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**HEARING OF THE MIDDLE EAST AND SOUTH ASIA
SUBCOMMITTEE OF THE HOUSE FOREIGN AFFAIRS
COMMITTEE**

SUBJECT: A REGIONAL OVERVIEW OF SOUTH ASIA

CHAired BY: REP. GARY ACKERMAN (D-NY)

**WITNESS: ROBERT BLAKE, ASSISTANT SECRETARY OF STATE FOR
SOUTH AND CENTRAL ASIAN AFFAIRS**

**2172 RAYBURN HOUSE OFFICE BUILDING, WASHINGTON, D.C.
9:30 A.M. EDT, THURSDAY, JUNE 25, 2009**

REP. ACKERMAN: (Sounds gavel.) The committee will come to order.

In land area, South Asia -- composed of the nations of Pakistan, Afghanistan, India, Sri Lanka, Nepal, Bhutan, Bangladesh and the Maldives -- is half the size of the United States. Literally, two South Asias could fit within the borders of the United States, but South Asia is the home to more than 1.6 billion people, and the United States to just over 300 million. In India alone there are over 2,000 ethnic groups and 22 official languages.

These facts are not a basis for policymaking, but they should be a cause for concern. South Asia is a region of almost unimaginable complexity, and we come to it as strangers, as outsiders.

Unfortunately for many Americans, the region is still seen primarily through the lens of the attacks on our country on September 11th, 2001. This association is doubly tragic. The mad men responsible for 9/11 are, of course, not from South Asia, and their true ambitions are directed towards the Arab Middle East, not the subcontinent. But worse still, South Asia's own problems have become horribly engrossed in the struggle we face to destroy the threat of radical extremism.

Before 9/11, Indian and Pakistan had fought several wars and gone to the brink of war many times over. Afghanistan was a badly ravaged country even before the Taliban took over and before al Qaeda set up shop and began plotting the attacks on our country. Pakistan was not a stable democracy before we called upon that government to assist us in the fight against al Qaeda and the Taliban.

And it should be recalled, before 9/11 the United States could not honestly claim that our commitment to either Afghanistan or Pakistan was sustained, deep or serious. It wasn't. We used them and they used us, and we assumed their dysfunctional governments and failing economies were problems of little consequence to us.

We made a lot of assumptions that the fundamental political instability of the region could be contained by states and constitutions and that they would make the conflicts between religions, tribes and ethnicities go away; that flags and governments would suffice in place of genuine political reconciliation; that the conflicts between states and within states would not bleed over borders or at least not beyond the region; in short, that the complexity of South Asia could be sealed up and shrink-wrapped into tiny national packages and then left in cold storage. Suffice it to say, these assumptions didn't pan out.

So today we're engaged in extensive military operations and massive efforts at governance and capacity-building. At a time when our own economic and fiscal position is strained, the circumstances in Afghanistan and Pakistan still absolutely necessitate these extraordinary efforts. Like many, I remain concerned that all the money and initiative and effort let us not -- let us never forget the blood of our heroic troops -- would be for naught if we don't start making some very fundamental changes in how we do business.

We've poured billions of dollars in both economic and military assistance into both Afghanistan and Pakistan. And in many cases it's not hard to conclude that the money was badly spent, if not completely wasted. We've fought for years in Afghanistan and it can't be truthfully claimed that the country is safe and getting safer.

Moreover, the current counterinsurgency campaign in Pakistan, though badly overdue, has given rise to massive displacement of approximately 2 million people. The anger and desperation of this population should give us pause if the continued growing public outrage about civilian casualties caused by our drone strikes was not enough.

I have no doubt that we and our allies will not be able to destroy al Qaeda and block the revengist dreams of the Afghan Taliban and other militants in Pakistan without violence. The fanatic ambitions of these groups leave us and our allies, however, no real alternative. What is becoming clear is that while our own understanding of regional, security, ethnic and tribal dynamics is growing, so, too, is the popular backlash against the methods we've been using. So something needs to change. Albert Einstein's warning holds true today: We can't solve our problems by using the same kind of thinking we used when we created them.

In approving billions of dollars of assistance and supporting the heroic efforts of our troops and our diplomatic and development officers on the ground, Congress has done a great deal. But I wonder if perhaps we wouldn't do more if we helped infuse a bit more circumspection about our ability to buy or impose changes in the interests and perceptions of our state -- of other states, a bit more cautiousness about our capacity to

build the capacity of others and maybe a bit more modesty about the ability of the U.S. military to deliver political reconciliation and economic development.

Finally, I'd be remiss if I didn't say a few words about the other states in the region. Truthfully, there is too much to say. With India, we're moving forward on what I believe can be and will be a true strategic partnership, one built on both shared values and genuine cooperation across a broad range of shared interests. Though people tend to focus on cooperation on nuclear energy, I believe the potential of the relationship is much, much greater.

The recent Indian elections hold out real hope of a strong government in New Delhi that is ready and willing to address the many political and economic challenges facing a country that, despite its shining achievements in the new economy, remains overwhelmingly rural, agrarian and impoverished. I think there is a tremendous opportunity for us to engage successfully with this government across the full spectrum of our interests. Special relationships aren't announced; they're built one agreement and one success at a time. It's time for New Delhi and Washington to get to work.

Sri Lanka is emerging from an awful civil war whose recent conclusion only opens new questions about how the Sinhalese and Tamils can reconcile themselves to sharing one government and one nation. The end of the war -- and we all pray that the war is truly over -- has left thousands upon thousands injured, displaced, embittered. I think the United States should offer its assistance to relieving the suffering and the displaced as much as we can while fully respecting the sovereignty of Sri Lanka. And we should encourage true national reconciliation.

Bangladesh and Nepal are both transitioning to new and more democratic governments, which is good news, most of all to their own citizens. But I remain concerned that the fundamental political problems in both societies remain, by and large, unresolved. Ethnic tensions, endemic corruption and political violence affect both countries and, I would argue, are going to continue until a broader consensus within these societies is achieved.

Bhutan and the Maldives are both places where a little bit of U.S. assistance can go a very long way. In Bhutan the progress towards democracy is heartening and could probably benefit from some U.S. assistance in strengthening the capacity of the National Assembly. The Maldives is in growing jeopardy from increasingly violent weather, rising sea levels, and a disturbing increase in local Islamic militancy. Again, here a small amount of U.S. help can help the Maldives government cope with its own problems before they become problems for others or ourselves.

If we should have learned one thing from that awful day in 2001, it should be this: Either we visit bad neighborhoods on our terms, or eventually they're going to visit us on theirs.

I turn now to the distinguished member from California, Mr. Rohrabacher.

REP. DANA ROHRABACHER (R-CA): Well, thank you very much, Mr. Chairman. And I'm afraid that I will have to take the place of Mr. Burton today. I don't have a prepared statement.

REP. ACKERMAN: That's frightening.

REP. ROHRABACHER: Whereas I have been -- (laughs) -- whereas I have been drafted to take Mr. Burton's spot, but I am a member of this subcommittee and very pleased to be able to expand my knowledge base today and also engage in the give and take for which I am inclined to do.

Let me note, I am not a -- I am not, let's say, someone who is totally unfamiliar with the region. And I've spent considerable time in my life in Afghanistan and I have, over the last 30 years, since the time I worked at the White House with Ronald Reagan, spent a lot of time focusing on Afghanistan.

During the Cold War, we had a relationship with Pakistan and a relationship with India. We were allies with Pakistan -- they had allied with us. India allied with the Soviet Union during the Cold War. That Cold War positioning still has some impact today, but we need to understand that the Cold War is long over.

And the people of Pakistan have to understand that either they are the friends of the United States or we are not going to be friends with them. This isn't the Cold War, where we need to be friends with Pakistan for a global strategy. And if, indeed, by not being friends of the United States, Pakistan -- the people of Pakistan bring chaos and bring bloodshed to their area, their region, they are the ones who are -- will suffer.

So we -- I think one of the things that we should be focusing -- I would hope that the United States does more now that the Cold War is over to end the animosity between India and Pakistan than we did during the Cold War, because at that time, Mr. Chairman, we were just playing the game of -- the Cold War global game. And frankly, that has to be over with and we should be focusing our activities, instead of building the military in Pakistan, which is still what some people -- I'm looking forward to the hearing, what Ambassador Blake has to say on this -- some people still want to act as if the solution to the problem is a strong military in Pakistan.

Let me suggest that I think that is absolutely wrong. We should be doing everything that we can to encourage India and Pakistan not to waste their limited resources on weapons. And we can make that real by doing everything we can to try to mediate any differences between those two countries, because much of their weapons acquisition is done in the name of confronting each other. What a waste of resources for a poor -- for poor countries. We put up that -- we put up with that with the Pakistani government for far too long, and I think that we shouldn't -- (we need to ?) focus on the policy of arming Pakistan and actually go in the opposite direction.

We are not in the Cold War; we are in a war with radical Islam. Radical Islam declared war on the United States; we did not declare war on Islam. And that -- the fact is, we can live at peace -- as our new president has bent over backwards to suggest, we can live at peace with the Islamic world. But there are segments of the Islamic world, radical segments that will not be satisfied until they have conducted a war on us. And that war is -- nowhere is it hotter than -- right now than in Afghanistan, again, a country that I traveled to years ago with a mujahedeen military unit and fought Russian troops outside the city of Jalalabad.

And let me just note that while the Russian troops that I fought were brave and we -- they didn't want to be there either at that time, and that was part of our Cold War strategy. The Cold War is over, again. Not only do we change our policies towards India and Pakistan, we should do our best to bring Russia back into play. And I'm looking forward to Mr. -- Ambassador Blake's reaction to that concept.

So with that, Mr. Chairman, I'm looking forward to discussing and listening to the issues that are important today for this significant region. And I want to thank you for letting me take Mr. Burton's place for this moment.

REP. ACKERMAN: Well, thank you very much.

We'll turn now to our distinguished colleague from South Carolina, Mr. Wilson.

REP. JOE WILSON (R-SC): Thank you, Mr. Chairman.

And it's an honor to be here with you, Ambassador. And I like to point out that I grew up with a great appreciation of the people of South Asia. My father served in the Flying Tigers during World War II. He arrived by ship in Karachi, India, at the time, then traveled across India and served in Kunming and Xi'an, China. But as I was growing up, he told me how entrepreneurial and capable the people of South Asia are. And it's come to fruition.

And so when Indian Americans started buying hotels and motels in the communities that I represent, I became their attorney. My -- I said, "I know who you are." And so it was a great relationship. I was able to incorporate the Hindu Temple and Cultural Center of South Carolina. I've seen the Indian American population of the United States become assimilated to the point -- 2.2 million people -- and this would include people of South Asia and of Pakistan, also -- with the highest per capita income of any immigrant group in the United States, with the highest percentage of millionaires of any immigrant group in the United States. And so what a wonderful, positive relationship that we can have with the people of South Asia.

And I also have an interest in Central Asia. The opportunities there hopefully for the people of that region with friendship with the United States -- and that would even include -- and I agree with my colleague, always. Congressman Rohrabacher and I agree on about 92 percent of things. But I would tell you, I see a bright future for western

Siberia. And so Russia itself can be looked at in different regions, as you look at America.

And so I'm very hopeful, and I wish you well in your service and however I can work with my colleagues. And Congressman Ackerman and I have traveled together. What an extraordinary guy. He's tireless. So I look forward to working with this team.

Thank you very much.

REP. ACKERMAN: Thank you very much.

We turn now to our colleague from California, Mr. Costa.

REP. JIM COSTA (D-CA): Thank you very much, Mr. Chairman. I think that both you and the ranking member gave a good overview, in terms of the subject matter at hand and what we'd like to hear this morning from Ambassador Blake.

Having been six weeks ago with both subcommittee chairman and the full committee chairman to both India and Pakistan, I came away with a number of impressions that I would like the ambassador to cover in his statement. Clearly, with the elections that have been completed in India, do we find -- or does the administration believe, I guess, that India's in a stronger position today to carry a more regional effort and responsibility as it deals both with Pakistan and its other neighboring countries?

In turn, of course, we had our visit in Pakistan and President Zardari was here following that. And I'd like to get some sense as to what -- whether or not we sense that the Pakistan government is capable of dealing with the counterinsurgency efforts that are taking place now in the Swat Valley and elsewhere and winning the hearts and minds of the Pakistani people.

At the heart of all of this lies, as both my colleagues noted, an important effort, I think, and we need to play a positive role in -- the term "reset," I guess, is popular these days -- trying to reset or refocus what has been the traditional hostile relationship between India and Pakistan, because I think if that is changed I think a whole lot of good can come from that.

Obviously, both of those countries are central to our efforts with regards to Afghanistan and to Iran. So I would like, Ambassador, you to, in your narrative, describe to us how you see a progression taking place in South Asia with regards to a thoughtful, transparent and clearly a balanced approach that uses all the diplomatic tools in our diplomatic toolbox, as it relates to both carrots and sticks, in terms of trying to reset, in essence, what has been a challenge for administrations in the past, both Republican and Democratic, as we try to make the sort of changes that I think deal with this jihadist, terrorist point of view that obviously is almost -- this part of the world is almost ground zero for that.

So I, to cut to the chase, look forward to hearing the ambassador's testimony and thank you again, Mr. Chairman, for holding this important hearing.

REP. ACKERMAN: Thank you. It's now my pleasure to introduce the new assistant secretary of State for South and Central Asian Affairs, Ambassador Robert O. Blake. We're delighted to have him here for the first of what I hope will be regular appearances before the subcommittee.

Ambassador Blake is a career Foreign Service officer, having joined the Foreign Service in 1985. He has served at the American embassies in Tunisia, Algeria, Nigeria and Egypt, as well as in important assignments here in Washington. Ambassador Blake served as deputy chief of mission in New Delhi from 2003 to 2006, and as ambassador to Sri Lanka and Maldives from 2006 to mid-2009, when the Senate confirmed Ambassador Blake in his new role as assistant secretary.

So, Mr. Secretary, without objection, your full statement will be entered into the record. And I would ask you to summarize your testimony and remarks in somewhere between five and seven minutes if you -- if you could. And then we'd move directly to questions.

Welcome to the subcommittee.

MR. BLAKE: Chairman Ackerman, Congressman Rohrabacher, Congressman Wilson, Congressman Costa, thank you very much for inviting me here today. And let me say that I appreciate the committee's sustained interest in the South Asia region and welcome the opportunity to provide an overview of recent developments and our initiatives in South Asia.

Mr. Chairman, the president has made it a top foreign policy priority to disrupt, dismantle and eventually defeat al Qaeda and affiliated extremist groups and eliminate their safe havens in Afghanistan and Pakistan. Under the direction of the special representative for Afghanistan and Pakistan, Ambassador Richard Holbrooke, the broad-based interagency strategy to achieve this goal is now being implemented.

Pakistan has demonstrated a renewed commitment to countering the militant threat. Since May of this year, the government has made progress in pushing back the extremist encroachment in Swat, Lower Dir, and Buner. The United States and the international community have worked together to respond quickly to the internal refugee crisis that you mentioned resulting from these operations. We have committed over \$300 million in immediate relief efforts and mobilized an international response.

Secretary Clinton and Ambassador Holbrooke have personally rallied the international community for its assistance, most recently in Europe and the Gulf, to ensure that U.N. agencies on the ground are able to respond effectively to the needs of the displaced.

As the Afghan elections approach, we're encouraging the Afghan people to determine the issues that are important to them, demand that the candidates explain their programs, and

vote for their future. We are working with the Afghan government and the international community to help ensure an electoral process that is credible, secure and inclusive. And we've provided \$120 million to support the elections.

Mr. Chairman, South and Central Asia is one of the least economically integrated regions in the world. As we implement the president's strategy on Afghanistan and Pakistan, we are working closely -- we are working more closely to knit these two countries with their surrounding neighbors and with their region and to open up foreign markets to their products. Integration is vital to creating interdependence, which will foster peaceful relations, closer cooperation and sustain vibrant economies in Afghanistan, Pakistan and the broader region.

The establishment of Reconstruction Opportunity Zones as called for in legislation currently being considered by Congress will be an important step in stimulating economic growth in both countries and drawing people away from extremism. And let me say that we appreciate the House's support for the ROZ legislation.

In partnership with other U.S. departments and agencies, my staff has engaged donors, host governments and the private sector, and established working groups on regional economic integration and cooperation. We're working on power transmission, gas pipelines, road development, railroads, trade facilitation, border crossings, information and communication technology and water.

Mr. Chairman, President Obama and Secretary Clinton have both expressed a deep commitment to building stronger ties with India, a commitment based on mutual respect and mutual interests. As Secretary Clinton recently put it in a speech here before the U.S.-India Business Council, "We see India as one of a few key partners worldwide who will help us shape the 21st century."

As you said, sir, this spring, the regional -- the ruling Congress Party won a substantial victory in India. They have formed a coalition that is supportive of a stronger U.S.-India relationship, and we look forward to working with Prime Minister Singh's government to make that vision a reality.

We also continue to support dialogue between the Indian and Pakistani leaders. The timing and scope and content of any such dialogue are strictly matters for the Indians and Pakistanis to decide.

Let me just briefly touch on some of the other countries, Mr. Chairman.

In Nepal, we continue to press for progress on implementing the peace agreement signed in 2006, including the drafting of a new constitution. We believe it is important for the Maoists to remain involved in the peace process and in the political process and avoid a return to armed conflict.

In Sri Lanka, we continue to press the Sri Lankan government to grant humanitarian relief organizations full access to the internally displaced persons who are now residing in the camps and to engage in political reconciliation with Sri Lanka's Tamil minority. Overall access has improved, but more progress is needed. The actions that the Sri Lankan government takes now in the aftermath of the war, with respect to both humanitarian relief and political reconciliation, will be important to securing a lasting end to terrorism and a lasting peace.

Last December, Bangladesh held the fairest and most transparent elections in its history. This promising backdrop makes it important for the United States to engage Bangladesh as it confronts daunting challenges, including chronic political partisanship, widespread poverty, civil-military tensions, porous borders and corruption. We are working with Bangladesh to strengthen institutions that will deter violent extremism, and have encouraged the new prime minister, Sheikh Hasina, to engage with the opposition and include them in the decision-making process.

Bhutan's transition from an absolute to a constitutional monarchy has gone smoothly. And the Maldives continues to consolidate its democracy after holding historic democratic elections last year that ended former President Gayoom's 30 years in power.

In conclusion, Mr. Chairman, thank you again for giving me this opportunity to discuss one of the most dynamic and important regions to U.S. foreign policy and security interests. And let me say that I look forward to working closely with you and all the other members of this committee to advance our nation's interests in this important region.

Now I'd like -- be happy to take any questions that you and the other members have.

REP. ACKERMAN: Thank you very much, Mr. Secretary.

Let me start us off with a question about Afghanistan, if I may. Secretary Clinton has said that the billions of dollars that we've spent to aid Afghanistan during the past seven years have been largely wasted, and she cited problems with aid program designs, staffing levels, implementation, accountability. That echoes the complaints that I've heard from NGOs and others over the years about inefficiencies created through the use of multiple subcontractors, lack of consultation with Afghan officials and incorporations of local priorities in assistance projects and security rules that severely limit interactions with Afghans and project oversight.

I understand that some contracts have been put on hold at this point and that efforts are under way to develop a new agriculture program for Afghanistan. What other steps are being taken to guard against such inefficiencies and ensure that more of our taxpayer money is not being wasted?

I'm particularly concerned about the system or the scheme or, to be more blunt, the racket of subcontractors, where somebody with connections gets the contract, takes a big chunk of the money right off the top for doing nothing but passing the contract off to somebody

else, who very often does the same thing and half the money's gone before it even reaches anything of a level near a project.

MR. BLAKE: Thank you very much, Mr. Chairman, for that important question. And it will not surprise you that I agree with Secretary Clinton's assessment of past assistance efforts.

In terms of what we're doing now, I would say that we've -- under Ambassador Holbrooke's direction and the secretary's approval and the president's approval, we're completely restructuring our assistance program. As you say, we're trying to reduce our reliance on large contractors. We're trying to have -- we're deploying many more civilians there, including a large increase in people from the U.S. Department of Agriculture and USAID so that they themselves can directly implement these programs. And we're working very closely with the special -- the inspector general that Congress has appointed, who we believe has a very important role to play. We also have a much more closely integrated civil-military strategy at the U.S. embassy in Kabul to make sure that this is all knitted up with our military efforts.

Mr. Chairman, you mentioned agriculture. That is going to be one of the important new directions in our policy in Afghanistan. We're going to put a much greater emphasis on agriculture -- frankly a much reduced emphasis on eradication of poppy -- to put people back to work in Afghanistan and to frankly increase our aid effectiveness.

So what's going to be different about our new program will be, first of all, we're going to be working directly with the ministry, in this case the ministry of agriculture. We're going to have a counterinsurgency focus. In terms of the agricultural products, a lot of the things that we're trying to do will be things like more -- helping grow more pomegranates, to help grow, for example, nuts. Some of those take a long time to actually grow and start to produce fruit, so we'll have some quick-fix programs like voucher programs, cash for work programs to get people back to work to get them to support the efforts of the Afghan government. We'll also be increasing our vastly -- a irrigation initiative, again, to enable more crops to be grown in Afghanistan.

Thank you.

REP. ACKERMAN: Thank you. Do we have any idea of the percentage of U.S. aid that's been absorbed by contractors that actually didn't perform on contracts?

MR. BLAKE: Sir, I don't know that figure off the top of my head, but I'll be glad to take that back and get it for you.

REP. ACKERMAN: Would you be able to get back to us --

MR. BLAKE: Certainly.

REP. ACKERMAN: -- or tell us also how we intend to eliminate that waste?

MR. BLAKE: Certainly. Certainly.

REP. ACKERMAN: Is there a plan in place now or are we working on that?

MR. BLAKE: Well, sir, as you know, Ambassador Holbrooke has already testified that he is going to be personally reviewing every single program that we have, along with Ambassador Eikenberry, to make sure that there's -- we remove all waste and fraud.

And as I said earlier, we'll be working very closely with the inspector general on this as well.

REP. ACKERMAN: My time -- well, I have eight seconds left, but I'll forgo that, assuming that I can't ask a question in that time, and ask my colleagues to keep within the five minutes as well. And if we have time, which I assume we will, we'll go around again.

Mr. Rohrabacher?

REP. ROHRABACHER: Thank you very much, Mr. Chairman.

I'm going to focus on Afghanistan, although I think that the idea that we need to start focusing on try to promote peace between India and Pakistan as a major goal is significant, but -- something we need to get into, but the crisis at the moment is Afghanistan. And there's things that are happening right now that are very disturbing, and some of your testimony, quite frankly, was very disturbing.

Let me ask you this: Under your current plan, that I have spoken to at length with Mr. Holbrooke and many of the people who are the players in this here in Washington and -- let me ask you to confirm for me, the structure that we're trying to build or have built and continue to rely upon, is this structure going to have regional and provisional (sic) and district leaders appointed by Kabul or elected by the local people?

MR. BLAKE: Well, let me answer that by saying that we're -- as I said earlier, we're starting to -- making intensive efforts to prepare for the Afghan elections that will take place later this year, in August. And those will include not only presidential elections, but elections for 34 different provincial councils. So that will be --

REP. ROHRABACHER: Okay.

MR. BLAKE: So that will be -- that will put in place elected representatives in all of these provincial --

REP. ROHRABACHER: So the provisional (sic) councils will be elected at the -- by the people of the province.

MR. BLAKE: Correct.

REP. ROHRABACHER: And then who will be -- they will then elect their own leader, meaning the -- like the equivalent of the governor?

MR. BLAKE: Yes. Yes.

REP. ROHRABACHER: Okay. So a provisional (sic) council will then be elected and then would sort of like --

MR. BLAKE: Oversee a lot of these --

REP. ROHRABACHER: Sort of like a state legislature --

MR. BLAKE: Correct. Right.

REP. ROHRABACHER: -- that elects their leader.

MR. BLAKE: Correct.

REP. ROHRABACHER: I'm very happy to hear that. Thank you.

MR. BLAKE: Thank you, sir.

REP. ROHRABACHER: That is --

REP. : I'm from New York. Can you explain how that works?

REP. ROHRABACHER: (Laughs.) Yeah, it doesn't work. (Laughs.)

Let me ask you this about something that you also mentioned, in terms of the deemphasizing poppy eradication. Right now, many of us believe that many of the funds that are being used to finance the war with radical Islam, especially in Afghanistan, come from that poppy production. So I take it from what you have said today and what I have gleaned from other remarks of other people involved in this project, that we are no longer aiming at eradicating the poppies.

How can we -- if the -- if that's where the resources are for the money paying for the insurgency -- now, I understand that we would -- if we eradicated the poppies, that we would have to give an alternative and provide an alternative, which you suggest here. But why is someone -- if we're going to improve their irrigation and have other agricultural products -- why are they not just going to grow more poppies?

MR. BLAKE: Thank you, sir, for that important question.

I think it's our assessment that the eradication program was not successful because in eradicating these crops we were not providing alternatives, as you just said. So in that process, we were actually driving people into the arms of the Taliban. So it was a

counterproductive policy. So that's why we're putting a much greater focus on providing alternatives, and that will be the agricultural programs that I just described.

But we're -- I don't want to say that we're completely stopping eradication. We're just deemphasizing it.

REP. ROHRABACHER: Right.

MR. BLAKE: And we're also going to -- we're obviously going to continue to play a major role to arrest drug warlords, stop the networks --

REP. ROHRABACHER: Well, if we're -- you know, if we're not going to go to poppy eradication, we're deemphasizing that, to say we're going to go and arrest the other people involved in the system is absurd. And you're either going to deemphasize it or you're not. And it sounds like to me that we're going to walk away from the battle against heroin production out of Afghanistan.

And Mr. Ambassador, with all due respect, I think that basically this deals a lot more with our inability to work with certain political leaders in Afghanistan and Pakistan who are up to their eyeballs in the drug trade. And we keep -- this is the same sort of problem that's been going on ever since we worked with the ISI to help defeat the Russians when they were in Afghanistan. And I think that frankly that policy is doomed to failure if we -- unless we confront that challenge, we will continue -- their side will be better financed than our side, and our side hopefully is good government and democratic government and a government at peace with the United States.

Thank you very much, Mr. Chairman.

REP. ACKERMAN: Thank you.

Mr. Costa?

REP. COSTA: Thank you very much, Mr. Chairman.

I want to follow up on Mr. Rohrabacher's last comment. Having been in Afghanistan several times in the last two years and Pakistan, as I noted, the "reset," as you -- as I described it and as you started to articulate it in terms of what you're doing in -- with agriculture in Afghanistan and others, it all sounds good. But how do you expect to cut through -- both in Afghanistan and Pakistan and other areas -- in what I -- from all the visits I've had there, my sense is that corruption in that part of the world, if not endemic, seems to be a way of life.

And you can separate, as my colleague just noticed, the jihadist and all of those who have obviously an agenda, to just those who are a throwback from what we dealt with here in the '30s with the -- with the underworld and, you know, kind of a mafioso-style way of life. I mean, these folks live in villages and in tribal areas and the culture and the concept

with power attached to money attached to their ability to control regions is, it seems to me, so much of what's going on there.

And to create a real central government in Afghanistan, as an example -- I mean, even in Pakistan we know that the territories really have been left to their own since the founding of Pakistan. So what's going to change? What's -- how are you going to redo this, given the nature of what seems to be a way of life?

MR. BLAKE: Mr. Costa, thank you very much for that very important question. And I think -- I agree that corruption is one of the most significant challenges that Afghanistan faces. And it's a major focus of the United States government.

And let me just say that as we try to change the dynamic in Afghanistan, obviously we're looking to improve economic opportunity for the people of Afghanistan; we're looking to improve governance; to establish the legitimacy of the central government and expand their writ into other parts of Afghanistan. And a major part of that will be for them to address the problem of corruption.

And I think -- I think there's been some steps that have been taken already. There's a very dynamic minister of interior, Minister Atmar, who has -- who has taken a number of steps already and is, himself, personally committed to addressing corruption across the system. They've set up a criminal justice task force in Afghanistan. The attorney general has an anticorruption unit. And I think most encouragingly, they've sought advice from our own inspector general about how they can do more to address corruption.

So I think this is very much on the radar screen, but they've only just begun, quite frankly. So there's a long way --

REP. COSTA: Are our German allies doing a better job with the police -- training the police? Or are we taking that responsibility over now?

MR. BLAKE: I think they -- we appreciate what they're doing and, yeah, we're working closely with them.

REP. COSTA: So it's getting better, you think --

MR. BLAKE: I think --

REP. COSTA: -- the performance of the police in Afghanistan?

MR. BLAKE: Well, again, that's going to be a significant challenge, and one of the --

REP. COSTA: Well, it has been. I mean, we've been working on it for three-plus years.

MR. BLAKE: That's right.

REP. COSTA: I mean, and I'm not sure what the criteria is we use to measure on how that performance has improved.

MR. BLAKE: I don't have --

REP. COSTA: I mean, you're telling me it's getting better. Well, you know, I mean, what --

MR. BLAKE: I don't want to exaggerate that, sir. I mean, I think -- as I say, we've got a long way to go on the police side to help --

REP. COSTA: Well, I mean, I think that's the heart of if you're going to try to deal with corruption. I mean, that's got to be a key component, I would believe.

MR. BLAKE: Absolutely.

REP. COSTA: Moving over back to Pakistan, I talked about using the levers of the -- in the diplomatic tool chest of carrots and sticks. Since the positive -- recent positive performance of the Pakistani government in the Dir and Swat Valleys, as you've noted, what's going to continue, notwithstanding the internal political differences that exist between the Sharif family and brothers and the current president, in trying to ensure that they continue to go down this road of what seems to be a more positive performance?

MR. BLAKE: Well, as you said, Mr. Costa, I think we're very encouraged by the steps that President Zardari and his team have taken recently in Swat, in Buner and elsewhere. They've taken the fight to the Taliban, and that's a very encouraging sign.

And it's encouraging on two levels -- first, because they are taking the fight to the Taliban, but also because it's helped to improve their own standing with their people. And there's much greater support now for the Zardari government, which, again, is a very positive sign.

So as long as they continue to do that, as long as they continue to take concerted action, you know, the United States will continue to support them. And as you know, we're putting in place now efforts to help them to expand their counterinsurgency capabilities through things like the Pakistan -- or the PCCF capabilities counterinsurgency fund.

REP. COSTA: And so the legislation that we passed out of this committee you think is one of those carrots that --

MR. BLAKE: It'll be important. That's right.

And, of course, in terms of Pakistan, you know that a major new focus of ours will be to dramatically increase economic assistance to -- again, to help address a lot of the economic problems and also a lot of the governance problems that have plagued Pakistan. So we very much appreciate --

REP. COSTA: Historically.

REP. ACKERMAN: Thank you.

REP. COSTA: Thank you.

REP. ACKERMAN: Mr. Wilson.

REP. WILSON: Thank you, Mr. Chairman.

And Ambassador, I'm very grateful to serve as the co-chairman of the Afghan Caucus with Congresswoman Sheila Jackson Lee. And I have visited Afghanistan eight times. I have high respect for President Karzai. I've met with Minister Atmar. And I understand that he is a person of integrity. I find inspiring my meeting with General Wardak, the minister of defense, an extraordinary person.

On my visits beginning in 2002, when I first visited, this was a country that had had 30 years civil war, that -- identified possibly as the third poorest country on Earth. There was rubble right up to the side of the unpaved roads. It's not perfect, but on my subsequent visits, I've seen remarkable changes, and I want to give credit to the military.

My former National Guard Unit, the 218th Brigade was stationed there for a year training Afghan police and army units. And in talking with General Bob Livingston, he said they identified their Afghan brothers. There was such a good relationship.

From my first visit, I was very impressed with the provincial reconstruction teams. They were out in the provinces. The one I visited was a joint U.S./South Korean reconstruction team working with local government officials. I've seen the development of farm to market roads -- paved roads in a country that didn't have any paved roads. And so it's not perfect, but I want to thank the American military for what they've done.

A highlight for me was to visit with Navy personnel who had volunteered to serve as sand sailors at Jalalabad and Asadabad, where they're building bridges. And so -- but I see this as a NATO function. And so what efforts are being made to encourage our NATO allies to fully engage to create a civil society?

MR. BLAKE: Thank you very much for that question, Congressman. With respect to the PRTs, let me say I think that's one of the most successful elements of our policy as you yourself pointed out. Every provincial governor wants to have a PRT in his area because they have made a dramatic difference, and we very much appreciate the partnership that the State Department and the Department of Defense and many, many other agencies who participated in the PRTs have enjoyed together.

In terms of burden sharing, which I think is the heart of your question, right now 14 out of 26 PRTs are run by allies, by other countries. So I think they've already assumed a great deal of the burden, and we appreciate very much their role. And as you said, you

visited the South Korean one, but there are many, many other examples. So we think our allies have stepped up and have played an important role.

REP. WILSON: And I was happy to meet on my last trip with troops from Romania -- Bulgaria. I mean, it's just -- it's really exciting to see our new allies. I am concerned, though, about poppy production and the -- to me, a direct relationship with narcoterrorism. And it's my understanding that there are crops, even something as simple as wheat or grapes, table grapes that can replace poppies. And so in lieu of ignoring the situation, what are we doing to promote alternative crops?

MR. BLAKE: As we talked earlier, this is going to be a major new focus of our policy is to promote agriculture as an alternative to poppy. And this is a significant new focus and I think we're well on our way already. We've already got more than 50 U.S. Department of Agriculture employees who are on the ground, and we're expanding irrigation and we're working directly with the relevant ministries, and we're excited about the potential for this program.

REP. WILSON: And I want to commend Chairman Ackerman.

He was one of the leaders of his party in regard to the civilian nuclear agreement. He was very brave, standing at the door, encouraging his colleagues to vote correctly.

REP. ACKERMAN: (Laughs.)

REP. WILSON: And so, what is the status of the civilian nuclear agreement with India?

MR. BLAKE: Well, as you said, sir, we're making a great deal of progress. We're most of the way there now. India, as you know, just signed their additional protocol, and now they've got to file with the IAEA the list of their safeguarded facilities.

And then after that, Secretary Clinton will be going out there later in July, which will be a major visit for us. And we hope, at that time, that the Indians will be in a position to announce when nuclear parks -- we hope to have two sites that would be announced, where American companies can go in and provide new reactors, which would be a major source of new business opportunities for American companies.

And then we're also hoping to see action on nuclear liability legislation that would reduce liability for American companies and allow them to invest in India.

REP. WILSON: Thank you for your efforts. This is so good for the people of India and the United States.

Thank you, Mr. Chairman.

REP. ACKERMAN: Thank you.

Mr. Crowley.

REP. JOSEPH CROWLEY (D-NY): Thank you, Mr. Chairman.

Ambassador Blake, good to see you again. Welcome back.

MR. BLAKE: Nice to see you, sir.

REP. CROWLEY: I'm just going to divert for a moment -- and not to diminish at all what my colleagues have been talking about in relation to Pakistan and Afghanistan, but I want to just bring you back, you made some mention of Bangladesh. And I've always felt that they've been given less attention than I think they deserve. They've gotten short shrift over the years, even in terms of discussion here at the committee level -- although my good friend and colleague, and chairman, Gary Ackerman, has always himself maintained a strong interest in all issues related to that country.

You know, being -- not stuck between, but next to a rising India and faltering Pakistan, they have been given short shrift. They've had their troubles, and we know that they've had historic elections, as you mentioned in your comments. They're never as bad, though, as some of their neighbors. And, because of that, I think they often fall out of sight, or at least it seems to be pushed aside more often than we'd like to see.

Can you tell me what -- the new administration, what is it going to do to engage the newly elected government? And how can we in Congress, in your thoughts, better assist this fledgling democracy?

And also have you -- anyone in the administration, you or anyone in the administration been involved with the potential war crimes tribunal the Bangladesh government is trying to establish to prosecute suspected war criminals from the 1971 of secession?

And, lastly, many of my constituents of Bangladesh descent have been promoting a regional river commission under the auspices of the United Nations. And I want to know of the U.S. engagement on that issue with Bangladesh and India over the water rights of Ganga and the Ganges rivers. If you could comment on those three questions.

MR. BLAKE: Thank you, Mr. Crowley. It's good to see you again.

I went out with Under Secretary Burns to India to prepare for the secretary's visit later in July. But, right after that, I decided to make one of my early priorities a visit to Bangladesh, so I spent two days there.

And, you know, I came away with -- agreeing with what you just said, I think we have some opportunities to work with Bangladesh. It's a country that everybody knows all the challenges they face -- political partisanship that has divided them; the poverty that has long plagued that country; the natural disasters that seem to come with regular intervals.

But, at the same time, I think it's a country that's achieved quite a lot. I mean, they have reduced poverty; they've achieved 5 or 6 percent growth for the last 15 years or more; and they have a lot of pockets of excellence. One of the things that I learned while I was there, that they've made tremendous progress, in terms of improving women's literacy, for example, which is quite rare, in many cases, for Muslim countries. So, they're really enhancing the role of women and we think there's some opportunities to work with them on that.

They've taken some interesting and important steps on madrasa reform in Bangladesh -- to, sort of, get at the root of some of the extremism there, to make sure that the madrasas are producing graduates who can get jobs in the Bangladeshi economy and are not then tempted to join extremist groups.

So, we think there are a lot of opportunities to work more with them, and we'll try to do what we can to -- (inaudible) --

REP. CROWLEY: Would that include possibly, Ambassador, some high-level visits to Bangladesh --

MR. BLAKE: Sure.

REP. CROWLEY: -- and, in return, when they're here, some exposure to some of our higher-level, both diplomatic as well as --

MR. BLAKE: Certainly.

REP. CROWLEY: -- also the president, et cetera?

MR. BLAKE: When I met with the foreign minister, I invited her to come. And I think she's going to be coming this fall. And so that'll be a very important visit, and I'm sure she'd welcome the opportunity to see you.

With respect to the war crimes tribunal, we discussed that. And I said to them that that's obviously up to them, but they've got to make sure that this is not perceived by the people of Bangladesh as an effort to undermine the progress that has been made on democracy -- specifically, with regard to the Jamaat-e-Islami, that this is not perceived as a political effort to get rid of a troublesome opponent, and that this is really a clearly-defined effort. And so I think they understood that message, but it's a very fine balance that they're going to have to draw on that.

With respect to the regional river commission, I confess I haven't been in office long enough to be able to tell you what we're doing on that particular initiative. But, I'll certainly take that back and find out for you the answer.

REP. CROWLEY: Thank you.

Thank you.

REP. ACKERMAN: Thank you.

Mr. Royce.

REP. ED ROYCE (R-CA): Thank you, Mr. Chairman.

And welcome, Assistant Secretary Blake.

MR. BLAKE: Thank you, sir.

REP. ROYCE: It's good to see you.

You noted the establishment of Reconstruction Opportunity Zones in Afghanistan and Pakistan. And, unfortunately, because of the way in which this legislation has been written in Congress -- with the restrictions, with the burdensome requirements, I think that that legislation is not going to do anything to increase trade with Pakistan. And that trade with Pakistan right now should be an important goal.

As this bill moves to conference with the Senate, and as the process continues, this provision must be liberalized if it's going to affect Pakistan. And I think you would concur with that judgment.

MR. BLAKE: (Off mike.) Sure.

REP. ROYCE: I think, on India, you mentioned the strategic partnership with India, and I think -- I know that Secretary Clinton is soon going to travel there. I would suggest that, at this point in time, the security relationship be a big part of that focus -- that opportunity for counterterrorism cooperation.

I think, in many ways, we're just beginning to realize the potential of the relationship with India, in terms of promoting stability and security in the region. But, this is an area that is of immediate interest I think.

In terms of Bangladesh, and let me just raise a word of caution here -- because you testified that extremism finds little popular support there. I think this bears close scrutiny because of the madrasas that are opening up. I've spoken to a number of people on the ground, including those in Bangladesh, who are monitoring this situation, and they tell me that Islamist schools there are increasingly radicalizing young Bangladeshis, and that they're proliferating at a particularly fast pace; and, in addition, that those that have been established are, shall we say, some of the most extreme in South Asia.

So, some focus on that. And also some of the funding that's come in, reportedly in the media there, from the Gulf states in order to fund those madrasas -- the types of madrasas we're talking about right now would be, I think, on order.

And lastly, Chairman Ackerman brought up the point about his concern over the contracting process in Afghanistan. And you explained that you were completely restructuring the contracting process, looking at how we spend our aid dollars.

I hope that that Afghan-Americans play a large role in that process, because I'm also very interested in how the Afghan government contracts. It's, frankly, a mess. And China and other countries play a very detrimental role. Putting it charitably, I'd say they play that role by bringing contracting standards that are far from acceptable. And I'd like your thoughts on that.

And I have, from my trips to the region, some first-hand examples; from those in our government who've witnessed that and relayed that to me, about what we can do on that front.

MR. BLAKE: Thank you very much, sir, for those questions. Let me try to take them in order.

First of all, I agree entirely with your comment on the importance of security cooperation with India. As you probably know, we just had our first meeting of our Joint Counterterrorism Working Group, which is chaired by our coordinator for counterterrorism -- an Indian delegation came here. So, I think that's an early signal of the importance that we attach to working very closely with our Indian friends on this.

More broadly, you know that the Federal Bureau of Investigation and other agencies have been working closely with their Indian counterparts on various aspects of these security challenges. So, we agree with what you've been saying.

With respect to the Bangladeshi madrasas, I must say I didn't hear the same fears that you articulated, about the large proliferation of madrasas. Very few people said that to me. But, certainly I'll take that under advisement and, you know, we'll check o that.

REP. ROYCE: And, Ambassador Blake, I might send you some information on that too.

MR. BLAKE: Sure.

But, as I said, I think that at the same time the Bangladeshi government is very much focused on this, and they see the importance of working with these madrasas in trying to reform their curricula, so that they are turning out graduates who can get jobs and are not going to then join the ranks of the extremists. So, I think this has certainly gotten their attention. And our embassy is working very closely with Sheikh Hasina and her team on this very important issue.

On the question of Afghan-Americans, I mean, I couldn't agree more. I think it's very important to include Afghan-Americans in this process. One of the encouraging signs recently has been the return of Afghan-Americans to Afghanistan to help in all of these processes. So, we're very encouraged by that. But, we appreciate your comments.

REP. ROYCE: I appreciate that.

It is surprising, though, how many of these contracts go to China, or go to neighboring countries where the work crews do not end up being Afghani. And if we want to build that capacity, internally, in Afghanistan -- and, in particular, because of the way in which these contracts are let, the questionable nature of them, which you're quite familiar with, this is going to have to be an area of real focus. And I appreciate your testimony, Ambassador Blake.

MR. BLAKE: Thank you.

REP. ACKERMAN: Mr. Connolly.

REP. GERALD CONNOLLY (D-IN): Thank you, Mr. Chairman, and thank you for holding these hearings.

Welcome, Ambassador Blake, and thank you for being here today.

Mr. Chairman, I have an opening statement and I would just ask, with unanimous consent, to have it entered into the record.

REP. ACKERMAN: (Off mike.)

REP. CONNOLLY: Let me ask about contracts.

When I was in Afghanistan earlier this year what struck me was the enormous explosion in the use of CERP funds by military commanders in the field. Now, within reason, that program may make an awful lot of sense, in terms of trying to broaden our mission and demonstrate the constructive aspects of it. However, when you start to get to figures that look like \$900 million, that's a lot more than "walking around" money, and that starts to look like one of the largest bilateral aid programs in the world.

And I am deeply concerned that military commanders in the field -- they know a lot. Experts in foreign assistance, and development assistance, and technical assistance, they are not. And when you ask what could go wrong with \$900 million in the field in Afghanistan, for example, the answers aren't all wonderful.

I wonder if you'd comment on what the State Department is doing, or whether the State Department even shares my concern that perhaps this has gotten to the point where we need to rein it in or certainly look at new -- a new framework for the administration (for these funds. ?)

MR. BLAKE: Thank you very much, Mr. Connolly.

I don't know if you remember, but I, before I joined the State Department, I actually worked for a couple of months on the Senate Foreign Relations committee. And Mr. Connolly was then a senior staffer, so it's good to see you again.

REP. CONNOLLY: Good to see you.

MR. BLAKE: (Laughs.)

REP. CONNOLLY: We have a nice title.

MR. BLAKE: (Laughs.) With respect to --

REP. CONNOLLY: I had to go into politics.

MR. BLAKE: With respect to the CERP funds -- and it's an important question, I think the CERP funds actually have been one of our most successful programs in Afghanistan, and so that's why we've had an increase in those.

As I said earlier, to one of the earlier questions, every one of the provincial governors wants to have a PRT in their area because they have -- the PRTs and the CERP funds that they administer have made a great deal of difference in terms of local development in these areas.

And with respect to your question about, you know, are these being abused widely? I think they are, because in almost every PRT that we have, we have interagency teams who are there who are administering these. So, we have agricultural experts; we have USAID experts; and we have other people who are administering these programs. So, I think you can have a high degree of confidence that the money is going to a good use.

REP. CONNOLLY: I hope you're right. \$900 million is a lot of money. And I just -- a word of caution: I want it to work too, and I want flexibility in the field, but when you ask yourself what could go wrong, I'd just caution the State Department and AID and the military, you've got to watch that program carefully.

MR. BLAKE: I appreciate that.

REP. CONNOLLY: Let me turn my attention to Sri Lanka. It would seem that the long-running battle between the government and the Tamil Tigers has now concluded. What is the State Department assessment of the likely success, and the desirability by the Sri Lankan government for the reintegration of the Tamils into Sri Lankan society in a way that avoids some of the tensions and frictions that caused the trouble in the first place?

MR. BLAKE: On the question of Sri Lanka, as you say, the Sri Lankans achieved an important victory in the north by defeating the LTTE in the north. And, as a result of that, the LTTE no longer controls any territory whatsoever in Sri Lanka, which is an important step forward.

But, now Sri Lanka has to take additional steps to really win the peace, and to ensure a lasting peace, to ensure reconciliation. And so we are really focused on two different parts of that: First, is the rapid resettlement of the almost 300,000 internally displaced persons who are in the camps in and around Vavuniya; and then secondly, to encourage the government to undertake a real political reconciliation program.

And that program would have several elements: First, to undertake local elections and provincial council elections so that there can be an elected government in the north for the people of the northern region. They haven't had elected government for the entire time of the LTTE rule.

But, more broadly, to look at other ways to share power with the Tamils and with other minority communities. And that would include things like implementing the 13th amendment -- which is already in the Sri Lankan constitution, which provides for devolution of power to these provincial councils; but to undertake new steps to ensure that they have real power, because the 13th amendment hasn't really been implemented up to date. So, there are additional steps that are needed there.

And then, more broadly, there's been an effort underway for many years now under what's called the "All Parties (sic) Representative Committee," and that's been looking at various possible constitutional amendments, again, to share power. And that process is near its conclusion now and we've encouraged the Sri Lankan government to finish that process -- to achieve a consensus among the parties about what are the steps that they should do, and undertake to provide for additional constitutional reforms.

And the president, for example, has been talking about creating an upper house of parliament that would be comprised of representatives of the various provincial councils. And that, again, would be a way to further share power.

So, I think all of these are things that should be undertaken, and if they are, that those will help to really achieve political reconciliation.

REP. ACKERMAN: Thank you.

REP. CONNOLLY: Thank you, Mr. Chairman.

Thank you, Mr. Blake.

REP. ACKERMAN: You answered to -- we'll go around again, if the committee would like.

You have a unique -- it's not original unique, but unique with the department almost -- a structure where you have the president's representative as well as the secretary.

Structurally, do you report or answer to both the secretary and Ambassador Holbrooke and how's that working?

MR. BLAKE: Mr. Chairman, Ambassador Holbrooke is in charge of our policy on Afghanistan and Pakistan.

REP. ACKERMAN: Not the secretary?

MR. BLAKE: Well, he is in charge of the policy. He reports to the secretary and through the secretary to the president.

I am in charge of the South Asia Bureau -- so that's all the other countries in South Asia and also Central Asia as well. But of course, Ambassador Holbrooke and I work very closely together.

REP. ACKERMAN: You say all the other countries or all the countries?

MR. BLAKE: All the other countries of South Asia. In other words, not Afghanistan or Pakistan. Those are his area of responsibility.

REP. ACKERMAN: So you have no area of responsibility over --

MR. BLAKE: Not in Afghanistan and Pakistan. He's in charge of that policy.

But the way we -- to coordinate -- is we share a deputy assistant secretary. Ambassador Holbrooke's deputy is a career Foreign Service officer by the name of Paul Jones, who is his deputy, but is also a deputy assistant secretary in my bureau so that we make sure that we're properly coordinated and communicating with each other.

REP. ACKERMAN: So he answers directly to the secretary and the president on those areas?

MR. BLAKE: Yes.

REP. ACKERMAN: The secretary has no staff directly in those areas?

MR. BLAKE: No.

REP. ACKERMAN: None at all?

MR. BLAKE: No.

REP. ACKERMAN: Hmm.

MR. BLAKE: Of course she has staff that follow the issues very closely, but they're not dedicated specifically to Afghanistan and Pakistan.

REP. ACKERMAN: And how do you assess that's working out?

MR. BLAKE: I assess it's working very well so far. I mean, I go to a lot of their meetings. We exchange. We clear on each others papers. I talk to the ambassador several times a day. So I think it's working well.

REP. ACKERMAN: Should I continue asking you questions about Afghanistan and Pakistan?

MR. BLAKE: As you wish, sir. I'm at your disposal.

REP. ACKERMAN: In that case I will. (Laughter.)

In announcing the new Afghanistan-Pakistan strategy a couple of months ago, the president stated a goal of "clear metrics to measure progress and hold ourselves accountable." That's a quote. In a hearing yesterday, Ambassador Holbrooke indicated that these metrics are complete.

My question is: Were the governments of Afghanistan and Pakistan consulted in preparing these metrics and when can we expect them to be announced?

MR. BLAKE: Sir, I don't have an answer to that question. That's something that Ambassador Holbrooke has been working on directly. Let me just --

REP. ACKERMAN: So when --

MR. BLAKE: -- take that question. I want to make sure I get the right answer for you in terms of when it's going to be announced and so forth.

REP. ACKERMAN: So when we have questions about Afghanistan and Pakistan, it should not be to representatives of the secretary of State; it should be to those people work with and for Ambassador Holbrooke?

MR. BLAKE: Yes. I mean, I'm certainly familiar with the broad outlines of our policy. And as I say, I work closely with him, but I'm not involved in day-to-day implementation of the strategy.

REP. ACKERMAN: I guess we'll figure it all out, but it's a bit awkward from our working perspective.

Another question about Pakistan: Their offensive against the Taliban in the Swat Valley - - does this offensive and recent statement by the army chief that the head of the Pakistan - - the head of the Taliban must be eliminated -- those were his words -- indicate a turning point in Islamabad's strategic calculation with both the government and the military viewing the Taliban there as a serious threat? And if so, does Pakistan have the capacity to succeed in this effort and what more do they require -- or should this again be referred to Mr. Holbrooke's shop?

MR. BLAKE: No. I think there has been a turning point, sir, and we're very encouraged by the progress that has been made in Swat Valley.

As you said, much more needs to be done still and I think they do have the capabilities to undertake that. An important part of that will be, as Ambassador Holbrooke said, to reorient the Pakistani military from its focus on India towards a focus on dealing with the extremist threats that it faces.

Some troops already have been deployed away from the Pakistan- India border, but I think more needs to be one in that respect. But we're encouraged by the progress that has been made so far, sir.

REP. ACKERMAN: Thank you.

Mr. Royce.

REP. EDWARD ROYCE (R-CA): Thank you, Mr. Chairman.

I think, Ambassador, I'd like to further examine this issue of aid distribution and aid spending.

And with regard to the Commanders Emergency Response Program, which was discussed earlier, I think if -- and I've had an opportunity to talk to commanders in the field in Afghanistan who've deployed this, and PRT teams, but also to Afghans. And I think the conclusion that they reach is that the impact is immediate. And there's the chance after the fact to audit, and I don't know if any serious problems that have arisen. And yet, on the ground we've got some pretty exciting consequences of that program.

General Petraeus talked to us before -- and I've seen this also since this was deployed in Iraq by Petraeus. It has become sort of a central thesis to counterinsurgency strategy. And it has worked pretty well in the minds of the officers on the ground, but also the local community.

And I think if you contrast that with the foreign aid process, which in the view of our secretary of State is broken -- I think if we recall her words that she said it's heartbreaking the amount of -- the amount of aid spending that has been undertaken given the results. And I think she's right that it is heartbreaking.

So I don't have confidence at the end of the day that the system in Washington with Beltway NGOs is better than our commanders on the ground when it comes specifically to their deployment of this strategy. And so I was going to make that counter argument to the one raised and just get your response, Ambassador Blake.

MR. BLAKE: Well, thank you, sir.

As I said earlier with respect to the CERP funds, this has been one of our more successful programs already, because of precisely what you said. It's a quick dispersing, quick-impact program that gets people immediately back to work. It's a more nimble program in terms of eliminating huge layers of bureaucracy. And it's in great demand by the people of Afghanistan and I think that's the most important test.

But as a rule, also we are -- as I said earlier -- trying to reduce our dependence on large contracts and move to much smaller contracts and in many cases, just try to give money directly to the Afghan government to help support the Afghan government. And to do so, we're also deploying an increased number of civilians to help work and disperse those and make sure that the money is well spent.

REP. ROYCE: Yeah, I think that's the key there where you go through the Afghan government, bringing the auditors in tow. And having them in every stage of the process is going to be a prerequisite for any major success.

MR. BLAKE: Right. And then of course, we're going to work very closely with SIGAR with the inspector general to make sure that these are properly spent.

REP. ROYCE: Thank you, Ambassador Blake.

I'll yield back, Mr. Chairman.

REP. ACKERMAN: Well, thank you very much, Mr. Secretary. Your maiden voyage before our committee, I think, was very successful and much appreciated by all of us -- very edifying.

We look forward to having you back and working closely with you. Thank you very much.

The committee stands adjourned. (Sounds gavel.)

MR. BLAKE: Thank you very much, Mr. Chairman.

END.