite, but as long as we have your support, to use new mechanisms for delivering our assistance and monitoring progress, we're confident that we could manage more.

And finally, you asked about interagency and cross-border cooperation with Afghanistan. We have a very strong country team in Islamabad and in Peshawar, an excellent collaboration, as Assistant Secretary Boucher said, among the three organizations represented at the witness table, and then personally among the three of us.

There's a real commitment in the field, to eliminate duplication and build complementary programs between agencies, particularly civil-military cooperation.

One of my hopes, going forward, is that we can show the Pakistanis how civil-military cooperation works. You talked about the earthquake—they did a terrific job in the earthquake, their army, working with their NGOs. I think we can help them bring that experience to bear in the tribal areas, as well, to help ensure that their very large investment in the tribal areas is more effective.

We are working more closely, now, with our colleagues in Afghanistan, as we build up our assistance programs on the Pakistan side of the border. Interventions across the border should, more or less, mirror each other, especially where members of the same tribe live on both sides of the border.

One proposed component that we've talked about is the Reconstruction Opportunity Zones, which could provide a relatively low-cost way to promote sustainable development in economically challenged areas of both countries.

Mr. Chairman, members, thanks so much for having us, I look forward to your questions.

[The prepared statement of Mr. Ward follows:]

PREPARED STATEMENT OF MARK S. WARD, SENIOR DEPUTY ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Chairman Biden, Ranking Member Lugar, other distinguished members of the committee, thank you for inviting me to appear before you. Today's hearing topic—New Strategy for Enhanced Partnership with Pakistan—is important. I welcome the opportunity to discuss USAID's development challenges and successes and our plans to continue building our partnership with Pakistan to support the country's democratization, stabilization, and economic growth.

I have a brief statement to present to the committee today. It highlights our current assistance program and partnership in Pakistan, the cooperative relationships across agencies, our plan looking ahead and, of course, the challenges we face implementing assistance programs in the unpredictable environment of Pakistan, particularly in the border areas with Afghanistan.

CURRENT ASSISTANCE

When the United States returned to Pakistan in 2002, we focused on four key sectors: Education, health, democracy, and economic growth, in accordance with the Government of Pakistan's (GOP) request. Over the past 6 years, USAID has deepened that mandate, but in view of high female illiteracy and the need for workforce skills development, education remains our largest program. In all these sectors, the Government of Pakistan has the lead and we target our assistance programs to support and enhance programs and priorities the GOP identifies.

Current funding will allow USAID to expand these ongoing, successful programs to new areas, such as the Swat Valley in the North-West Frontier Province, as well as southern Punjab, northern Sindh. Similarly, we will extend efforts in earthquake-affected areas of Azad Jammu and Kashmir, where we were not present until the 2005 earthquake occurred. This work has deepened our partnership with Pakistan and extended the writ of the government, as people have seen how these benefit their lives. We appreciate the support of Congress in making this possible. The overall FY 2009 request includes $150 million for the Frontier, the third year in a 5-year $750 million U.S. commitment to support the Pakistani 9-year $2 billion FATA Sustainable Development Plan.

The Government of Pakistan faces a number of challenges in Pakistan—extreme poverty, illiteracy, lack of good governance and tribal insurgency. These problems are most severe on the borders with Afghanistan. The U.S. Frontier strategy expands on-going maternal and child health and education programs, introduces job creation efforts, and builds the capacity of local government to provide better services to the people. In some communities this means a new road, a well or an irrigation canal. In all communities, it means giving people a stake in their future development, and that of the GOP, for the first time.

OPPORTUNITIES

The presence of a strong private sector, well-educated urban population, and civil society in Pakistan allow USAID to do its work more efficiently and effectively with a smaller mission staff that relies on local capacity to support our work. These strengths enabled USAID to increase use of local firms, NGOs, and think tanks, to support development. Similarly, USAID is committed to increasing the involvement of local contractors in supporting Pakistan's development. It is also important to note that results of the national elections opened up new opportunities in the Frontier for working with local leaders, municipal governments, civil society organizations, and moderate political parties. Finally, the successful corporate CEO Partnership for Earthquake Reconstruction had long-lasting effects on northern Pakistan's development and created an overwhelmingly positive image of the United States. USAID will continue to make the most of these and other opportunities in implementing a dynamic program that meets changing needs.

OBSTACLES

The security situation in Pakistan is a real and serious concern, and can impede implementation of programs. We must ensure the safety of our staff and, too often, that limits how we are able to monitor programs. In recent years, our staff find it difficult to leave the Embassy or consulate. These impediments especially affect work in the FATA. We've established an office in Peshawar and a second Deputy Mission Director to lead our efforts there. This will support our efforts to implement and monitor programs as effectively as possible.

HOW WOULD PAKISTAN VIEW AN INCREASE IN ECONOMIC ASSISTANCE?

Pakistanis are acutely aware of the hiatus that occurred when USAID left the country in the early 1990s, a departure that created a significant loss of trust between the U.S. and Pakistan that remains today. Pakistanis would welcome increased assistance. What they would value more than increased assistance is a long-term commitment from the United States, a commitment that would reassure the Pakistanis that we will be their partner for many years to come.

WOULD USAID BE ABLE TO HANDLE SUCH RESOURCES?

USAID has already successfully handled the significant but incremental increase in assistance that has occurred since 2002, when we returned to Pakistan. We are staffing up our mission in Islamabad now, and, as I mentioned above, we are building up our presence in Peshawar, as an in-country regional office, to oversee the FATA program.

INTERAGENCY AND MISSION COORDINATION

I appreciate appearing today with my two colleagues from the Departments of State and Defense. This is indicative of the close interagency coordination in Pakistan, that is, in fact, the best I've ever seen anywhere. We have a strong country team and excellent collaboration among the officials of these two Departments as well as other U.S. Government Agencies, and with other donors as well.

We work closely with our colleagues in Afghanistan. We also recognize the benefits of increasing coordination between the two USAID missions. This will be particularly important as we continue our assistance programs in the tribal areas along the Frontier region in the FATA, NWFP, and Baluchistan. We think that interventions in these areas should more or less mirror each other, especially where members of the same tribe live on both sides of the border. We are still developing ideas on how we can improve this, but one proposed component is the Reconstruction Opportunity Zones (ROZs), which could provide a relatively low-cost way to promote sustainable development in economically challenged areas of Afghanistan and Pakistan.

The CHAIRMAN. Thank you very much, we have a very good panel, and I hope Ambassador Chamberlin and General Zinni will—I know they'll listen—because a lot of the things that I'm going to ask are questions I've asked before, because I'd like to know about it from your experience, if I may.

Look, I think each of us in this committee—by the way, before the clock starts, Senator Kerry, who's keenly interested in this, recently was on a trip with Senator Hagel, and myself—had to go chair another hearing. But his absence is not a lack of interest, he's been deeply involved in this, and things as we do and you do that this is—if we can ever pick one place in the world we'd better get it right, it's here.

So, I have a lot of questions, and obviously in 7 minutes, I'm not going to be able to get to them. I hope I can narrow them to give you an opportunity to answer them relatively quickly, and expand on them in writing if you'd like, and maybe, if we have time, in light of the number of people we have, without trespassing too much on our second panel, maybe have a second round, if that opportunity presents itself.

Let me start with you, Mr. Ward. Speaking only for myself, I think your—from my standpoint, I want to see you—I want to see USAID be more innovative. There is a significant middle class, there's a significant infrastructure that exists within Pakistan, we're not talking about Afghanistan, we're not talking about other countries where you are up to your knees in trying to deal with development aid, and the—one of the things that I'd like to ask, very pointedly, is you're in Balochistan, and Sindh, is that right?

Mr. WARD. Those are the two provinces where we're focusing.

The CHAIRMAN. Right. You said you have security concerns, from whence does the threat to your workers come? What—how do you identify, whether it's there or the tribal areas—the tribal areas it's kind of self-evident. But other than the tribal areas, the FATA, where does the threat to your workers come from? Where does it emanate from?

Mr. WARD. Let me describe the process.

The CHAIRMAN. Only if you can do it in a minute or so.

Mr. WARD. When we want to go out and check on a project——

The CHAIRMAN. Yes.

Mr. WARD. We check with security, Pakistani security there.

The CHAIRMAN. Yes, yes, right.

Mr. WARD. If they've identified a threat in that area, to us—and they do in certain parts of the country more than others, certainly in Balochistan——

The CHAIRMAN. Right.

Mr. WARD. Certainly in Karachi.

The CHAIRMAN. Right.

Mr. WARD. It makes it very difficult for us to go out and——

The CHAIRMAN. No, no; I'm not doubting that. I mean, I know, look, we've lost as many civilians, people not in uniform—almost, not as many—but we've lost a considerable number. And people vastly underestimate the price that Foreign Service Officers and aid workers pay for trying to enforce—or not enforce, but—follow through with American foreign policy.

I'm just asking, is the threat from disparate groups, are you worried about al-Qaeda in the region, are you worried about, you know, certain parts of the Taliban, are you worried about opposition parties? I mean, who do they—when they say it's too dangerous to go here, do they identify for you why it's too dangerous?

Mr. WARD. Senator, it's basically the same people who are threatening us in the tribal areas. Some of the radical madrassas are in Karachi, we've probably picked up more al-Qaeda Taliban militants down there than we have in the tribal areas——

The CHAIRMAN. Well, that explains it. I just want to make sure for the record we—now, second, I'd like very quickly and—I'm going to submit some questions in writing to you, Mr. Ward, if I may.

What I'd like to do is ask the Defense Department—we, I came away after skirting the FATA, I think that's the best way we can say it—and meeting the Interservices Intelligence (ISI) for some extended period of time, and meeting with each of the opposition—each of the contestants in the last general election, because we were there for the election.

I came away with several impressions that relate to the military side of this equation, I'd like to just reference them, and ask you if you would be willing to comment on them.

First of all, I came away, not at all reassured by the ISI, that they had their act together, and they viewed "the enemy" in the FATA as being the same enemy we viewed as the enemy, number one. That is, it seemed to me a great deal more concern—and I'm not making a judgment here, on Mahsud and the traditional resistance in the FATA, than from the Taliban, and virtually no interest in—I shouldn't say no—little interest in al-Qaeda.

Second, I found that even where there was a will on the part of the Pakistani military—brave fighters, very, very competent military—that it did not possess the capacity—it wasn't organized in a way that it could very efficiently compete militarily in the FATA. They, as much as, said that themselves.

Third, I found that there was this—and I should have known this, my staff, Jonah Blank, has been telling me this for 5 years—that there is a real resistance on the part of the Pakistani military to be trained, or take orders from, a sergeant, or another NCO ranking lower than they are in teaching them about counterinsurgency and training, which has been difficult.

And last, I found that the big problem in the FATA is infrastructure. That you build a road that connects—you have some reason to connect that part of the world to Islamabad. Right now, much of that part of the world, within Pakistan, has no connection to—I mean, what goes on in Islamabad is irrelevant.

And you saw what recently happened in, in what, in Swat, which was a, you know, a beautiful area that was essentially one of the places that attracted tourists and was doing well.

So, my question—having stated those three things for you, is—from a military standpoint, what are the priorities from the Defense Department, in terms of dealing with—how do you think about approaching? Increasing the capacity, the willingness, the cooperation, for—with the Pakistani military to deal with what we look at as the problem, which is primarily a resurging Taliban in Afghanistan, out of the Pashtun tribe, and al-Qaeda.

So, A, Do they view the same enemy—are they the same priorities? What's one man's terrorist may not be another man's. Do they have the same priorities? Do they have the capacity? And what is the thing that can help them the most, in dealing with both of those issues?

Mr. SHIVERS. Well, Mr. Chairman, you asked the 64-million-dollar question.

Addressing the security needs in the FATA and the North-West Frontier Province are amongst our greatest priorities at the Department of Defense.

I'm curious about the representations that ISI officials made to you during your visit. Indeed, it's often thought that the Pakistanis have paid more attention to al-Qaeda, at our request, than they have to traditional militants in the tribal areas, and the Taliban. So, the fact that they were paying so much attention to the Taliban, I think, is encouraging.

The CHAIRMAN. I misspoke, if—that's what I thought I said—they're much more concerned about Mahsud, then they are—I came away with the impression—than they are about the Taliban, or then they are about al-Qaeda.

In other words, the threat to Islamabad emanates more from insurgents in that region who have no interest in Afghanistan, but have as their target, Islamabad. As their target, the military—the Pakistani military.

Yet our interest is—we keep pushing them, which we should, in my view, to deal with the Taliban that they created—with our help—and al-Qaeda. And that seems clear, to me, to be a second priority.

Again, I'm not passing judgment about it from their perspective. I'd like to know as unvarnished an assessment you have, What do you think their major concern is? The ISI's as well as the Pakistani military, and in what capacity do you have to help them build to

get them to view things, at least, somewhat more consistently with us?

Mr. SHIVERS. Without going into matters that I think would better be addressed in closed session, I would say that we do have concerns from time to time as to whether the authorities in Pakistan have the same degree of interest that we have in preventing anticoalition militants from transiting across the border into Afghanistan.

This is an uneven exercise, and I suspect, perhaps, the preoccupation they had with Baitullah Mahsud while you were there, had to do with the proximity to the event against Benazir Bhutto, and he's the presumed assassin.

The CHAIRMAN. There, my—again, my impression is they wonder why we don't have more interest in the things they have an interest in. In other words, we talk to them only about—not only about—primarily about, the Taliban and al-Qaeda, and they say, "We've got other problems, in addition to that."

Mr. SHIVERS. Well, indeed, I think that's an important element, Senator, of expanding this relationship, so that it's not seen just in terms of the essential security needs and requirements that we have in the FATA and the North-West Frontier Province, but is seen against a much broader spectrum of issues that exists bilaterally between the two governments.

The CHAIRMAN. Well, I'm over my time, let me just ask you this—how important, from the standpoint of the United States military is the work that AID and State is doing in trying to build infrastructure in the FATA, as well as in other parts of Pakistan?

Is it viewed as a necessary element to be able to allow Islamabad to gain control of an, in turn, begin to corral the influence of the Taliban and al-Qaeda in the region, or is it viewed as a nice thing that will help the people, but doesn't—isn't going to make a whole heck of a lot of difference about whether or not Mullah Omar operates with impunity, and bin Laden is the cock of the walk in that area?

We know where they live—they ain't living in Iraq. They are in Pakistan. So, tell me about the development piece from the perspective of a military man?

Mr. SHIVERS. Well, let me echo the words of Secretary Gates when he made the—presented the ideas of utilizing all of the elements of national power at our disposal—especially soft power. We view this as essential. You can not prevail in the FATA, or the North-West Frontier Province—Pakistan will not prevail there—without essential development and assistance to the people. So, we've got to take their minds off of terrorism and extremism, and put their minds into productive use about how their children are going to be educated, and how development will take place in their communities.

The CHAIRMAN. Well, Mr. Secretary, I'd like to take you up on your offer, maybe when we get back from recess, to have—not necessarily a hearing—but maybe you, or whomever you would suggest, could come up and brief us on the parts that we, understandably, or should be not in public, about the military component, training and the rest.

I've now gone—I apologize, gentlemen, 5 minutes over my time. If we go to a second round, I will not take one.

Senator Lugar.

Thank you very much.

Senator LUGAR. Thank you very much, Mr. Chairman.

I'd like to pursue with you, the general proposition that was really posed by an article in the New York Times yesterday by Carlotta Gall. She wrote, essentially, of a leadership void seen in Pakistan, and she goes on to point out that this is not altogether surprising, that during 8 years of military rule, the bureaucracies and a significant portion of the civilian government atrophied, they were less effective, and currently it is surprising to the Parliament to be having a discussion of the military budget, as some comment, after 40 years. Having no idea what the military budget might be.

I mention these anecdotal circumstances along with the court in Pakistan ruling that Mr. Sharif isn't eligible to run for Parliament. He, of course, is head of a junior partner in a major coalition, and points out that this will have severe ramifications with regard to the coalition and its effectiveness.

My point in raising all of this is that, to say the least, government in Pakistan is complex, but your situations in dealing with such government are more complex. I'm just simply wondering—even if we were to come forward with programs that are sufficient in terms of staff and money, with less emphasis on the people, and on a broader view of education, and so forth, is there sufficient effectiveness in the Government of Pakistan at this point, to be able to administer these programs, and to satisfy the American Congress, or taxpayers, or press, as the case may be, that we have a sufficient idea how the money is being spent?

One story after another, I know, comes to your attention, of reports in which it's not very clear where the money went. And as the chairman has said, this has led to a transactional idea, that we're paying money to the military in Pakistan to get the job done with regard to terrorists or al-Qaeda in the border area, but at the same time we are witnessing a debate in which the government itself—the military, for that matter—is trying to determine its status with regard to the central government, quite apart from the population in the FATA area.

How do we approach such a situation, and give some degree of confidence that—whatever policies we adopt, or discuss today—might have some degree of effectiveness?

Would you like to start with that, Mr. Boucher?

Mr. BOUCHER. Sir, I'm inclined to say yes, and leave it at that. I think you have put your finger on a real problem, but one that, I think, we see plenty of signs as being taken care of.

The—I—we've talked to a lot of the political parties, our Ambassador keeps in touch with coalition partners, as well as people in other parties, and there seems to be a very broad consensus on some of the issues that are facing the nation. First, dealing with the immediate crisis of food and energy, and the approach to terrorism.

And that's—for all of the reasons you cite—I think that's one of the reasons why their statement today about their approach to terrorism is very important, it brings together all of the political

leaders, it brings together the military, the President's appointees and others, in a very clear statement of responsibility and goals, including goals of development, but also goals of ending cross-border activity and the presence of foreign fighters. So, I think that's a very positive development.

They've been able to bring together consensus and support for a budget that includes, for the first time, a publicly stated military budget.

So, it's always difficult working with coalitions, whatever country it is. Particularly when they, themselves, have issues between the coalition partners.

But, I think on the issues that are really important to us, the issues of modernizing the nation, fighting extremism, modernizing the economy, providing jobs to young people, providing education to young people—there's a very strong national consensus. And as Mr. Ward noted, there are, I think, more and more capabilities in Pakistan in the bureaucracy—but also outside the bureaucracy—to spend, audit, control, create, and build from the money that we put out there.

So, I think, if organized properly, with some understanding of the political environment, we can get these things done.

Senator LUGAR. Let me just follow with a question in terms of our own organization of affairs—describe the cooperation or coordination between our Embassy in Pakistan, and our Embassy in Afghanistan. You know, clearly we have goals there that are coincident in many ways, are we in touch with each other?

Mr. BOUCHER. They—they're in touch with each other at all levels, from the Ambassadors on down, they work together closely.

We recently decided we needed some people who actually specialized in cross-border issues, and so we have—in my Bureau at the State Department now, one of our most capable officers who's assigned to follow cross-border issues, potential for cooperation, you know, where the roads go, how are we approaching the extension of government on both sides. And we will have similarly charged people both at our Embassy in Afghanistan and in our mission in Pakistan. And that will create a small network of people who spend their whole time thinking about the relations between the two sides, and how we can help them work together.

Senator LUGAR. Mr. Ward, in previous hearings, we've heard emphasis on the fact that the Pakistan school system is—as far as public education—nonexistent for, perhaps, a majority of young people after a certain age, and this has led to much more of an emphasis on religious instruction, and difficulties of that sort.

But, this is a monumental problem—how does our aid fit, is it changing the educational status of youth in Pakistan? What sort of efforts are they likely to make? Or, can you give us any promise of the future in that direction?

Mr. WARD. Our goal, Senator, is to restore confidence in parents that they can send their kids to the local public school, and that their kids will get a decent education. The public school is probably there, the teacher may or may not show up. The facilities inside the school are probably grim. So, given that choice—if you're the parents—between this very poor public school, and a madrassah in the same area, where some course of education is offered—it's

probably not going to matter a whole lot to the parents, because they may be illiterate themselves—and maybe they offer boarding, and certainly food—it's understandable why parents in many communities opt for the religious schools.

So, our effort—and we focused on districts in Sindh and Balochistan to test these models—is to not build schools, but to improve the existing public schools, so that, No. 1, the teachers in those schools understand some modern methods of teaching that get the children involved in the classroom, rather than have the children sit there and memorize, and be talked to. Build playground equipment, build latrines, make these public schools more attractive places for parents to send their children.

The concern about building lots of new schools based on the history of all of the donors in Pakistan, is if we build them, are there teachers for them? There are too many, what we call, "ghost schools" in Pakistan. I call them "goat schools," because in fact they, some of them, contain goats. But they're not used as schools. They were built decades ago, not recently. That's what we want to avoid, so we have to be careful that—and this is where we need the commitment from the Government of Pakistan—that they make the resources available to hire the teachers, to put more public schools out there to offer a good alternative to the religious schools in as many communities as we can.

Senator LUGAR. Let me just ask, you view the press by that, the larger question—not just the written press, but the television and radio in Pakistan—is there some recognition of our efforts? In other words, we all talk about the public diplomacy, about the fight for hearts and minds, but is there any evidence that the people of Pakistan have some idea of what we are doing?

Mr. SHIVERS. I think a lot of the people do, but the mass of the people don't. They did—and still have—a very strong impression of what we did in earthquake relief. You know, kids were drawing pictures of Chinooks dropping food for people, and that is certainly well-publicized, and well-acknowledged, and well-received.

But the ordinary, sort of, building roads, vocational training, building schools, promoting health care—I think most Pakistanis that benefit from those services don't always know that it was us that made it happen.

Senator LUGAR. This gets to the heart of the question—or many questions—the chairman was raising, in terms of our dedication to efforts that, of the people of Pakistan, and a recognition of an alliance there, so that—we're not ready to talk about this today, and this may be beyond the hearing—but how do we broadcast better what we're doing? Why we care? That anybody does care? In other words, if all this happens in a relative vacuum, then the strategic situation we're talking about today is not very well enhanced.

Mr. WARD. It's a very good question, Senator, and there's always a debate within our agencies about how many resources to put into the communications effort, as opposed to fixing up another school.

We have tried very hard to come up with uniform branding for what we do so that when you see the message it always the same, so that if people see it enough, they remember it—the hand clasp, the "from the American people" in Urdu or Pashtu, but clearly we can do more. We have some good examples from the Middle East,

of where we have done more robust advertising campaigns, and it seems to stick. People—we notice in the polling—they recognize more assistance coming from the United States. So, this is clearly an area where we need to do more.

The only thing I would add to what Assistant Secretary Boucher said is that, if you go into one of the districts where we have focused, there is more of a recognition. Like the earthquake area—when they see us a lot, when they see the results—but you go into a mass urban area like Karachi? No.

Senator LUGAR. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Chairman, it seems to me that that shouldn't come out of your budget, that should be a public diplomacy budget, but that's another issue for State.

If you noticed, I changed the time to 10 minutes apiece, to equalize it out, a little bit.

So, the Senator from Florida, Senator Nelson.

STATEMENT OF HON. BILL NELSON,
U.S. SENATOR FROM FLORIDA

Senator NELSON of Florida. Mr. Chairman, I'm interested to hear Ambassador Chamberlin's response about the effort of education, getting down to the schools and whether or not it is, in fact, happening. Because when she was Ambassador, that was one of her greatest frustrations, was that the aid was not getting down there. And therefore, it wasn't offering an alternative to the madrassahs. So, I look forward to that testimony.

I have about 7 questions, and I'm going to rush you all through, and I just wanted to quote from yesterday's Christian Science Monitor, "NATO forces are stepping up attacks inside Pakistan, causing friction with Pakistan's new government, which hopes to negotiate peace with the militants. For more than a year, Taliban militants have regrouped along Pakistan's border region, where the Pakistani state's presence is weak, and used it as a staging ground to launch attacks against both U.S. and Allied troops in Afghanistan," and so forth.

Now, the Pakistani military has insisted that the Frontier Corps, which is about 85,000 paramilitary force of local tribesman from the FATA region, they insist that that's the best group to patrol and control the border. What say you?

Mr. SHIVERS. Well, sir, you correctly described the Frontier Corps, and we know, presently, that they're ill-equipped and ill-trained to carry on that mission. Certainly that's the reason why the Frontier Corps is a key element of our Security Development Plan, going forward.

I would describe the Frontier Corps as capable of performing some critical counterinsurgency missions. I would think those would include the ability to hold areas—that is, not necessarily take areas that are in conflict—but the ability to hold them once they're taken.

I would expect that they would be able to perform an effective policing mechanism. After all, the Frontier Corps—during times of peace—is under the Ministry of Interior in Pakistan. It's only chopped over to the Ministry of Defense during emergency periods, as has existed since 2001.

Senator NELSON of Florida. So, you think they are best to be a holding force, rather than a fighting force?

Mr. SHIVERS. It is not an ideal force from a point of view of interdicting anticoalition militia—militants—who are attempting to transit the border. It's not an ideal force for that.

Senator NELSON of Florida. OK.

Mr. SHIVERS. But they can provide surveillance, they have a very valuable role in intelligence——

Senator NELSON of Florida. Now, given what you have testified, I've got to hurry you along.

Mr. SHIVERS. Yes, sir.

Senator NELSON of Florida. What, then, is the status of the discussions between our Government and the Pakistani Government on the counterterrorism training and operations?

Mr. SHIVERS. Well, as I mentioned, the Frontier Corps is an element of our Security Development Plan, we're also engaging with the Pakistan military and providing counterinsurgency assistance and training, and equipping the Special Services Group, which is their Special Forces equivalent, and a quick reaction force, air mobile capability, as well.

So, combined, long term, we're helping the Pakistan military shift away from an eastern border orientation in a conventional defense against threats that they perceive from the east, to a counterinsurgency mode, and recognizing the domestic threats that exist from terrorists and extremists.

Senator NELSON of Florida. I need to get you, specifically, here. What you've testified, here, is the Frontier Corps, more as a holding force, and you said you're giving training to the Pakistani military——

Mr. SHIVERS. If I may, sir—I would add one other element to my description for Frontier Corps, which is, in due course, a modest interdiction capability.

Senator NELSON of Florida. OK, now, is that going to give us the necessary leverage that we need? Or are we going to have to get the Pakistanis to embrace the use of the U.S. Special Operations Forces?

Mr. SHIVERS. Sir, I would say that our programs and our plans right now are devoted to enabling Pakistan military and localized security forces to carry out the security missions in the FATA and the North-West Frontier Province. Those are the best forces, actually, to engage the enemies there.

It would be extremely difficult to introduce, for any length of time, U.S. forces into that area.

Senator NELSON of Florida. I understand that that's what you have to say. But do you really think that what you've described, between the paramilitary force of the Frontier Corps, and the existing Pakistani military, that it's going to solve the problem in those wild regions, like the FATA?

Mr. SHIVERS. Sir, I'm not sure if our current plans in place will absolutely ensure success with the goals that we have in the FATA and the North-West Frontier Province, but I will promise you rapid adjustment, as time goes on, to ensure that our homeland is protected, and that militants are not using the FATA and North-West

Frontier Province on a continued basis, as a safe haven to attack Afghanistan.

Senator NELSON of Florida. Well, of course, that's the problem that we run into right now, is that, in fact, they are attacking U.S. troops, over in Afghanistan, across the border.

Let me ask you, I understand that you can only go so far, but I'm trying to put the cross-hairs on the problem, here. And we've really had a problem in that area with our U.S. military being vulnerable, because Pakistan is not doing its part.

All right, now you've heard a lot about these peace deals being negotiated. You want to tell us whether or not the civilian government of Pakistan is negotiating these deals, or is it the military?

Mr. SHIVERS. I believe it's fair to say that these—I'm not sure how I would characterize—I know at present, it's the civilian part of the government.

As Assistant Secretary Boucher just said, the Prime Minister has made an important announcement today, we're reviewing what the implications are of that announcement, I defer to Secretary Boucher for that——

Senator NELSON of Florida. I've only got 2 minutes left, here, tell me, Mr. Secretary, what is the quid pro quo in these negotiations?

Mr. BOUCHER. I guess the answer to your previous question is, people talk about the politicians, say we have a policy of negotiating with the tribes, not the militants. And yet, what we've seen is negotiations with Sufi Muhammad in Swat, and Baitullah Mahsud in Waziristan, so we're trying to reconcile that, and I think to some extent their statement today will try to do that.

The quid pro quo is, they say they want to negotiate with the tribes. If the tribes impose security, stop the militancy, kick out the foreign fighters, stop the cross-border, the tribes will then benefit from inclusion in the national system of government, and will benefit from the economic development, and other things that can be done for them.

Senator NELSON of Florida. Do you think that's real?

Mr. BOUCHER. I think that's real. I think that's their——

Senator NELSON of Florida. Even though General McNeil, the head of the NATO forces, has said publicly, that he thinks that the cease-fires with the militants have contributed to the increased violence along the Afghan side of the border?

Mr. BOUCHER. I think we have all been very concerned—there was the deal that negotiated in September 2006, resulted in increased cross-border activity, and increased violence, increased planning, and operations by al-Qaeda in this region. We don't want to see that repeated. We think people have to be extraordinarily careful in negotiating with anybody up there. But certainly, the approach of saying we will work with the tribes to kick out the militants is a better approach than going to directly negotiate with the militants, and that seems to be the approach they are adopting, not one that they have implemented successfully, yet.

Senator NELSON of Florida. Mr. Chairman, I've finished with 17 seconds left.

The CHAIRMAN. I'm genuinely impressed, thank you. Good questions.

Senator Hagel, you have an extra 17 seconds.

STATEMENT OF HON. CHUCK HAGEL,
U.S. SENATOR FROM NEBRASKA

Senator HAGEL. Mr. Chairman, thank you for the hearing, and the work that you and Senator Lugar have been involved in, in trying to focus on an integrated strategy on this issue.

Let me ask our two secretaries, because each has noted, in your testimony and in the discussion here this morning, about—as you have said it, Mr. Shivers, in your testimony, in referencing the United States counterinsurgency initiative, COIN.

Now, you both are aware that in April of this year, the Government Accountability Office criticized the lack of an integrated United States government strategy, and you have both touched on a new effort, with a new government, with new leadership, to harness and integrate, organize, structure focus, resources of common interest both for the Pakistanis and for the United States.

My first question in this area is, Who coordinates this? Who directs this? Is it the State Department? Is it the White House? Who is in charge of directing this new counterinsurgency strategy?

Secretary Boucher.

Mr. BOUCHER. It's basically the State Department, the interagency groups that have worked on this have been cochaired, I think, by the State Department and the NSC reps. It's a cooperative effort, but going through the usual interagency committees, but ultimately, I think we've got the responsibility for making it fit together, and carrying it out through our Embassy.

Senator HAGEL. Well, let me follow up on what you said—you said, "basically," and "I think." What does that mean? Are you in charge, or not?

Mr. BOUCHER. Yes.

Senator HAGEL. Secretary Shivers, would you like to respond?

Mr. SHIVERS. Sir, there are two principal mechanisms that we discuss the interagency process towards Pakistan. One is the weekly meetings, which Secretary Boucher chairs at the State Department. These have been going on for a very long period of time and they are very active engagements on a weekly basis.

All of the major Departments of the Government that have a particular interest with Pakistan and our security interests there, as well as the broader bilateral relationships, are represented.

Additionally, of course, we have the national security process. And in that, the State Department is cochairing a series of meetings at one level, and then, of course, it goes up to the Deputies Committee and Principals Committee, chaired by the staff of the National Security Council.

Senator HAGEL. Well, you put some focus on this point in your testimony, of course, as you know. What has changed? What's new? What's different?

Mr. WARD. Senator Hagel, may I jump in here?

Senator HAGEL. Yes, sir.

Mr. WARD. I think it's also important to notice what's changed in the field. There's a process now, in Peshawar, that is chaired by somebody who works for us, our principal officer there, who works for our Ambassador in Islamabad, who is getting the key assistance players around the table, to make sure that we're not duplicating, and to make sure that USAID's programs, and Deputy Secretary

Shivers' programs, are complementing each other. We didn't do that before.

Senator HAGEL. So, excuse me, I want to make sure I understand this. So, USAID is doing this?

Mr. WARD. We are, right.

Senator HAGEL. And that's the, what you would consider a significant change in what has happened prior to this point?

Mr. WARD. The agencies that are carrying out U.S. Government assistance programs—whether it's civil or military—are sitting around the table and devising their strategies together, focusing on those areas in the tribal areas that are particularly strategic for us, thinking about what's going on across the border, in Afghanistan, and then deciding, all right, who has the best capacity to respond to that?

Senator HAGEL. Excuse me, because I'm limited in time, here——

Mr. WARD. Sorry.

Senator HAGEL. We did not do that before?

Mr. WARD. We didn't do it, to that extent, around one table, before.

Senator HAGEL. Did you do it around two tables? [Laughter.]

Mr. WARD. Before, sir, we had a pretty small program.

Senator HAGEL. Let me—we had a lot of money, though? A lot of money went into it, in fact, there's a significant amount of money, $5.8 billion in U.S. assistance, directors had fought on the military and the ratios, and so on.

But, I'm just trying to understand why this new program is different, why do you believe it's going to work? What's significant about it?

Let me go back to Secretary Boucher.

Mr. BOUCHER. May I, sir?

Since I've been doing this job or the last 2, 2½ years, since 2006, we have had coordinated interagency plans on how to approach Pakistan. They have involved economic development, stabilization, as well as counterterrorism support.

What's changed is, we have a new government in Pakistan, we have a democratically elected civilian government in Pakistan. As your colleagues have noted that, to some extent, that makes the working environment a little more complicated, but it provides a more solid base for a long-term effort against extremism.

And so, we have gone back, gotten together on an interagency basis, said, "What's the opportunity, here?" Yes; we need to continue our work on education, health care, and other areas, can we expand that? What's the opportunity to build democratic institutions, in a way that we haven't been able to do before? What's the opportunity to come together with them?

Senator HAGEL. No; I got that.

Mr. BOUCHER. A lot has changed in that process——

Senator HAGEL. How are we doing that? How are you doing it? I understand what your goals are, objectives, and they're important, and I don't disagree with anything the three of you have said and what you're attempting to do, but how are you doing this differently than before? Mr. Ward said, we're around one table now, we're actually coordinating and assigning responsibilities. But how is this changing? How is this going to make a difference?

Mr. BOUCHER. It's essentially the process that Senator Biden, Senator Lugar, you guys and your staff have followed. What's different? How do we dealwith it?

Senator HAGEL. The implementation.

Mr. BOUCHER. And how are we—what are we going to need for money to do it?

Senator HAGEL. Not the strategy, not the objective, but the implementation of what is referred to in the testimony, United States Counterinsurgency Initiative. You talked about, the new government makes it easier. Well, why is that the case, that the new government makes it easier, but give me also, an understanding, a better understanding of the implementation of this money, of our focus, of our strategy?

Mr. BOUCHER. I think, to some extent, it's the people that I talked about, the cross-border people, the people that specialize in this area, the people that Mark Ward talked about, in Peshawar, and in our—staffing up our Embassy to better implement, directly, projects.

Late last year, we decided we wouldn't do budgetary support in these areas, we'd carry out education, health and in a number of other things directly, through contracts that AID will administer. And then, as we work here in Washington to define what we can do in the next stage, with the opportunity, we're going to have to turn that into budget requests and probably more staffing and effort in the field, to carry it out.

Senator HAGEL. Thank you, let me ask you, Secretary Boucher, how would you characterize the coordination between the new government, which you noted, with some degree of new hope, how would you coordinate, or characterize the coordination between the new government and the military? Better, about the same? Wary? Tension? What? And then I'm going to ask you, Mr. Shivers.

Mr. BOUCHER. I guess the answer is, it's developing. And I think it's——

Senator HAGEL. I'm sorry, it's developing?

Mr. BOUCHER. It's developing, and there's some new hope. Their military has been very careful to brief the civilian leadership on their activities and their programs. We've seen the Defense budget become part of the national budget in a public way, so there's these signs of coordination, but I don't think they're quite there, yet, in terms of integrated approaches, but this statement today is probably a big step in that direction.

Senator HAGEL. OK, thank you.

Mr. Shivers.

Mr. SHIVERS. Before he presented his credentials, I had a brief meeting with Ambassador Hussain Haqqani, who is now currently the Ambassador to the United States from Pakistan. And he went at great length to describe the civilian government's commitment to their military, to the national security interest of Pakistan, and their intention to fully cooperate with the military, so as to ensure that these objectives in the FATA and the North-West Frontier Province are addressed, but also the broader, bilateral mil-to-mil relationship that we have with Pakistan.

So, that is the intent, it remains to be seen how that materializes, but so far, we think that there's good progress on that.

Senator HAGEL. So, you agree with Secretary Boucher that it's developing, it's hopeful, and we'll see.

Mr. SHIVERS. Yes, sir.

Senator HAGEL. Thank you. I'll yield back 13 seconds.

The CHAIRMAN. Since it's 13 seconds, do you have more than one table in more than one geographic location? You described one table, it's a big country, how many tables do you have?

Mr. WARD. What I was referring to, Senator, is our much larger program in the tribal areas.

The CHAIRMAN. I got that.

Mr. WARD. Right.

The CHAIRMAN. How about the other areas?

Mr. WARD. The interagency coordination that goes on for the settled areas of the country goes on, on a daily basis, in a country team meeting in Islamabad, chaired by the Ambassador, with policy guidance in Washington. That's been there since USAID returned in 2002.

What I was describing was this renewed effort, now, that we've plussed up so much, in the tribal areas.

The CHAIRMAN. Thank you.

Senator Feingold.

Senator FEINGOLD. Senator, if you don't mind, I think Senator Casey has to go to the floor, and I'd be happy to defer to him, with your permission.

The CHAIRMAN. I refuse.

Senator FEINGOLD. Well, than I'll proceed. [Laughter.]

The CHAIRMAN. No, no; Senator Casey.

Senator FEINGOLD. I had the good fortune to be with Senator Casey in India just recently, and he was also in Pakistan, so——

The CHAIRMAN. If you really want to enjoy Senator Casey, go to Scranton with him.

Thank you.

STATEMENT OF HON. ROBERT P. CASEY, JR.,
U.S. SENATOR FROM PENNSYLVANIA

Senator CASEY. Mr. Chairman, thank you, and I want to thank you for convening this hearing, and the Ranking Member Lugar, as well. And especially to my colleagues for doing what doesn't happen very often, both Senator Feingold, Senator Cardin have given me the opportunity in a limited period of time—I'm not going to take the 10 minutes.

But, I wanted to do two things, one was to—really—to focus on just two areas, I have about 5, and I have to cut it back. And again, I want to thank the panel today for your testimony today, and for your public service. I know that Mr. Shivers and I had a chance to meet in India, and we're grateful for your presence here today.

The second area—and I think I only have time for one—so Secretary Boucher, with regard to the nuclear command and control within the Pakistani Government—what is your sense of that now, generally, but in particular, do you think with the advent of this new government and the developments just in the last couple of months—has that command and control, and can you assure us today—that that command and control system that's in place, has that been compromised, has it deteriorated, or is it as strong as

you, I think, testified to in previous testimony before this committee?

Mr. BOUCHER. Sir, our understanding is that it has not changed, and we still have a high confidence that they're under good command and control.

Senator CASEY. And that would include both nuclear and fissile material, as well.

Mr. BOUCHER. Yes, sir.

Senator CASEY. Thank you.

Second, in a broader question about the resurgence of al-Qaeda, it appears to me, and I think to a lot of people, that al-Qaeda's increasing its influence among all of these Islamist military groups, it's operating along the border, which we spend a good deal of time today talking about, and part of that, I think, and you may disagree, but I think part of that is due to the—the poor counterinsurgency capabilities of the Pakistani military.

And, we know that in 2008, our Director of National Intelligence, stated that al-Qaeda is now using the tribal areas—the Federally Administered Tribal Areas—to put into place the last elements necessary to launch another attack against the United States.

When we hear that language, and I think we heard that language from Admiral Mullen earlier this year, I think it was, saying that the border region between Afghanistan and Pakistan is, "the site of planning for the next attack on the United States," and then when you juxtapose that with, Mr. Shivers, what you said earlier, this is on page 4 of your testimony, the July 2007 NIE, on the terrorist threat to the U.S. homeland, and the country reports from 2007 about the safe haven where Taliban and al-Qaeda forces recruit, train, and equip fighters.

When I see all that, I'm worried about a couple of things. No. 1 is, Does our military, in that region, have all of the tools necessary, and all of the resources necessary, to do what it must do to succeed in that mission? That's one question.

And then the second question is, When you juxtapose what the NIE has said, what Mr. Shivers, what you have said in your testimony, what Admiral Mullen has said, why do we—why don't we see the juxtaposition of those statements in President Bush's repeated statements that the central front in the war on terror is in Iraq? It doesn't make any sense to me, when you juxtapose those statements, and the threat posed in that region. So, could you comment on both, Does our military have what they need? and second, How do you explain the apparent contradiction, or conflict, between those two administration statements?

Mr. SHIVERS. With respect to the first question, whether our forces have all of the resources that they need, certainly for the mission within the confines of Afghanistan, they do. They are well-trained and equipped, and highly motivated and admirably performing their tasks in Afghanistan.

There is a continuing shortfall of forces in that country, and the NATO commander has identified a shortage of forces. Some of that shortage would be applied against the border with Pakistan, to increase the interdiction capabilities of our forces there against the anticoalition militants coming across the border.

So, obviously, there are some troop shortages within NATO that need to be addressed, and our Secretary, our President, all members of our national leadership have spoken out on that.

With respect to the threat in the FATA and North-West Frontier Province from al-Qaeda, it is real, it is significant. All of us at this table see intel, as do you, that addresses that. Obviously, we can't go into great detail in an open setting like this. Suffice it to say, that we're doing everything within our control to mitigate those risks as best possible.

This is a rugged area, this is an area that doesn't have a ready access for U.S. forces, international forces, or Pak military forces, so it presents a tremendous number of challenges.

Juxtaposing it against statements made about Iraq—there were, earlier, and I think less today—earlier there were significant al-Qaeda Iraq elements in Iraq, and that posed a very significant threat to the United States, as well. And you'll note, in the unclassified portion of the NIE, that al-Qaeda elements in Iraq were the only affiliate of Central al-Qaeda, which had publicly professed a direct threat to the United States homeland.

So, the United States is more than capable of confronting threats in various locations, and I'm sure that——

Senator CASEY. We're probably going to disagree on the juxtaposition, because I think the President has made that statement repeatedly, and I don't think the temporal nature of it, as to when he makes it, I don't think changes the conflict or the contradiction. But, we can disagree about that.

I want to make one more point, because I know my time is up. When I was in Pakistan with Senator Levin, we met with Mr. Zardari, we met with the Prime Minister, we met with President Musharraf, General Kiyani, and we came back and said, "Look, before we go, unconditionally, to give them the support that we've promised, in terms of what we can in the Frontier, we ought to condition that, based upon their," for lack of a better word, "demonstrable proof that they're going to enforce these agreements with the—in the tribal areas."

I get from your testimony that the administration does not agree with that. You don't think that aid, the $75 million, I guess it is, should be conditioned in any way, is that correct?

Mr. SHIVERS. No, sir. Obviously, we'd like to see demonstrated performance from allies. I think the point we were making is to codify, or legislate it, put restrictions on the day-to-day discussions with a major non-NATO ally of the United States, and we'd prefer to discuss those conditions, and what our expectations are, in the privacy of bilateral diplomacy, rather than through legislation.

But, we understand and fully appreciate this committee's interest in ensuring that there is a demonstrated performance on the part of Pakistan.

Senator CASEY. I'm out of time, but thank you so much, and I appreciate your willingness.

And thanks to my colleagues.

The CHAIRMAN. Secretary Boucher, based on that answer Mr. Shivers qualifies for the State Department.

Senator Feingold.

STATEMENT OF HON. RUSSELL D. FEINGOLD,
U.S. SENATOR FROM WISCONSIN

Senator FEINGOLD. Why, thank you, Mr. Chairman, for holding this very important hearing. United States-Pakistan relations are at a critical juncture as the recently elected civilian government provides an opportunity to develop a sound and comprehensive bilateral relationship that serves the needs and principles of both countries, while also ensuring our national security—and theirs—over the long term.

As I just mentioned, about a month ago, I and other Senators traveled to Pakistan, because as the intelligence community has confirmed again and again, Pakistan is the central front in the fight against al-Qaeda.

Confronting this threat, which includes addressing the al-Qaeda safe haven in the FATA, must be our top national security priority. That means hunting down Osama bin Laden and other al-Qaeda operatives while collaborating with the Pakistani Government to neutralize forces before they plot or carry out attacks against Americans.

It also means taking a strong stand against deals with al-Qaeda or the Taliban so our friends in Pakistan understand that such measures are unacceptable.

But this cannot be our only goal, as this struggle is more than a manhunt. If we're to be serious about fighting al-Qaeda and preventing another generation of bin Ladens from emerging, we must also recognize the needs of the Pakistani people, and expand our support for development initiatives, in a country where poverty is pervasive, and as I certainly confirmed, anti-American attitudes are widespread.

In order to make this shift, we need a new approach to our relationship with Pakistan, one that defends our national security interests while also acknowledging that the emergence of a democratically-elected civilian Government in Pakistan is vital to our strategic interests.

We must abandon previous policies that were overly reliant on individuals and paid lip service to democracy, by expanding our relationships and supporting basic democratic institutions. A more inclusive policy will allow our counterterrorism partnership to, hopefully, withstand the turbulence of Pakistan's domestic politics, and help mitigate already high levels of anti-American sentiment.

The extraordinary and antidemocratic measures President Musharraf took since his coup in 1999 were inconsistent with basic American values and did nothing to limit the presence of extremist groups in that country. I'd like to ask all three of you to address how the administration is seeking to reverse the negative impact of our overreliance on President Musharraf. What steps are we taking to ensure that the new government not only reigns in its military, but also makes tangible headway on reforming other institutions in order to strengthen democracy in Pakistan?

Mr. Boucher.

Mr. BOUCHER. I think the first thing to note is that we were a very important part of the transition to an elected, democratic government. We worked very hard at it all last year, we were very critical when President Musharraf did things that we felt were

clear mistakes, we were quite outspoken about that, and we were quite supportive of the elements that led to a good election, and I've had many people on the democratic side of Pakistani politics thank us for all of the effort we put into that. This is what we wanted, and we helped get it.

So, I think we are in a good position to work with a new government, there are new opportunities. You don't drop health care in order to build the Election Commission, or strengthen a judiciary, once they agree on how to organize it. So, we see an opportunity, I think, to expand our programs into building democratic institutions—which is one of their priorities—to expand our programs in support of the media or the judicial system or other aspects of a new society.

And, as you said, not just to fight terrorism, but to bring all of the parts of the country under government control—particularly to bring the tribal areas under government control. We've had a Security Development Plan to transform the security arrangements there, we've worked out a sustainable development plan, to work on infrastructure and schools, training, electricity for people who live up there.

The thing the new government adds is the prospect of a different political arrangement for those areas, a different way of integrating them politically into the life of the nation, and that's something, I think, that we also see as an opportunity that we can support.

Senator FEINGOLD. I'll just follow up Mr. Boucher, for a minute, then I'll go to the other two witnesses.

Mr. Boucher, would you agree that the rule of law and an independent judiciary are two fundamental principles of a strong democracy?

Mr. BOUCHER. Absolutely.

Senator FEINGOLD. Why, then, hasn't the administration made any comments regarding the reinstatement of the deposed Chief Justice and other judges, I mean, even if the issue has been politicized in Pakistan.

I've concluded, and I spent a lot of time on this when I was in Pakistan, met with the Chief Justice, heard the views of political parties on this—I've concluded that it is really a simple rule-of-law issue that requires a statement of principle from the United States.

Mr. BOUCHER. Sir, the restoration of justice and the building of an independent judiciary is certainly something that we have strongly supported and we all agree upon. How that is to be done is a partisan issue where the fundamentally different Pakistani political parties disagree.

Before the election, we said, "This is something the politicians need to work out after the election." That's what they're doing, that's what they're still trying to do, and I think, it is really is something fundamentally for them to figure out how they want to do it. But the fundamental principle of building an independent judiciary is something we absolutely agree with, and we've made very clear we will support that.

Senator FEINGOLD. Well, to be clear on the record, this is not an issue to be solved by compromises between political parties, it's a simple rule-of-law issue. These justices, and the Chief Justice, were removed from office unlawfully. I asked every single person in that

country, Was there any reason for them to be removed? Nobody said there was a reason for them to be removed. All I'm saying is that the fundamental principle that we, and this administration, should assert, is they should simply be reinstated. It shouldn't be part of a political deal. But, I'll let Mr. Shivers respond to the underlying question.

Mr. SHIVERS. Sir, I would agree with Secretary Boucher, with respect to his discussion, or his reply to your question on reliance on President Musharraf. From our point of view, he was the head of state of the government, and the head of the army. So, it—of necessity—required our meeting with him, and discussing programs between the two countries.

Senator FEINGOLD. Mr. Ward.

Mr. WARD. Senator Feingold, for USAID, I mean, we would not have a whole lot of interaction with the Presidency in the country. What we look for, going forward, and we're seeing it, and we're very pleased to see it, is that political commitment to bringing development to the tribal areas.

The United States is making a large investment there, the Government of Pakistan is making a large investment there, as it should. And we have been looking for a continued interest, a continued commitment as the government has changed, and the kinds of announcements that we're seeing today, coming out of the Prime Minister's office, give us confidence that their commitment to bringing real change to the people living in the tribal areas, is going to be sustained over time.

Senator FEINGOLD. Mr. Shivers, one of our main points of influence in trying to combat extremism is the billions of dollars in Coalition Support Funds that the United States has provided to the Pakistani Government. Just yesterday, a GAO report found that the assistance may not have always been used as intended, and may have been, in some cases, duplicative.

I think this is troublesome news, and it comes at an important time, as we seek to reevaluate our counterterrorism and overall relationship with Pakistan. Outside of the assistance we provide to Pakistan for allowing us access to Afghanistan, why, Mr. Shivers, will we not decrease coalition support funds until we saw an improvement in the counterterrorism activities in the FATA region?

Mr. SHIVERS. Well, sir, let me first say that the entire senior leadership of the Department of Defense takes very seriously its oversight responsibilities with respect to Coalition Support Funds.

With respect to conditionality on Coalition Support Funds, the legislation as intended, and as enacted in 2002 was meant as a reimbursement mechanism rather than a security assistance program. As a reimbursement mechanism, we determined that it was in the United States interest—the Congress determined—that it was in the United States interest to make funds available to partners in the war on terror, who were conducting activities that were in direct support of the United States. And, indeed, this plays a critical role as mentioned by the GAO in its report, that this is a critical program, and enabling—given the wherewithal to the Pakistan Government—to provide up to 100,000, and indeed at times they've had 120,000 forces in the FATA and the North-West Frontier Province.

We do get results, we don't get the degree of results that, obviously, we desire. We'd like to have an end to Osama bin Laden, but that has not happened. We'd like to have no al-Qaeda in the border regions of Pakistan, but that has not happened, and we'd like to see an end to the Taliban, and certainly any coalition militants that transit the border, but that has not happened.

There are good things happening, nevertheless, and there are reasons to continue support for the program.

In terms of the fidelity of the program, I would note that over the last 18 months or 20 months, that we've—through discussions with Pakistanis, and through guidance from Washington and from discussions in the field, and particularly at the Embassy—we've applied much more strenuous tests to the documentation and the claims that are being provided by the Pakistanis.

Senator FEINGOLD. My time's up, but let me just say that as valuable as this kind of relationship is, there's nothing more important to the American people than progress in stopping these folks that are trying to kill us, and trying to kill our troops. And I think this issue should be one the table of how aid and this ability to stop these terrorists are combined.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Menendez.

STATEMENT OF HON. ROBERT MENENDEZ,
U.S. SENATOR FROM NEW JERSEY

Senator MENENDEZ. Thank you, Mr. Chairman.

Thank you for your testimony.

Let me ask you, Mr. Shivers, I'm one of those who asked for the GAO report, and I have a real difficulty understanding the Department of Defense's very limited comments on the report, where it says that DOD believes that the draft of the report fails to give sufficient weight to the context in which the Coalition Support Funds evolve, the significant contributions to the Global War on Terror that Pakistan has made, and that those funds enabled, and that the required flexibility and guidance of process for a contingency environment. That's one of your limited answers to the GAO report.

I don't understand—and no one doubts that this relationship is important, no one doubts that it's significant—but I have a problem. You look at the report; so much of the money was spent without actually even making sure that Pakistan was doing what it said it would.

Two hundred million dollars for an air defense radar, even though al-Qaeda has no known air-strike capabilities? Forty-five million for roads and bunkers, we're unsure that they were even built, no verification, yet. Nineteen thousand dollars per month, per vehicle—$19,000 per month, per vehicle—for a Pakistani Navy fleet of 20 passenger vehicles—that's just to start off with. And, so that—and so much more—are all acceptable under the guise that we need flexibility?

Mr. SHIVERS. No, sir. We do need flexibility, but we haven't absolved ourselves of any oversight responsibility for this task. So, indeed, this is a—as you appreciate—this is a multistage validation

process that starts at the Embassy, is conducted by a two-star general that's resident in Islamabad, who discusses the claims that are submitted in quite significant detail in many cases, but not in all cases.

The operations that are referenced by the Pakistani, particularly where this is insufficient receipt or documentation, those operations are verified by Central Command. It then comes up to the Under Secretary of Defense Comptroller's Office, which again, evaluates, and reviews, and looks at the possibilities for receipts and documentation. Attempts to—has numerous conversations with the two-star general in Pakistan, has numerous conversations with CENTCOM, meets and takes several months to review the process, the package that has been presented.

It then comes to my office, where we look at whether the provision of this funding provides any change in the balance of power in the region, or interferes with any of national security objectives. It goes on to the Deputy Secretary of Defense, whose office reviews it. It then comes to Congress, and is provided to Congress for 15 days for comment.

Senator MENENDEZ. I don't mean to interrupt you—I appreciate the whole procedural process, it's a procedural process that, notwithstanding your description, is clearly fundamentally flawed. We're talking about $5.5 billion dollars of American taxpayer moneys to reimburse the Pakistani military since September 11, and, you know, we see the testimony and the statements of many that al-Qaeda has reconstituted itself in pre-September 11th strength along this region, that in fact, Osama bin Laden is still at large, we see the Chairman of the Joint Chiefs of Staff, Michael Mullen, saying, "I believe, fundamentally, if the United States is going to get hit, it's going to come out of the planning at the leadership that the FATA is generating, their planning and direction." Referring to Pakistan's Federally Administered Tribal Areas and he goes onto say, he says, "I'm not saying it's guaranteed it's going to happen, or that it's imminent, but clearly we know the planning is taking place there."

So, $5.5 billion later, a whole lack is, in my mind, of accountability, you know, not necessarily, you have to spend $5.5 billion to achieve the goal of engagement with Pakistan, and then—and the results notwithstanding the administration's constant statements is that we have a stronger al-Qaeda in this region.

I find it difficult to understand how, in fact, you can come before the committee and basically not take a greater ownership of a system that is flawed, in terms of how you are spending the taxpayers' money.

Mr. SHIVERS. Sir, I don't think I have tried to absolve myself of responsibility in any way, shape, or form, nor has the Defense Department. We provided 17 pages of informal responses to the GAO on this, and as I began my reply to your question, I would say that the entire senior leadership of the Defense Department is on this. We care about it, we care about how we steward the American people's money, and we're very serious about obtaining the results that——

Senator MENENDEZ. I would simply say that the three points in which you're listed officially in the response are far from acceptable from my point of view, in terms of how we're spending our money.

Let me turn to, as we move forward, at this point, we're in the process of a $750 million, 5-year program for development in the FATA region. These funds presumably would go to reach the communities and populations where the very people who are participating in the planning that the Chairman of the Joint Chiefs of Staff has talked about, are currently based.

How is the planning strategy for your development programming through AID different in a counterinsurgency environment from a more typical developing country context?

Mr. WARD. Let me mention two ways, Senator. One is that in deciding where we're going to work in the tribal areas, we're doing a lot more than just talking to—let's start with education, for example, we're going to talk to a lot more people than education officials. We're also going to talk to our military, we're going to talk to the intelligence community, we're going to find out, what are those areas in the tribal areas where an education intervention will be most effective in terms of winning hearts and minds in a counterinsurgency strategy.

If you were to look at how we make a decision, just to contrast that with, say, the settled areas in Pakistan, or in another country in which we might be working in the region, our discussion would probably be limited to the government ministry responsible for education, we wouldn't have those broader discussions. So, that's one way it's different.

And then another way that it's different, that I mentioned in my opening remarks, which slows us down, but I think is terribly important in an area like the tribal areas where illiteracy is so high, and where communities have not been connected to their government since they've been Pakistan, and that is by planning community interventions at the community level—taking the time to get villages together, to get communities together and ask them what they need.

And then discussing with them the tradeoffs of what they've said they need, for example, most communities, when you ask them, will say, "We need a school." Well, maybe school isn't the best thing, maybe it is. But they need to be thinking about operating and maintaining that school, where will the teachers come from, where will the textbooks come from? And having that kind of a discussion with a community to help them set priorities—they've never had those discussions before.

And so, this is also a hallmark of our new program, it will make it a little slower. But what we're doing, in addition then, to meeting their needs, is we're building their capacity to participate in governance.

Senator MENENDEZ. Well, I would think that to some degree any of our development assistance would engage the entities that we are trying to help, and so I appreciate that. But how does that work in the context of a counterinsurgency situation?

For example, I understand that there is a significant lack of coordination between the civilian and military elements of the Pakistani Government, and that is a critical road block for progress. I

mean, how does that play into your equation? Because otherwise, what I hear is, we're pursuing a development assistance as if we were pursuing development assistance anywhere in the world. The difference is that we are talking about a region in which planning is taking place for attacks upon the United States, and locals are often either giving cover to those entities, are afraid of those entities, are engaged with those entities. I wouldd hate to see our development dollars go in a way that doesn't pursue our ultimate goal, and I don't see a differentiation in your answer.

Mr. WARD. What I was describing is what is the United States Government doing. Clearly, there is room for improvement on understanding a counterinsurgency approach in the Pakistani Government, and as I said in my opening remarks, we're very hopeful that how we've learned to do civil-military cooperation, we can start teaching the Pakistanis.

They learned some terrific lessons, sir, after the earthquake. They saw—because they had to—that they could work with the civilians, and they did a very good job. We need to show them how to bring that to bear in the tribal areas, as well, as you're suggesting.

We think we're getting better at it, all the time, but we need to start teaching them how to do it, as well.

Senator MENENDEZ. Thank you, Mr. Chairman, I look forward to exploring this, maybe, at the subcommittee at a future date.

The CHAIRMAN. Thank you very much.

Thank you for your patience, Senator Cardin.

STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND

Senator CARDIN. Thank you, Mr. Chairman. Thank you for holding this hearing.

One of our major responsibilities is to assure that the funds that are made available through the U.S. taxpayers are being properly spent. And I appreciate the concern that has been expressed here in the working relationship between the United States and Pakistan, and the concerns on the conditionality of U.S. funds.

There are substantial dollars being made available by the United States to Pakistan, whether it's counterterrorism dollars, economic development dollars, funds for the tribal areas. And as it has been pointed out, there's serious question as to whether these funds have been used appropriately by the Pakistani officials over the last several years.

So, I have a question for you. We have a responsibility to make sure that these funds are being spent appropriately. You have a concern about conditionality as it relates to the working relationship between the United States and Pakistan. Do you have any specific recommendations for how Congress can carry out its independent responsibility to the taxpayers of this country, to make sure that these funds are being spent for its appropriate purposes?

Mr. BOUCHER. Sir, if I can take that on.

I think, you know, the things that Chairman Biden cited at the beginning—the need to make very clear that we're long-term friends, and not short-term acquaintances, the need to support fundamental change and not just be seen as focused on one particular

area, the need to avoid any impression that if we, you know, finish the fight against terrorism, we're going to walk away. You know, those are very strong, very important things for all of us, and we need to work out, how do you do that? And I think we basically think that if you, you know, you say you have to do this or that or the other, it makes this or that or the other the absolute criteria, and reinforces the impression——

Senator CARDIN. I agree with what Senator Biden said. My question is, Do you have suggestions to make sure that the dollars we are appropriating are appropriated in rather specific categories: Counterterrorism, economic development, tribal issues on national security—how do we make sure that those funds are being properly spent, if we don't have conditionalities, looking at the prior history?

Mr. BOUCHER. I think there's two things—one is you make sure that we have responsible systems for making sure the money is spent well, and is spent for the purposes that it's destined.

And the second is, to identify the enabling environment that the Pakistanis need to provide. So, if you spend money on education, the teachers are going to be there. So, that if you spend money on economic reform, that they're undertaking the budgetary measures and the fiscal measures to make sure that it can be effective.

So, specific, sort of, line-item conditionality, I think, is something we object to, but we do want to make sure that the Pakistanis are creating the right enabling environment to make the money successful and effective.

Senator CARDIN. Well, I understand your concern. Our problem is that when we just go down that path, and the spotlight's turned off, a lot of times the moneys get spent in a way that's not consistent with congressional intent. And I think that's been the concern of many of us here.

Let me go on to a separate issue. Over the history of the United States aid to other countries there have been different views as to whether the visibility of U.S. help is helpful, or not. Can you just bring us up to date as to the current circumstances in Pakistan, is it a good idea to have USAID labeled on the assistance that we're giving? Or is this an issue that we have to be a little bit more circumventive about?

Mr. WARD. Certainly; it's our general position that the people need to know that the people of the United States are helping, absolutely. And there's no better example of where that helps than after the earthquake. It's why Assistant Secretary Boucher and I are so committed that we never leave Kashmir. We had the opportunity that the earthquake offered us to take our assistance programs there. We were not there before. And I hope we don't have to leave for a very long time. We're still very welcome and the people see us there. They saw us there with our military after the disaster struck, they've seen us there month after month after month, rebuilding schools in extremely difficult places up to seismic standards that parents can trust when they decide to send their kids back to school.

There are exceptions to the general proposition, and we have to be particularly careful in the tribal areas, both out of concern for the safety of people carrying out our programs, and also because it's very important for us that the Government of Pakistan be seen

as providing services to the people in the tribal areas. So, in that small area of the country, there is a big program, but we are taking a different approach on how we talk about the fact that it's from the United States.

Senator CARDIN. So, this is an issue that you actively work on, as to how visible our partnership with the Pakistani Government is viewed by the people of Pakistan? It's a strategy?

Mr. WARD. It's something we talk about a lot. We try not to have one approach fits all. In Afghanistan, for example, we try to talk about what both countries are doing together. That's a different approach.

Senator CARDIN. Secretary Boucher, I want to get to the relationship with the United States, the new civilian government, and our previous support for the President, what impact that is having on our ability to forge the proper partnership with the current civilian government.

You mentioned the most recent announcements, in regards to the tribal areas. If you could be a little bit more specific as to how you see the relationship today, and the strengths, the weaknesses, and what we need to do to improve our partnership with the new civilian government?

Mr. BOUCHER. I think—I think first of all, we just have a very good relationship with the new leaders. The President has met the Prime Minister and talked to him several times. The Secretary had a meeting with the Foreign Minister in Paris last week. We've had visits back and forth with politicians. I'll be out there next week, as I think you will, as well. So, we have a very active relationship.

Where it needs to be strengthened, I think, is for us to understand a bit more clearly the program that the new government wants to undertake. There have been a lot of political distractions in the coalition. And as they have started to focus more now on their counterterrorism policy, but also on food and energy, some of the crucial areas. What are they going to do in education? We are going to have to work with them to adjust our programs and make sure we're supporting the civilian government's program, but that's something we're committed to doing. And we hope that they can actually, sort of, get that focus sooner rather than later.

Senator CARDIN. There have been a lot of press accounts about the effectiveness of the current government, as well as the support for the United States within Pakistan. You seem to minimize those concerns, or at least giving a very optimistic forecast about our relationships.

Mr. BOUCHER. I think—I think we're off to a good start with the politicians. I think we still have an enormous deficit with the public at large.

Senator CARDIN. Let me ask one last question, and that deals with a point that Senator Casey raised on the nuclear controls within Pakistan. And I want to expand that a little bit. This initially became a concern for the United States because of a race between India and Pakistan for nuclear weapon capacity. How would you characterize the current relationship between India and Pakistan, as it relates to nuclear nonproliferation, and our concerns as to whether we have a potential problem when there's a change in leadership in one of these countries?

Mr. BOUCHER. Over the last couple years, they've taken some steps, specifically in the area of confidence-building measures on security matters, and we've welcomed those and supported those steps. The two sides have now reengaged since the new government came in Pakistan, on this sort of overall reduction of tensions, trying to build new economic ties, trying to do some things, maybe that haven't been done before. We certainly want that process to continue, we want process on Kashmir to continue, process—progress on some of the specifics involved with that issue, to continue.

I guess my reading of it currently, is that they've worked on the economic and political sides of improving their relationship, both put a lot of emphasis on going that way. I don't think I've seen any new developments yet on the, sort of, military-confidence building side yet.

Senator CARDIN. I take it this a high interest though, to try to encourage these discussions?

Mr. BOUCHER. Very much, it's part and parcel of every discussion we have with the Pakistanis and with the Indians, to make sure that they know full—fully of our strong support for reduction of tensions and really making some progress in resolving fundamental issues.

Senator CARDIN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator. Thank you very much. Do you have any further questions to present?

Senator CARDIN. No.

The CHAIRMAN. Thank you very much for your time.

Mr. Shivers, I look forward to us working out a time when you can brief the committee of some of the things we're not able to talk about today.

Gentleman, thank you.

Our next panel is our former Ambassador, as well as our former CENTCOM Commander. We invite them to the table.

Folks, welcome. Thank you for your patience.

General Zinni, why don't we begin with your testimony?

STATEMENT OF GENERAL ANTHONY C. ZINNI, USMC (RET.), FORMER COMMANDER, CENTRAL COMMAND, FALLS CHURCH, VA

General ZINNI. Thank you, Mr. Chairman, Senator Lugar.

First of all, sir, I have a statement that I would like to submit for the record.

The CHAIRMAN. Your entire statement will be placed in the record.

General ZINNI. I would just like to say briefly, that first of all, I enthusiastically support this proposed legislation. It's a long time in coming, and way overdue. I think that the whole concept of us looking at this in a comprehensive, strategic, long-term, and balanced way is what we've needed.

Many of the issues I've heard discussed here with the first panel and the concerns we have, I think we will find ways to better address these because of this approach. I think you've discovered what we've all believed, and I know both of you have believed, that

the center of gravity in this business, if it's an insurgency or anything like it, is the people.

And I appeared last before this committee representing 52 retired generals and admirals, saying that we needed more resources and more structure and more emphasis on the nonmilitary pieces. That's what's going to win this in the long run, that's what's going to build the trust and the credibility amongst the Pakistani people, particularly in the tribal areas, to be willing to support the things—the areas where we have mutual interest, particularly security interests.

I really appreciated your comments about, in the past, this has been transactional. We—and it's basically been just addressing security issues, and primarily security issues that were of our concern. I went through a long period with the Pakistanis for over 16 years, and trying to build a relationship that was more than just a thin thread of military-to-military relationship, and usually it was just a thin thread of a personal relationship between the Commander of CENTCOM and the Chief of the Military in Pakistan.

I think as we look at each of these issues, it's important to—to remember that the Pakistani, by latest surveys, do want a positive relationship with the United States and do see that if we look at these nonmilitary issues, and address them in the long term, that they see there can be common ground that we can find, and that's encouraging.

Obviously, what's discouraging is the different views we have on the threat and how to address them. Obviously, it is an insurgency in nature. Insurgents want fear, apathy, or support from the people, and we're trying to get courage, commitment, and rejection. And the only way we're going to win that battle is both us and the government of Pakistan really paying attention to the people and their needs, and showing them there is a better way.

So again, for you, Mr. Chairman, Senator Lugar, I really appreciate this bipartisan effort. It's a breath of fresh air and it's been long needed.

Thank you.

[The prepared statement of General Zinni follows:]

PREPARED STATEMENT OF GEN ANTHONY ZINNI, USMC (RET.), FORMER COMMANDER, CENTRAL COMMAND, FALLS CHURCH, VA

Mr. Chairman, Senator Lugar, members of the committee, as always it is a great honor and my pleasure to be before you again, and I truly appreciate the opportunity to discuss U.S.-Pakistan Relations. I believe that this relationship is absolutely critical to the national security of the United States, and I know that you and the members of this committee share that view. In that spirit, I thank you for the critical thinking and effort that have gone into developing your comprehensive strategy for an enhanced partnership with Pakistan.

Things are tense in Pakistan today, and I believe it is safe to say that the U.S.-Pakistan relationship is similarly under stress. I just reviewed the recently released poll by Terror Free Tomorrow, and I was surprised and disturbed by many of the findings. Specifically, half of all Pakistanis want their government to negotiate with al-Qaeda rather than fight. Seventy-four percent oppose U.S. military action against al-Qaeda and the Taliban, and 52 percent believe that the United States is most responsible for the violence that is occurring in Pakistan today. How did we get to this? How can the people of this country—a country that has lost thousands of soldiers and citizens to violent extremists; a country that saw one of its great political leaders assassinated by terrorists; a country whose citizens are clearly on the frontlines in the war on terror—believe that the United States is responsible for the violence they face?

Results such as these require an urgent and comprehensive evaluation of our policy, and more importantly, a prescription to put our relationship on surer footing for our mutual benefit. Despite the disturbing aspects of this poll, it also provided insight into what hope remains for our relationship. There is a silver lining to be found. According to the poll results, the Pakistani people remain eager to have a strong and vibrant relationship with the United States, and they identify very specific actions that we can take to make a difference. According to the poll, two-thirds of Pakistanis said that increased American business investment, free trade, and U.S. assistance in education, disaster relief, and medical care and training would significantly improve their image of the United States. We should not seek to improve our image for the sake of improving our image; improving our image is valuable insofar as it creates a climate that fosters greater cooperation in the areas that are important to both countries. An atmosphere of resentment, suspicion, and ill will makes it difficult for many Pakistanis to see the many common interests our two countries have. Changing this climate will allow us to work together.

I have reviewed the legislation that this committee is considering, and I believe that it provides a framework for just such a positive change. Specifically, the increased financial assistance would provide for the expanded programs that are needed to return our relationship to a more sound footing. More significantly, the legislation recognizes that money and programs alone will not move the U.S.-Pakistan relationship from where it is today to where it needs to be in order to improve the security of both countries. That is why I was particularly pleased to see that your legislation included operating expenses for an increased U.S. diplomatic and development presence in Pakistan, and that nonmilitary tools designed to improve and highlight additional facets of our relationship were included.

Mr. Chairman, as you know, I am the cochairman of the National Security Advisory Council at the U.S. Center for Global Engagement. Our council, which includes more than 50 retired flag officers, endorses exactly this kind of Smart Power. I believe we could use this legislation to endorse other "Smart" initiatives, such as the Reconstruction Opportunity Zones concept, agricultural initiatives, energy proposals, and efforts to increase access to health care. I urge you to explore and endorse all of these.

Smart Power alone is not enough, of course; our robust engagement with the Pakistan military and security services is, and will remain, vitally important. While the draft legislation I reviewed includes a discussion of security assistance, it outlines a number of "security benchmarks" that will undoubtedly cause more tensions in Islamabad and Rawalpindi. Security assistance is critically important today and will remain so, and I recommend that you authorize a robust package of support. Moreover, while I recognize and support the goals of your security benchmarks, I believe that at this time we would be better served to have these important discussions in private—military to military, diplomat to diplomat, Senator to Member of Parliament.

In addition, on the security side, Pakistani security forces still lack "force multipliers" such as night vision and other capabilities that alter the battle space. Restrictions in the Foreign Assistance Act make it virtually impossible for us to provide those capabilities. Even they have a chilling effect on the actual use of some equipment because of extensive end-use monitoring requirements. I hope that this committee will look to streamline those sections of the Foreign Assistance Act that deal with arms transfers in order to truly enable the Pakistani military to have the kind of advantage that will build their security and ours and encourage them into a more fruitful and trusting relationship with the United States.

There is much the United States can do to help address the most critical security, economic, and development needs of Pakistan. Pakistan will continue to be one of the most strategically important nations in the world for a good time to come, and our safety and security will continue to depend on its stability. I hope that this administration, the next administration, and the Congress will make it their priority to work together to increase U.S. engagement with Pakistan across the board. There is almost no task more important to our future, and I, and many others outside the Government, stand ready to help.

Thank you again for the opportunity to discuss this vital relationship and to comment on the important work that you and this committee are undertaking. I look forward to answering your questions.

The CHAIRMAN. Let me say, General, I'm sure I need not speak for Senator Lugar, but I'm sure we both would acknowledge that your endorsement of this is a big deal. You're greatly respected,

and I appreciate the endorsement. Hopefully, we can actually get something moving here.

Madame Ambassador.

STATEMENT OF HON. WENDY CHAMBERLIN, PRESIDENT, THE MIDDLE EAST INSTITUTE, WASHINGTON, DC

Ambassador CHAMBERLIN. Thank you, Mr. Chairman and Senator Lugar.

General Zinni, I certainly would like to agree with everything that you've said.

And, Mr. Chairman, with your remarks, as well. It's an honor to appear before the committee, particularly to endorse, with enthusiasm, this proposed legislation.

I'll try to keep my remarks brief. I really have three key points and many of them have already been made, including by yourself, sir. This legislation recognizes the enduring linkage between the United States and Pakistan's security, and our interests in the long term.

Second, it's sufficiently bold and comprehensive in scope to address a lot of the current problems that we've been talking about this morning. And finally, it focuses assistance, I believe, on the right place, and that is on the welfare of the people of Pakistan.

Let me try to see if I'm nimble enough to skip over some of the parts in my statement and submit it also for the record.

The CHAIRMAN. The entire statement will placed in the record, and take your time, you waited.

Ambassador CHAMBERLIN. Well, thank you. I may have to adjust some of the statistics to bring them up to date after hearing what the panel before us had said.

But, on the first point, the terrorist attack on our soil on September 11, 2001, was a stark example of how global ization has compressed our world for both good and ill. It's a shrinking world, and this means that what is happening in Pakistani communities and villages thousands of miles away, is vital to protection of our own homeland.

When tribal leaders provide protection and hospitality to al-Qaeda fighters in remote regions beyond the writ of law, it's no longer just a local problem for Pakistanis. When terrorists disappear into those teeming urban slums of Karachi, it becomes an urgent issue for Americans. So, Mr. Chairman, my first point is that this legislation is right to identify Pakistan as a frontline state that deserves our attention.

For too long I think our focus has been distracted, and our efforts have been diluted in Pakistan. We've launched a war extensively against al-Qaeda in Iraq, and in doing so we created some of the varied conditions for it to flourish there. We've deployed, I believe, too few forces in Afghanistan to create stable conditions for reconstruction. And to the point of this legislation, we viewed the security effort in Pakistan from a very limited lens of the Afghan frontier.

The value, I believe, of this legislation, is that for the first time since 9/11, it focuses our efforts on the right place: The entire country of Pakistan. It recognizes that our relationship with Pakistan is for the long term, with the whole country.

Mr. Chairman, I believe that by confronting challenges and the economic needs of the Pakistani people, the legislation also contributes to the protection of American people from those foreign terrorist threats.

You know, the media often refers to Pakistan as the most dangerous country in the world, and I think this is partly true and partly a bit of an overstatement, because it diminishes a lot of the core values that we do share with Pakistan.

An Indian friend of mine told me recently that Pakistanis and Indians share the same DNA. Like India, Pakistan was founded on the principles of a democratic state. It had several military dictatorships, to be sure, but this election last February, brought Pakistan back to the vision of its founding father by installing a democratically elected civilian government. Well, we're on a good footing here.

Throughout the decades, Pakistan has been a close security ally of the United States. It's been a Central Pact member to contain the Soviet threat, and it helped us drive the Soviets out of Afghanistan. We all also appreciate the alacrity with which President Musharraf reversed entrenched Pakistan Army policy of support for the Taliban when we asked him to do so immediately following September 11.

So, in short, the stability and well-being of Pakistan is in our interest. We share common values and we have a history of cooperation. This legislation is commendable because it articulates a comprehensive strategy for Pakistan well into the future.

My second point is that the legislation offers a bold and innovative solution that thoughtfully addresses problems in our relationship with Pakistan that we've seen over the years. It incorporates and it builds on lessons of the past.

To be fair to the previous panel, we have made progress in our relations with Pakistan since I first arrived there as Ambassador in August 2001. Since 2002, we have provided substantial assistance, both military and in development aid, but it hasn't been balanced. It's been too skewed, frankly, to security and militarily aid, and not enough, in my view, to development aid and humanitarian aid that reaches the Pakistani people.

It's simply not enough. We have not provided enough development aid to the Pakistani people, to affect the perceptions of the population. This gets to several of the questions that were raised this morning.

So, in summary on this point, our current aid program is, at best, having minimal impact on the people and at worse, it's breeding resentment among the Pakistani population, that we favor one institution, the Army, over the interests of the civilians.

This legislation is a stark departure from that status quo, and I commend it. It is sufficiently bold enough in scope to be effective, and I believe that only with an aid effort on the scale and ambition presented in this legislation will we be able affect the deeply skeptical Pakistani population. Our aid must be transformative.

It's a common weakness in aid programs—and this gets to another question that was raised this morning—that we often refer in our aid programs to the amount we spend. We allocated $10 million on education projects. We allocated $8 million on child health.

It becomes an accounting issue when it ought to be an accountability issue.

With this legislation, we must build in efforts to measure the programs and our assistance by the impact it has on the lives of Pakistanis. I'd rather know that 10 million children were literate because of our education programs, not how much money we spent on it. I'd rather know that a million new jobs were created, rather than the money that we spent on job creation programs. The measure is to impact people's lives, and we should measure our aid in terms of results.

Now, this isn't easy. If we hope to impact a population as large as Pakistan's—and many have pointed out that it is the second largest Muslim country in the world, with 160 million people—it's going to require a significant investment. We ought to know this right up front. This legislation admirably makes that commitment. I honestly believe that anything short of the $1.5 billion proposed, annually, runs the risk of failure.

Another critically important element of this legislation, and one that distinguishes it from past practice and strengthens its chance for success, is its timeline. It's over the long term. A 10-year commitment for development aid would go a long way towards overcoming a widespread perception that the United States is a fickle friend, as you mentioned yourself, Mr. Chairman.

In the immediate aftermath of 9/11, when Congress moved swiftly to lift sanctions and resume our assistance, I was Ambassador there and encountered some fierce and deeply rooted conviction among the general population, intellectuals, and Pakistani officials that we were just setting Pakistan up for another fall. They lamented that the United States had dropped Pakistan abruptly after they'd helped us drive the Soviets out of Afghanistan. A careful review of history, would show them why sanctions were imposed: Because of our legitimate concerns about their development of a nuclear weapons program. It didn't matter; they weren't listening. It's hard to do. To them, there was one notion, that we abandoned them.

So, I honestly believe that unconditional aid over a 10-year period, that you're proposing here, will help disabuse the public of this false notion that we had abandoned them. Public support in Pakistan and buy-in for our aid program is going to be essential to its success. This gets us over the threshold.

Another strength of the legislation is that it focuses on transparency and accountability to the people. Now, my remarks here really get to the question that we had in the earlier panel about conditionality.

In a poll taken in December 2007, I think we only had an approval rating of 15 percent. One of the reasons it's so low is that the people think that we're pursuing our own interests in Pakistan, those being counterterrorism and only along the border, and that we really are not concerned about what matters to them and their lives and their families.

You know, this doesn't have to be. As several people pointed out this morning, we have evidence that when we do provide generous assistance efficiently and directly to the neediest people of Pakistan—as we did right after the earthquake—things change, atti-

tudes change. In fact, right after the earthquake, U.S. approval ratings spiked to 45 percent. It's now down at 15, but it had been at 45, as a result of the way we delivered our assistance directly to the neediest people.

So my comment here is that our current aid program is structured in a way that draws criticism, and draws criticism from many of our own observers, as well. We saw that in the GAO report. The charge that we've seen is that it's had little impact on our counterterrorism effort, that al-Qaeda camps have reconstituted in Pakistan, Taliban extremists attack United States and NATO forces across the border from safe havens inside Pakistan, and that the Pakistani Army has made too little inroads into stopping that.

But, to be fair, Pakistani communities are also victims of this internal terrorism. They want what we want. They want to be able to send their daughters to the market without fear of a suicide bomber. They are also interested in effective action against extremists that are, as we learned in Anbar, affecting their communities as well. We saw this in the election in this last election when the Pakistani voters voted in the Awami National Party, a secular Pashtun party, because it was a reaction to the extremists letting off bombs in local marketplaces.

My point here is that both Pakistani people and Americans want better results along the frontier against the extremists. So, this legislation is right to tie security to performance. And it won't be easy; conditioning is a neuralgic point in Pakistan. They historically see conditioned aid as a colonial practice that belittles the recipient. That's certainly not what we want. We do not intend to put any aid recipient through a cumbersome, bureaucratic exercise, but what we really want is to ensure that funds are used in a way that meets the intended objective. We want impact, and so do Pakistanis.

Along with impact, the Pakistani people want transparency. So do we. And I think this legislation and the provisioning and the conditioning provision accounts for that. These funds are meant to provide greater security for our populations, and so it stands to reason that the people should be able to see how it's used. Their officials should be accountable for budgets, even if those funds are provided through our assistance procedures. And ultimately, the people must feel more secure in their communities and in their city streets.

And the final innovative point—because I really like this legislation—and maybe one that I believe is the most important and should have mentioned first, is that it focuses on the people of Pakistan. The legislation provides a significant increase in aid for education, health, market roads, job creation, and not just for FATA, but for all of Pakistan.

The strength of this legislation is that it greatly increases our nonsecurity aid. It's directed at the civilian population.

Mr. Chairman, Pakistan is an extremely complicated society, as you point out. It is indeed fragile, and it is indeed one of the most dangerous places on the earth. But we can be successful there; we can build on our positive history of cooperation, common values, and our concern for the citizen of Pakistan. We can find solutions.

I believe that this legislation has thoughtfully assessed United States-Pakistan relations. It compensates for some of the misjudgments and some of the weaknesses in our current approach, and it takes U.S. equities into account to protect our people, as well. It crafts a program that is both in American interests and in the interest of the Pakistan people. In short, it's a win-win.

And if it's approved in its entirety, so that the bill's generosity and pragmatism is preserved, then this legislation could have a significant impact on our relations in this most critical country.

Thank you very much for giving me this opportunity.

[The prepared statement of Ambassador Chamberlin follows:]

PREPARED STATEMENT OF HON. WENDY J. CHAMBERLIN, PRESIDENT, MIDDLE EAST INSTITUTE, WASHINGTON, DC

Mr. Chairman, members of the committee it is an honor to have the opportunity to appear before the committee this morning. It is especially a privilege to be able to comment on a piece of proposed legislation that I support with enthusiasm.

I will be brief in my remarks this morning but would like to make three key points. The legislation recognizes the critical linkage between U.S. and Pakistan security interests. It is sufficiently bold and comprehensive in scope to address current problems. And, finally, it focuses U.S. assistance on the right place . . . on the welfare of the people of Pakistan.

Regarding my first point, the terrorist attack on our soil on September 11, 2001, was a stark example of how globalization has compressed our world both for good and for ill.

A shrinking world means the well-being of Pakistani communities thousands of miles away is vital to the protection of Americans in our homeland.

When tribal leaders provide protection and hospitality to al-Qaeda fighters in remote regions beyond the writ of law, it is no longer a local problem.

When terrorists disappear into the teeming urban slums of Karachi, it becomes an urgent issue for America.

Mr. Chairman, my first point is that this legislation is right to identify Pakistan as the frontline state that deserves our attention. For too long, America's focus has been distracted, and its efforts diluted. We launched a war ostensibly against al-Qaeda in Iraq, creating the very conditions for it to flourish.

We deployed too few forces in Afghanistan to create stable conditions for reconstruction. And, to the point of this legislation, we have viewed the security effort in Pakistan from the very limited lens of the Afghan frontier.

The value of this legislation is that for the first time since 9/11, it focuses our efforts in the right place—the entire country of Pakistan.

Mr. Chairman, I believe that by confronting the challenges and economic needs of the Pakistani people, the legislation also contributes to the protection of the American people from foreign terrorist threats.

The media often refers to Pakistan as the "most dangerous country in the world." I personally believe this is an overstatement—one that diminishes core values we share with Pakistan.

An Indian friend recently commented to me "we share the same DNA as the Pakistanis." Like India, Pakistan was founded on the principles of a democratic state. It has had several periods of military rule to be sure, but the election last February brought Pakistan back to the vision of its founding father—installing a democratically elected civilian government.

I hardly need to remind this august body that Pakistan has been a reliable ally of the United States throughout the decades. Pakistan became a CENTO pact member to contain the Soviet threat in the 1950s and was instrumental in the successful campaign to drive the Soviets out of Afghanistan in the 1980s. And we all appreciate the alacrity with which President Musharraf reversed an entrenched security policy of support for the Taliban, when we asked him to join us following September 11.

In short, the stability and well-being of Pakistan is vital to the interests of the United States; we share core values and have a history of cooperation. This legislation is a commendable initiative to articulate a comprehensive strategy for Pakistan.

My second point is the legislation offers a bold and innovative solution that thoughtfully addresses problems in our relations with Pakistan. It incorporates and builds upon the lessons of the past.

To be fair, we have made much progress in our relations with Pakistan since I first arrived as Ambassador in August 2001. At that time we had placed Pakistan under sanctions for its continued development of a nuclear weapons program and had suspended all security and development assistance.

Since the end of 2002 we have provided over $11 billion in aid. Unfortunately, it has not been balanced. Over 90 percent of the aid has been delivered to the Pakistani military, largely as compensation for deployments along the border. Our $100 million in annual developmental aid, which is managed by USAID, was a big jump from zero, but it is simply not enough to have an impact on the society or affect perceptions of the population. In short, our current aid program is at best having little impact, or worse, breeding resentment among the population for U.S. favoritism toward the Army.

This legislation presents a stark departure from the status quo.

It is sufficiently bold in scope to be effective. I believe that only with an aid effort on the scale and ambition presented in this legislation will we be able to affect the deeply skeptical Pakistani population.

Our aid must be transformative. A common weakness in aid programs is that they often are reported in terms of the total sums spent. "We allocated $10 million on education projects, $8 million on child health, etc."

This time we must measure the program by the impact it has on the lives of people. I would rather know that 100 million children are literate because of American aid projects, or that a million new jobs were created. These measures impact people's lives. We should measure our aid in results.

This is no easy task. If we hope to sway a population as large as Pakistan's—with over 160 million people—it will require a significant investment. This legislation admirably makes that commitment. Anything short of $1.5 billion annually runs the risks failure.

Another critically important element of this legislation, one that distinguishes it from past practice and strengthens its chances for success is its timeline. A 10-year commitment for development aid will go a long way toward overcoming the widespread perception that the United States is a fickle friend.

In the immediate aftermath of 9/11 when Congress swiftly lifted sanctions and we resumed military and development aid, as Ambassador to Pakistan I encountered a fierce and deeply rooted conviction that the U.S. was simply setting up Pakistan for another fall. My interlocutors lamented that the U.S. had dropped Pakistan abruptly after it had helped us drive out the Soviets from Afghanistan. Careful review of the history had little effect in dissuading educated officials, let alone the larger population. To Pakistan, we had abandoned them.

Unconditional, multiyear aid over a 10-year period will do a great deal to disabuse the public of this false notion. Public support and buy-in for the aid program is essential to its success.

Another strength of this legislation is that it focuses on transparency and accountability to the people.

One of the reasons why U.S. approval ratings are so low in Pakistan—only 15 percent in December 2007—is that the people believe we are only pursuing our own interests and have no care for their concerns.

They believe we care only for counterterrorism efforts along the Afghan frontier. The fact that we provided the lion's share of aid in Coalition Support Funds to the Pakistan Army and only a fraction to civilian programs through USAID is held up as evidence.

We have evidence that aid changes perceptions in Pakistan. American aid in the aftermath of the Pakistani earthquake was distributed generously, efficiently and directly to the most needy people. Our approval ratings spiked to 45 percent.

The way our current aid program is structured draws criticism from American observers as well. They charge that we have seen very little impact for our investment in the counterterrorism effort. The Pentagon provides $100 million to the Pakistani military monthly, yet al-Qaeda camps have reconstituted in Pakistan; Taliban extremists attack U.S. and NATO troops from safe havens in Pakistan, and the Pakistani Army has made few arrests.

To be fair, Pakistani communities are also victims of internal terrorists. They want to be able to send their daughters to the local market without fear of a suicide bombing. They have the same complaint. Both the Pakistani people and the Americans want better results.

This legislation ties security aid to performance. This won't be easy. Conditioning aid is a neuralgic point with Pakistanis. Historically, Pakistan viewed conditioned aid as a colonial practice that belittles the recipient. In the case of this legislation, however, I believe it is an approach that serves both our interests.

I am sure the authors of this legislation do not intend to put any aid recipient through a cumbersome bureaucratic exercise. What we really want is to ensure that funds are used in a way that meets the intended objective. We want impact. So do Pakistanis.

Along with impact, the Pakistani people also want transparency. So do we.

These funds are meant to provide greater security for both our populations, so it stands to reason that the people should be able to see how it is used. Their officials should be accountable for budgets, even for those funds provided as foreign aid. Ultimately, the people must feel more secure in their communities and city streets.

A final innovative point in the proposed legislation—and maybe one that I believe is the most important—is that it focuses on the people of Pakistan. The legislation provides a significant increase in aid for education, health, market roads, and job-creation. And not just for those who live in the FATA, but throughout Pakistan.

The strength of this legislation is that it calls for greatly increased American non-security aid. It is directed at the civilian population. And importantly, it is for all of Pakistan, rather than a counterterrorism program focused along a small strip of land along the frontier.

The proposed legislation is a bold departure from previous practice. It recognizes that we are failing both the American and Pakistani peoples in our current approach and it presents an innovative solution.

Mr. Chairman, Pakistan is an extremely complicated society. Pakistan may be a fragile and dangerous place, but we can build on our positive history of cooperation, common values, and concern for the common citizen in Pakistan to find solutions.

I believe the proposed legislation has thoughtfully assessed U.S.-Pakistan relations. It compensates for the misjudgments and weaknesses in our current approach. It takes U.S. equities into account and protects U.S. interests.

It crafts a program that is both in American interests and in the interests of the Pakistani people. In short, it is a win-win program.

If approved in its entirety, so that the bill's generosity and pragmatism is preserved, then this legislation could have a significant impact on our relations in this most critical country.

This is a practical approach and one that I believe can be successful. We do not have to stand in the middle of the road with our eyes locked on the lights of the truck bearing down on us. We can do something about it.

The CHAIRMAN. Thank you, Madame Ambassador. Thank you for that robust endorsement. Endorsement from both of you is very much appreciated, and I think will affect our colleagues' attitudes about this.

General, let me start with you, if I may. You're known as one of the most informed and toughest guys in the Army at the time, not many people in the middle of that Kargil conflict would stare down the commander of the Pakistani Army, General Musharraf, in the midst of a shooting war, you did a heck of a job.

And I'd like to talk with you, I know your expertise goes beyond the military side of the equation, beyond the Pakistani military. But, I apologize for focusing on the short time I have, on that piece.

You have spoken about the need to improve Pakistan's capacity, Pakistan's military capacity, to help the military develop a genuine counterterrorism, and counterinsurgency effectiveness. And I think you believe that economic aid impacts on the ability to do that, because it changes the conditions on the ground.

But tell me, if you could, if it's appropriate in an open hearing, how you believe the Pakistani general staff views what's in one's hand, I think they know they need—that is, additional training and reconfiguration, which is very difficult, to reconfigure any military force, in any country, democracy or otherwise—how do you think they view the assistance to do that from us, and what are the basic, sort of fault lines we've got to be careful about not crossing, in order to accomplish a better-trained, more capable Pakistani military, assuming they have the will to move with it, against, ter-

rorists but al-Qaeda, Taliban, and the indigenous groups that are causing them great difficulty?

General ZINNI. Well, Mr. Chairman, I think they face several dilemmas. One, obviously, they need to maintain a strong conventional capability, in their minds, because although conditions are better, they still see their primary threat on the opposite border.

And, at the same time, they don't like operating in the tribal areas. Obviously, we all know why. It's not the kind of conflict they're used to, it's not what they're trained for, their law doesn't apply, they don't have the tribal affinity or the relationships that would make it easier for the—and as you pointed out, they're not really configured for that.

My feeling is that in order to help them succeed in these areas, we should look at capacities that give them edge, for example, night vision capability, just as an example. Have we provided them the capability where they could operate at night, with a tremendous advantage over the potential enemy? The answer is no. We gave them first-generation Cobras, a handful, that barely are operational, and just don't provide the quality or the technology available. And there are other technical capabilities that could give them an edge.

The CHAIRMAN. They mentioned that—someone with whom I spoke mentioned that specific item. That is night-vision capability.

General ZINNI. And the point being that where there's an asymmetric edge that they can get, we ought to focus on that as opposed to, back up what Ambassador Chamberlin said, we shouldn't be looking at the amounts of money that we provide, but the end-state, the capacity they get, and measure it that way, and then it's easier to see its application where we expect it to be applied.

Second, and again, you've mentioned this, is training. And the training isn't just for the Pakistani military—obviously it has been discussed, the Frontier Corps, the levies, the entire security structure that operates out there. The more of the issues and problems that can be handled at a lower level, obviously, the better.

Now, clearly, when they get in over their head, you need two-tiered capability in order to react. But they're woefully lacking in the kind of quality training, not only the military themselves, but also down to the basic security levels needed to do the fundamental policing work, the paramilitary work, and so on.

The third area, and one I think we haven't paid enough attention to——

The CHAIRMAN. Let me ask you a question on that point, because we raised that, as well. Does—General Kiyani, well, would the staff of the military view the diversion of funds for security to training the local police, the people on the ground, as you point out, they are not present, in large numbers in the FATA, but there has been, historically, presence in the FATA of some security personnel. They tend to be tribal, as I understand it, they tend to be local.

How, in your view, how would they view, maybe diversion is the wrong way of saying it—do they view that, you think, as a priority to helping them in the region? To go down that next level?

Most people think, when we think of the FATA, and I'll stop, is that it only relates to the ability of the Pakistani Army to bring

any physical security to the region, and that's not how it's structured.

General ZINNI. Right.

Well, sir, I can tell you, I haven't had this discussion with General Kiyani——

The CHAIRMAN. I know you haven't.

General ZINNI. But I have with General Musharraf, actually, about a year ago. And this was one of his primary priorities, and he was speaking in his military hat, at the time, that he saw this as critical—this entire inherited British system of security structure, that's been allowed to sort of atrophy, in terms of scales, revitalizing it through training and building its capability, and obviously through the equipping and other necessary things.

So, I think, again, I haven't spoke to General Kiyani, but I think the military would welcome anything that relieves them of a duty that finds them in places where they're not welcome—they're seen as much as outsiders as we would be, or others, to a large degree.

The third area, which I think should get a lot of attention—and maybe we are the only ones who can do this—is a common, mutually supporting border security system. The Afghans and the Pakistanis obviously have issues on border security, they have different systems, as far as I can determine, I heard complaints from the Pakistanis of biometric cards being ripped up by the Afghan guards, this lack of connection or cooperation, it seems to me we should be the bridge for insisting—since we deal with both of them, and it's in their interest and we have the relationships, that we have to reach a common system of border security——

The CHAIRMAN. I agree.

General ZINNI. And it's not just the technical aspects—whether it's biometric cards or cameras or whatever it is—not just the technical things that are important to the border security, but again, the training for border security, and what's necessary to make that happen.

If you can effectively control as much of the border as you can, leveraging all of the technology and the commonality of systems, and then you couple that with local training, then, I think, you go a long way to solving some of the issues and problems we've had here.

And again, it's another way of measuring where our dollars go. Obviously, we can see it, in function, on the border.

The CHAIRMAN. Can we ask our friends who are legitimately making their point—can you hold the signs down so people behind you can see? I don't mind seeing the signs, but people behind you can't see. So, it's kind of like in the movie theater, you know? Or hold them way, way up, whatever you do, but let people behind you see, OK?

And, please, I've been really good to you all, don't be smart guys, OK, or I'll have you kicked out of the room, OK?

Now, last point I'd like to raise with you, General, was the point raised either by Senator Cardin or Menendez, I'm not sure who it was, and that is, is there any doubt in your mind where the central front for the war on terror is?

General ZINNI. No.

The CHAIRMAN. Where is it?

General ZINNI. It's on the border between Pakistan and Afghanistan at this time.

The CHAIRMAN. And I was going to—I didn't want to interrupt, but I was going to remind our administration panelists who—you know, I understand their position—but that's also the answer that our Iraqi Ambassador gave, and that General Petraeus gave when they sat before us. When asked, "You get a chance to wipe out al-Qaeda Mesopotamia, or al-Qaeda along the Afghan-Pakistani border, what do you choose?" There was silence for a minute and they said, well that's—I don't know the exact phrase—that's a no-brainer, Afghanistan-Pakistan. I wish we'd get off this diversion about—well, anyway.

So, I thank you.

Ambassador, I have questions for you, a couple of them I'm going to submit in writing in the interest of time, but let me just say to you, I remember when you got there. You were dealt a very difficult hand. Within a month or so—within a month after you got there, 9/11 occurred, you found yourself in a very tough position, you handled yourself admirably. Including when I arrived there, shortly thereafter to head into Afghanistan over the objections of some of the administration, because I was flying in the U.N. flight, they initially wouldn't let me into Afghanistan, and you were so gracious, you had a lunch for me, and then on my return you had to explain to General Musharraf why I couldn't make a meeting, because I was grounded in Kabul.

So, I'm sorry I put you through that, thank you for that hospitality.

Let me yield to my colleague.

Senator LUGAR. Well, thank you very much, Mr. Chairman. Both of you have mentioned the importance of legislation that we are talking about today, the scale of it, that I think it was you that said, General Zinni, is transformative, potentially, and that would have an impact on Pakistanis, generally, that might be perceived by the people.

But you also mentioned there are 160 million people, it's a very large country, and a very diverse country. Let me just ask both of you from your experience, the amount of money being suggested in legislation, the $1.5 billion a year, is a sizable amount of money, the 10-year timeline, which you've mentioned, is important, in terms of longevity of this, as opposed to an off-again, on-again situation.

But, given the size of the country, the extraordinary problems that we just touched upon in the educational system, for instance, with the first panel, quite apart from other services, this is still a very small amount of money, with regard to millions of people and the services.

And furthermore, the measurement of the impact, I would agree if persons believe that a large number of people have received a good level of education, that there have been results in terms of human lives and achievement, this is tremendously important. But we're having difficulties in this country with the No Child Left Behind evaluations, as to whether we are making perceptible gains with large sectors of the population, in many States, and we're spending a lot of money. There's no doubt about the commitment

of the teachers in the classrooms. But, the process of moving on in this respect, is extraordinarily difficult.

Now, you understand that, of course. And all things considered, if you were trying to transform Pakistan, you would say you need much more money, much more commitment. On the margins—I'm just trying to gain some idea of whether—even with this larger commitment—the public appearance, or public diplomacy aspect of this are likely to change substantially.

I just threw out, anecdotally, at least one optimistic view. My friend, Dr. Peter Armacost, has been head of Foreman College for several years, and the advances there have been substantial, in terms of hundreds of new students. There is a small contingent of Christian students, a very large contingent, obviously, of Muslim students, of various parts of that faith, who have, in fact, been studying together. Dr. Armacost was President of Eckhardt College in Florida, other institutions in our country, prior to his retirement, but has gone back, literally, in a missionary effort, and this has been recognized by USAID, and given some support.

So, at least, anecdotally, in my own experience, because I visit with my friend who comes back to Washington annually, and has visits at the State Department that this is possible.

But, I also wonder how this transformative effect does occur on a sustained basis—quite apart from an earthquake, a flood, a catastrophe, something that certainly centers the attention of the population on our participation. Even then, as you've both said in one way or another, that we also want transparency, and so do the Pakistanis.

And as a matter of fact, though we want to have results that can be perceived, but at the same time, the Pakistanis abhor conditionality—that is, some benchmarks, measurements, audits, something of that sort—which will have to be as part of this, as diplomatically as possible, over a sustained period of time.

As both of you know, the Congress cannot appropriate money for 10 years in advance. So, we're probably going to have several hearings of this committee during each of the 10 years, or some committee, and it may be different people dealing with it in the future. People come and go in our politics—some who were there at the beginning, and some didn't understand how we ever got started with this situation.

So, this is going to have to have some degree of transparency for the American people. So, can you give some guidance as to how this might work? Why you have some confidence that the billion and a half—and that's not all of the program, but it's a central focus of our thoughts today, because it's big and it has 10 years associated with it—why this makes a difference?

General ZINNI. Well, I would make several points, Senator Lugar.

First of all, I think that the agreed and the requirement for transparency is essential. If the funds are provided, the resources are provided, and it doesn't materially impact down where we want it, and it should impact, then I think it will actually have a negative effect, it will be seen that we're just feeding into what may be a corrupt system, or a system that doesn't allow what we want to build down there.

I go back to the point that Ambassador Chamberlin made, that we need to focus on the end-state. And insist that what we provide is deliverable in the end-state. If it's school, then the focus is that the resources go, in a measured way, to what those schools become, and what they are, and how they're sustained.

Senator LUGAR. What if democratically elected officials don't like our objectives? That they just say, "We don't like your programs, and after all, we're in charge."

General ZINNI. Well, I would go back to one thing that was said in the previous panel about flexibility. I think we ought to look at working with them and where, in things that, and obviously—I go back to my experience in Vietnam. As a marine, I went into a village one time, and saw these immaculate, beautiful pig sties that we had built with aid money. And the people were living in them, because they were better than their houses.

And, you know, I think we've got to understand that the Pakistanis should have some obvious input—responsible input—as to what's best for the people, we should work together on this.

At the same time, it's our funds and our resources, we need to ensure that it goes to where we feel it's best suited, but I think this is a partnership and this is something that we build together. And I think there are mechanisms that Ambassador Chamberlin would know far better than I, within Pakistan, that could allow us to work on these—determine these goals or these end-states, in working together.

Let me say something else about what I think would be the exponential benefit, beyond just the money. I've worked with several American companies in the past several years that were interested in doing business in Pakistan, but very hesitant, for all kinds of reasons. And when I brought them there, and at one time, when the economy was improving, and measures were taken to clean up some of the corruption and the transparency, the Minister of Finance had an excellent reputation, I began to see more interest—not only from American companies, but from other companies.

In one case a telecommunications contract was being bid on, and I saw European, and Middle Eastern companies and others in there—I think if we're working with a long-term objective to stability, and put a marker down for that, and it begins to show some progress, you could get this benefit from outside investment, and those maybe willing to maybe work and help us from another sector. I think Pakistan's a viable market, in many ways.

The third point I would make is we keep focusing on the importance of this strategic design—this masterful one that, I believe, you've come up with on Pakistan, but let me tell you, because I've always had a regional perspective for my job—this is going to send a message to the rest of the region, that we are not transactional, and we're not one-off on our own needs. We are stepping back and taking a broader strategic view. I think that's going to get the attention beyond Pakistan, may even help with burden- sharing in Pakistan from those parts of that region—especially if you go a little further west into the gulf—that have the capital.

So, I think there's ways to leverage this for much—even greater benefit than what the money amounts may be.

Ms. CHAMBERLIN. If I might just add a few points to the points of General Zinni, who I totally agree with—look, we can't do it all. We can't come in and hope to completely fix Pakistan—it's Pakistan who must fix Pakistan. But we can come in, in targeted, very focused ways, to assist them in areas where we agree together, we can work together on. So, we shouldn't be all-comprehensive.

I'd like to recall a—the Gallop poll has just conducted a—spent $20 million, conducted a poll over every Muslim country in the world, they covered nearly—they claim to have covered a reach of about 90 percent of the people in the Muslim world, and the most striking result, observation that they came up with is that Muslims throughout the world think that the one thing, the one measure that the United States could take that could most dramatically change our image in the Muslim world, is to respect Islam.

We don't need to go into Pakistan or any place in the world with all of the answers. And we do need to go in and say, "'You've got to do it this way, or we're going to cut off our funds."

We can go in and I think your legislation presages this, and say, "Look, we're going to work with you, we're going to sit down and decide what you need, how to do it together."

Mark Ward was talking earlier about the community approach, I think that's the right approach, and incidentally, that's new. AID, in the past, had not been doing it that way, so that is a departure, and it's worth building on.

And we can work with the Pakistanis to develop, but very clearly define, what it is, the result that we want to achieve, and not—as we had in the past—how much money do we want you to give to us? It's, "What do we want to achieve with that funding?" And if—if those, as we—you, this committee, reviews from time to time, the program there, if certain programs are not achieving the result that we had collectively defined for the Pakistanis, you don't have to cut the funds off, but you can divert it to another project. You can divert it to another method of trying to achieve that result.

That still preserves a commitment for the future, and a commitment for working together, but it allows the flexibility of, "Look, we're learning as we go, too, if there's a NGO that is taking too large of an overhead bite out of the apple, but is not producing, shift to another distributor of the aid assistance, do it another way."

But, you can have some consistency to the program, and that will be what's important to the Pakistanis, and that will show respect.

Senator LUGAR. Thank you very much.

The CHAIRMAN. Let me—thank you, Senator.

Let me make a concluding comment, here, and I'll invite Senator Lugar, if he wishes to do the same.

First of all, thanks again for being here, and thanks for your strong support—it makes a difference.

Quite frankly, when this legislation was drafted, from my perspective, at least, the most important thing was to change the dialogue. To make the number big enough, to make it immediate enough, with the democracy dividend, that I found it very interesting. I discussed it with the leaders of the Pakistani People's Party, with the Pakistani Muslim League, and in PML-Q, and it was an interesting reaction.

It wasn't so much about the number, but the number was big enough to get their attention that, "Maybe you really mean this." It's generated incredible editorial comment throughout Pakistan. I think from all sources—correct me if I'm wrong—favorable. I mean, warring factions, politically warring factions that, maybe this is a change of attitude.

And so, one of the thoughts I had about the numbers was quite frankly less the number than demonstrating, it's a significant increase, and long term. And I don't—my hope is that it won't just be generated, the attitude of a large country, as large as Pakistan, it's not going to be generated through AID signs up on walls. My hope is that part of it will be generated just by, in the political culture that America has changed its attitude, less with the number, but big enough to get their attention.

The second thing I observed is, with the slowdown in the Pakistani economy, it matters to the incoming coalition that there is actually money to do these things. Because they are finding themselves in more difficulty, in terms of not being—having, they're worried about not being able to deliver. Because one thing, for the former Finance Minister, and for awhile there, under Musharraf, that was sort of the Faustian bargain, things were getting a little bit better, economically.

And the last point I'll make is, I hope that it does, is that in my discussions, at least, with our friends around the world, that there will be—if this attitudinal change occurs, and it's not going to be easy, and it's not going to be overnight—there is a greater instinct on the part—there's a lot of other countries who have an investment in the stability of Pakistan, starting with our European friends, and our Japanese—there's a real interest in that happening.

So, I kind of view this, not as the total number, but as a catalyst. The number's big enough, hopefully, to start a catalytic reaction here, but you know, I must admit to you, I really don't know. I've just been surprised at the degree to which it's been embraced by so many corners, including so many of our colleagues, when Senator Lugar talks about it, when I talk about it, and I think it has less to do with the money, than it does the fact that money indicates a seriousness of the underlying purpose of changing the relationship. I hope that's the case.

And, but, you know, lots of times our hopes are not realized here, and I think Senator Lugar and I have been around long enough to be pretty hard-nosed, practical about, even this is no guarantee, by any stretch of the imagination.

But, I thought I'd just state that to you all, at least to speak for myself, only, that I've come away from my years here, is the worst thing to do with any program, whether it's "dealing with the drug problem," or "dealing at home," or "dealing with foreign assistance abroad," is to over-promise. So, I don't—I just hope this is something that generally kick starts a change in attitude, here, and in Pakistan, as a consequence, affects private enterprise, investment, as well as our friends.

Speaking of friends, you've both been great friends of this committee, we truly appreciate it. I warn you, you have not heard the

last of our requests to you, because we respect you so much, so unless—if you have a comment, Senator.

Senator LUGAR. I just thank the witnesses.

The CHAIRMAN. We are adjourned, thank you.

[Whereupon, at 12:25 p.m., the hearing was adjourned.]

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