

TESTIMONY BEFORE THE HOUSE FOREIGN AFFAIRS
COMMITTEE, SUBCOMMITTEE ON EUROPE AND EURASIA
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Chairman Burton, members of the committee: Thank you for inviting me, I welcome the opportunity today to speak with you regarding U.S. policy in Central Asia and the partnerships we have with the countries of this important region.

Why is Central Asia important to the U.S.?

The United States has an important interest in promoting a stable, secure, democratic and prosperous Central Asia. These interests shape our core U.S. policy objectives, which are: encouraging Central Asia's help in stabilizing Afghanistan; promoting democracy; combating narcotics trafficking; promoting balanced energy policies and non-proliferation; and fostering competitive market economies.

While pursuing these interests often poses serious challenges, robust engagement and assistance to the countries of Central Asia remain important to stability in the region and to achieving our goals in Afghanistan and Pakistan.

Over the past two years, we have worked to broaden the atmosphere of trust and strengthen relations with the governments and people of the Central Asian countries. We aim to create stronger partners for the United States in addressing common yet critical global issues encompassing a broad spectrum of challenges,

from Afghanistan to non-proliferation to counter-narcotics to energy security. Collaboration with European partners and increased cooperation with Russia and China are critical to addressing these and other issues facing Central Asia. With careful and continued engagement by all partners, including the Central Asian countries themselves, Central Asia could help reinvigorate economic and trade links between the economies of Western Europe and Russia, the energy resources of Central Asia, and the emerging economies of India, Afghanistan, Pakistan and Bangladesh, bringing sustainable prosperity to the entire region.

To strengthen our engagement with Central Asia, in December 2009 we instituted Annual Bilateral Consultations (ABCs) with each country. Each ABC constitutes a face-to-face structured dialogue, based on a jointly developed, comprehensive agenda that facilitates candid discussions on the full spectrum of bilateral priorities, including human rights, religious freedom, science and technology collaboration, economic development, defense cooperation, and any other issue that either side would like to bring to the table. Each discussion results in a work plan to address key priorities and outline practical steps to advance U.S. policy goals. The road to achieving these goals is not always a smooth one, but our continued engagement with the region is yielding important results that I will discuss below.

We also continue to view our assistance funding to the region as a critical tool in accomplishing our policy goals. We conducted a thorough review of our assistance programs in Central Asia to ensure that they are closely linked with our priorities. The President's Fiscal 2012 budget request includes a 6% decrease in funding for the region compared to budgeted levels for Central Asia in FY 2010. This decrease reflects our commitment to a lean, strategically targeted budget that will advance our interests in Central Asia. The most important of these is the support of Central Asian states for international efforts in Afghanistan.

Central Asia's assistance in Afghanistan

Central Asia plays a vital role in our Afghanistan strategy. A stable future for Afghanistan depends on the continued engagement of its Central Asian neighbors -- just as a stable, prosperous future for the Central Asian states is linked to bringing peace, stability and prosperity to Afghanistan.

The Northern Distribution Network (NDN) is an important route for getting non-lethal supplies into Afghanistan for U.S. and coalition forces. In addition, the great majority of our troops in Afghanistan pass through the Manas Transit Center in Kyrgyzstan. This year we have focused on expanding the capacity of the Northern Distribution Network to offer multiple, alternate routes for our cargo transiting into Afghanistan. These routes are becoming an increasingly important component of our bilateral relationships in the region. Several Central Asian

countries have also maintained their own assistance programs, such as Kazakhstan's effort to educate Afghan students, or Uzbekistan's and Turkmenistan's provision of much-needed electricity to Afghanistan.

But our relations with Central Asia are by no means limited to cooperation on Afghanistan. We have a broad agenda encompassing everything from counterterrorism and counternarcotics to democracy promotion, protection of human rights, and economic development. I will now briefly highlight key issues in our relations with each country.

Kazakhstan

Our relations with Kazakhstan are perhaps our deepest and broadest in Central Asia, with cooperation across a broad range of fields as diverse as non-proliferation, support to Afghanistan, energy and health. Kazakhstan has been a global leader on nuclear nonproliferation since its earliest days of independence when it renounced its nuclear weapons and closed the nuclear test site at Semipalatinsk. The U.S. and Kazakhstan completed in 2010 a long and complicated project to safely shut down Kazakhstan's BN-350 reactor, secure the weapons-grade spent fuel it produced, enough to build up to 775 nuclear weapons, and then package and transport the spent fuel more than 2,100 miles for secure storage in Eastern Kazakhstan.

Kazakhstan is the economic powerhouse of Central Asia. President Nazarbayev's decision to invite major oil companies to develop the country's vast hydrocarbon resources in the 1990s was a game-changer for Kazakhstan's future. Already a significant oil producer, Kazakhstan will account for one of the largest increases in non-OPEC supply to the global market in the next 10-15 years as its oil production doubles to reach 3 million barrels a day by 2020.

Kazakhstan provides vital logistical support to the International Security Assistance Force (ISAF) through the NDN. Kazakhstan is also investing in Afghanistan's next generation of leaders through a \$50 million scholarship program to educate one thousand Afghan students in Kazakhstan's universities.

While Kazakhstan is growing in other ways, we continue to encourage the government to enhance democracy, human rights and the role of civil society. Following a failed attempt to extend President Nazarbayev's term by referendum, Kazakhstan will hold early presidential elections on April 3, 2011. We and the international community see these elections as an important opportunity to strengthen the electoral process.

Uzbekistan

Over the past two years, we have worked hard to build stronger bilateral relations with Uzbekistan. In February, I led a delegation to Tashkent to hold the second round of Annual Bilateral Consultations. Our dialogue encompassed four

key areas of the bilateral relationship: political, security, economic, development, as well as democratic reform.

In the regional security field, Uzbekistan remains a valued partner for its participation in NDN and its role in Afghanistan reconstruction. A few years ago Uzbekistan began a new effort to export reasonably-priced electricity to Afghanistan, which dramatically increased power supplied in the north of the country and continues to keep the lights on in Kabul to this day. Uzbekistan has facilitated transit for essential supplies to coalition forces in Afghanistan. Its national rail company, with funding from the Asian Development Bank, constructed an important railroad line that links the southern Uzbek city of Khairaton to the northern Afghanistan city of Mazar-e Sharif. The railroad will help boost trade between Central Asia and Afghanistan.

Uzbekistan also played a constructive role during the outbreak of ethnic violence in Kyrgyzstan last year by working with the UN High Commissioner for Refugees (UNHCR) and accepting large numbers of ethnic Uzbek refugees. Through our increased engagement, we have seen an improved relationship with Uzbekistan, but many challenges remain.

We continue to hold a dialogue to encourage the Uzbek authorities to address significant human rights concerns including ending forced child labor in

the cotton harvest, opening up the media environment, curtailing abuses by security forces, and ending harassment of civil society and international NGOs.

We are also encouraging the government to build a more investment-friendly business environment which will enhance economic opportunities for American businesses and benefit the Uzbek economy. The high level of interest from American companies to participate in the recent business delegation that accompanied me to the ABC is evidence of the potential to build commercial ties that would produce economic benefits for both the U.S. and Uzbekistan.

Kyrgyzstan

Helping Kyrgyzstan consolidate its successful transition last year to a parliamentary democracy remains a top priority for the United States. People around the region and beyond are watching closely and will make future judgments about the efficacy of democratic governance based on the success or failure of Kyrgyzstan. President Otunbaeva just concluded a visit to the U.S. this week, during which Secretary Clinton presented her and nine others with the International Women of Courage Award.

The end of the Bakiev regime in April 2010 opened new opportunities for engagement and democratic progress. Historic free and fair elections held on October 10, 2010 resulted in a multiparty parliamentary system of government, with an independent legislature – a first for Central Asia. U.S. assistance to help

prepare the ground for the elections and ensure a fair and open process played a key role. However, concerns remain. We continue to monitor the potential for renewed ethnic violence, as tensions remain following violence in the south last June. In our interactions with the new government, we continue to encourage accountability, equal access to justice, respect for human rights and ethnic reconciliation.

The Manas Transit Center represents an important contribution by the Kyrgyz Republic to our efforts in Afghanistan. In addition to facilitating the flow of U.S. troops and supplies into Afghanistan, the Transit Center contributes to the local economy by improving employment opportunities for, and purchasing local goods from, local communities.

Tajikistan

One of the poorest countries in the world, Tajikistan is a fragile state in a volatile neighborhood. U.S. policy is to support Tajikistan in maintaining stability and creating the conditions for economic and democratic development. With the resources we put into our partnership with Tajikistan, we seek to help improve law enforcement and border security capabilities, increase food security, improve the health and education of the citizens of Tajikistan, and build good governance.

As our public reports on human rights, on the investment climate, and on religious freedom have made clear, we have concerns about the pace and direction

of political developments, as well as restrictions on religious and media freedoms in Tajikistan. These continue to be important parts of our dialogue with Tajikistan.

Turkmenistan

Turkmenistan is a country of growing importance to the United States. It has important hydrocarbon resources, and is seeking alternative routes for their distribution. One such project is the Turkmenistan-Afghanistan-India-Pakistan, or TAPI, pipeline, which President Berdimuhamedov is taking a leading role in getting off the ground. TAPI could help integrate the Central and South Asian regions by sending energy resources where they are most needed, and we hope that U.S. firms are involved in its development.

We also appreciate Turkmenistan's humanitarian help to its neighbor Afghanistan by providing discounted electricity, housing and other assistance. We continue to encourage the Turkmen government to take concrete steps to fulfill its international obligations on human rights and have offered assistance to help advance Turkmenistan's stated goals of developing a democracy.

Conclusion

Mr. Chairman, in conclusion, we see a future in which the United States and the countries of Central Asia work together for peace, security, economic

development, democracy and prosperity. We recognize that the pace of change is often slow and that our programs should focus on long-term, meaningful results. But through our invigorated policy dialogue and engagement, we aim to strengthen our ties with these important countries and their people and thereby advance U.S. interests in this strategically important region.

Thank you. I look forward to your questions.