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Senators, Congressmen: I am pleased to be here to discuss the Organization for Security and Cooperation in Europe (OSCE) and its role in furthering U.S. foreign policy objectives. Since we met last September, the OSCE has made a major contribution toward promoting democracy, peace and stability across Europe and Eurasia. The OSCE's successes would not be possible without support from Members of Congress. I want to thank you for your work through the Helsinki Commission and the OSCE Parliamentary Assembly. They have been key to building a consensus for our shared agenda among the legislatures and publics of the OSCE's 55 participating states. Allow me to congratulate Congressman Hastings on his election as President of the OSCE Parliamentary Assembly. We greatly value his continued activism on OSCE issues and the involvement of the parliamentary assembly in election monitoring and other important work.

I share your enthusiasm for the OSCE and its work. The OSCE's support for Georgia's democratic transition over the past year demonstrates how the OSCE and its field missions contribute to creating a democratic and stable Europe, a key U.S. foreign policy objective. Strong U.S. leadership within the organization has advanced fundamental objectives set forth in the President's National Security Strategy of 2002: to promote security through the development of democratic and market-oriented societies, respect for human rights, and tolerance of religious, national, ethnic and racial diversity.

The OSCE is crafting an ambitious agenda for the future, an agenda the United States supports. With U.S. leadership, the OSCE is doing more to promote human rights and democracy, to expand efforts to combat anti-Semitism and intolerance, and to combat trafficking in persons. This month, the OSCE will send its first election assistance team outside Europe and Eurasia to Afghanistan for that country's historic presidential elections.

Today, I would like to address in detail the OSCE's value to the United States, the OSCE's recent accomplishments and plans for the future, and calls to refocus and restructure the OSCE.

Value of the OSCE for the United States

U.S. participation in the OSCE advances U.S. interests in promoting democracy, strengthening respect for human rights and fundamental freedoms, and advancing arms control, economic prosperity and sustainable environmental policies. The OSCE also has a role to play in helping to win the global war against terrorism, and it is a vehicle for the kind of "effective multilateralism" of which President Bush spoke last November in London. Promoting these interests collectively through the OSCE allows the United States to share both costs and political responsibility with other states and, at the same time, to coordinate actions to avoid duplication and maximize success.

The United States continues to make effective use of the OSCE's flexible and comprehensive approach to security, which recognizes human rights, as well as economic and environmental issues as integral factors in fostering security and stability. Common principles agreed by consensus give the United States and other OSCE participating states shared values and commitments on which to act. The OSCE can bring the weight of 55 nations acting together to bear on problems that no one nation can solve alone. Over the past year, the U.S. has again led the way in proposing practical new issues for the OSCE agenda.

The OSCE has made a significant contribution in the post-Communist era toward achieving America's goal of a free, whole, and peaceful Europe, though much still needs to be done. The OSCE is adapting to new challenges and providing models for addressing tough issues such as intolerance, border management and destruction of Small Arms and Light Weapons, models from which the United Nations and other international organizations draw. At the same time, OSCE resources are modest.

Any new initiatives must represent the top priorities of the United States and other participating states.

Assessment of Recent and Future OSCE Activities

The Chairman-in-Office plays a crucial role to the OSCE's success, providing political direction while maintaining the organization's flexibility. In 2003, The Netherlands set a commendable standard for the conduct of the OSCE Chairmanship. This year, the United States is working closely with the Bulgarian Chairman-in-Office. The Bulgarian Chair has worked to implement decisions taken at the Maastricht Ministerial and has been receptive to new ideas -- many proposed by the United States. We are looking forward to seeing these initiatives come to fruition during the Sofia Ministerial in December and to working with the Slovenian Chairmanship in 2005.

Among the OSCE's most important assets are its 17 field missions on the front lines of democracy and human rights from the Balkans to Central Asia. The U.S. strongly supports OSCE field work and believes that the day-to-day efforts of OSCE missions are critical to promoting OSCE commitments, especially democratic values and international human right standards. Field missions work with host governments, non-governmental organizations and the public to promote pluralism, prosperity and peace. Their work is varied and complements the efforts of U.S. and like-minded European embassies. In some countries, OSCE field missions work with authorities to help them build the capacity to govern more effectively (by training new generations of officials), efficiently (by helping plan and implement administrative reforms) and democratically (by helping to develop legislation, conduct elections and encouraging civic participation in the political process). In other countries, OSCE field missions are the linchpins for international efforts at conflict prevention and post-conflict rehabilitation.

Fight Against Intolerance

OSCE's pioneering work in fighting racism, anti-Semitism and other forms of intolerance has become the standard by which other organizations' efforts -- including those of the United Nations -- are measured. The OSCE's work on confronting the roots of intolerance, strengthening respect for freedom of religion and speech, and providing an environment free from fear of persecution or prejudice, are top priorities for the U.S.

The Anti-Semitism Conference in Berlin in April was a spectacular success. The political will harnessed by the Berlin Conference should energize trans-Atlantic cooperation in tackling anti-Semitism and lead to fruitful follow-up for years to come. We are indebted to the German Government for hosting the Conference and to the Bulgarian Chairmanship for its strong support. We are equally thankful to those Americans -- the NGO community and Chairman Chris Smith, Congressman Ben Cardin and other Members of Congress -- who, along with Secretary Powell and the U.S. delegation led by Ed Koch, took part in the proceedings. The Berlin Declaration, which stated that international developments or political issues, including those in Israel or elsewhere in the Middle East, never justify anti-Semitism, has become a blueprint for future OSCE efforts to combat anti-Semitism. We look forward to the Declaration and the action plan outlined in the April 22 Permanent Council Decision on Combating Anti-Semitism being endorsed by Foreign Ministers in Sofia.

The Conference on Racism, Xenophobia and Discrimination, which has just concluded in Brussels, was equally successful in galvanizing political will within the 55 OSCE participating states to step up efforts to strengthen religious freedom and to combat intolerance. A top notch U.S. delegation, led by Secretary of Housing and Urban Development Alphonso Jackson, demonstrated the importance that the United States attaches to this issue. The OSCE demonstrated its commitment to further action by adopting a series of measures that, we hope, will be endorsed at the Sofia Ministerial.

The Paris Meeting on the Relationship between Hate Speech on the Internet and Hate Crime in June offered experts a chance to share views on hate speech. The U.S. delegation, under the leadership of two Assistant Attorneys General, advocated the need to continue to protect freedom of expression and information and, simultaneously, to confront and denounce the ideas of bigots in the marketplace of free ideas. While some delegations differed on government regulation, there were also broad areas of consensus about strengthening education on combating bias-motivated speech and increasing training for investigators and police to address bias-motivated crimes on the Internet.

Next Steps in Combating Intolerance

The Berlin and Brussels conferences and the Paris meeting have laid the foundation for an ambitious, long-term OSCE effort for dealing with the roots of intolerance. At the two conferences, fifty-five nations committed to collect hate crime statistics, share that information with the OSCE's Office for Democratic Institutions and Human Rights (ODIHR), strengthen education to combat intolerance and, consider increasing training for law enforcement and judicial officials on hate crimes legislation.

ODIHR has been tasked to track incidents of intolerance and anti-Semitism, report on its findings, and to disseminate best practices for combating acts of intolerance. At the Paris meeting, the U.S. put forward a "Ten-Point Action Plan" that could serve as a basis for combating hate speech on the Internet while protecting freedom of expression and information. We strongly support each of these initiatives and will work to see that they are endorsed at the Sofia Ministerial.

The success of these tolerance initiatives, of course, will depend on their full implementation. There is much to be done: many OSCE participating states do not have hate crime legislation or systems for tracking hate crime, and ODIHR has had to start almost from scratch in developing its new tolerance program. The U.S. believes that ODIHR is the right institution within the OSCE for promoting tolerance. To ensure that anti-Semitism receives the attention that it merits, we support naming a Special Representative for Anti-Semitism provided this position is resource neutral. This would be a senior person with a mandate to travel and make recommendations. Our view is that such a Special Representative should be modeled on the OSCE's Special Representative for Central Asia with neither dedicated staff nor salary.

Anti-Trafficking Efforts

As President Bush said before the United Nations General Assembly last September, "There is a special evil in the abuse and exploitation of the most innocent, the most vulnerable of our fellow human beings.... And governments that tolerate this trade are tolerating a form of slavery." I am pleased to report that, in response to the sustained efforts of the Administration and the Helsinki Commission, the OSCE has expanded its efforts in the fight against trafficking in human beings. At last December's Maastricht Ministerial, ministers approved an Action Plan on Trafficking and the creation of a Special Representative of the Chairman-in-Office on Trafficking.

The criminal practice of trafficking is transnational, requiring engagement with foreign governments and NGOs. The responsibility to combat human trafficking lies first and foremost with individual governments. But, no nation can fight this problem alone. The OSCE's pan-European membership and broad range of tools can help build practical transnational cooperation in the fight against trafficking.

The Maastricht Action Plan on combating trafficking in human beings envisions police training, legislative advice, and other assistance, which are already being provided by ODIHR and by the OSCE's 17 field missions. As the new Special Representative for Trafficking and her support unit advance their efforts, we expect they will provide the framework and coordination to expand our combined efforts.

The OSCE has taken the lead in the international community in establishing a strong code of conduct for its mission members to ensure that they do not contribute to trafficking. We are pleased that NATO and other international organizations are looking at OSCE policies as a model to address this as well.

The OSCE has also crafted an economic component to its anti-trafficking action plan. It is directed toward at-risk individuals in source countries and at businesses that might be abused by traffickers (hotels and tour operators exploiting the sex trade). The aim is to reduce demand in destination countries by raising awareness about trafficked laborers and sex industry workers.

Election Observations

This electoral year is a challenging one, even for an organization with as much experience and capability as ODIHR. We commend ODIHR for its excellent and impartial conduct of election observation missions in Georgia, the Russian Federation, Macedonia, and Serbia and Montenegro. I want to single out ODIHR's Herculean efforts in mobilizing resources and personnel on short notice for two seminal national elections in Georgia. ODIHR assisted with programs to organize presidential and parliamentary elections and to provide robust election observation missions that documented notable progress over previous elections.

ODIHR's election observation methodology, based on sound, standardized criteria applied in an objective fashion, enjoys world respect. Upcoming elections in Ukraine, Kazakhstan and Belarus will be key tests of those countries' commitment to democracy. The degree to which these elections are judged to be free and fair will be a critical element for the international community. The ODIHR monitoring missions will play an important role in determining their fairness and we call on all countries in the region to fully support all of ODIHR's election observation and other democracy promoting activities.

Afghanistan is an OSCE Partner for Cooperation and has scheduled its historic first presidential elections for October. The U.S. and other OSCE participating states, three of which share a border with Afghanistan, have a direct interest in seeing

democracy, peace and stability take root there. We have strongly supported an OSCE observation role in the upcoming Afghan elections to respond to requests from the Afghan authorities and the UN. The U.S. will contribute to the election support team efforts, and hope others will match our financial support for ODIHR election activities.

To set an example of transparency, we have again invited ODIHR to send an election observation mission to the U.S. for the November elections. U.S. invitations to ODIHR to observe our elections are part of a longstanding policy. In 1990, the CSCE, the OSCE's predecessor, held a landmark conference to promote human rights. The U.S. and the participating states agreed at that conference to the Copenhagen Document, which included a commitment to invite observers from other participating states to observe national elections. The U.S. was a major advocate of that commitment, since the Berlin Wall had just fallen and many nations were about to hold their first real elections in decades. OSCE participating states reaffirmed this commitment at the OSCE's 1999 Istanbul Summit.

In accordance with this commitment, the U.S. has set an example by inviting ODIHR to observe several past U.S. elections. We believe that election observers from emerging democracies, like the former Communist states of Eastern Europe, who participate in observation missions in the U.S. and other longstanding democracies become more powerful advocates of better election practices in their own countries. ODIHR has monitored two U.S. elections and other established democracies, including the United Kingdom and France, have also hosted ODIHR election missions. We expect each member country to adhere to these principles.

Conflict Prevention/Resolution and Turkmenistan and Belarus

The OSCE also plays a critical role in the so-called frozen conflicts, as well as in a few states of concern.

Moldova and Transnistria

The OSCE, and in particular the OSCE Mission in Moldova, are working to find long-term solutions to the situation in the breakaway region of Transnistria. The U.S. strongly supports the work of the OSCE in Moldova, which forms part of our own strategy – as well as that of the EU -- for finding a peaceful resolution which respects the sovereignty and territorial integrity of Moldova. The situation in Transnistria has deteriorated significantly. The Tiraspol authorities have prolonged their forcible closure and harassment of Latin-script-language schools. They denied the OSCE Mission freedom of movement and refused to allow the OSCE and UNICEF to deliver supplies to an orphanage.

Through the OSCE, we have strongly condemned these actions, and reiterated our demand that the Transnistrians reopen the schools immediately and restore the normal movement of people and goods. The U.S. and the EU have added more Transnistrian officials directly involved with the Latin-script-language school crisis to our visa bans. Russia's engagement is also critical. We have urged the Russian Government to make more of an effort to use its influence with the Transnistrian leadership.

The United States has urged all sides to work transparently with the OSCE to make concrete progress toward a political settlement. We support proposals for international monitoring of the Transnistrian segment of the Moldova-Ukraine border and for an international conference on the Transnistrian conflict. We have also urged the Russian Federation to resume, in cooperation with the OSCE, its withdrawal of arms and ammunition from the region. None of these steps, and certainly no bilateral efforts by individual nations, can substitute for a genuine commitment by all the mediators and the parties to work within the framework of the five-sided talks facilitated by the OSCE. Only through the close cooperation of the international community, including the OSCE, will we reach such a resolution. Transparency in this process is in everyone's interests.

Georgia, Abkhazia and South Ossetia

The OSCE Mission to Georgia is another example of how the OSCE is contributing to the President's vision for a Europe whole, free and at peace. We welcome the constructive roles played by the OSCE and its field mission there. The United States supports a peaceful resolution of the South Ossetian conflict that respects the territorial integrity of Georgia. Tensions in South Ossetia escalated in August, but ended with a ceasefire and withdrawal of excess Georgian troops. We have called on all sides to respect all existing agreements and to refrain from carrying out any further military activities in or near the zone of conflict. Recent tensions underscore the need for the sides to move forward with OSCE participation toward demilitarization and a political settlement.

Progress toward a political settlement of the Abkhaz conflict is stalled, with the Abkhaz side withdrawing from the negotiating

process in July. As we urge the parties to resume progress toward a settlement, we need to use the OSCE mission in Georgia to further assist the government and the people to concentrate on democratic institution building and economic reform. We believe that the OSCE Border Monitoring Operation should continue beyond the expiration of its mandate in December.

Adapted CFE and Fulfillment of Istanbul Commitments

Regarding the Adapted Treaty on Conventional Forces in Europe, we welcomed the Russian Duma's ratification as an indication that Russia shares with the United States and NATO Allies a commitment to CFE. However, the most important step Russia could take to move the Adapted CFE Treaty closer to entry into force is fulfillment of its Istanbul commitments on withdrawal of forces from Georgia and Moldova. Almost five years after the OSCE's Istanbul Summit in 1999, Moscow still has not met those commitments. Russia should complete withdrawal of its military forces from Moldova as soon as possible. Russia needs to reach agreement with the Georgian Government on the withdrawal timetable for its remaining forces on Georgian territory. Only when Russia fulfills its Istanbul commitments will the U.S. and its NATO Allies will be prepared to move forward with ratification of the Adapted CFE Treaty.

Kosovo

The March events in Kosovo remind us that the work of the OSCE's largest field mission remains critical to developing the foundation for the democratic, multi-cultural civil society in Kosovo that the United States wants to see. The OSCE is helping Kosovo implement the UN Security Council-endorsed Standards for Kosovo, which are strongly supported by the U.S., and prepare for the mid-2005 Review Date by helping to build democratic institutions and promote human rights. The U.S. has made the conduct of free and fair Kosovo elections this Fall a priority, sending some of our best people to staff OSCE election work there. Participation by all the people of Kosovo – ethnic Albanians, Serbs and all other minorities – will be vital to Kosovo's future. We also continue to support the excellent work of the Kosovo Police Service School. In light of the ongoing security concerns in Kosovo, we envision a further role for the OSCE in police training.

Turkmenistan

In Turkmenistan, the expulsion of OSCE Head of Mission Ambassador Badescu was a grave disappointment. Ambassador Badescu and her staff have labored under difficult circumstances to try to keep a line to the outside world open for the people of that country and to engage constructively with Turkmen authorities. The OSCE is the only organization in which Turkmenistan is a full member that is present on the ground in Ashgabat offering the government and people opportunities for concrete cooperation to build a democratic future.

Belarus

In Belarus, we are gravely concerned by the government's intensified campaign that restricts citizens from exercising basic human rights freely, such as the right to assemble, speak and study independently of government control. We welcomed the invitation from Belarusian authorities to observe parliamentary elections this fall, but have made it clear that ODIHR must be given full access in order to render an objective evaluation of any election. Furthermore, given the government of Belarus' persistent violations of human rights and democracy, President Lukashenko's recent decree calling for a referendum to eliminate institutional term limits for the presidency and allow him to run again for president in 2006 raises grave doubts whether the results will freely and fairly reflect the views of the Belarusian people. We reiterate our call upon the Government of Belarus to ensure that the Belarusian people are able to debate, vote and have their votes counted according to international democratic standards on October 17 and thereafter by taking immediate steps to uphold Belarus' international democracy and human rights commitments. We will view any election and referendum that does not meet international democratic standards as another attempt to manipulate democratic procedures and the Belarusian Constitution in contravention of democratic principles.

The U.S. strongly supports the OSCE Office in Minsk in its attempts to help Belarusian authorities meet broader OSCE commitments and non-governmental groups to work for the benefit of the country. While the attitude of authorities toward the OSCE has been disappointing, the OSCE Mission is reaching out to the next generation, helping prepare it to play a responsible role in the future.

OSCE Adaptation to New Economic and Security Challenges

At last December's Maastricht Ministerial, the OSCE adopted a strategy to address threats to security and stability in the 21st

century and an economic strategy to define concrete action in the “Post-Post Cold War era.” These strategies are examples of the OSCE responding to new economic and political-military security challenges. At the same time, the OSCE has promoted practical cooperation to assist participating states in combating terrorism, improving police and border management, controlling the availability of small arms and light weapons, and coping with the task of securing or destroying excess stockpiles of weapons and ammunition, as well as MANPADs.

Energizing the Economic Dimension

The Economic Strategy Document adopted in Maastricht focuses on steps to improve good governance and transparency to maximize the benefits of economic integration and globalization. This should advance our overall strategy for integration of all European and Eurasian states into the global economy. With the Strategy Document as a tool, OSCE field missions and the Secretariat are developing activities and are working with participating states to continue with anti-money laundering and anti-terrorist financing work.

On the environment, the OSCE has worked with partner organizations to map environmental hot spots and to work regionally to address environmental problems that could cause friction between states. One of the most successful programs took place in Georgia, Armenia and Azerbaijan where, despite political tensions, scientists and others worked productively together. This is an excellent example of the OSCE's ability to bring states together to work on issues of mutual concern, where the exercise itself serves as a confidence building measure.

Counter-terrorism

The United States has worked to have OSCE fill niches in the international community's response to terrorism. The OSCE Action against Terrorism Unit has worked to bring all 55 participating states towards compliance with UN counter-terrorism commitments. There has been major progress by all participating states to ratify and accede to the 12 UN terrorism-related Conventions, as well as on a U.S. initiative to bring "the 55" into compliance with recommendations of the OECD Financial Action Task Force to combat money-laundering and terrorist financing.

The Maastricht Decision on Travel Document Security launched a major OSCE effort that helps U.S. and international efforts to close doors to terrorists. The OSCE's seminar on Travel Document Security was a success in increasing awareness on assistance available to help participating states meet the deadlines for implementing stricter issuance procedures for travel documents and for converting to machine-readable passports.

We were pleased with the Second Annual Security Review Conference. This year's conference both reviewed the implementation of security commitments and considered new ideas. Department of Homeland Security Deputy Secretary Admiral Loy's address to the session laid the groundwork for a series of measures that participating states will, we hope, endorse in the coming months. Admiral Loy urged the OSCE to join the U.S. in making a commitment to share information on lost and stolen passports through Interpol's database, a natural complement to the OSCE Travel Document Security decision adopted in Maastricht. He also proposed that OSCE members take steps to tighten security on container shipments.

Border Management and Security

The work that the OSCE has launched to follow-up to last year's Ohrid Balkan Border Conference, including training for border officials from Balkan countries, is an impressive start to facilitate secure and free flows of people and goods – a key objective of the U.S. Homeland Security Strategy. The United States has strongly encouraged the OSCE to increase its cooperation with other international organizations where it can best provide value-added training and expertise -- a central part of the development of an OSCE border management and security concept. In order to promote coordination, the U.S. took the lead in proposing and defining the parameters for the UN Office on Drugs and Crime-OSCE Border Conference, which took place in Vienna September 7-8. The OSCE does not coordinate assistance, but it can bring together donors to avoid duplication and help to build political support to address border issues among participating states.

Under U.S. leadership, the Forum for Security Cooperation (FSC) has played a positive role as an instrument of the Political-Military Dimension of the OSCE. The FSC made a significant step forward in combating terrorism when it adopted stricter export controls on Man Portable Air Defense Systems (MANPADS) in May. There is much more to be gained as participating states share their experience and best practices on effective implementation of stricter MANPADS controls. The FSC also established principles governing End-Use Certification of small arms and light weapons. Now that work is completed, the FSC is turning to another important initiative – to establishing principles to govern the brokering of small arms and light weapons,

an idea that came out of an Economic Dimension seminar on trafficking in arms, demonstrating the value of OSCE's cross-dimensional work. The OSCE's work in this area includes on-the-ground assistance to Belarus under the provisions of the OSCE Document on Small Arms and Light Weapons.

The Cold War left a legacy of excess conventional munitions and weapons, particularly in the countries of the former Soviet Union. The U.S. supports OSCE efforts to destroy these excess stockpiles. The OSCE has already received requests from three participating states for assistance in dealing with excess munitions: Belarus, Ukraine and Russia. The development and execution of these projects represent a major task ahead for the OSCE.

Policing

Police training is another area of increased OSCE activity, particularly in Central Asia. The OSCE's objective, which the U.S. supports, is to help individual states put in place training and oversight programs that protect citizens while safeguarding their rights and freedoms. Building on the success of training in the Balkans, the OSCE's Special Police Matters Unit has stepped up its efforts with assessment missions to Central Asia and a proposal on conducting OSCE police training in the Georgian conflict areas of Abkhazia and South Ossetia. The Special Police Matters Unit has been active in Kyrgyzstan, where the U.S. has supported the establishment of a police academy. The U.S. supports the work of the Special Police Matters Unit, and we look forward to greater transparency and tighter financial oversight of its fieldwork.

Outreach

The U.S. supports demand-driven, practical OSCE outreach activities to deepen security cooperation with its partners, whom we encourage to commit voluntarily to implementing OSCE principles and commitments. A first step would be to add substance to the relationship with the OSCE Mediterranean Partners for Cooperation (Algeria, Egypt, Israel, Jordan, Morocco and Tunisia), perhaps through ad hoc seminars on human rights and democracy. The OSCE's Action Against Terrorism Unit is also working to organize briefings for the Mediterranean Partners, to encourage them to come into compliance voluntarily with OSCE counter-terrorism commitments. The U.S. does not favor creation of an OSCE-like structure in the Middle East. We do support indigenous reform efforts in the broader Middle East through the G-8 and bilaterally, in concert with the EU.

Sofia Ministerial

The Sofia Ministerial will take place in December, and the U.S. is working for a practical agenda focused on our top policy priorities. We hope to reach agreement within the OSCE on further steps to combat anti-Semitism, racism, xenophobia and discrimination, agreement on the role the OSCE can play on gender issues, and additional measures in the fight against terrorism. At Sofia, the U.S. will again strongly urge Russia to fulfill its Istanbul commitments. We expect to adopt an OSCE border concept, and to endorse OSCE work on shipping container security, small arms and light weapons, MANPADS, and the destruction of excess stockpiles of ammunition and weapons.

There is one major problem that we hope to resolve by the time of the Sofia ministerial, namely how the OSCE funds itself. A debate has begun about revision of the OSCE's two scales of assessment. Russia, supported by some countries, is seeking a dramatic reduction in its contributions to the OSCE. In our view, proposals to reduce contributions radically cannot be the basis for the kind of serious discussions that are needed among OSCE participating states. The U.S. stands behind the criteria for adjustment of the scales adopted in 2001 and 2002 – ceilings and floors on contributions based on capacity to pay. All participating states benefit from the OSCE and all use the organization to advance their national interests. The OSCE achieves results at a comparatively modest cost. We hope that other participating states will adopt responsible approaches and negotiate constructively on this issue in order to avert a budget crisis. We note that the OSCE budget process has improved markedly over the past several years. Systems have been put in place to track budget allocations and expenditures more efficiently, providing more transparency and accountability.

The Sofia Ministerial will also consider the appointment of a new Secretary General to succeed Jan Kubis, who has served ably since 1999. The Secretary General plays a critical role in managing the OSCE, and the U.S. is committed to ensuring that his replacement is the best possible candidate. We welcome your suggestions for potential candidates.

Strengthening OSCE to Deal with Challenges Ahead

Bulgarian Chairman-in-Office Passy and others have suggested initiatives to strengthen the OSCE to meet the challenges ahead. Some of these initiatives, such as Foreign Minister Passy's idea to move the annual human rights and economic

dimension meetings, are good ideas that the United States supports.

Proposals that the OSCE Secretary General should be changed to give the position more of a political role, however, need careful consideration. The Secretary General manages OSCE operations. Political leadership is vested in the rotating Chairman-in-Office, an arrangement that the U.S. supports. We are concerned that changing the balance between the Secretary General and the Chairman-in-Office could change the fundamental nature of the organization. It is essential to preserve the strengths that have set the OSCE apart from other international organizations. Specifically, the OSCE's flexibility, which the Chairman-in-Office system has done much to enhance by minimizing central control and streamlining bureaucracy, has allowed the organization to respond to problems creatively and effectively.

Russia and the other Commonwealth of Independent States also have called for changes at the OSCE, most notably in a July statement that was highly critical of the OSCE's field operations and ODIHR. We note that the U.S. has supported efforts by Russia and others to strengthen work in the OSCE's economic/environmental and political-security dimensions. For example, the U.S. has worked closely with Russia on crafting the OSCE Strategy to Address Security to Stability in the 21st Century, adopted by ministers at the Maastricht Ministerial. The Economic Strategy adopted at the Maastricht was also a Russian initiative supported by the U.S.

The U.S., however, remains steadfast that the OSCE's core mission is helping to foster democratic change, and that two of the OSCE's greatest strengths are its field missions and ODIHR. By helping strengthen democratic institutions and civil societies, OSCE field presences help to defeat the underlying causes of instability.

The July CIS statement's claim is factually inaccurate that political dialogue on democracy and human rights are internal affairs of the concerned states. The CSCE Moscow Document of 1991 states: "The participating states emphasize that issues relating to human rights, fundamental freedoms, democracy and the rule of law are of international concern, as respect for these rights and freedoms constitutes one of the foundations of the international order. They categorically and irrevocably declare that the commitments undertaken in the field of the human dimension of the CSCE are matters of direct and legitimate concern to all participating states and do not belong exclusively to the internal affairs of the State concerned."

Conclusions

The bottom line remains that the OSCE has been a successful vehicle for managing security challenges over the past three decades. Its record of achievements over the past year is impressive, from Georgia election monitoring to the Berlin anti-Semitism conference; from tougher travel document security commitments to a new Special Representative on Trafficking. The year ahead promises to be just as challenging and diverse, from Afghanistan election monitoring to tougher measures to combat intolerance.

The value of the OSCE to achieving U.S. foreign policy objectives is clear. In promoting democratic development and respect for human rights, the OSCE is second to none. On economic development, the OSCE promotes good governance and helps countries put systems in place to fight corruption. On political-military issues such as the fight against terrorism, border security, small arms and light weapons, and excess stockpiles, the OSCE fills crucial niche gaps. It has proven to be an effective diplomatic tool that complements our bilateral diplomatic and assistance efforts throughout Europe and Eurasia.

The OSCE does face new challenges ahead, both in its missions and in its ability to adapt to changing circumstances. The U.S. will continue to work with its partners within the OSCE to advance the shared objectives of the trans-Atlantic community. Thank you.