



PROJECT on Middle East Democracy

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“Assessing U.S. Foreign Policy Priorities and Needs amidst Economic Challenges in the Middle East”

**U.S. House of Representatives Subcommittee on the Middle East and South Asia
Rayburn House Office Building, Room 2172
March 10, 2011, 2:00 P.M. – 4:00 P.M.**

The **House Subcommittee on the Middle East and South Asia** held an open [hearing](#) on U.S. policy in response to the political unrest across the Middle East as well as to discuss the economic issues facing the region, the committee – chaired by Congressman **Steve Chabot** (R-OH) and with ranking member Congressman **Gary L. Ackerman** (D-NY) in attendance – requested the testimony of two individuals: **Jeffrey D. Feltman** Assistant Secretary of State for Near Eastern and Mr. **George A. Laudato** Administrator's Special Assistant for the Middle East at the U.S. Agency for International Development (USAID).

Rep. Chabot opened the hearing stating that the shifts in the region place the United States at the **“precipice of history”** and that the Obama administration cannot fail to take hold of this opportunity. He stated that the composition of the region remains uncertain, and is shifting from a region of autocracies to one with potentially great political diversity. In order to adjust to the changing situation Rep. Chabot stated the U.S. must seek a new strategic plan in the region. He went on to state, **“Money is no substitute for effective diplomacy”** and that the U.S. can seek inspiration and hope from those who have been seeking human rights in the region. He stated that we must work to secure the growth of democracy, but we must also deal with the potential threat of those who seek to hijack these aspirations.

Ranking member Rep. Ackerman stated that he would like to focus chiefly on Egypt and that he thinks that **what happens in Egypt is critical and could dictate the future of the entire region**. Rep. Ackerman stated that he fears that the Obama administration is failing to seize this moment in history. The current policies according to Ackerman show that the Obama administration is turning its back on a long term friend, **and argued that we will not get another chance to help Egypt in this formative moment**. Rep. Ackerman warned **“this revolution in Egypt is shaped like hurricane”** and one day Egyptians will realize that they are still poor and have few opportunities and unleash their anger if the U.S. fails to provide assistance at this critical stage. Rep. Ackerman criticized the administration for its lack of a forceful response and its failure to provide debt relief to Egypt. He argued that American support for debt relief could encourage debt relief from Europe, and potentially a global effort to reduce the debt that has accrued under Mubarak in Egypt. Debt relief will help to empower Egypt to chart a new course in history according to Ackerman.

Former Ambassador **Feltman** began by pointing out that the geneses of these movements have not been anti-American, or anti-Western, or anti-Israeli but **instead exemplify the democratic aspirations of the people of the Middle East**. He believes that successful democratic reforms would lay the groundwork for change in the region. In order to do this Feltman stated that the United States is

seeking to act as a partner of the Egyptian people and civil society to help build democratic governments and promote economic opportunity. He argued that the price tag of these diplomatic efforts is much smaller than if we were to have to use our military to defend the United States' core principals and that this necessitates funding for diplomacy. Our assistance to Egypt was invaluable for maintaining our strong relationship through this process with Egypt according to Feltman and will remain just as valuable in the coming months and years.

Mr. Laudato stated that USAID will focus on both immediate needs and long-term development challenges to support democratic growth in the region. He stated that USAID works in the Middle East with a common theme of promoting growth and economic opportunities. In light of the recent unrest Laudato stated that USAID is dealing with the immediate transitions in the region including USAID mobilization of humanitarian aid in Tunisia after the revolution along with aid to Egypt and Tunisia to deal with the humanitarian crisis spilling over from Libya. Mr. Laudato articulated that USAID recognizes that economic growth is essential for regional stability and that Egypt has grown with USAID help to become one of the most successful and diverse economies in the region. He also cautioned **that Egypt's future success depends on the economy and thus USAID's programs will remain flexible to adapt to changes in the region.**

Rep. Chabot asked about the status of U.S. policy on the Israeli-Palestinian conflict and stated that effective diplomacy seems to be absent likening U.S. policy towards Israel as **"diplomatic malpractice"**. In response Mr. Feltman stated that there are four main pillars to the U.S.' role in the conflict: first, the support of Israel's security is an "absolute commitment", second is that political negotiations need to begin and these must be without conditions in order to work towards a two state solution, third the United States must seek to build institutions within Palestine to prevent a failed state and finally the U.S. must seek to facilitate comprehensive peace so that Israel can live at peace with all of its neighbors.

Rep. Ackerman stated that many are concerned whether or not Egypt will adhere to Egypt's peace treaty with Israel and its role as a **"bulwark against radicalism"**. He asked if the witnesses could speculate on whether or not Egypt would uphold peace with Israel and what their foreign policy would look like? Mr. Feltman responded that **"none of us know for sure", but that the "the spirit of Tahrir Square" in Egypt is promising and shows that the aspirations of the people are very encouraging.** He stated that the U.S. is maintaining its partnerships with the Egyptian military and that the statements they have made seem to be upholding their obligations to the peace treaty with Israel. Feltman finished stating that there was not one instant way to address the question and that ultimately the Egyptians will decide what their foreign policy will be.

Rep. **Rohrbacher** (R-CA) inquired if U.S. NGO's in the region such as the National Endowment for Democracy had been mobilized and also if there have there been sizeable demonstrations in Iran throughout the unrest in the region? Mr. Feltman responded stating that indeed these organizations have been on the ground for many years and will indeed receive increased support. In regards to Iran Mr. Feltman stated that there have been major protests and that **Iran has tried to celebrate what's happened in Egypt, but has violently repressed the same type of protests in their own country.**

Rep. **Berman** (D-CA) asked if the administration was going to change the restrictions at USAID that they have previously abided by which prevented the U.S. Government from giving funds to NGO's not recognized by the Egyptian Government. Mr. Laudato responded **that indeed this policy had been changed and that USAID would now allow all Egyptian NGO's along with their American**

counterparts to seek funds and that previous rules would not prevent the U.S. Government from giving these organizations funds.

Rep. **McCaul** (R-TX) asked why the Obama administration appears timid in their support of the Green Movement in Iran and why the administration has not done more to support their fight for democracy. Mr. Feltman responded stating that the U.S. Government supports the right of peaceful protest everywhere, and that **“what is happening in Iran is appalling.”** He stated the real question is how can we best support the Green Movement beyond just highlighting what’s going on. The Green Movement has stated that they do not want any outside financial or technical support so therefore the U.S. Government has withheld this according to Feltman. However, he said that the U.S. is trying to use funding to provide political space through the internet and the spread of news and information in Iran to support the Green Movement.

Rep. **Schwartz** (D-PA) asked if the witnesses could tell the subcommittee about some of the non-violent solutions for the problems in Libya currently being worked on? Mr. Feltman stated that one thing to watch is how much **Gadhafi** and his inner circle have focused on us, he argued that the U.S. must work with the region and the international community and that this is not about the United States vs. Libya, it is about the world being appalled at the actions of Libya. In response Mr. Feltman said that the U.S. **is working to create multilateral solutions to isolate Gadhafi , to work to hold him and his inner circle accountable, to provide humanitarian assistance and to reach out to the opposition including the transitional council.**

When asked by Rep. **Marino** (R-PA) how the U.S. makes sure that foreign aid is used effectively Mr. Feltman responded stating that aid funds are closely monitored and that there is a discreet way of monitoring these funds to make sure the money goes to the correct individuals for the correct use and that, **“We are very aware of the need to account for what the tax payers are giving us.”** Mr. Laudato added that USAID has detailed accounts of expenditures and that they contract for projects then monitor the contract and then monitor the impact of the projects that the U.S. Government supports.

Rep. **Chandler** (D-KY) argued that Tunisia is **obviously at a critical time in the history and asked why our government is proposing to cut aid at this critical moment?** In regards to Syria, Rep. Chandler asked if the witnesses thought if Assad is seeking a peace deal or if the witnesses thought that the Assad regime views peace as against their interest of **“regime machine maintenance”?** Mr. Feltman responded by stating that the budget documents were crafted last April and Tunisia was doing things contrary to U.S. interests and that indeed now that the U.S. State Department agrees **“one hundred percent”** that the U.S. must be responsive to the changes taking place in Tunisia with increased aid. In regards to Syria Mr. Feltman stated that President **Assad** has said he wants to see comprehensive peace and has had direct and indirect negotiations, but that actions speak louder than words. To have comprehensive peace Syria has to be part of “the game” and that the U.S. still has to see if Syria remains true to its word.