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NEXT STEPS ON EGYPT POLICY

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NEXT STEPS ON EGYPT POLICY

TUESDAY, OCTOBER 29, 2013

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:12 a.m., in room 2172 Rayburn House Office Building, Hon. Edward Royce (chairman of the committee) presiding.

Chairman ROYCE. This hearing for the committee will come to order.

Next steps on Egypt policy is what we're looking at today and we're looking at a very challenging U.S.-Egypt relationship.

Since President Mubarak's fall Egypt has been in political, economic and social turmoil. This has seriously strained and some have suggested imperiled our very important relationship with Egypt. It has certainly put our considerable interests in the region at risk.

Like many Arab countries, Egypt is struggling to overcome a lack of democratic traditions. While the Muslim Brotherhood-led government was democratically elected, it governed autocratically.

Yet the U.S. administration was perceived in the region as passive as President Mohamed Morsi grabbed power, squashing individual rights, sidelining the courts and declaring himself above the law.

Coptic Christians in particular were left vulnerable, facing frequent deadly attacks. Today, it is critical the U.S. use its influence to help guide the new government toward a democratic constitution that respects individual liberties including those of women and minorities.

Maybe enough Egyptians have realized that their proud and historic country could become violent and ungovernable if they refuse to move ahead in a peaceful and positive way.

This will require that the government reach out to responsible opposition members instead of vilifying them with a broad brush.

But it also demands a determined and sustained campaign against those Brotherhood activists who are deeply committed to violence and tyranny. The fact that these extremists are actively hostile to American interests binds us with the Egyptian Government.

That is why I support a continued and robust military relationship with Egypt and today we'll hear what the administration has planned in this area.

A too little noted reality is that Egypt has little chance of becoming a stable democracy given its destructive economic policies. Those policies have to change.

The revolt against Mubarak was largely inspired by economic grievances. For those that remember, they had lines at the time. Renowned Peruvian economist Hernando de Soto testified to this committee earlier this year that Egyptian entrepreneurship suffers from a systemic lack of property rights.

If you've got to pay 22 bribes to open a pharmacy, if you can't get—exchange title to property, you've got a problem. Unfortunately, the current government is perpetuating the stagnant and corrupt Mubarak economic model complete with price controls on market vendors.

It was market vendors who sparked revolts throughout the region in 2011 through self-immolation. So this is very problematic in terms of the failure to make the right economic reforms there.

Our decades of economic aid to Egypt in the tens of billions propped up an economy that produced great unemployment and produced popular discontent.

Development aid without fundamental economic reforms in Egypt is sure to be wasted. To date, the administration has had consultations—and some of those are pretty meaningless—with Congress on its aid plans.

I've sat through some of those meetings and I have to tell you the point has to be made we've got to put together a plan that will address these issues of economic reform in that society. It has to change.

Of course, Egypt is a crisis decades in the making. We should learn from our mistakes and, more importantly, Egyptians must learn from their mistakes.

It is they who will determine their nation's future, not us, and hopefully they'll reject the form of extremism that will only lead to the rights of women being eviscerated and minorities under attack in a gutted judicial system.

As one Egyptian recently told The Economist the Muslim Brotherhood was implementing a plan to burn down Egypt and destroy its foundation.

While we would like a democratic partner for our many security interests in the region, we need a partner. We should push and pull with what influence we have, and I'll now turn to the ranking member for his opening remarks.

Mr. ENGEL. Thank you very much, Mr. Chairman.

Thank you for calling this important hearing. I listened to your statement and I agree with everything you said.

I want to thank our distinguished witnesses for joining us today. You all have very difficult jobs and I appreciate your service.

In managing America's foreign policy there are times when our ideals and our security interests don't conveniently align. The situation in Egypt today is case in point.

For the time being, the Egyptian military's recent removal of President Morsi has replaced one autocratic government with another. Over the last 3 months more than 1,000 people have been killed in the crack down on pro-Morsi protesters.

Freedom of the press remains stifled, the economy is rattled by instability and religious minorities don't feel safe in their own communities. Yet the government the military replaced was no paragon of virtue.

It is true that President Morsi won a reasonably free and fair democratic election with 52 percent of the vote. But at the time this rushed election took place the Muslim Brotherhood was the only organized political institution in the country.

Morsi famously promised to rule for all Egyptians but upon taking office he failed to uphold basic democratic values and treated his election victory as a license to rule in any way he saw fit.

President Morsi issued decrees that sacked the prosecutor general, immunized presidential decisions from judicial review and shielded the Islamic-dominated Shura Council and the constituent assembly from dissolution.

He forced through a referendum on a new constitution that favored Islamists in conservative positions. His government drafted an NGO law that essentially placed civil society under state control.

His judiciary raised bogus cases against journalists and activists. His economic ineptitude kept investors and tourists away and drove the Egyptian economy to the brink of collapse, and he took no meaningful steps to protect minorities or to institutionalize respect for human rights in Egypt's Government or society.

By the time the Egyptian military took the extraordinary step of removing Egypt's first democratically elected President from power, Morsi was the President in name only.

He had already brought his country to the brink of collapse and was no longer a legitimate ruler in the eyes of a majority of the Egyptian people. That was obvious.

Indeed, the future that Morsi's Muslim Brotherhood had in mind for Egypt was one that would have been devastating to most Egyptians, to American interests and the interests of our allies in the region.

It is important to recognize that the Brotherhood's early doctrines provided the intellectual and theological underpinnings for numerous militant Sunni Islamist groups including al-Qaeda and Hamas.

And while the Brotherhood officially renounced violence and terrorism in the 1970s, they have continued to operate in Egypt as a shadow state hoping to one day institutionalize Sharia law and build an Islamic caliphate through the region.

So in the wake of Egypt's most recent leadership transition we must ask ourselves a simple question. Are Egyptians and the United States better off with a Muslim Brotherhood-led government that was taking Egypt in a very dangerous and undemocratic direction or with a military-backed government that is slowly moving to a reboot of Egyptian democracy?

I think the answer is clear. Immediately after the transition in July, I supported the temporary halt in F–16 deliveries to Egypt because I thought it sent a simple message that the U.S. was concerned about Egypt's instability and direction.

But today I do not believe that suspending the military aid will make the Egyptian Government more democratic or make it easier for the United States to influence its behavior in the future.

In fact, I think it's more than likely to have the opposite effect and I'm afraid it could jeopardize the close U.S.-Egypt military cooperation that we've worked so hard to build over the last several decades.

That military cooperation is important. We've spent billions of dollars. We've cemented relationships. Let's use them. Let's not destroy them. Let's use them.

This cooperation supports critical U.S. national security interests in the Middle East, North Africa and beyond. Our close relationship means that U.S. Navy ships are granted special access to the Suez Canal.

U.S. military aircraft are allowed to overtly—I'm sorry, are allowed to overfly Egyptian air space, and that is important in what we're doing in Afghanistan.

Our military and intelligence services cooperate on numerous regional security issues. The Egyptian military strives to keep the Sinai safe and protect the Egyptian-Israeli border, and we cannot forget that Egypt fought side by side with us to expel Iraq from Kuwait in the first Gulf War.

It's clear that the Egyptian military has made some serious mistakes in managing the ongoing transition. I condemn the violence used to break up opposition sit-ins last August and urge the military to refrain from using similar tactics in the future.

I also hope they will support the creation of an inclusive government that reflects the interests of all Egyptians.

But if I were given the choice between the military and the Brotherhood, I'd take the military every time, understanding that this is really a choice for the Egyptian people.

Finally, with regard to economic assistance, I wanted to take a moment to express my strong support for funding the U.S.-Egypt Enterprise Fund for which the administration has recently requested approval from the Congress.

This fund is an excellent example of how we can leverage relatively modest amounts of funding to encourage significant private sector investments into Egypt's economy.

It's my hope that we can look past our disagreements on other parts of the Egypt aid package and quickly approve funding for this program.

During this fragile period we should be rebuilding partnerships in Egypt that enhance our bilateral relationship and support regional stability, and I hope the administration will reconsider its decision to suspend most military aid to Egypt.

Once again, Mr. Chairman, I'd like to thank you for holding this hearing and I look forward to hearing the testimony of our witnesses.

Chairman ROYCE. Thank you, Mr. Engel.

We'll go now to Ileana Ros-Lehtinen, chairman emeritus of this committee and chairman of the Subcommittee on Middle East and North Africa, for 2 minutes.

Ms. ROS-LEHTINEN. Thanks to Chairman Royce and Ranking Member Engel for holding this important hearing because it has

not been easy due to the administration's uneasiness in addressing the American people's concerns about the dire situation in Egypt and whatever the administration's policy toward Egypt might be today.

It is ever changing. By failing to act decisively before, during and after the Morsi era, we have lost so much credibility and leverage in Egypt.

For not disavowing Morsi and the Muslim Brotherhood from the start, the moderate, secular and religious minorities in Egypt felt betrayed and believed that the international community was supporting terrorists at their expense.

Morsi may have won an election but we all know that elections alone do not make a democracy. During his time, Morsi failed to live up to the principles of a democratic society.

He oversaw a crack down on civil society, free speech and human rights. He imprisoned—he imposed burdensome restrictions on the media and imprisoned a high number of journalists.

The uptick in confrontations in Egypt is a stark reminder that the transition to a new democracy is not an easy task but that is no excuse for anyone to resort to violence.

The Obama administration must act responsibly and prioritize our foreign policy objectives in Egypt. It's disappointing that the Obama administration recently suspended some aid to Egypt without consulting with Congress.

We must use whatever leverage in our foreign assistance program to persuade the interim Egyptian Government to act responsibly, to return to the path of democracy and to protect the rights of all Egyptians.

The balance of Egypt and the stability of the Middle East may depend on it.

Thank you, Mr. Chairman. I yield back.

Chairman ROYCE. Thank you, Ms. Ros-Lehtinen.

The ranking member of the Subcommittee on Middle East and North Africa is Ted Deutch of Florida. We'll go to him for 2 minutes.

Mr. DEUTCH. Thank you, Mr. Chairman, for holding such an important hearing.

I have many questions and concerns about the decision to suspend some of our assistance to Egypt.

There is no denying that the violence and the deaths in the months following the ouster of Mohamed Morsi has been deplorable and it's been tragic.

Dictatorial violence runs counter to the Egyptian people's desire to establish a genuine democracy, and as we look back we must remember that on June 30th a vast and historic gathering of millions of Egyptians took to the streets to demand the removal of Morsi and for a rebirth of true democracy in Egypt.

It's true that the military intervened at the request of the protesters only after Morsi made clear that he was not stepping down. The tactics used to transition to a new government have been deadly authoritarian and clearly regrettable.

But when General Sisi announced Morsi's removal he did so with a wide range of Egyptian civil society behind him including the Tamarod movement, the Coptic Pope and the Islamist Nour Party.

Even now, General Sisi enjoys popular legitimacy among the Egyptian people. Our relationship with Egypt is of the utmost strategic importance to our nation and to regional security.

Egypt provides us with special access to the Suez Canal, overflights in Egyptian air space and, most importantly, as a peace treaty with Israel that is vital to regional security, especially today as Egypt combats terror in the Sinai.

Now, we all understand that our aid to the military might be better refocused to more shared security objectives such as counterterrorism and security in the Sinai.

However, I have concerns about—both with the manner in which the suspension was communicated to Congress and to Egypt, and I worry that the results of these changes may mean that the United States may have less leverage to lead in Egypt.

Just yesterday the UAE announced an additional $2.9 billion in aid for the Egyptian economy. Given the vast resources the Gulf States have provided to the interim government, we must act in a way to preserve our influence.

Part of that is through assistance. Part of that is continuing to advocate for democracy. And as Egypt is currently working on a political roadmap that will include a new constitution and elections, now is the time to increase our leverage to ensure that human rights and inclusive democracy are cornerstones of the new government that's in Egypt's best interest but, most importantly, it's in our own best interest.

And I appreciate the opportunity, Mr. Chairman. I yield back.

Chairman ROYCE. Thank you, Mr. Deutch.

This morning we're joined by representatives from the Department of State, Department of Defense, USAID.

Ambassador Jones is Acting Assistant Secretary of State for the Near East and she previously served as deputy special representative for Afghanistan and Pakistan. She was the U.S. Ambassador to Kazakhstan back in '95 to '98.

Assistant Secretary of Defense for international security affairs, Derek Chollet is a principal advisor to the Secretary of Defense on international security strategy and policy issues.

And we have Ms. Alina Romanowski, who serves as Deputy Assistant Administrator for the Middle East bureau of USAID. She is responsible for oversight of assistance across the region.

Without objection, the witnesses' full statements will be put in the record. Members here may have 5 legislative days to submit any statements or questions that they might have or extraneous material for the record.

We're going to ask our witnesses to summarize their statements today and we'll begin with Ambassador Jones.

STATEMENT OF THE HONORABLE A. ELIZABETH JONES, ACTING ASSISTANT SECRETARY, BUREAU OF NEAR EAST AFFAIRS, U.S. DEPARTMENT OF STATE

Ambassador JONES. Chairman Royce, Ranking Member Engel, distinguished members of the committee, thank you very much for inviting us to discuss next steps on U.S. policy toward Egypt this morning.

This is a summary of my full statement. Egypt and the U.S.-Egypt relationship matter to us. Egypt is a vital partner.

Our long-standing partnership is predicated on shared interests—promoting a stable and prosperous Egypt, securing regional peace and maintaining peace with Israel, and countering extremism and terrorism throughout the region.

This partnership has brought the United States significant benefits—as you have each mentioned, easy transit through the Suez Canal, military overflights that facilitate our activities and the counterterrorism and counterproliferation gains that come from Egypt's efforts to control its borders with Gaza and security-challenged countries like Libya.

There is no doubt that a reliable Egyptian partner is in U.S. strategic interests. We firmly believe that the best, most reliable Egyptian partner is a democratic Egypt.

A sustainable, inclusive, non-violent transition to a democratically-elected government will give Egypt the best opportunity to succeed, and Egypt's success can be the region's success.

Since the January 2011 revolution, Egypt's history has centered on what Egyptians want for democracy, political and economic reform and how their government can meet their aspirations.

Following the revolution, the Muslim Brotherhood's Freedom and Justice Party won the parliamentary elections and in 2012 President Morsi was voted into power in an election viewed as free and fair.

However, Mr. Morsi proved unwilling or unable to govern inclusively, alienating many Egyptians. Responding to the desires of millions of Egyptians who believed the revolution had taken a wrong turn and who sought a return to security and stability after years of unrest, the interim government replaced the Morsi government.

But the interim government has also made decisions inconsistent with inclusive democracy. We were troubled by the July 3 events and the violence of mid-August.

The decision to remove Morsi, excessive force used against protesters in August, restrictions on the press, civil society and opposition parties, the continued detention of many members of the opposition, and extension of the state of emergency have been troubling.

We have also consistently and strongly condemned the heinous violence and acts of terror against Coptic churches and the Coptic community.

At the same time, we have condemned the continuing attacks on the security forces in the Sinai and elsewhere in Egypt.

After the events of mid-August, the President said we could not continue business as usual with respect to our assistance.

That decision—after careful review we recently announced a recalibration of this assistance. That decision ensures that assistance is directed toward core U.S. interest including helping Egypt secure its borders in the Sinai, preventing the flow of weapons into Gaza that threaten Israel and countering terrorists seeking to attack U.S. and Egyptian interests.

We will continue military training and education as well as the sustainment of certain U.S.-origin military systems. However, we

are holding the delivery of several major weapons systems—the F–16s, M1A1 tank kits, Harpoon missiles and Apache helicopters.

We will work to provide economic support that directly benefits the Egyptian people including in the areas of health and private sector development but are not moving forward with any further cash transfers to the government.

We will review these decisions informed by credible progress on the interim government's political roadmap toward a sustainable, inclusive and peaceful transition to democracy.

This recalibration reflects our effort to advance U.S. core interests in Egypt and the region while impressing upon the Egyptian leadership the importance of making progress toward a democratic transition—progress we believe the Egyptian people want.

Our decision is designed to use our assistance to encourage such a transition and a strong private sector-led economy that can reinforce political stability.

We welcome the interim government's commitment to a political roadmap to restore a democratically-elected civilian government.

We continue to urge the government to be inclusive, respect the rights of all Egyptians and respect the rule of law, freedom of expression and peaceful assembly, the role of civil society and religious freedom.

Beyond issues related to the roadmap, the United States has stayed firm to its principles and interests of advancing civil society engagement by encouraging the passage of an NGO law that conforms to international standards and Egypt's own international commitments.

We have registered concerns over the June trial verdict against NGO workers and have urged redress. We have also raised our concerns about the state of emergency which the government recently announced would not be extended when it expires on November 14.

On the economy, we are encouraging the interim government to maintain economic stability, help restore growth and investment and create jobs.

Egypt has an enormous opportunity now to pursue the aspirations of the 2011 revolution and to provide for the needs of the Egyptian people. The United States wants to help.

To do that and to actively advance our core interests in Egypt and the region, we need to have the ability to continue U.S. assistance to Egypt.

Mr. Chairman, Ranking Member Engel and distinguished members of this committee, we want to work closely with Congress to obtain the flexibility needed to continue our assistance relationship with Egypt consistent with the law and our national interest and to encourage progress on Egypt's democratic transition.

Thank you, and I look forward to your questions.

[The prepared statement of Ms. Jones follows:]

WRITTEN STATEMENT
AMBASSADOR BETH JONES, ACTING ASSISTANT SECRETARY
OF STATE FOR NEAR EASTERN AFFAIRS

HOUSE FOREIGN AFFAIRS COMMITTEE
FULL COMMITTEE HEARING
"Next Steps on Egypt Policy"
October 29, 2013

Chairman Royce, Ranking Member Engel, and distinguished Members of the Committee, thank you for inviting me to appear before you today to discuss next steps regarding U.S. policy toward Egypt.

Egypt and the U.S.-Egypt relationship matter to us. Egypt is a vital partner in the region. Our longstanding partnership is predicated on shared interests – promoting a stable and prosperous Egypt; securing regional peace and maintaining peace with Israel; and countering extremism and terrorism throughout the Middle East and North Africa. This partnership has brought the United States significant benefits: from easy transit through the Suez Canal, military overflights that facilitate our activities, and the counter-terrorism and counter-proliferation gains that come from Egypt's efforts to control its borders with Gaza and security-challenged countries like Libya.

As the most populous Arab country, a historically key regional actor, and a bellwether for trends across the region, what happens in Egypt clearly has an

impact far beyond its borders. There can be no doubt that a reliable Egyptian partner is in U.S. strategic interests.

As we rely on Egypt to partner with us in facing such fundamental regional challenges, however, we also firmly believe that the best, most reliable Egyptian partner is a democratic Egypt. A sustainable, inclusive, non-violent transition to a democratically-elected government will give Egypt the best opportunity to succeed, and Egypt's success can be the region's success.

The dramatic past 33 months in Egypt's history have focused on what the Egyptian people want in terms of democracy, political and economic reform, and what their governments need to do to meet the aspirations of those millions who created the January 25, 2011 revolution. Those aspirations have not yet been met, and Egypt's democratic transition has been anything but easy or linear.

Following the historic January 2011 revolution, the Muslim Brotherhood's Freedom and Justice Party won parliamentary elections and President Morsy was voted into power in an election viewed as free and fair. Mr. Morsy, however, proved unwilling or unable to govern in a way that was inclusive, alienating large swaths of Egyptian society, and the interim government that replaced him July 3 responded to the desires of the millions of Egyptians who believed the revolution had taken a wrong turn and sought a return to security and stability after years of unrest.

The interim government that came to power in the days after July 3 also has made decisions inconsistent with inclusive democracy. The decision to remove Morsy; excessive force used against protestors in August; restrictions on the press, civil society, and opposition parties; and the continued detention of many members of the opposition, are all troubling. So too have been the restrictions in place as a result of the extension of the state of emergency. I must also note that we have consistently and strongly condemned the heinous violence we have seen against Coptic churches and members of their community. There is no place in Egypt for such acts of terror. We have also condemned attacks on the security forces in the Sinai and elsewhere in Egypt.

We were deeply troubled by the events of July 3, and in the wake of the violence of mid-August, we made clear that we could not continue business as usual. That is why we recently announced, after considerable review, a recalibration of our assistance to Egypt. The decision represents an effort to ensure that assistance continues and is directed toward core U.S. interests, including helping Egypt secure its borders and the Sinai, prevent the flow of weapons into Gaza that threaten Israel, and counter terrorists seeking to attack U.S. and Egyptian interests. We will continue military training and education, as well as the sustainment of certain U.S.-origin military systems to the degree permissible.

We are, however, withholding the delivery of several major weapons systems -- to include F-16s, M1A1 tank kits, Harpoon missiles, and Apache helicopters. We will review these decisions in light of credible progress on the interim government's political roadmap and progress towards a sustainable, inclusive, and peaceful transition to democracy.

We will work with the interim government and Congress to provide economic support that directly benefits the Egyptian people – including in the areas of health, democracy and governance, and private sector growth – but we are not moving forward with any further cash transfers to the government.

This recalibration of assistance reflects our effort to do all we can to advance our core interests in Egypt and the region, including regional security interests, while at the same time impressing upon the Egyptian leadership the importance to the United States of progress towards a democratic transition – progress we believe the Egyptian people have been asking for. Our decision is designed to use our continued military and economic assistance to encourage a transition to an inclusive democracy and a strong, private sector-led economy that can reinforce political stability.

We welcome the interim Egyptian government's commitment to a political roadmap to restore a democratically-elected civilian government and will monitor how that roadmap is implemented. It includes a constitutional amendment process

culminating in a national referendum – probably in December. If that referendum is successful, parliamentary and presidential elections would follow next spring. As this process moves forward, we look to the current Egyptian leadership to be inclusive, respect the rights of all Egyptians, and respect the rule of law, freedom of expression and peaceful assembly, and the role of civil society, as well as religious freedom. The constitution now being debated within the Constituent Assembly should protect fundamental freedoms, and the upcoming elections should be free and fair, with participation across the entire political spectrum. We appreciate that the Egyptian leadership has committed to allowing international and domestic observation of those elections.

Beyond the roadmap, the United States has stayed firm to its principles and interests of advancing civil society engagement by encouraging the interim government to pass an NGO law that conforms to international standards and Egypt's own international commitments, registering concern over the June NGO trial verdict against NGO workers, and urging redress of that verdict. We have also raised our concerns about the state of emergency, which the government recently announced would not be extended when it expires on November 14.

Regarding the economy, we are encouraging the interim government to maintain economic stability, help restore growth and investment, and create jobs. Millions of Egyptians have taken to the streets over the past few years demanding

their government provide economic opportunities. And so it will be critical for the interim government and its successor to take measures to ease the concerns of the business community and domestic and international investors, and to attract new economic opportunities for Egyptians.

Egypt has an enormous opportunity now to pursue the aspirations of the revolution of January 25, 2011, and to provide for the needs of the Egyptian people. The United States wants to help in this endeavor. To do that, and to actively advance our core interests in the region, we need to have the ability to continue U.S. assistance to Egypt.

Mr. Chairman, Ranking Member Engel, and distinguished Members of this Committee, we want to work closely with Congress both to continue our assistance relationship with Egypt, consistent with the law and our national interests, and to encourage progress on Egypt's democratic transition. Congress plays a critical role in our bilateral relationship with Egypt. Thank you for inviting us to appear before you today, and I look forward to answering your questions.

Chairman ROYCE. Thank you, Ambassador.

We'll go now to Secretary Chollet.

STATEMENT OF THE HONORABLE DEREK CHOLLET, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS, U.S. DEPARTMENT OF DEFENSE

Mr. CHOLLET. Mr. Chairman, Ranking Member Engel and other distinguished members of the committee, thank you for the opportunity to discuss the U.S. defense relationship with Egypt.

The U.S.-Egypt military relationship is one of our most significant and enduring strategic defense relationships in the Middle East. It is also a two-way street.

The Egyptian military is able to use our assistance to purchase U.S. military equipment and also receive the benefits of training with the world's greatest military power.

But as has been mentioned, the U.S. military is able to respond to contingencies and conduct operations throughout the region because of expeditious overflight rights and Suez Canal transits.

This can be critical to mission success. As just one of many examples, in August 2013 just a few months ago, the *USS San Antonio* was approved to transit the Suez Canal within 24 hours of the request, quickly positioning it to respond to potential unrest in the region.

Without Egypt's expedited approval, we would have had to wait the requisite 23 days for approval or reprogram other fleet assets. Strong U.S.-Egypt military relations are also central to our core security interests in the Middle East.

Our partnership with the Egyptian military assist in maintaining the Camp David peace treaty with Israel, securing the Sinai, countering transnational terrorist threats and securing global commerce by providing safe transit of ships through the Suez Canal.

Yet, as President Obama, Secretary Hagel and Secretary Kerry have made clear, we have serious concerns with the events that transpired in July and August.

Further, as President Obama has said, some decisions made by the interim government have been inconsistent with inclusive democracy.

I can assure you that Secretary Hagel has expressed these concerns clearly and directly in as many phone calls with General al-Sisi over the past several months, and just last month during my own visit to Cairo I discussed these concerns with General al-Sisi and other senior military officials.

The administration's policy toward Egypt therefore seeks to achieve a delicate balance of continuing our strong military-to-military relationship while at the same time recognizing that we can't, as President Obama has described it, continue business as usual.

We are therefore moving forward with some aspects of our assistance and withholding others. We will continue assistance for border and maritime security, Sinai security and counterterrorism, all of which advance the goals of our military relationship.

We will also continue to provide sustainment for existing weapons systems and funding for military education and training. This assistance, totalling hundreds of millions of dollars, is essential to advancing our core national security interests in the region.

But we will hold deliveries of large-scale weapons systems including F–16s, M1A1 tank kits, Apache helicopters and Harpoon missiles. Delivery of these systems could resume pending Egypt's progress toward an inclusive democratically-elected civilian government.

Additionally, consistent with our many—the many conversations we have had with our Egyptian counterparts over the past several years, we will work with them to determine whether to sustain certain legacy systems that might otherwise be retired.

Let me be clear. The United States considers Egypt to be a critical partner, one that has helped advance U.S. national security interests for over three decades.

We want to continue a strong military-to-military relationship that preserves our strategic interests and we want Egypt to develop a military that is prepared to meet the threats of the 21st century.

We also want to see Egypt succeed in moving toward an inclusive democratically-elected civilian government. This is in our national interest, it is in Egypt's national interests and it is in the security interests of the broader Middle East.

Mr. Chairman, the Congress is a critical partner in this process. Because of the events that unfolded in Egypt in July and August, it is imperative that we work with the Congress to move forward together.

The Department of Defense looks forward to continuing these discussions with the Congress and our Egyptian partners and I look forward to your questions this morning.

Thank you very much.

[The prepared statement of Mr. Chollet follows:]

STATEMENT FOR THE RECORD
HONORABLE DEREK CHOLLET, ASSISTANT SECRETARY
OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

HOUSE FOREIGN AFFAIRS COMMITTEE
FULL COMMITTEE HEARING
"Next Steps on Egypt Policy"
October 29, 2013, Rayburn 2172, 10am

Chairman Royce, Ranking Member Engel, and other distinguished Members of the Committee, thank you for the opportunity to appear before you today to discuss the Administration's assistance policy toward Egypt, particularly as it relates to our bilateral defense relationship and national security interests.

The U.S.-Egypt military relationship is one of our most significant and enduring strategic defense relationships in the Middle East. For more than thirty years it has served to further our countries' joint security interests. Moving forward we seek not only to maintain, but to advance and recalibrate our longstanding relationship to ensure that it continues to advance these interests for the long term.

Our security relationship with Egypt is a two-way street. The Egyptian military is able to use our assistance to purchase U.S.-military equipment, and it also receives the benefits of training with the world's greatest military power. The United States military is able to respond to contingencies and conduct operations throughout the region because of over-flight rights and expeditious Suez Canal transits. While we are subject to the same rules and procedures that all other countries follow when

requesting over-flight or Suez Canal transits, expedited approvals can be critical to mission success.

In addition to aiding our own operational readiness, strong U.S.-Egypt military relations are central to our core security interests in the Middle East. Our partnership with the Egyptian military assists in maintaining the Peace Treaty with Israel, securing the Sinai, countering transnational terrorist threats, and securing global commerce by providing safe transit of ships through the Suez Canal.

Because our relationship with Egypt is so critical to our national security interests, it is important that the partnership endures over the long-term. We believe the U.S.-Egypt partnership will be strongest when Egypt is represented by an inclusive, democratically-elected civilian government based on the rule of law, fundamental freedoms, and an open and competitive economy. Yet as President Obama, Secretary Hagel, and Secretary Kerry have made clear, we have serious concerns about the events of July 3 and the large-scale violence against demonstrators in mid-August. After those events, the President made clear that it would not be business as usual with Egypt. And we have recalibrated our assistance to ensure that it is being used to advance all of our objectives in Egypt.

We will continue assistance that supports our vital security interests, including assistance for border and maritime security, Sinai security, and counterterrorism. We will also continue to provide sustainment for certain U.S.-origin systems, including spare parts, and will continue to fund military education and training. Sustaining these systems is important for Egypt's long-term military capabilities and is also important to ensure continued interoperability between U.S. and

Egyptian military forces. We are continuing this assistance because it is essential to advancing our core national security interests in the region.

But we will continue to hold deliveries of large-scale weapons systems to Egypt, including F-16s, M1A1 tank kits, Apache helicopters, and Harpoon missiles. And we canceled this year's BRIGHT STAR military training exercise with the Egyptian Armed Forces. It is important to clarify that, pending the availability of funds and authorities, we do not intend to terminate contracts with vendors and contractors for these large-scale weapons systems ; instead, some large-scale weapons systems will remain in temporary storage until Egypt makes credible progress on an inclusive, democratic transition. We will continue to review our assistance over the coming months in light of Egypt's progress along its political roadmap and toward a sustainable, inclusive, non-violent transition to democracy.

Mr. Chairman, the United States considers Egypt to be a critical partner – one that has helped advance U.S. national security interests for over three decades. We want to continue a strong military-to-military relationship that preserves our strategic interests. And we want Egypt to develop a military that is prepared to meet the threats of the 21st century.

We have had many conversations with the Egyptians in recent years regarding ways to modernize the Egyptian Armed Forces. As such, we are continuing to evaluate other aspects of our security assistance in order to directly advance shared security interests, remain relevant to 21st century threats, and be sustainable within available resources. This includes evaluating the efficacy and efficiency of legacy systems. We look forward to working with Egypt and the Congress about how to move forward in this regard.

We also want to see Egypt succeed in moving toward an inclusive, democratically-elected civilian government. And as President Obama has said, some of the decisions made by the interim government have been inconsistent with inclusive democracy. I can assure you that in Secretary Hagel's many phone calls with General Al-Sisi during the past several months, he has expressed these concerns clearly and directly. These are issues that our recalibrated security assistance will continue to advance.

A strong U.S.-Egypt partnership is in our national interest, Egypt's national interest, and the security interests of the broader Middle East. The Congress is a critical partner in this relationship. Because of the events that unfolded in Egypt in July and August, it is imperative that we work together with the Congress to ensure that we have the authorities to continue to provide the aspects of our military assistance that advance our core national security interests, and that we have the flexibility to restore other aspects of our assistance as Egypt makes progress on an inclusive, democratic transition. The Department of Defense looks forward to continuing these discussions with the Congress and our Egyptian partners.

Chairman ROYCE. Thank you.

Alina, go ahead.

STATEMENT OF MS. ALINA ROMANOWSKI, DEPUTY ASSISTANT ADMINISTRATOR, BUREAU FOR THE MIDDLE EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. ROMANOWSKI. Chairman Royce, Ranking Member Engel and distinguished members of the committee, thank you for the opportunity today to discuss with you the impact of the administration's recently announced Egypt policy on USAID-managed assistance and the efforts we are making to continue to support programs that directly benefit the Egyptian people.

USAID's assistance program in Egypt is a cornerstone of our bilateral relationship and we are proud of the accomplishments we have made over the last 30 years.

For example, a recently completed early grade reading program improved fluency by 91 percent in pilot schools and the scaled up project reached 1.4 million students in all grade one classrooms across Egypt.

Our assistance has awarded 185,000 scholarships to girls and built nearly a hundred schools serving over 44,000 students in under served communities throughout the country.

Since 2011, USAID has helped start 58 innovative Egyptian companies, one-third of which are owned by women. We have assisted thousands of women in rural governorates to exercise their political and economic rights included helping 48,000 women receive government IDs.

We're also installing new water pipes in upper Egypt, employing hundreds of Egyptians and supplying water service for more than 600,000 people in the five poorest governorates. These are just a few examples of the impact of our program.

However, the events of July 3rd and the violence of mid-August are deeply troubling to us and as the President said we could not continue business as usual.

At the same time, we want to make sure that we continue to do everything we can to promote a sustainable, inclusive and nonviolent transition to democracy.

Therefore, moving forward we want to work with you to continue our valuable economic assistance that directly benefits the Egyptian people. We will pursue our democracy and governance programs, continue to strengthen civil society and encourage private sector growth.

We will also continue programs that improve health outcomes, increase educational opportunities, stimulate private sector growth and create jobs.

These programs demonstrate to the Egyptian people that the United States will continue to support their aspiration for democratic governance and economic opportunities. Consistent with current U.S. law and policy, programs that do not directly benefit the government will move forward unimpeded.

These programs benefit a wide range of Egyptian society including youth, civil society and the private sector. For example, we recently notified an additional $60 million to further capitalize the Egyptian-American Enterprise Fund, which will promote much

needed development of the private sector in Egypt, expand access to credit and create opportunities for Egyptian small and medium enterprises.

Relying on available legislative authorities, we will continue to provide support for projects that work with the government in areas of health and democracy.

For example, USAID will support planned electoral events through the international election observation and voter education.

We are not moving forward with the $260 million cash transfer that was to be provided directly to the Government of Egypt and the $300 million in loan guarantees that were under consideration for Fiscal Year 2014.

We will work closely with the Congress to ensure that we have the authorities necessary to provide economic assistance that advances U.S. objectives in Egypt including fostering educational opportunities for Egyptian students.

In the meantime, where we do not have these authorities certain projects that provide assistance to the Government of Egypt are being wound up.

This includes our basic and higher education projects that work with public institution or employees and our work providing technical assistance to government ministries and authorities.

We are working with our implementing partners to develop wind-up plans for these projects which will allow for the completion of certain project components.

We also will not be able to initiate some planned activities in sectors that constitute assistance to the government like education and infrastructure, and we are considering ways that we can repurpose these funds to more directly support the Egyptian people such as providing scholarships to private universities or for study in the United States.

Mr. Chairman, Ranking Member Engel and distinguished members of this committee, we want to work closely with you to continue providing assistance to the Egyptian people and build upon the valuable support we have provided to Egypt's development over the last three decades.

Such assistance is central to our objective in seeing an Egypt that is making progress on its roadmap and the progress toward a sustainable, inclusive and nonviolent transition to democracy.

I appreciate the opportunity to appear before you today and I look forward to answering your questions.

Thank you.

[The prepared statement of Ms. Romanowski follows:]

Statement of Alina L. Romanowski
Deputy Assistant Administrator, Bureau for the Middle East
U.S. Agency for International Development

House Foreign Affairs Committee
Full Committee Hearing
October 29, 2013
"Next Steps on Egypt Policy"

Chairman Royce, Ranking Member Engel, and Members of the Committee, thank you for the opportunity to discuss with you today the impact of the Administration's recently announced Egypt policy on USAID-managed assistance, and the efforts we are making to continue to meet Egypt's development needs and support programs that directly benefit the Egyptian people.

Since the start of the January 2011 revolution, USAID's portfolio in Egypt has focused on responding to the Egyptian people's demands for jobs, accountability, and rights. In the wake of the events of July 3, these priorities remain intact. We will continue to work with the Egyptian people to address their legitimate aspirations for economic opportunities and democratic governance.

USAID's assistance program in Egypt is a cornerstone of our bilateral relationship, and we are proud of the accomplishments we have made over the last thirty years. Just to highlight a few accomplishments, USAID has achieved significant impact in increasing access to education. Our recently completed early grade reading program improved fluency by 91 percent in pilot schools, and the scaled-up project reached 1.4 million students in all grade-one classrooms across Egypt. Our assistance has awarded 185,000 scholarships to girls and built nearly 100 schools

(serving over 44,000 students) in underserved communities throughout the country. Since 2011, USAID has helped start 58 innovative Egyptian companies with high growth potential. One third of these companies are owned by women. To ensure sustainability and local ownership, USAID is catalyzing the efforts of local partners to take the leading role in the coordination of entrepreneurship events. We've assisted thousands of women in rural governorates to exercise their political and economic rights, including helping 48,000 women receive government IDs. We are also installing new water pipelines in Upper Egypt—employing hundreds of Egyptians and supplying water service for more than 600,000 people in the five poorest governorates. These are just a few of the examples of the impact our programs have had in recent years.

However, the events of July 3 and the violence of mid-August are deeply troubling to us, and as the President said, we could not continue business as usual. At the same time, we want to make sure that we continue to do everything we can to promote a sustainable, inclusive and non-violent transition to a democratically elected government. We want to continue our valuable work that is aimed at benefiting all Egyptians.

Therefore, moving forward, we want to work with you to continue economic assistance that directly benefits the Egyptian people. We will pursue our democracy and governance programs; continue to strengthen civil society; and encourage private sector growth, including in the agriculture sector which employs many Egyptians. We will also continue programs that improve health outcomes in Egypt, increase educational opportunities for Egyptians, and stimulate private sector growth and create jobs. These programs are essential in demonstrating to the

Egyptian people that the United States will continue to support their aspirations for democratic governance and economic opportunities.

Consistent with current U.S. law and policy, programs that do not directly benefit the government will move forward unimpeded. We will continue our support for programs that benefit a wide range of Egyptian society including youth, civil society, and the private sector. For example, we recently notified to Congress an additional $60 million to further capitalize the Egyptian-American Enterprise Fund. The Enterprise Fund is designed to promote much needed development of the private sector in Egypt, expand access to credit, and create opportunities for Egyptian small and medium enterprises. Relying on available legislative authorities, we will continue to provide support for projects that work with the government in areas of health and democracy. For example, USAID will support planned electoral events through international election observation, voter and civic education, women's political empowerment, and electoral administration support.

While we will continue to provide support for the Egyptian people, we are not moving forward with the $260 million cash transfer that was to be provided directly to the Government of Egypt and the $300 million in loan guarantees that were under consideration for Fiscal Year 2014.

We will work closely with the Congress to ensure we have the authorities necessary to provide economic assistance that advances U.S. objectives in Egypt, including fostering educational opportunities for Egyptian students. In the meantime, where we do not have those authorities, certain projects that provide assistance to the Government of Egypt are being wound-up, consistent with current law and policy. This includes our basic and higher education projects that work

with public sector institutions or public sector employees, and our work providing technical assistance on infrastructure and economic policy to government ministries and authorities. We are working with our implementing partners to develop wind-up plans for these projects, which will allow for completion of certain project components.

We also will not be able to initiate some planned activities in sectors that constitute assistance to the government, like education, infrastructure, and technical assistance. We are considering ways that we can repurpose these funds to more directly support the Egyptian people, such as providing scholarships to private universities or for study in the United States. We intend to work with you as we recalibrate our programs.

Mr. Chairman, Ranking Member Engel, and distinguished Members of this Committee, we want to work closely with you to continue providing assistance to the Egyptian people and build upon the valuable support we have provided to Egypt's development over the last three decades. Consistent with the law and our national interests, such assistance is central to our objective in seeing an Egypt that is making progress on the roadmap and progress towards a sustainable, inclusive, and non-violent transition to democracy.

I appreciate the opportunity to appear before you today, and I look forward to answering your questions.

Chairman ROYCE. Ms. Romanowski, we thank you.

Let me ask you a question because you see the press reports on the Egyptian Government's move in the wrong direction with respect to economic reform—harassment of street vendors, you know, the price controls on the street vendors, undoing the privatizations undertaken by the Morsi government which was no friend to start with for economic liberalization.

But you just don't see anything to try to take the informal sector of the economy and make it formal and I suspect that all our efforts including Enterprise Funds are going to be wasted if it goes to defending the economic status quo in Egypt.

If we don't undertake the kind of transformation of the economy that will allow entrepreneurs, you know, the small entrepreneur, the vendor, to operate, to start businesses—if they don't have access to property rights, I don't—I don't think you're going to have anything except in Egypt that works for a few Egyptians.

And I guess the question is why should we give economic aid in that kind of an environment. What are we doing?

Ms. ROMANOWSKI. Chair—Mr. Chairman, we have spent a good part of the last 2 years in reorienting much of our economic assistance to ensure that we have an opportunity to get to the private sector and to get to small and medium entrepreneurs.

It is an area where we continue to believe that if you engage and demonstrate some best practices and some ways of supporting the small and medium entrepreneurs that we ultimately will be successful.

Chairman ROYCE. I think ultimately what you do is—if you end up just throwing the money into the Enterprise Funds and not undertaking or walking the Egyptians through the reforms that will allow people to start businesses, you know, if the fundamentals aren't there that money is not going to end up transferring people into the formal economy.

Whereas if you would do—if you do what we've long known needs to be done it might not be easy—it might mean you'd really have to lean on the powers in Egypt, but I think you could make a lot of progress.

We had a hearing here where we had Madeleine Albright. We had Hernando de Soto. We went through a lot of these issues, and instead we're right back to the Enterprise Fund concept of how you're going to dole out money.

I'm very disappointed with the lack of more—of a more fundamental approach at looking how to reform the economy because I think it's something that we could really do in a bipartisan way and help Egypt.

But I'm going to go to Mr. Chollet and ask him—you mentioned our shared interest in counterterrorism. What is the administration doing to support the Egyptian military's effort in the Sinai because that's really slipped out of government control ever since Mubarak's ouster.

How does the administration's suspension of military aid impact the Egyptian military's ability to secure the peninsula?

Mr. CHOLLET. Mr. Chairman, thanks for the question.

The Sinai has been something we've talked to the Egyptians about over the past several years and a year ago if we were having

this hearing we would be talking about frustrations with their lack of action in Sinai, and over the past several months they have been taking significant action in Sinai, some of the most significant operations that we've seen in many, many years in terms of dealing with the extremist threat. So that's a good thing.

Chairman ROYCE. So you're working with the Egyptians to better tailor their efforts to counterterrorism in Sinai?

Mr. CHOLLET. Well, we encourage them. These are their own operations. We're not working in cooperation with them in an operational way at all.

But we stay in very close touch with them as do the Israelis on their operations in the Sinai because there are certain treaty restrictions that they have about the kinds of capabilities they can deploy to the peninsula under the Camp David treaty.

The assistance that we are holding—the M1A1 tank kits, the F–16s, the Harpoon missiles, even the Apaches—is not affecting their operational effectiveness in the Sinai at all.

Those operations have been ongoing for several months and they have sufficient capability to take care of that problem.

We do encourage them to do more and we stay in very close touch with them on their operations and in terms of any particular needs that they have.

Chairman ROYCE. Thank you.

Let me quickly go to Ambassador Jones for my last question. It was the concern about the Coptic Christian community that I raised in upper Egypt especially where many of Egypt's Islamists have been active.

You've got close to a hundred churches that have been burned there over the summer and across Egypt you have a lot of Christian-owned homes, businesses that have been vandalized or destroyed.

How can we do more to ensure that that minority, the Coptic minority and other minorities, are protected in Egypt?

Ambassador JONES. Mr. Chairman, thank you for your question.

It's a very important issue for the United States. It's an important—it's an important element of our constant conversation with the Egyptian—with the Egyptian Government.

We have strongly condemned the attacks on Coptic churches and on Copts and we have called on the Egyptian Government to bring those responsible for these—what we consider heinous acts of terror to bring them to justice.

The Egyptian Government has also condemned these attacks. But on your—to answer your broader question, this—the protection of minorities—Christian minorities as well as any other minority—is a very important element of our ongoing conversation with the Egyptian leadership about what a democracy actually involves.

It does involve, as far as we're concerned and this is something that we advocate strongly to the Egyptian Government, it involves protection of minorities as well as protections—the whole list of protections that we've already talked about.

This is something that we will continue to have a spirited conversation with the Egyptian leadership about to ensure that they recognize the importance of protecting their Christian minorities as well as assuring the rights of women, protection of the rule of law,

protection of other human rights, protection of the press, protection of assembly.

Chairman ROYCE. Thanks, Ambassador.

We'll go to Mr. Eliot Engel of New York.

Mr. ENGEL. Thank you. Thank you, Mr. Chairman.

I want to start off by again expressing my disapproval of the cutting off of aid to Egypt. I really think it's like cutting off your nose to spite your face. I really do.

I know the administration is trying to thread a needle and trying to say well, you know, we're going to keep some aid going because we really don't want to hurt our relationship but we're going to withhold the tanks and helicopters and F–16s.

The way I look at it, I think these actions make it tougher for us to influence them, not easier, because I think if you're—if you're helping you have some influence. If you're petulantly pulling away then their attitude is going to be well, why do we have to listen to you.

So tell me that I'm wrong, I mean, because I am really very, very upset about this and I just—you know, tell me that I'm wrong. And also, what does the Egyptian Government need to do for aid to be fully resumed, Ambassador Jones?

Ambassador JONES. Thank you, Congressman Engel.

That's a very important question. It's a question that we have discussed in considerable detail and extent with the Egyptian Government.

We have explained to them that as much as we understood the events that took place from June 30th onward because of the millions of Egyptians that supported the action that the interim government took on July 3rd that we nevertheless, as the President put it, determined that we really could not continue business as usual given the violence that ensued in August.

We therefore—as much as we do intend to continue working with the interim government, we have explained this in great detail to the interim government and we, as we recalibrated our assistance, focused on the core national interests of the United States and in areas that we cooperate on extensively with Egypt and that serve Egypt's interests as well.

The Egyptian Government has told us that they understood our decision. They're disappointed by it but they understand it and they've told us that they are quite prepared to continue working with us on—in each of the areas that Mr. Chollet and Ms. Romanowski have described as well as on the roadmap that will restore Egypt to a democratically-elected civilian-led government.

Mr. ENGEL. Anybody else care to comment? Mr. Chollet.

Mr. CHOLLET. Congressman, I can just affirm what Ambassador Jones has said, that our conversation with our—and from a military-to-military perspective our conversation is ongoing, it's continuous, it's daily.

And we have—I have detected—we have detected—the Defense Department no change at all in the level of the interaction and coordination that we have with the Egyptian military over the last several months.

In fact, the closeness that we've developed over the three decades of working together has paid great dividends in the last several

months in which we've needed those close contacts and close relationships.

Mr. ENGEL. Let me ask you this. I think that the policy on change on Egypt really cannot be looked at within a vacuum. The region is falling apart. Syria is spiraling out of control. Iran looms as a significant threat.

It just seems to me it's not very wise to risk alienating our traditional allies and friends including Egypt, Israel and the Gulf States.

So what action did the administration take to consult with our regional allies regarding the plan to suspend some aid before the decision was made public?

We've just seen Saudi Arabia lashing out. It just seems to me it doesn't appear to be very wise to start alienating governments that we've had 30 and 40 years of cooperation with. Ambassador?

Ambassador JONES. Congressman Engel, thank you for your question.

It's a concern that we are focused on. We want to be sure that we are clear as to why we are undertaking the—why we undertook the decisions that we did with regard to Egypt.

We have had a very significant engagement throughout this period with the Egyptian Government and with all of our friends and partners around the world who are particularly—who are also as interested in Egypt's success as we are, whether that be in Europe or in the Arab world.

So as things—as things rolled out, as things were underway in Egypt we were in constant conversation with the Gulf States that you particularly asked about as well as with our European allies to think how best we could work with the Egyptians to talk through how best to—how best to manage the kind of events that they were—that they encountered as this—as the events unfolded in Egypt.

So as we made the decisions that we did that were announced on October 9th, we of course discussed that with the Egyptian Government, with the Congress and with our friends and allies who would be—who were particularly interested in Egypt to make sure that they were informed of our decision and understood the reasons for it.

So there was no surprise for them with the decisions that were made because we'd been in such detailed conversation with them throughout this period as to what it was that we expected from the Egyptian Government and what we—what our hopes were for progress in Egypt.

Mr. ENGEL. Thank you. Thank you, Mr. Chairman.

Chairman ROYCE. Thank you.

We go now to Ileana Ros-Lehtinen from Florida.

Ms. ROS-LEHTINEN. Thank you.

The Morsi experiment in Egypt was doomed to fail and our administration's lack of a coherent and consistent Egypt policy is part of this pathetic state of affairs.

Morsi ruled as a dictator, yet for all his transgressions the Obama administration did not seek to curtail the amount of U.S. taxpayer dollars that we kept sending to Egypt.

We did not make access to that money conditioned upon Morsi and the Muslim-led government meeting even minimal democratic reform benchmarks.

Now Morsi has been removed from power and violent clashes continue between pro-Muslim brotherhood forces and the interim Egyptian Government.

The U.S. continued to fund Egypt after Mubarak was ousted. During that time, the Supreme Council of the armed forces assumed control of the government and under its watch there was an unprecedented crackdown on pro-democracy groups that resulted in the arrests of 43 NGO workers, many of whom were Americans.

Since then, the 43 workers were convicted in a ruling that had no basis in the rule of law yet no aid was suspended or recalibrated. No one turned off the spigot.

It's appalling that this administration has not prioritized the overturning of these politically motivated convictions.

When will the administration push for Egyptian authorities to pardon these human rights advocates and what are you doing to support civil society programs in Egypt?

Is the U.S. Government advocating specific reforms that it would like to see in the new NGO law? What are those? Earlier this month, the State Department said that the U.S.-Egypt relationship will be strongest when Egypt is represented by an inclusive democratically-elected civilian government based on the rule of law, fundamental freedoms and an open and competitive economy.

But we've lost credibility and leverage throughout the Middle East due to our erratic policies in Egypt. Many Gulf nations have stated, as has been discussed, their frustration due to this administration's handling of Egypt and Syria issues and because of our misplaced faith in the rhetoric of Rouhani in Iran.

What are the benchmarks that will be used to assess the progress of Egypt's transition toward democracy and what if any assurances has the Egyptian Government given that it is willing to cooperate?

So we'll start, if we could, on the convictions of the NGOs.

Ambassador JONES. Madam Congresswoman, thank you for the series of questions. Those are important issues for the United States.

On the convictions of the NGO workers, we have been—we have expressed our concern through each of the administrations that have overseen the trial of the NGO workers.

We have—we have advocated repeatedly very strongly for redress for the convictions in what we consider to be a politically motivated NGO trial and there have been quite a number of representations made to try to address exactly that question.

With regard to the NGO legislation, we have engaged extensively with the interim government and with civil society to make sure that the kinds of things that we believe are appropriate in an NGO law are included.

These are—these are elements that are—that are important for internationally accepted NGO laws and we have been, as I said, in touch with civil society to make sure we are representing their interests in a clear way.

Ms. ROS-LEHTINEN. If I could interrupt you just a second.

Ambassador JONES. Please.

Ms. ROS-LEHTINEN. On the overturning of the conviction, what is the message that we are giving whatever government may be in place? Do we say you must do this—these people are innocent or what is our specific request?

Ambassador JONES. Thank you for that.

Our specific statement is that this was a politically motivated trial that has no place in a democratic government and therefore there must be redress—judicial redress, legal redress of some kind that——

Ms. ROS-LEHTINEN. What kind of—what kind of redress do we—what options are we giving?

Ambassador JONES. For example—for example, that they—that we have asked that they—that there be no extradition requested for them.

We have asked that they not be notified to the—to Interpol so that there are no red notices out for them. Those are the kinds of things that we have—that we have asked specifically for.

Ms. ROS-LEHTINEN. And overturning of their sentences—of their convictions?

Ambassador JONES. We have asked—yes, we've asked for redress for the sentences.

Ms. ROS-LEHTINEN. Redress. Thank you. Sorry, out of time. Thank you, Mr. Chairman.

Chairman ROYCE. We'll go now to Mr. Brad Sherman of California, the ranking member on the International Terrorism Subcommittee.

Mr. SHERMAN. Thank you.

A number of my colleagues have addressed the concerns of the Coptic community. This House passed 402–22 just last month a bill that would create a special envoy to promote religious freedom of religious minorities in the Near East and South Asia.

This would be the one concrete thing we could do here in Washington structurally to be effective in advocating for the Christian community of Egypt and similarly situated Christian communities.

What is the position of the Department of State on that legislation, Ambassador Jones?

Ambassador JONES. We have a very active freedom—religious freedom office in the State Department. We undertake considerable advocacy all over the world and especially in Egypt on behalf of religious minorities or religions, not only minorities.

But I regret I don't have the official position of the State Department of the U.S. Government on this particular legislation. I would like to either ask my colleagues to reply or take that question back.

Mr. SHERMAN. Please give us an answer in a few days.

Ambassador JONES. Thank you.

Mr. SHERMAN. It's clear that the new government in Egypt is better for the United States as a nation state, more consistent in its policies in the Middle East with regard to national security.

On the other hand, we are also the keepers of the great flame of democracy and human rights. We haven't always been consistent but our positions for democracy ring loud and clear decade after decade.

Morsi was elected but he was elected in a way that gives credence to the view that when you elect the Brotherhood or similar organizations you get one person one vote one time and that is the last free election in that society.

What have you done and the State Department done to explain that while Morsi was elected his departure is not a departure from the path of democracy, that he was not going on the path of democracy and that the actions taken by the military and others to depose him may be a detour that leads to democracy but certainly it's not a departure from a pristine path?

Ambassador JONES. Congressman, that's an important question for the people of Egypt. We have been—we have been very clear as to the importance to us and the people of Egypt for them to move—continue to——

Mr. SHERMAN. Ambassador, I think you misunderstand the question. We issue a human rights report. We comment all the time about democracy in other countries.

The impression has been left, and I think Ileana Ros-Lehtinen made this, that we didn't criticize Morsi's departure from democracy but we are criticizing Morsi's departure.

What has the State Department done to inform the world that Morsi's departure may not be a—you know, was the departure of an autocrat in preparation rather than the departure of a pristine democratic figure?

Ambassador JONES. At the time, Congressman, we were very clear that we understood that the removal of President Morsi was based on a very strong—very strong view by the—by the Egyptian people on the basis of millions of people on the street that they considered the administration not to have been democratic and we determined that we should continue to work with the interim government as they announced their roadmap to return to civilian—to a democratically-elected civilian government.

Mr. SHERMAN. How much effort and good faith is Egypt putting in closing the tunnels between Sinai and Gaza? Are they doing all they can, Mr. Chollet?

Mr. CHOLLET. I'm happy to take that one.

They over the past several months have conducted significant operations to close the tunnels. Obviously, there's still a tremendous amount flowing into Gaza but they have shown considerable resolve in addressing that issue recently.

Mr. SHERMAN. Finally, I'll say—and maybe you'll have to respond to the record—Morsi came to power in a democratic way but after he got elected he was not terribly democratic. Yet we did not suspend aid to Morsi.

Now we've got a new government that isn't behaving any worse from a democracy standpoint than the Morsi regime and we're suspending aid. Ambassador, respond as you will.

Ms. ROS-LEHTINEN. Thank you, Mr. Sherman, and thank you, Madam Ambassador. If you could respond in writing to Mr. Sherman that would be great because his time has expired.

And now we will move to Subcommittee Chairman Smith from New Jersey.

Mr. SMITH. Thank you very much, Madam Chair, and welcome to our panelists to the committee.

In the past couple of years, I've held three hearings on Egypt focused almost exclusively on the human rights situation there and the deterioration of human rights.

A fourth hearing was scheduled during the shutdown. It'll soon be rescheduled. The persecution of Coptic Christians in general and the abuse of young Coptic Christian teenage girls and young women for the purpose of coerced marriages to Muslim men was the focus of two of those hearings—the prime focus.

And, frankly, Michele Clark, who is the adjunct professor with the Elliott School of International Affairs at George Washington University, was the former leader at the OSCE with regards to human trafficking—a very, very smart and knowledgeable and I think very competent human rights investigator.

She came back after field trips to Egypt and said that the allegation of forced abductions, obviously abductions, and the coercion into these marriages is real. It is being underplayed and under recognized by the department.

She pointed out that they—one of her trips just four lawyers told her of over 500 women, young girls, average age 12 to 14, who have been abducted and forced into these Muslim marriages.

The question is I've asked Secretary Posner when he was our human rights Secretary—Assistant Secretary, I should say—he said they're looking into it.

When Ambassador Patterson Skyped into this committee, this was like 8 months after Frank Wolf literally took all of the testimony from Michele Clark, put it in her hand and practically begged her to investigate.

Eight months later, I asked her what were the results of the investigation and she said, well, we haven't gotten around to it—not gotten around to looking into little girls 12 to 14 and some older who are being forced into these Islamic marriages, mostly with the Salafists.

They seem to be the ones that are doing it. The government doesn't seem to take it seriously. When these concerns are brought to the police they are not only trivialized, they are just put aside and not investigated.

It is a very serious human rights abuse and I'm wondering exactly what has the administration done to investigate these cases—what has been the conversation exactly with the current government as well as the Morsi government to put a stop to this hideous practice.

I mean, you can roll your eyes all you want but this is a very, very serious problem.

I've met some of these parents who have lost their children when they were abducted. I'm a father of two girls. If somebody abducted my children I would not cease until I found them, and I've met with fathers including one in my own district whose daughter was abducted and was forced into one of these marriages and is being raped every single day.

When Ambassador Patterson told me on this monitor she hadn't gotten around to looking at it, I was shocked, I was dismayed and profoundly disappointed. What are we doing now to combat this?

Ambassador JONES. Congressman, I can't tell you how deeply I share your concern. We all do.

We have issued many statements of deep concern for the—because of these practices but especially because of the rapes and the failure of the Egyptian police to investigate these rapes and to bring those to justice who are responsible for these. We have——

Mr. SMITH. If I could, in terms of the abductions, and there's even houses where these girls are put in in province after province. What are we doing to say to the government this becomes a matter of conditionality for foreign aid to the Egyptian Government? Are we saying that?

Ambassador JONES. Let me answer it this way, if I may.

Mr. SMITH. Please.

Ambassador JONES. We have—this has been a subject of discussion undertaken by Secretary Clinton and Secretary Kerry at the highest levels of the—and I mean the highest levels of the Egyptian Government and we have instituted programs to train Egyptian police in women's issues, particularly Egyptian women police, so that they are empowered to investigate these crimes so that they are able to—so that women—girls and women feel safe going to a police station to report these——

Mr. SMITH. Again, this is a—thank you for doing that. But this is an issue that is systematic. It is getting worse. Michele Clark I just was on—in contact with her. She says it is getting worse.

There are more of these, not less, and it's targeted against Coptic Christian girls, and then they force them to become Muslims. And they even have a term for it. They call it Islamicizing the womb because any child she bears thereafter will be a Muslim. What are we doing simply on that?

Ambassador JONES. I agree that it's a terrible situation. The way—we believe the best way to deal with it is through rule of law, through enhancing the ability and the capacity of the Egyptian—of Egyptian institutions——

Ms. ROS-LEHTINEN. Thank you, Ambassador.

Ambassador JONES [continuing]. To deal with these questions.

Ms. ROS-LEHTINEN. Thank you, Ambassador. Thank you, Mr. Smith.

I'm sorry you're out of time. Mr. Schneider is recognized.

Mr. SCHNEIDER. Thank you, Madam Chairman.

I want to thank the witnesses for joining us here today and for sharing your perspectives. One other thing—Egypt is clearly one of our most important allies in the region, has been for over 30 years.

As I understand what you're telling us, we are trying to convey a message of our commitment to the future and the aspirations of Egypt and the Egyptian people as a democratic country, as a pluralistic country, as a partner for peace and security in the region.

I think one of the things you're hearing from us—I hear from various groups is that we are sending somewhat mixed messages. The message isn't getting clearly conveyed that we are supportive of the Egyptian people.

We are supportive of the path they're taking toward a democratic process, toward a constitution. But we have serious concerns about the actions—some of the actions being taken at the moment.

How do we change the message? How do we tweak it so that that commitment to the Egyptian people, to the direction Egypt is taking is made more clearly? Ambassador Jones.

Ambassador JONES. Congressman, you've stated the—you've made the statement very eloquently and I appreciate that and I will—if I may quote that to——

Mr. SCHNEIDER. Please.

Ambassador JONES [continuing]. My Egyptian—my Egyptian colleagues.

I argue that the best way to convey that message, your message which you stated so clearly, is repetition. It is—it is constant engagement, which we are undertaking.

It is constant engagement at the senior level as well as—as well as all levels in Egyptian Government, Egyptian institutions and with civil society to help them understand how much we support their democratic aspirations, how much we support the breadth of what we believe goes into a democracy. It's not just the roadmap. It's not just a constitution and a referendum and an election.

As one of your colleagues said very eloquently, there's much more to democracy than an election and those are the kinds of concepts that we're trying to get through in some of the training programs that we fund.

In the military training that we undertake, it's terribly important for our military colleagues to understand their role in a democracy, how much they are—their job is to support a civilian government and the best way we can do this is by constant engagement and by—and with your help to give us the flexibility so that we can continue the kinds of programs that allow us to work with civil society, that allow us to work with educators, that allow us to work with the Egyptian military, that allow us to work with Egyptian police to train women police on the kinds of things that Congressman Smith was talking about.

It's a constant intense effort that we—but we need your help in order to allow us to continue to have the flexibility and the legislation to continue these programs.

Mr. SCHNEIDER. Great. Thank you. I think one of the key things it's not either or. We need to have the progress made in civil society.

We as a country look to Egypt to make sure they are protecting religious minorities. They are protecting young women from some of the serious crimes we've heard about.

At the same time, Egypt has been a bulwark of the security arrangement piece with Israel. Mr. Chollet, I look to you. What are our long-term plans to make sure that Egypt is able to modernize its military to be able to secure Sinai, to close those tunnels?

What are we doing to make sure that continues to move forward?

Mr. CHOLLET. Well, Congressman, we're seeking to continue this relationship. Although we are holding certain large weapons systems we are still continuing a large array of assistance to them and that helps sustain their existing systems to support operations in Sinai, for example.

It also helps on the training piece because as they train on these new systems, work with our military and learning how to use them, it helps them develop skills that they don't otherwise have.

So we very much see this as a long-term relationship. The reason why we want to work closely with you to forge a way ahead is because we believe that over the long term this is in our security in-

terests—that we want to encourage Egypt to move forward on a democratic process and inclusive transition.

But we believe very firmly that it is in our security interest to have a strong defense relationship with the Egyptian military and that's what we're seeking to sustain.

Mr. SCHNEIDER. If in the last few seconds I can take back, how are we doing? Because this relationship obviously isn't in a vacuum.

Russians are looking to build their relationship. How do we make sure that the primacy of our engagement with Egypt is maintained?

Mr. CHOLLET. Very quickly, it's a relationship we've built over three decades with them. I think that they want to work with us. They understand the great—the unique capabilities the United States military has and they want to learn and work with those capabilities.

Ms. ROS-LEHTINEN. Thank you, Mr. Schneider.

And we will go now to Subcommittee Chairman Dana Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Madam Chairman, and let's just note and repeat that the future of Egypt is vitally important to the stability of a huge section of the planet and we now face with the people who live in that section of the planet the threat of radical Islamic dictatorship and radical Islamic terrorism that affects us here.

So we will not be safe if the outcome in Egypt is not the right outcome, and while we recognize that and we also recognize that we haven't—there was an election. After years of authoritarian rule that it looked like Egypt was going toward a democratic goal.

But that goal was being undermined by Mr. Morsi, who had been elected and used the power that he assumed in the election to try to destroy the direction of Egypt's going to a more democratic country and that had said was trying to redirect that revolution toward a radical Islamic end, which would have, as I say, undermined stability.

That we get from your testimony. You understand that. We all agree on that.

What I don't understand is while we—while we say that, at the same time we're saying but, of course, General al-Sisi we do know and we're very grateful to him for stepping in to prevent this radical Islamic shift that would have destabilized the region and affected our own national security. We recognize that. But we're not going to give him any weapons.

We're hanging General al-Sisi and the people that we're applauding for defeating radical Islam in Egypt—we're leaving them hanging out to dry. Our words of—yeah, giving them foreign aid but not the ability to defend themselves means nothing.

I remember the surge in—I guess it was '75 when Congress decided not to provide weapons to the South Vietnamese Government.

It cracked because they said we're not going to be able to get the weapons to defeat this enemy. Well, if, Madam Ambassador, we are not going to give them the M1A tanks, we're not going to give them Harpoon missiles, we're not going to give them the parts for Apache helicopters, all of which are needed to make sure that we

don't have an uprising in the Sinai that will destabilize the region and perhaps end up putting everybody, you know, in jeopardy that we want to succeed, how can you justify—and when we were just over in Egypt and they were talking to us about how we need these Apache helicopters—how can we justify if we do believe that the elimination of Morsi was positive how can we justify not giving them the weapons they need to defeat the radical Islamicists that will change the nature of that situation? Madam Ambassador.

Ambassador JONES. Congressman, let me give you a few top lines and maybe my colleague, Derek Chollet, can add to it.

We hear your concern. We agree with that concern. That's why, as we looked at the situation and decided on how we were going to proceed to send the right signals and yet make it possible for the Egyptian Government to undertake the kinds of—the kind of work that we thought suited U.S. national security interests and Egypt's—that's why we continued sustainment for this equipment so that they could continue to use the Apache helicopters that they have without difficulty in getting the spare parts and the training that they need for it.

So these systems, both the sustainment and the training for these systems, is part of what we will continue. It's the new systems that are on hold. But maybe my colleague can fill in further.

Mr. CHOLLET. Sir, that's right. So very briefly, we are continuing to sustain all of the weapons systems that we have been providing them previously. The policy at this point—the decision was to hold some new deliveries.

Not cancel the contracts but hold some new deliveries that they would be getting so they already have 19 or 20 Apaches already.

This would be holding four new ones that they were to get. So our judgment is this does not affect their operational capability right now.

Mr. ROHRABACHER. So in the middle of a conflict when people are using weapons and they are running down, meaning every time you use a weapon it has less life in it, we're just going to let them run down until—and the word that we're giving them and we're sending the Islamicists oh, don't worry, we're not going to give them any new weapons.

Do you think that will encourage the radical Islamicists in the Sinai or discourage them?

Mr. CHOLLET. They have considerable operational capability in the Sinai that they are using and we are assisting them with sustaining those weapons systems that they do have which do overpower the extremists.

Mr. ROHRABACHER. Limiting—I'll leave it with this—limiting what we're doing to help al-Sisi defend himself against radical Islam and defend Egypt against radical Islam—limiting that is harming his ability to defeat an enemy that affects our own national security and we better get—understand that and putting those limits now while he's in conflict undermines the competence of his own soldiers that they're going to be able to succeed.

Ms. ROS-LEHTINEN. Thank you so much.

Mr. ROHRABACHER. This is the time——

Ms. ROS-LEHTINEN. Thank you, Mr. Rohrabacher.

Mr. ROHRABACHER [continuing]. And not undermine——

Ms. ROS-LEHTINEN. And I'm sorry. I had lost track of time.

Dr. Bera is recognized. Thank you, sir.

Mr. BERA. Thank you, Madam Chairwoman, and I want to thank the witnesses.

We all acknowledge Egypt's critical role here and that they are a vital and critical partner and a strategic partner. We also acknowledge, you know, as we're looking at their transition over the past few years that democracy is much more than just a fair election.

By all accounts, Morsi's election was a fair election but he failed in making needed political reforms. He also failed in making needed economic reforms and, you know, as we look at our long-term goals, thinking about how we helped Egypt in this transition which is, you know, not going to be a matter of months—it's going to be a matter of years to stability, economic reforms and political reforms, I'm going to—my questions are going to be to all three of you how we go about helping that.

When we had Secretary Albright here earlier we did ask her directly the question of whether we should continue to provide aid to Egypt and military aid, and she was pretty direct in her answer, saying unequivocally yes because without providing that and without providing the continued aid we wouldn't have a seat at the table.

We wouldn't have dialogue and if we wanted to continue to participate in this long-term strategy we would need to continue that. Would all of you agree with that statement? Great.

We also—when we had Mr. de Soto here he focused specifically on the needed economic reforms that would ensure some stability of democracy and ensure some foundation of democracy, and maybe I'll ask Ms. Romanowski to start off with.

He really did focus on the importance of property rights and the importance of rule of law in terms of long-term foundation of democracy and, you know, from USAID's perspective what are the things that we're doing to help, you know, move Egypt in that direction of those reforms?

Ms. ROMANOWSKI. Thank you, Congressman, for the opportunity to talk a little bit about our programs and particularly under this policy what we hope to be able to continue both because we have—can proceed with some legislative authorities.

But specifically to your point, we—under our democracy rights and governance programs we can pretty much continue almost everything that we do that benefits the Egyptian people. We can continue to work with civil society to build their capacity to become advocates of their position.

In fact, we are—we are able to continue the legal assistance for women and children that Congressman Smith was so concerned about and we are—we can continue through our work in anti-corruption promotion.

On the economic growth, again, we talked—we are trying to focus more and more our assistance on helping the business environment and help the emerging entrepreneurs in Egypt to be able to get access to capital. The Enterprise Fund is one model.

We are training young entrepreneurs who are coming out of universities as well as at the very local level to get the kind of training they need to build good business plans.

We would like to work with Congress as we move forward to ensure that we can get back to doing the kinds of economic reforms that we can with—directly with the government.

Mr. BERA. Right. And maybe for Ms. Romanowski or Ambassador Jones, part of the long-term strategy that Secretary Albright also pointed toward was building a political infrastructure. Obviously, part of how Mr. Morsi won the election was there was just one organized political party.

So in a long-term political system, are we helping the Egyptians understand that political process and build that political infrastructure?

Ambassador JONES. Yes, Congressman, I think that's a very important element of a lot of the work that we do, not only in terms of our assistance programs but in terms of the advocacy—the political advocacy that we undertake with the Egyptian—with the Egyptian Government, with Egyptian civil society.

We work extensively with Egyptian civil society particularly on political, how to have a political party, what goes into a political party, how do you have a platform, how do you define a platform, how do you raise money—those kinds of things. So in some ways, the more technical side of political parties.

But we also talk, as we have been working with civil society and with members of the government, how do you compromise—how do you attack a problem across party lines. You could talk about it on our terms or how do you talk about it across ideological lines if you're not in a political party. How do you—how do you think in terms of the interests of the government or the country—how do you think in terms of the interests of a particular group of people in order to advocate for your position and to get the changes that you need in your position.

One thing that we found after the—after the last election was that some of the minority groups—in particular, women, others—were disappointed that their voices were no longer heard.

They voted for the government that came in and then were disappointed that they no longer felt that their voices were being heard. We said it's not just one—time thing. It's not just a vote. It's constant effort.

It's constantly rolling up your sleeves and advocating for your position and working across lines of other minority groups possibly—other political parties—parties you may never occur to you to agree with that you may be able to make some kind of a joint program with in order to pursue your objective in ways that suits your community or suits your particular minority group.

Mr. BERA. Looks like I'm out of time.

Ms. ROS-LEHTINEN. Thank you very much. And now we will go to Dr. Yoho.

Mr. YOHO. Thank you, Madam Chair.

I appreciate the panelists being here. I want to build on what you said just here but I want to—before we go to that, you know, I look at what's going on over in Egypt and I would like to have what you think we need to do different.

I mean, I've got numbers here that we've spent—invested I'll say 70—over $73 billion from 1948 to 1997, roughly around $46 billion and that was a 50-year period and then the last 15 years we've invested roughly another—the balance of that, about another $30 billion.

And what I see is just a repeat of the same thing. You know, we've got a fractured government more than we've ever seen in the last 30 years since Anwar Sadat. We've gone backwards, it looks like, and you were talking about how one voice that get the vote.

But yet in a government that doesn't respect the things that we hold dear in a Western society or Western values—human rights, freedom of speech, freedom of religion—how can you expect the voice to be heard by their government if that government doesn't respect that and should we continue spending in the same manner that we have been, or what I want to hear from you is what do we need to do different.

It just—what we're doing is not working. I don't see a good result for the money we've invested.

Ambassador JONES. Congressman, thank you for that question.

I'd point out—just to point to a couple of things that I think have worked very well over the years that we have been working with Egypt and providing the extensive assistance that you've talked about, I think one of the most important aspects of this is on the military-to-military cooperation that Derek Chollet has talked about, in particular in support of the Egypt-Israel peace treaty.

Thirty years ago, 40 years ago when I first started in the Foreign Service the idea that Egypt and Israel would be talking to each other as much as they are about Sinai security was an unheard of circumstance, and I think we can—we can be very pleased with the kind of assistance that we've provided and the kind of political support that we've provided that has brought that about.

I think that's very important. It's terribly important as far as U.S. interests are concerned that Egypt is going after the Sinai security issues in the way that Derek Chollet has described.

But I would also say that the work that we've done over the years in developing civil society even under the autocratic rule of Mubarak has been a—was very, very important in supporting the ideas that the Egyptian people themselves brought forward in Tahrir Square in 2011.

Mr. YOHO. Well, I hear you say that but then we hear what Mr. Smith just said about the Coptic Christians and we just saw what happened, you know, with all the slaughter of them, basically.

And so you're telling me we're making headway but I'm not seeing it. I've never been there and you have, obviously. But I'm just not seeing that and go ahead and—let me talk to Mr. Chollet.

You were talking about the military, how we're helping them advance it. Again, if we go back and look at history and the money that we've spent on military assistance it's been $41 billion, $42 billion over the last 50 years. Why has that government not rised up—raised up and developed their own strong military?

What's preventing them from doing it other than are they just corrupt to the point that they just have their hand out knowing that America will be there to help shore them up?

When are they going to pick up the ball or the baton and run with it on their own without our assistance, or is that a possibility?

Mr. CHOLLET. Well, in part what we're trying to achieve is develop a strong partnership with them so part of our assistance allows them to buy U.S. systems.

Mr. YOHO. How long is that going to take? I mean, we've been doing it, again, since the 70s.

Mr. CHOLLET. Well, and the purpose of that—of the shift that we saw in the late 70s, early 80s was to get them off the Soviet systems——

Mr. YOHO. Right.

Mr. CHOLLET [continuing]. That they then had onto U.S.-made systems, which is in our interest for a variety of reasons. It's in our interest because they're more capable. It's in our interest because it goes down to U.S. jobs.

It's U.S. systems, U.S. weaponry that they're purchasing and that they're training on and that they're learning on which is quite effective when it comes to dealing with their security needs but also our security needs.

And I think one of the great benefits that we, the United States, has gotten out of this relationship over the many years of investment that we put into it is a capable military, a military that is able to address the real security threats that it faces and also a military that is living up to its commitments in the Camp David peace treaty, something that was unimaginable 40 years ago.

But from the perspective today, Israel and Egypt are at peace and their militaries do work together to deal with common threats.

Mr. YOHO. I have no—I'll my turn my time back to you, ma'am.

Ms. ROS-LEHTINEN. Thank you, Dr. Yoho. Thank you.

I'm pleased to yield time to my Florida colleague, Mr. Deutch.

Mr. DEUTCH. Thank you, Madam Chairman. Nice to see you in the chair again.

Assistant Secretary Jones, you discussed the best way to communicate our strategy in Egypt and you talked about repetition at the highest levels and expressing our values to military leaders.

But how do we—the problem diplomatically I think is not—and it's a box that I think in many ways we put ourselves in. It's not how we communicate at the highest levels.

It's how we communicate to the Egyptian people, not waiting for the military leaders to start espousing great democratic ideals every day. But how do we let the Egyptian people know that that—that these are ideals that matter to us, that they're a fundamental part of our policy?

Many, and you've heard this, and many of the Egyptian people—the perception of many on the street in Egypt is that at best is that we simply support who's ever in power, at worst that perhaps because we didn't speak forcefully enough to them about democracy during the Morsi period that now they wonder how strong these beliefs really are.

Ambassador JONES. Thank you. I didn't—I apologize. I didn't mean to imply that we were speaking only at the highest levels.

We certainly are speaking at the highest levels but we also have very extensive outreach at the grass roots level through tweets, through all kinds of public diplomacy programs, through engage-

ments with university students, with youth, with young entrepreneurs with as many groups and organizations that we can—that we can find and have—and have access to, and we have extensive access all over the country.

It isn't—as you yourself have said, it's not an easy message to convey but it's one that we work on all the time to try to help our Egyptian counterparts understand how much we support their aspirations, why we support their aspirations, what we think goes into the kind of democracy that they're working toward, and to work with them in some of the training that we do and the techniques that one can use in order to get at some of the progress that they'd like to get to.

Mr. DEUTCH. Right. At the risk of—at the risk of sounding perhaps just a tad cynical, as someone who loves to tweet as much as the next Member of Congress, what are we tweeting about that carries any sort of significance?

What—in terms of social media all—there's been so much discussion about the role that social media played and has played in Egypt, particularly at the outset of the democracy movement. What are we doing to contribute to that? How do we—how do we join in?

Ambassador JONES. I regret that I'm the wrong generation to be—to explain it completely. But I'm always impressed with my very much younger colleagues who are very good at understanding how to get these kinds of ideas across in the short form of tweets but also in engagements with youth.

So the engagements and the public diplomacy goes all the way from explaining that we haven't cut off assistance. We are holding some and we're continuing quite a bit.

But it also goes to some of the—some of the political democracy issues that we talked about—what does freedom of the press mean, how do you find the balance between support for—expressing support for the government and yet having a free voice to say we don't like what the government did on X issue and that's—and to explain that that's an absolutely appropriate thing for a stable democratic government that no one need fear.

Mr. DEUTCH. And in my remaining minute, Ms. Romanowski, can you speak to—there's been a lot of discussion here today and in the press about what's been suspended.

Can you speak to the specific civil society programs that are ongoing and what kind of democracy building we're seeing through those programs?

Ms. ROMANOWSKI. We have a number of democracy in governance programs that we're continuing. We are working—we have implementers who are working on elections and, again, as my colleague said about how you build stronger political parties, how you advocate for your positions, how you're more tolerant of other positions. So we do engage.

We spend a lot of time trying to build up civil society. How do you—how do organizations become strong enough to and in many cases it's the mechanics of building an organization that can advocate, that can raise funds, that can engage with both their colleagues at the local level and at the national level.

We have programs that focus on anti-corruption. So we're going to continue and we can continue with those programs. There was

an earlier question about the reaction to the Government of Egypt on having to suspend some of our——

Ms. ROS-LEHTINEN. Thank you.

Ms. ROMANOWSKI [continuing]. Some of our programs.

Mr. DEUTCH. I just hope, Madam Chairman, that all of those important civil society programs that we're engaged in that we're utilizing—that those young kids who are out there tweeting and on Facebook are making sure that the Egyptian people understand the involvement that—the role that we're playing to promote democracy.

Thanks, Madam Chairman.

Ms. ROS-LEHTINEN. Thank you, Mr. Deutch. And now we will go to Mr. Meadows.

Mr. MEADOWS. Thank you, Madam Chairman.

I want to follow up a little bit on the suspension, Ambassador Jones. We made a suspension to suspend part of the aid that we're giving. Was that following law or was it a policy decision to advance U.S. foreign policy?

Ambassador JONES. It was a policy decision to send a message to the Egyptian leadership that we were not happy. We were disappointed by the actions that they took that resulted in the violence in August, that we could not pursue business as usual but that we supported the roadmap that they had outlined.

We supported the effort to get to a democratically-elected government and so we decided to hold on the deliveries. We didn't suspend assistance.

We decided to hold on the deliveries of some of the larger weapons systems that were not really necessary in order to accomplish the goals that we—that we outlined—that we wanted to continue Sinai security, border security, counterterrorism, the kinds of things that are critical.

Mr. MEADOWS. So no—so no law at this point—we're not complying with any law or going down that direction of saying that a law was violated and that's why we've suspended or withheld however, you know, you want to classify it?

Ambassador JONES. We decided that we did not have to make a determination about—you're asking about whether or not a coup took place. We decided we did not have to make a decision on that or make a statement one way or the other.

But we decided we should act consistent with the law and——

Mr. MEADOWS. I'm a little confused——

Ambassador JONES [continuing]. And that goes to what Ms. Romanowski has been talking about.

Mr. MEADOWS. Well, I'm a little confused because both you and Ms. Romanowski have talked about legislative fixes and if these are policy decisions how would you need a legislative fix unless there was a law that was being violated?

Ambassador JONES. We—it's a good question. We have been briefing staff as much as we can on our—on how we think this should proceed.

We decided that we did not have to make a determination one way or the other in terms of the definition but——

Mr. MEADOWS. So you don't need a legislative fix?

Ambassador JONES. But we felt that we decided that we had to act consistent with the law and therefore because of that we believe we need a legislative—we need legislative flexibility in order to continue the programs that we've been talking about this morning.

Mr. MEADOWS. So you're abiding by the law but you haven't violated the law. I don't—I don't understand that. Ms. Romanowski, do you want to comment on that?

Ms. ROMANOWSKI. Yeah. If I can—if I can give a very pointed example, being consistent with the law has allowed us actually to go forward under other authorities to be able to continue work that isn't done directly with the Government of Egypt.

The programs in the case of the economic assistance affect our basic and higher education because those programs, the bulk of which work directly with the Ministry of Education and work in public schools, so public institutions and——

Mr. MEADOWS. So if a coup had happened you couldn't help with schools is what you're saying?

Ms. ROMANOWSKI. Consistent with that law, abiding by the law we were not able to continue programs that we work with government and public institutions and public authorities.

Mr. MEADOWS. So we can help with schools but we can't help with the government?

Ms. ROMANOWSKI. We cannot help with public schools or public institutions. We can continue work with private schools or we——

Mr. MEADOWS. So what legislative fix are you looking at? I mean, because I'm confused. I would think that the Egyptian Government would be confused. I mean, what are you—what are you looking for here?

Ambassador JONES. We're looking for flexibility in the legislation that would allow us to continue——

Mr. MEADOWS. That says that we——

Ambassador JONES [continuing]. Programs.

Mr. MEADOWS [continuing]. We didn't have a coup. Is that what you're looking for?

Ambassador JONES. In the—in Section 7008 that's——

Mr. MEADOWS. So basically you're looking for us to say that a coup didn't happen?

Ambassador JONES. We're looking for the flexibility in the legislation that allows us to continue programs with the Egyptian Government that we otherwise are not continuing because we believe we must act consistent with the law.

Mr. MEADOWS. All right. Let me, in the 30 seconds I have remaining, a whole lot has been talked about democracy and we're all for democracy.

But the underlying—in this hearing months ago the underlying foundation was economic, economic, economic and it seems like we're missing a whole lot of the economic viability that creates instability. I'd love for you to comment if you have time and if not in written reply later.

Ambassador JONES. I'll make a very quick comment. I agree with you. We all agree with you that economic reform is a critical element to what will bring Egypt to the stable country that we all aspire to.

The kind of economic reforms that are the most appropriate are ones that have been suggested already by the—by the international financial institutions.

Those kinds of reforms are ones that we've also advocated to the Gulf States that are providing economic assistance right now to Egypt as appropriate for them to advocate for so that—so that the institutional reforms are undertaken in ways that produce the kind of Egypt that we all look for.

Mr. MEADOWS. I'm out of time. Thank you, Madam Chair. I yield back, Mr. Chairman.

Chairman ROYCE. I thank the gentleman. We go to Mr. Juan Vargas of California.

Mr. VARGAS. Mr. Chairman, thank you very much and, again, thank you for holding this hearing and I appreciate it and thank you for the witnesses—for being here.

I have to say that I had great concern when President Morsi was elected. I believed that the country was going to head toward radical Islam, and a little test for you here. What's the largest country in population in the Middle East?

Ambassador JONES. It's Egypt.

Mr. VARGAS. It is Egypt—84 million people. I mean, if you take a look at the size of Egypt, 84 million people, Iran 76 million, Iraq 35 million, Saudi Arabia 30 million.

I think if you have a nation like the size of Egypt sliding into radical Islam I think it's very problematic. What's the second largest nation in the Middle East?

Ambassador JONES. I would say my—off the top of my head I think it's Iran.

Mr. VARGAS. It is, with 76 million people and we saw what happened when you have a nation that large slide into radical Islam. So I think it's very important that we remain very engaged with Egypt.

I think it's especially important because of our relationship with Israel, our strongest ally. If you want to talk about democracy, now, there's a democracy. They could teach us a little bit about democracy and that's why I think we're such allies with Israel.

Now, the relationship between Israel and Egypt is such an important relationship to remain—to keep the peace in the Middle East.

I do have great concerns when we start to cut off this aid. I do. Now, my understanding then from what I hear today is that we cut off some of the aid but at the same time we continue to work with them, with their protection and you were describing that a little bit more but it seems that the Israelis don't see it that way.

They have some great concerns as I do that we're taking an ally here and we're hurting them, maybe debilitating them in such a way that it would become very problematic for our own national interests.

So I just want to voice the same concerns that Mr. Elliot Abrams did. I have great concerns about that. I would want to ask this, though. Numbers—a number of numbers were thrown out there so I'd like to ask this. What was our economic aid to Egypt last year?

Ms. ROMANOWSKI. The economic support funds that we give to Egypt annually are $250 million.

Mr. VARGAS. So if you divide that into 84 million people, and I'm not very good at math, what is that number?

Ms. ROMANOWSKI. Can I pull out my computer? I'm afraid I'm——

Mr. VARGAS. You can—you can round it off here. What do you think it is? $250 million, 84 million people. Someone want to help on the panel?

Ms. ROMANOWSKI. Three—$2 to $3 at best.

Mr. VARGAS. Like $3—a little over $3. A slice of pizza in New York City.

I mean, it's interesting listening to the numbers here thrown out like somehow we're, you know, the aid that we're giving is incredible and, you know, we're going to be able to force them to change everything because of the $3, the slice of pizza that we give each one of their citizens. And that's not going to—that's not going to happen.

I mean, I am very concerned what's happening with the Coptic Christians, very much so. I'm a former Jesuit and I think what's happening there is outrageous and we have to do something about it, and I think that we are. But at the same time, there's 84 million people there.

I mean, I do think we have to engage the best we can to go after because I think the comments that were made are real and we have to do something about that but understanding, again, the situation.

We can't walk away from this nation that's so central to what we're attempting to do to bring peace to that region.

So I do have great concerns, once again, about our—I don't want to call it disengagement but our somewhat disengagement there by giving less military aid. I think it is problematic.

I want to see us—I want to see us continue to work with Egypt, not abandon Egypt. I think that would be a horrible mistake. Would you like to comment about that, Ambassador?

Ambassador JONES. Yes, Congressman. Thank you very much.

We agree completely that under no circumstances should we be walking away from Egypt and we designed this policy precisely to be sure that we don't do that.

So that's why we are working so extensively with the Egyptian Government about their roadmap to elected government, to elected civilian government with what all of the rights of minorities, freedom of the press, those kinds of things, that we have talked about this morning.

And as we see their progress we will be reviewing our assistance situation with a look to lifting the holds on—that we have—that we have—lifting these holds so that we can get back to the full relationship that you and we and they would like to have.

Mr. VARGAS. Okay. Because I—again, my concern is that we have some friends in the region. Let's not stiff arm our friends.

Ambassador JONES. Absolutely.

Mr. VARGAS. That's a bad policy. Thank you very much. I yield back.

Chairman ROYCE. Thank you, Mr. Vargas.

We're going to go to Mr. DeSantis at this time.

Mr. DESANTIS. Thank you, Mr. Chairman.

Did we consult with Israel prior to the decision to withhold military aid from Egypt?

Ambassador JONES. As events unfolded in Egypt from just before June 30th—let me throw out June 30th through July 3rd through the violence in August we were in constant conversation with Israel as well as with other countries who are as interested as we are in Egypt's success.

So as the situation unfolded we were in constant discussion with them as with others as to what our concerns were, what our hopes were for Egypt to get back on track to a democratically-elected civilian-democratically-elected civilian government so that as we made the announcement on October 9th as to the decisions on how we were going to demonstrate our concern about what had happened the—we informed the Israeli Government as well as other governments and so that—and because we'd have been in such extensive conversation with them this is no surprise to them and no surprise to others.

Mr. DESANTIS. So in terms of the peace treaty between Israel and Egypt does this decision with military assistance from Israel's perspective is that helping to solidify that or is that making that a little more tenuous?

Because when Morsi came in I thought that there was—it didn't seem to me that that was necessarily viable. I mean, maybe, maybe not. But under Mubarak we knew that was a bedrock of the politics of that region.

So that decision—what did Israel say in terms of how that would affect the viability of that peace treaty?

Ambassador JONES. From everything that—from every conversation that we had with the Israelis we emphasized the importance of doing what we—of ensuring that the decisions we made would be fully—would allow Egypt to continue to be fully in support of the peace treaty.

Mr. DESANTIS. And did you want to——

Mr. CHOLLET. Sir, if I could just comment briefly.

Mr. DESANTIS. Sure.

Mr. CHOLLET. From the military perspective we are in constant contact with the Israelis. We have been throughout this process.

In fact, the very week that our policy announcement was made Israeli Defense Minister Ya'alon was in Washington with his senior team meeting with Secretary Hagel, meeting with all of us in the Defense Department about Egypt but also many other issues in the region. So there were no surprises here and they are fully aware of our thinking on Egypt moving forward.

Mr. DESANTIS. So in terms of the Sinai, what is being done if anything to support the Egyptian military's efforts? Because I know Morsi had threatened to move force in there and I know Netanyahu pushed back on that.

And, obviously, we even have some U.S. troops there as part of a peacekeeping mission.

So what is being done to support the military and then what contingencies if any do we have if there is a prospect of a period of instability in that canal zone?

Mr. CHOLLET. Well, sir, as you mentioned we have about 600 U.S. troops that are in the Sinai right now as part of the multi-

national force observer mission that was created by the Camp David peace treaty.

We do support the Egyptian military in sustaining many of the systems that are being used in the Sinai. So although we don't have an operational role in what they are doing in the Sinai the systems that we help them sustain and train on and use are being used in the Sinai.

We keep in very close touch with the Egyptian military. Our Embassy in Cairo and our defense team there as well as us here in Washington talk with our Egyptian counterparts constantly about Sinai as well as our Israeli counterparts because there are certain restrictions that the Egyptians have on them through the Camp David peace treaty about what sort of equipment they can use and deploy into Sinai and they have to coordinate with the Israelis on some of those movements of equipment to ensure that there's transparency and that both sides are comfortable with what's happening there.

Mr. DESANTIS. And this could be for whoever wants to speak about it but when Morsi was elected that was viewed as a positive sign for Hamas.

Now that we have the military who is in charge can you describe the relationship between what we call the Egyptian Government at this point and Hamas and do you believe that a continued deterioration in our relationship with Egypt would benefit Hamas?

Ambassador JONES. Hamas has taken some hits as a result of the actions that Egypt has taken in the Sinai to close down the tunnels, to close down the ability of—to close down transportation of goods into Gaza.

So my expectation is that Hamas will continue to suffer as a result of the—as a result of the interim government in Egypt.

Mr. DESANTIS. Thank you. I'm out of time and I yield back to the chairman.

Chairman ROYCE. I thank the gentleman.

We go now to Lois Frankel of Florida.

Ms. FRANKEL. Thank you, Mr. Royce, and I think today's hearing really brings to home, first of all, that it's important that we be a model for the world and keep our Government open. I think that would be a good thing.

But I want to say that Mr. Rohrabacher did lead a trip this—last couple months that I had the honor of going on. It was—we went to Cairo and it was probably, for me, one of the most amazing experiences I had because we got to literally spend hours with President Mansour, with General al-Sisi, with the Coptic Pope Tawadros II.

They said some things to me. I don't have a lot of time to discuss them all but I want to sort of very simply summarize what they said and tell me whether you agree.

But let's see, we were told that they felt that the peace treaty with Israel is secure. They would honor it, that they were committed to also protecting the Gaza Strip, that President Morsi had overreached and was incompetent, that they had a plan to get to elections.

They were reforming their constitution now and then they—and they were going to have elections for Parliament and then a President.

We were told by the Coptic Pope that Morsi had burned churches and prosecuted Christians and also I did ask the question and this, I think, Congressman Royce picked up on this and I really agree.

I asked the question what is your economic plan. I asked that to them several times with absolutely no answer. So my first question to you is whether or not those assertions or comments that were made to us seem correct and I just want to say one other thing really to pick up on something that the chairman said.

The biggest observation I had when I went to Cairo was literally the hundreds and hundreds of cars on the street that I saw, which led me to believe that people are really actually trying to get on with their life, trying to go to work. I mean, that seemed—that really seemed obvious to me. So if you could comment on that.

Ambassador JONES. Let me just make a couple of quick comments.

I think definitely we understand exactly as you were told that there is a strong desire to protect the Egypt-Israel peace treaty, to honor the peace treaty and to work with it both in spirit and in substance.

Second, on the constitution there is work underway to revise the constitution, to bring it into line with what the committee believes would reflect the views of Egyptian society now.

There will be a referendum after that, and as I told you it's just part of the road plan that they outlined the elections—for Parliament elections for President.

On the economic plan, we have advocated very strongly as my colleague, Alina Romanowski, has said how important it is for there to be economic reforms and reforms of economic institutions to allow the Egyptian people to go about their business just as you observed so that they can have the—they can have education for their children, health for their families—health care for their families, jobs for their families and a country that abides by the rule of law.

Ms. FRANKEL. May I just interrupt because I have one other question that is very important for me to get an answer which is—because there's a debate about whether to continue with support or not.

I personally, from what I've heard, would—I am in favor of continuing support. But I think there's some confusion on this coup clause.

And do you favor or suggest that we change that provision? Is that—is that what is driving the decision of the administration to cut funding?

Ambassador JONES. The decision on assistance and how we would—how we would—what items we would hold was driven by the events on the ground. It was driven by the need to send a message that the kind of violence that we saw in August was not an appropriate way to pursue the democratic pursuits of the—of the Egyptian people.

What we're asking for is legislative flexibility so that we can continue the programs that we think are terribly important to assure

the strengthening of the Egyptian institutions that we've all talked about, you in particular, that are important for the Egyptian people to be able to proceed with their lives in ways that they support and we support.

Ms. FRANKEL. Mr. Chair, if maybe I could get or this committee could get an answer—a written answer specifically on whether we need to change the coup clause. That seems to be—may be driving some of these decisions.

Chairman ROYCE. We might be in consultation afterwards with our witnesses on this.

Ms. FRANKEL. Okay. Thank you, sir.

Chairman ROYCE. Good suggestion. All right. Let's go to Mr. Ted Poe from Texas.

Mr. POE. Thank you, Mr. Chairman. Thank you all for being here.

I'll talk, first of all, about the Coptic Christians. Forty churches bombed and burned since August, untold amount of damage. Has anybody been arrested? To your knowledge, has anybody been arrested for these crimes?

Ambassador JONES. I'm not sure I know all the details but there have been some arrests. But I apologize, I don't know the details of how many have been arrested in each incident.

But it is a subject that we have discussed in detail regularly, especially after each of these things happened with the Egyptian Government and we issued——

Mr. POE. But you're—excuse me, Ambassador. So people have been arrested, to your knowledge?

Ambassador JONES. So far as I recall, yes.

Mr. POE. All right. Who are these people? Who—what group or groups are behind the 40 bombings of the churches?

Ambassador JONES. I don't think I can give you a generalized answer to that question.

Mr. POE. Well, who are some of them?

Ambassador JONES. Some of them are simply people who—some of them are just—they're simply anti-Christian. Some of them are—it's vendettas in communities. There are a great variety of reasons.

I'm not sure I know all of—I certainly don't know all of them and I haven't been privy to the questioning of those who have been arrested.

Mr. POE. Is the United States helping Egypt in any way to find these criminals or not?

Ambassador JONES. We have worked very hard with the police to provide training programs so that—so that investigations can be done in a professional manner and to over——

Mr. POE. Specifically on these bombings or generally?

Ambassador JONES. Actually, more specifically—more specifically related to crimes against women but also in general on investigations of any crime.

Mr. POE. All right. Would you follow up and find out the answer to that first question as to how many people if any have been arrested in these bombings?

Ambassador JONES. Yes, absolutely.

Mr. POE. All right. It's been mentioned about Hamas. Still not very clear on what the government's position is—the Egyptian Government is now on Hamas. What is their position? Is it cozier, less cozy?

It's a tough choice between the government when they have to choose between the Muslim Brotherhood and Hamas, not two very outstanding groups, in my opinion. So what is their current relationship with Hamas and the Egyptian Government?

Ambassador JONES. The Egyptian Government, of course, is closing down the tunnels that are—that is an unwelcome event for Hamas and Gaza. There is, I think it's safe to say, no love lost between the interim Egyptian Government and Hamas in Gaza.

Mr. POE. I've heard conflicting reports that human trafficking is on the increase. It's on the decrease on the Gaza and the Sinai. Ambassador, you should know. What is it? Has it increased or has it decreased?

Ambassador JONES. I don't know in which period we're talking about but in general it has increased. It's a subject of deep concern to us. It's something that we've been talking with the Egyptian Government about.

It's one of the things that will be—is addressed to some degree by closing the tunnels because that's how the—how the trafficking is undertaken.

But we've also been talking with the Egyptian Government about the importance of arresting the traffickers, investigating them and bringing them to justice.

Mr. POE. Is that occurring?

Ambassador JONES. It's not occurring to the extent that we would like.

Mr. POE. Mr. Chollet, did you want to weigh in on that? I see you nodding your head so I thought maybe you wanted to say something.

Mr. CHOLLET. Just in agreement.

Mr. POE. All right. Be specific, if you would, Ambassador. What do you mean by trafficking? What is—is this human sex trafficking? Is it drugs? Is it guns? Is it workers? And be specific, if you will, on where it's going and where it's coming from.

Ambassador JONES. The trafficking regrettably involves all of those things. It's coming across Sinai from parts of Africa, generally, and it's something that we have been investigating, documenting and bringing to the attention as much as we possibly can to the authorities to see if we can get the kinds of investigation——

Mr. POE. Where is it going? Excuse me. I'm just down to 30 seconds. So it's coming across Africa. Where is it going?

Ambassador JONES. Into Israel through Gaza.

Mr. CHOLLET. Sir, one quick thing to add in the remaining seconds here is that's one of the reasons why one of the programs that we are continuing is to work with the Egyptian military on border security in particular because the problem is they've got bad things coming in to their country throughout, let's say, from Libya, for example, transiting through Sinai and ending up in Gaza.

Mr. POE. And some of those include guns?

Mr. CHOLLET. Absolutely. Absolutely.

Mr. POE. Thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Judge Poe.

Gerry Connolly from Virginia.

Mr. CONNOLLY. Thank you, Mr. Chairman. Welcome.

Ambassador Jones, in reading your testimony I assume this testimony was vetted in the State Department and other councils of foreign policy in the United States Government.

Ambassador JONES. Yes, it was.

Mr. CONNOLLY. I'm reading what I think is one of the most extraordinary statements I've ever read from a United States official. Following the historic January 2011 revolution, the Brotherhood's Freedom and Justice Party won parliamentary elections and President Morsi was voted into power in an election viewed as free and fair.

I assume that statement means he was—it was a democratic process and he was democratically duly elected as President. Is that correct?

Ambassador JONES. That was the assessment at the time, yes.

Mr. CONNOLLY. Thank you. No, it's the assessment today.

Ambassador JONES. Right.

Mr. CONNOLLY. You made that assertion.

Ambassador JONES. Yes.

Mr. CONNOLLY. Mr. Morsi, however, proved unwilling or unable to govern in a way that was inclusive, alienating large swaths of Egyptian society and the interim government that replaced him July 3rd responded to the desires of millions of Egyptians who believe the revolution had taken a wrong turn.

Am I to understand from that that the United States Government is saying even if you win a free and democratic election if you alienate people in your governance it's okay to overthrow it? Because I can think of some American administrations that might qualify for that.

Ambassador JONES. We assessed the situation on the ground on June—leading up to June 30th, July 1st as being a—because of the millions of Egyptians in the street we assessed that as demonstrating considerable discomfort and unhappiness with the direction that the Egyptian democratic experiment was moving under President Morsi.

Mr. CONNOLLY. Madam Ambassador, you and I are old enough to remember the Vietnam War protests. I participated in them.

There were millions of Americans who went in the streets of this country for years protesting President Johnson, President Nixon and the Vietnam War policy. Under your logic, that would have delegitimized those two administrations.

Ambassador JONES. Here's the way I would describe it. There is a difference—I think a clear difference between the institutions of government in the United States and the fledgling institutions of government in Egypt in which the Egyptian people could see that their—that the voice that they were—that they exercised in the election was no longer heard by Morsi who had begun to take over various elements of the government in ways that they did not support.

Mr. CONNOLLY. So let me get this straight. We favor democracy unless it's a fledgling government, in which case we have a special category, and we put them under a certain scrutiny and if they

don't meet standards that are not explicit it's okay to overthrow that democratically-elected government even if we don't like it.

Ambassador JONES. It's not a question of what we liked or didn't like. It was a question of what the Egyptian people—what the Egyptian people felt was a wrong turn in their revolution. But we——

Mr. CONNOLLY. Madam Ambassador, based on what? Based on protests—street protests? Because if you're going to use that standard you could argue this interim government is equally illegitimate. Millions of people have protested this government and hundreds have lost their lives in the form of that protest.

Ambassador JONES. Congressman, that's also why we've been so engaged and so—and have discussed though extensively with the interim government the importance of their getting back on track to a civilian-led government through a democratic process.

That's why—that's why we support their roadmap but that's also why we have expanded on what we understand the elements of democracy to be and the elements that we would promote.

Mr. CONNOLLY. You know, Madam, I'm sorry. I'm running out of time. I'm also old enough and so are you to remember that this is precisely the logic used to overthrow the Allende government and to justify our support for the Pinochet government, and it led to years of repression in the oldest democracy in the Western hemisphere—in the southern part of the Western hemisphere.

It led to thousands of people being killed, tortured and disappeared. In my view, it is not okay for the United States of America to say it's okay to overthrow a democratically-elected government however fledgling and however much we disagree with it.

And it's a sad day for me to sit here and see my Government make such a statement.

With that, I yield back, Mr. Chairman.

Chairman ROYCE. I thank the gentleman for yielding back and I'll just in closing go to something that Ambassador Jones made reference to in pointing out, I think, the IMF type reforms that—essentially balancing the books.

I want to make it pretty clear that I don't think any economists believe that that's going to do anything to spark the Egyptian economy.

I mean, that might be good governance but that's not going to take care of the problem in Egypt. I've raised this issue endlessly.

The administration doesn't listen on this issue and I think that, as Madeleine Albright testified here and Hernando de Soto, the bottom line is until we have economic freedom in that country, Egypt is going to stagnate.

You can't have—I think Cairo is probably close to 90 percent informal. You know, it's an easy thing—it's already been done in the past to go through and try to affix addresses, set up a property registry, give people title, put something through so that people can start a business without having to pay bribes.

This is the area that cries out. A lot of work's been done and never implemented by the Mubarak government, and to not confront that, to not wrestle with that is going to compound the problems in Egyptian society going forward, in my opinion.

The other point I would make, Mr. Chollet, in response to my question earlier, and I know you've made some comments on this larger weapons systems premise including Apache helicopters to the sense that this is not going to harm Egypt's ability to confront a very growing terrorist presence in the Sinai, I understand your point—well, there's 20 of them out there.

There's 20 that are getting a lot of wear and tear, and I don't know how you know that that's all that's needed in an environment out there where, what, they've closed 57 tunnels down.

But in the meantime, al-Qaeda is very present along with a lot of other radical groups and we've got our own national security interests in seeing that the Sinai—that the anarchy there be quelled—that these radical organizations be pushed back.

And it's the Egyptian military that's engaged in confronting these groups with this increased operation, which is clearly degrading their weaponry. I mean, they're also engaged up in northern, you know, Egypt with the same kind of challenge.

And I would just urge the administration to reconsider its decision to withhold the sale of weapons systems that are going to be increasingly important to Egypt's ability to confront terrorist organizations and I think you ought to rethink that.

But I do want to thank all our witnesses for coming and testifying here today and we stand adjourned.

Thank you.

[Whereupon, at 12:18 p.m., the committee was adjourned.]

APPENDIX

Material Submitted for the Hearing Record

FULL COMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Edward R. Royce (R-CA), Chairman

October 29, 2013

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held in Room 2172 of the Rayburn House Office Building (and available live via the Committee website at http://www.ForeignAffairs.house.gov):

DATE: Tuesday, October 29, 2013

TIME: 10:00 a.m.

SUBJECT: Next Steps on Egypt Policy

WITNESSES: The Honorable A. Elizabeth Jones
Acting Assistant Secretary
Bureau of Near East Affairs
U.S. Department of State

The Honorable Derek Chollet
Assistant Secretary of Defense for International Security Affairs
U.S. Department of Defense

Ms. Alina Romanowski
Deputy Assistant Administrator
Bureau for the Middle East
U.S. Agency for International Development

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF FULL COMMITTEE HEARING

Day *Tuesday* Date *10/29/13* Room *2172*

Starting Time *10:12 A.M.* Ending Time *12:18 P.M.*

Recesses *0* (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____)

Presiding Member(s)

Rep. Edward R. Royce, Chairman
Rep. Ros-Lehtinen

Check all of the following that apply:

Open Session ☑
Executive (closed) Session ☐
Televised ☑

Electronically Recorded (taped) ☑
Stenographic Record ☑

TITLE OF HEARING:

Next Steps on Egypt Policy

COMMITTEE MEMBERS PRESENT:

See Attendance Sheet.

NON-COMMITTEE MEMBERS PRESENT:

None.

HEARING WITNESSES: Same as meeting notice attached? Yes ☑ **No** ☐
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

None.

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *12:18 P.M.*

Jean Marter, Director of Committee Operations

HOUSE COMMITTEE ON FOREIGN AFFAIRS

Full Committee Hearing

Present	*Member*
X	Edward R. Royce, CA
X	Christopher H. Smith, NJ
X	Ileana Ros-Lehtinen, FL
X	Dana Rohrabacher, CA
X	Steve Chabot, OH
	Joe Wilson, SC
	Michael T. McCaul, TX
X	Ted Poe, TX
X	Matt Salmon, AZ
	Tom Marino, PA
	Jeff Duncan, SC
	Adam Kinzinger, IL
X	Mo Brooks, AL
X	Tom Cotton, AR
X	Paul Cook, CA
	George Holding, NC
	Randy K. Weber, Sr., TX
	Scott Perry, PA
X	Steve Stockman, TX
X	Ron DeSantis, FL
	Trey Radel, FL
X	Doug Collins, GA
X	Mark Meadows, NC
X	Ted S. Yoho, FL
X	Luke Messer, IN

Present	*Member*
X	Eliot L. Engel, NY
	Eni F.H. Faleomavaega, AS
X	Brad Sherman, CA
	Gregory W. Meeks, NY
	Albio Sires, NJ
X	Gerald E. Connolly, VA
X	Theodore E. Deutch, FL
	Brian Higgins, NY
	Karen Bass, CA
	William Keating, MA
X	David Cicilline, RI
	Alan Grayson, FL
X	Juan Vargas, CA
X	Bradley S. Schneider, IL
X	Joseph P. Kennedy III, MA
X	Ami Bera, CA
X	Alan S. Lowenthal, CA
X	Grace Meng, NY
X	Lois Frankel, FL
X	Tulsi Gabbard, HI
X	Joaquin Castro, TX

Questions for the Record Submitted to
Acting Assistant Secretary Elizabeth Jones by
Chairman Edward Royce
House Committee on Foreign Affairs
October 29, 2013

Question 1:

Section 7008. On August 20, 2013, the State Department spokesperson declared that with respect to the anti-military coup provisions of section 7008 of the Consolidated Appropriations Act for FY 12, which was also carried into force for FY 13, "no determination is required and the Administration has decided that it is not in our interest to make a determination."

Please site any other instances in which the Department has come to the conclusion that section 7008, or predecessor provisions (such as section 508), either does not require such a determination, or that it is not in U.S. interests to make such a determination.

Answer:

In 2009, the Administration decided it was not in our interest to make a determination as to whether the events in Honduras constituted a military coup for the purposes of section 7008 but took steps to restrict assistance consistent with that provision.

Question 2:

Legal Authorities. On August 20, 2013, the Department also declared that "we have the legal authority at this time to provide most of our assistance without regard to whether the coup restriction applies."

As of August 20, 2013, what specific provisions of law, if any, limited the ability of the Department to obligate and expend 150 account funds in Egypt?

Answer:

Section 7008 restricts the obligation and expenditure of funds under certain situations. Following the early July political transition in Egypt, it was not in the U.S. foreign policy and national security interests to characterize the events as either a military coup or not a coup. It is not necessary to make such a decision if we can ensure that all obligations and expenditures are made consistent with the legal restriction, irrespective of whether the restriction is triggered.

Question 3:

Withholding of Some U.S. Assistance. On October 9, 2013, the State Department's spokesperson stated that the Administration had decided to "continue to hold the delivery of certain large-scale military systems and cash assistance to the government pending credible progress toward an inclusive, democratically elected civilian government through free and fair elections."

This sentence suggests that a decision had been made prior to October 9th to withhold cash assistance (in the form of Economic Support Funds) to the Government of Egypt. If we are correct, when did this withholding of cash assistance begin?

Answer:

We notified $450 million in cash assistance to the Egyptian government in September 2012, and the House Appropriations Subcommittee on State, Foreign Operations and Related Programs placed a hold on the notification. The hold was lifted with respect to $190 million of the $450 million; the $190 million was provided to the Egyptian government in March 2013. The hold on the remaining $260 million in that notification continues. As part of the President's review, we decided to withhold further cash assistance to the government, even if this hold were lifted.

Question 4:

Timing of Decision to Suspend Assistance. Congress was briefed on October 10, 2013 about the Administration's decision to suspend certain assistance to Egypt – a day after this decision was announced.

When did the Administration make its determination to suspend military assistance programs with regard to Egypt?

Answer:

After the events of early July in Egypt, the President directed his national security team to undertake a review of assistance to Egypt and to consider the implication of the Egyptian government's actions. We conducted that review carefully and deliberately, and the process was completed on October 9.

Deputy Secretary Burns provided a preliminary briefing to Congressional Leadership on our approach at the end of July, and we subsequently briefed Appropriations committee staff on this. Once the review of our assistance was completed and we decided how to recalibrate our assistance, staff briefings were scheduled to explain our approach.

Question 5:

Legal or Policy Judgment to Withhold Certain U.S. Assistance. In response to a question from Representative Meadows, you stated that the Administration's decision to suspend certain U.S. assistance "was a policy decision to -- to send a message to the Egyptian leadership that -- that we were -- we were not happy, we were disappointed by the actions they took that resulted in the violence in August, that we could not pursue business as usual…" but that a decision was also made to "act consistent with the law."

To restate the question, were these withholdings of assistance pursuant to a legal judgment that the anti-military coup restrictions, contained in annual appropriations acts, were triggered by the events of July 3, 2013 (even though no determination was made that these events constituted a military coup)? Alternatively, were these suspensions pursuant to a policy decision? Simply put was this a legal judgment made to comply with U.S. law or a political decision made to advance U.S. foreign policy?

Answer:

There has been no determination made as to whether the events in Egypt in July 2013 triggered the restrictions in section 7008 of the Department of State, Foreign Operations, and Related Programs Appropriations Act, as it was not in the U.S. foreign policy and national security interests to do so. It is not necessary to make such a decision if we can ensure that all obligations and expenditures are made consistent with the legal restriction, irrespective of whether the restriction is triggered. As a matter of policy, we decided October 9 to hold the delivery of several weapons systems and to continue holding cash transfers to the government.

Question 6:

If the suspension was based on a legal judgment, was that decision based on an analysis done by the White House Counsel, the Justice Department's Office of Legal Counsel, or lawyers at the State Department?

Answer:

The deliberative process was informed by consultations with legal counsel across the Administration and the suspension of assistance was appropriately reviewed by legal counsel.

Question 7:

On what specific grounds will the Administration evaluate the resumption of the currently suspended military assistance programs? What is the process by which the Administration will make this evaluation? Is there an expected timeline for such a re-evaluation? Has this process and timeline been clearly communicated to the Egyptians?

In response to questions by Representatives Meadows and Frankel, you stated that the Administration is "looking for the flexibility in the legislation that allows us to continue programs with the Egyptian government that we otherwise are not continuing because we believe we must act in -- consistent with the law."

Answer:

We intend to hold certain forms of assistance to the Egyptian government pending credible progress on their political roadmap and towards a sustainable, inclusive, and peaceful democratic transition. Beyond that, we look forward to working with Congress on legislation that will provide the United States flexibility in our assistance to further our national interests and respond to developments in Egypt. We want to see Egypt succeed and to maintain our strong bilateral partnership.

As the President said, we will be looking for credible progress towards democracy as we consider whether to resume deliveries currently on hold. We will review these decisions, informed by progress on the interim government's political roadmap towards a sustainable, inclusive, and peaceful transition to democracy. This recalibration reflects our effort to advance U.S. core interests in Egypt and the region while impressing upon the Egyptian leadership the importance of making progress towards a democratic transition – progress we believe the Egyptian people want. Our decision is designed to use our assistance to encourage such a transition and a strong, private sector-led economy that can reinforce political stability.

We have conveyed this to the Egyptian government, and they have reiterated their commitment to completing their political roadmap.

Question 8:

If the Administration is acting "consistent with the law" based on an Executive Branch policy determination and not pursuant to section 7008 or any other provision of law, then why is legislative relief or "flexibility" required?

Statutory Waivers and Exemptions. Even when U.S. foreign assistance to a country is constrained or prohibited by statute – such as because of a military coup – the President still has the ability to provide some forms of assistance.

Answer:

We are seeking the necessary authorities and funding from Congress to be able to continue assistance to Egypt that is in our interest to provide,

without making judgments about the nature of the events that occurred in Egypt in July.

Question 9:

Statutory Waivers and Exemptions. Even when U.S. foreign assistance to a country is constrained or prohibited by statute – such as because of a military coup – the President still has the ability to provide some forms of assistance.

If the Administration believes it is legally constrained from providing some forms of assistance to the Government of Egypt, couldn't it use the "Special Authorities" of section 516 of the Foreign Assistance Act? If there is a legal prohibition on the obligation and expenditure of some U.S. aid, why aren't 614 authorities sufficient to provide the Administration with the flexibility it needs?

Answer:

There are legal authorities that allow us to continue assistance even if it were legally subject to restrictions. Section 614 is one such authority, but the authority is limited by fiscal year caps on the amount of assistance that can be provided. In the case of Egypt, the amount of funding provided for Egypt, including past-year funding in the pipeline that is not yet expended, and the range of accounts providing assistance make the situation more complex. We do not believe the section 614 authorities would provide sufficient flexibility under these circumstances.

Question 10:

The Foreign Assistance Act also provides "notwithstanding" authority for multiple uses of U.S. foreign assistance in Egypt even where some other limitation applies, including for health and disease prevention, programs to encourage "good governance," assistance for international narcotics and anti-crime control, international disaster assistance, anti-terrorism assistance, assistance for non-proliferation and export control, and Trade and Development Agency Funding. Similar provisions are found in annual appropriations bills. What other specific programs are you precluded from executing in Egypt based on section 7008 or any other provision of law?

Answer:

Programs that provide assistance for the government but do not have a notwithstanding authority or other authority to continue would be restricted by the application of section 7008. This includes economic assistance in the areas of basic education, technical assistance on economic policy reform, infrastructure projects, and some higher education programs. We are continuing certain Foreign Military Financing (FMF) programs, and are funding military education and training programs using FMF provided before July 2013. We have obligated the second tranche of FY2013 FMF funding under our authority to conduct "wind-up" activities under FAA section 617. Absent legislative relief, or until a democratically-elected government has taken office, we will direct any FY 2014 FMF for wind-up activities under section 617. Funding from the International Military Education and Training (IMET) account is assistance for the government of Egypt and would be restricted consistent with section 7008.

Question 11:

If the Administration is withholding assistance consistent with the coup restrictions, will assistance only be resumed after democratic elections occur, as the law requires? Has the Administration set and clearly communicated to the Egyptians the conditions for resuming assistance?

Form and Timing of Statutory Waiver or Amendment. If legislative relief or "flexibility" is required, what specific legal authority is the administration requesting and when would such a statutory remedy be necessary?

Answer:

We will be looking for credible progress on the interim Egyptian government's political roadmap and towards a sustainable, inclusive, and peaceful transition to democracy as we consider whether to resume the assistance currently on hold to Egypt. There are various components of democratic progress, and we will have to assess Egypt's overall movement before we make a decision.

We have conveyed this to the Egyptian government, and they have reiterated their commitment to completing their political roadmap. We have made clear that while we recognize that the interim Egyptian authorities have made some progress on the political roadmap, the transition needs to be more inclusive and transparent. During his November 3 visit to Cairo, Secretary Kerry raised concerns about politicized arrests and detentions, restrictions on the press, civil society, and opposition political parties/groups, and the need for due process and accountability under the rule of law. The Egyptian government recognizes that our fullest support will depend on tangible progress on the roadmap and towards a sustainable, inclusive, and peaceful transition to democracy.

Question 12:

Is the Administration seeking a statutory waiver to section 7008, similar to that provided for Pakistan during the last decade? Alternatively, is the Administration seeking a revision of section 7008 itself, including the provision of Presidential waiver authority?

Answer:

We are seeking appropriate legislative relief to give us the flexibility to continue to provide assistance to Egypt, as appropriate to advance U.S. interests, which could take the form of an authority authorizing assistance notwithstanding any other provision of law. We recognize that useful legislation could take other forms, and we are prepared to work with Congress on a legislative solution.

Question 13:

Does the Administration believe it is helpful or harmful to U.S. foreign policy interests for the Congress to provide any such waiver even before the Administration has concluded that Egypt has transitioned to an "inclusive, democratically elected civilian government through free and fair elections?"

Cash-flow Financing and Potential Taxpayer Liability. Egypt and Israel are the only two countries allowed to use the expectation of future

appropriations to finance the purchase of U.S. weapons, goods, and defense services—an arrangement known as "cash-flow financing."

Answer:

The political situation is Egypt is a dynamic one and we believe it would be helpful for the Administration to have the legislative flexibility to provide assistance that advances U.S. interests and provides incentives to the Government of Egypt to continue with progress towards an inclusive, democratically elected civilian government, rather than waiting until all such steps have been accomplished.

Question 14:

In light of the events of July 3rd, is the U.S. reassessing providing cash-flow financing for Egypt? If so, what options are on the table?

Contingent Liabilities. If there were a change in future appropriations for Egypt, U.S. officials have stated that they would seek funding from Egypt to satisfy the claims of American defense contractors. However, if Egypt is unable to pay with its own funds, the U.S. government would be liable for the payments due on the underlying contracts executed on Egypt's behalf.

Answer:

Egypt's Foreign Military Financing (FMF) program, with a current total case value of $3.2 billion, is entirely cash flow financed. As we continue to assess our assistance to Egypt, any prospective changes to the assistance program – including changes to cash-flow financing authority – will need to be balanced against the benefit that such authority provides for our continued support for our shared security interests, including securing the Sinai and countering extremism.

Question 15:

Contingent Liabilities. If there were a change in future appropriations for Egypt, U.S. officials have stated that they would seek funding from Egypt to satisfy the claims of American defense contractors. However, if Egypt is

unable to pay with its own funds, the U.S. government would be liable for the payments due on the underlying contracts executed on Egypt's behalf.

If the reserves are insufficient and Egypt does not otherwise cover those contracts' termination costs, would Congress need to appropriate additional funds to repay U.S. military contractors?

Answer:

We will abide by our contracts. If the reserves are insufficient and Egypt does not otherwise cover those contracts' termination costs, we would consider alternatives to prevent breaching contracts. Alternatives might include taking possession of the equipment or alternative disposition.

Question 16:

Contingent Liabilities. If the U.S. decided to adjust or unwind cash-flow financing for Egypt, when could it prudently do so without incurring termination costs? Is it correct that Egypt has already committed some $2.3 billion in future U.S. appropriations?

Answer:

Egypt could not begin transitioning away from cash flow financing until FY 2016 without triggering termination liabilities. Egypt's FMF program has a current total case value of $3.2 billion.

Question 17:

Counter-Terrorism Efforts in the Sinai. Since the collapse of Hosni Mubarak's government, the Sinai Peninsula has slipped out of government control and has become a base for Islamist militants, who carry-out attacks against Egyptian security forces and are said to be involved in smuggling banned items into Gaza. The militants have been gaining additional strength since the military forced Morsi from power over three months ago and the instability that they cause appears to be reaching the Suez Canal Zone. More recently, the Egyptian military has deployed additional troops and heavy

military equipment with the approval of the Israeli government to confront these militants.

What, if anything, is the Administration doing to support the Egyptian military's efforts in Sinai? How does the Administration's suspension of military aid impact the Egyptian military's ability to secure the peninsula? Does the remaining aid support these efforts? Under which circumstances, if any, would the Administration consider suspending this aid as well? What would the consequences be in terms of Egypt's capabilities in this regard should such aid be suspended as well?

Answer:

Egypt and the United States share concerns about security in the Sinai, and we expect Egypt to continue to work to mitigate threats there. We will continue to work with both Israel and Egypt to maintain security in the region. Our assistance decision explicitly noted that Sinai security is one of our shared objectives with Egypt, and we will continue to provide assistance to assist in these efforts. We will also continue to support the Multinational Force and Observers.

While we do not want to engage in hypotheticals, we believe it is in the national interest of the United States to continue to support security in the Sinai. The loss of our support in these efforts would have a serious detrimental effect on our national security and regional peace.

Question 18:

Counter-Terrorism Efforts in the Sinai. Since the collapse of Hosni Mubarak's government, the Sinai Peninsula has slipped out of government control and has become a base for Islamist militants, who carry-out attacks against Egyptian security forces and are said to be involved in smuggling banned items into Gaza. The militants have been gaining additional strength since the military forced Morsi from power over three months ago and the instability that they cause appears to be reaching the Suez Canal Zone. More recently, the Egyptian military has deployed additional troops and heavy military equipment with the approval of the Israeli government to confront these militants.

Considering that there are US troops in the Sinai as part of a peacekeeping mission—the Multinational Force and Observers--what force protection measures have we taken? What do we do if they are attacked by al-Qaeda or associated forces?

Answer:

The Department works continuously with the MFO, the Department of Defense Executive Agent for the MFO (Headquarters Department of the Army), and U.S. Central Command (CENTCOM) to ensure that appropriate force protection (FP) measures exist. As its operating environment has become more dangerous, the MFO has taken steps and has developed a plan through 2016 to improve force protection across the Force (including other national contingents). In addition, based on recommendations from CENTCOM's annual MFO Vulnerability Assessments, both the MFO and US Army Central Command have improved force protection for U.S. personnel by providing training, equipment, and limited infrastructure upgrades.

Question 19:

What contingencies are we developing to prepare for the prospect of a prolonged period of instability in the Canal Zone?

Answer:

The answer to this question is not within the purview of the Department of State. The Department of State defers to the Department of Defense.

Questions for the Record
Submitted by the Honorable Michael McCaul
To Acting Assistant Secretary Elizabeth Jones

Question 1:

In a January 13, 2013 letter to President Morsi, the EU Ambassadors to Egypt expressed concern about the deteriorating business environment in Egypt. Attached to the letter was a table listing details on the most pressing problems reported by EU companies including the rash of court cases that have been brought against past privatizations of state owned companies. The table also contained the Ambassadors' recommendations for addressing these cases, which included the creation of a "functional and effective mechanism for amicable settlement of disputes, to avoid activation of international arbitration."

Does the Department of State share the EU Ambassadors' concerns over the risks of renationalizing companies currently owned by foreign investors? If so, does the Department support the creation of a mechanism that would protect foreign investors' rights and help to preclude activation of international arbitration?

[RESPONSE NOT RECEIVED AT TIME OF PRINTING]

Question 2:

In a press interview last week Egyptian Prime Minister Hazem El-Beblawi, in response to a question about arbitration filings of companies whose privatizations have been nullified, stated that he asked the Minister of Justice to restructure existing legislation and laws to evaluate the contractual arrangements associated with privatizations as well as to consider the economic and strategic aspects of foreign investments.

The State Department has hinted that Secretary Kerry may be making another trip to Egypt in the next few weeks. If the trip takes place, will the Secretary be willing to ask the GOE to ensure that U.S. business interests are fully protected under such a law?

[RESPONSE NOT RECEIVED AT TIME OF PRINTING]

Question 3:

According to a recent report by the consulting firm CEEMEA, the Egyptian economy is most threatened by the renationalization of private companies. The report indicates that since 1991 more than 382 companies have been privatized in the country for an amount of $9.4 billion. Recently however, the Egyptian government not only has abandoned privatization but local and Cairo-based courts have annulled several of the past privatizations and have ordered the renationalization of several companies. As a result, there has been an outflow of $5 billion in foreign direct investments according to CEEMEA.

Has the Department of State officially raised the matter of renationalization with the current government? If so, were any solutions proposed for stemming the outflow of foreign capital caused by these court cases?

[RESPONSE NOT RECEIVED AT TIME OF PRINTING]

Questions for the Record

Submitted by the Honorable Luke Messer
To Ambassador Jones

Question 1:

On October 9, in response to Muslim Brotherhood President Mohamed Morsi's ouster and the military's crackdown on protestors, the Obama Administration announced it was undertaking a review of U.S. aid to Egypt. The outcome of that review is the suspension of a substantial portion of U.S. military aid to Egypt along with $570 million in economic assistance. In Egypt, these actions have bolstered the belief held by many in Egypt that the United States' is supportive of the Muslim Brotherhood and that is the underlying reason for deciding to suspend aid to Egypt.

On August 25, 2013, TIME Magazine reported that Egyptians "remain convinced that President Obama is backing the Muslim Brotherhood and deposed President Mohamed Morsi." The head of Egypt's Social Democratic Party Mohamed Abou El-Ghar said: "... There is a very strong perception that they are supporting the Muslim Brotherhood and they are against other parties." El-Ghar went on to say that this point of view "was furthered" when Ambassador Anne Patterson "criticized Egypt's military" for deposing Morsi in July.

I am concerned that the suspension of U.S. aid to Egypt advances the belief that the Muslim Brotherhood has the "ear" of the United States. Is there a growing perception among Egypt's populace that the United States supports the Muslim Brotherhood's fight for power? Has this point of view been raised in meetings with the Egyptians? What specific actions, if any, has the State Department taken to convey to the Egyptian people, that this is not the case?

[RESPONSE NOT RECEIVED AT TIME OF PRINTING]

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