

Testimony of Richard G. Olson
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Chairman Royce, Ranking Member Engel, Members of the Committee, thank you for the opportunity to appear before you today to discuss the current state of the United States bilateral relationship with Pakistan. My previous interactions with House members were in my capacity as Ambassador to Pakistan; today, I am honored to testify in front of you for the first time as the United States Special Representative for Afghanistan and Pakistan (SRAP). I am humbled and privileged to be in this new role at such a critical time for the U.S. relationship with both Pakistan and Afghanistan.

I just returned from my first trip to the region as SRAP, where I attended the Heart of Asia Ministerial Conference with Deputy Secretary Tony Blinken. It is clear to me that despite the many challenges, Pakistan will continue to be an important partner for the United States for the foreseeable future, particularly in light of our enduring presence in Afghanistan. While we do not always see eye-to-eye on every issue, our relationship with Pakistan is vital

to the national security of the United States. Most importantly, we have the opportunity to continue working with Pakistan today on counterterrorism issues, along with strategic stability, economic growth, and democratic governance, to help shape a future in which Pakistan is more stable, increasingly prosperous, and plays a constructive role in the region. I strongly believe that working together to create this future is in the best interest of both our countries.

The U.S-Pakistan Bilateral Relationship Today

Since being sworn in as U.S. Ambassador to Pakistan in October 2012, our bilateral relationship has improved significantly. From a low point in 2011, we have worked hard to build a more stable and forthright relationship that increasingly focuses on shared strategic goals, shaped through the U.S-Pakistan Strategic Dialogue.

Pakistan is a complex place, and it is important not to overlook the significant progress made in the last few years. In 2013, Pakistan completed its first democratic transition from one

elected civilian government to another. During the last two years, we can point to progress, however imperfect, made across the economic and security sectors. First, Prime Minister Nawaz Sharif and his administration have restored macroeconomic stability to Pakistan and improved economic growth. Indeed, Pakistan has continued to make progress implementing its IMF program. These improvements led Moody's to increase Pakistan's credit rating in May of this year. While structural changes are still needed to set Pakistan's economy on a path to accelerated growth, the reforms to date are a considerable accomplishment, and Pakistan presents commercial opportunities for many U.S. companies.

There have also been substantial changes on the security front. Today's hearing is a particularly apt time to review Pakistan's progress in these areas, as it falls on the one-year anniversary of the Peshawar Army School attack, a heinous terrorist attack that killed 141 people, primarily children, and helped shape Pakistan's counterterrorism policies over the last year. Beginning in June 2014, Pakistan initiated large-scale counterterrorism operations in the Federally Administered Tribal Areas (FATA); the subsequent Peshawar Army School attack, cited

by terrorists as retribution for Pakistan's operations, galvanized public opinion in Pakistan and prompted Pakistan to increase its counterterrorism efforts, even in settled areas. Pakistan has conducted Operations Khyber I, Khyber II, and Zarb-e-Azb in the FATA, the latter of which is ongoing and Pakistan plans to sustain through 2019. Through these operations, Pakistan has rooted out many terrorist safe havens and recovered more than 160 tons of improvised explosive device (IED) precursors. U.S.-origin equipment, including precision-guided munitions and night vision devices, has allowed Pakistan to successfully target militants at all times of the day and night while minimizing civilian casualties.

These operations and other steps have come at a cost – operations in the FATA caused massive destruction of civilian communities and have displaced over 700,000 individuals. However, we have also concurrently seen improvements to domestic security across the country. The Pakistani National Action Plan (NAP), announced by Prime Minister Sharif after the Peshawar attack and endorsed by all political parties in an effort to address violent extremism holistically, has led to some progress, including a significant improvement in the security of Karachi,

Pakistan's largest city; steps to reform the Madrassa system and root out sectarian violence; and a renewed focus on rooting out corruption.

In addition to taking action on internal threats, Pakistan's counterterrorism cooperation with the United States on al-Qa'ida has been critical in decimating the organization. However, while Pakistan has made significant sacrifices in its fight against terrorism, we believe it can also take more steps to put pressure on all terrorist groups in Pakistan that threaten regional stability.

More broadly, Pakistan has taken important steps to support regional stability. Last July, Pakistan facilitated a direct meeting between Afghan government and Taliban officials in Murree, Pakistan, a milestone in our ongoing efforts to pursue a political settlement in Afghanistan. Pakistan hosted the regional Heart of Asia conference last week, attended by President Ghani, which yielded productive discussions about regional cooperation to advance the peace process and Afghanistan's long-term stability. On the margins of the conference, Pakistani, Afghan, Chinese, and U.S. leaders affirmed their commitment to resuming direct talks

between the Afghan government and the Taliban. We believe Pakistan will be key to facilitating a peace process with the Taliban, and we hope Pakistan will follow through on its stated commitment to Afghan-owned, Afghan-led reconciliation.

With generous support from Congress, U.S. assistance to Pakistan has helped enable progress in many of these areas of mutual interest, and it continues to help Pakistan make incremental improvements. Our security assistance has helped Pakistan develop critical counterinsurgency and counterterrorism capabilities that it has used to great effect in ongoing operations. The Department of Defense Coalition Support Fund reimbursements have also helped Pakistan sustain its operations. Civilian assistance is already helping the Government of Pakistan facilitate post-operation reconstruction and expand civilian governance in the tribal areas, including the gradual return of internally displaced persons (IDPs) to their homes in the FATA. U.S. civilian assistance also helps Pakistan find and implement long-term solutions to its major energy, economic, and demographic challenges, including by helping Pakistan reform its energy sector, adding sources of clean energy generation capacity

to Pakistan's overburdened power grid, building ties through education improvements, and fostering trade ties with the U.S. private sector. Importantly, our assistance also continues to strengthen democracy and tolerance across Pakistan.

A constructive development over the past year, today, the United States and Pakistan can discuss the most difficult challenges to our bilateral relationship with increasing candor. While we sometimes have differences of opinion, we are able to communicate frankly on the things that are most important to us and find opportunities to make incremental progress. My personal experience has shown me that sustained, consistent engagement with Pakistan – its government, its military, and its people – is the best way to address challenges and advance our core interests and to shape Pakistan's long-term future. Prime Minister Nawaz Sharif and Chief of Army Staff General Raheel Sharif's recent visits to the United States provided such opportunities to engage on critical issues at the most senior levels.

In describing this progress, it is nonetheless clear that real challenges remain. While we see progress in decreasing the

presence of certain terrorists in Pakistan, we continue to press Pakistan to target all militant groups that have safe haven in Pakistan, particularly the Taliban, including the Haqqani Network, and Lashkar-e-Tayyiba. We have made it clear to the Pakistanis that these organizations threaten Pakistan, the region, and the panoply of our mutual national security interests, and they must be addressed rigorously. We have also asked Pakistan to do all that it can to help recover U.S. citizen hostages held in Pakistani territory.

Pakistan is well aware of the extremist and insurgent threats to the security of its nuclear weapons and has a professional and dedicated security force. As with all nuclear-capable states, we have urged Pakistan to restrain its nuclear weapons and missile development and stressed the importance of avoiding any developments that might invite increased risk to nuclear safety, security, or strategic stability. We continue to press for greater cooperation between Afghanistan and Pakistan, both to stabilize the common border region and to build the constructive relationship necessary for regional stability. We will not be able to eradicate militant groups until both sides of the border are effectively secured. President Ghani and Prime Minister Sharif have shown impressive leadership, and while the cooperation

between Pakistan and Afghanistan on reconciliation is certainly an important first step, we continue to press for increased coordination on security issues between the two countries.

It is also critical that Pakistan improve relations with its other neighbor, India. We hope the recent high-level talks between Indian and Pakistani officials and the announcement of the resumption of formal dialogue will be used to reduce tensions and increase ties between the two nations. More broadly, the entire region stands to benefit substantially from increased economic integration.

Lastly, as Pakistan seeks to combat violent extremism and pursue counterinsurgency and counterterrorism objectives, we continue to encourage and support Pakistan to strengthen the rule of law, civil liberties, respect for human rights, accountability, and freedom of speech, which we firmly believe are vital to lasting peace and security. Our civilian assistance programs help make progress toward these economic and governance ends in a developing democracy, and it is essential they are sustained at current levels.

A Look Ahead

As we look toward 2016, there are a number of upcoming milestones that will mark Pakistani progress in some of these key areas and allow us to strengthen and deepen our bilateral relationship. Pakistan's current IMF program will end in the summer of 2016, and Pakistan has begun important steps in privatization and other structural reforms. We plan to continue working with Pakistan to foster economic growth, particularly by strengthening private sector ties. Prime Minister Sharif's visit reaffirmed additional areas for cooperation, including education, women's empowerment, clean energy development, and combatting climate change.

In addition, particularly in light of the public statements at the Heart of Asia dialogue, there is a significant opportunity for progress on Afghan reconciliation. A second round of Pakistani-facilitated talks between the Taliban and Afghan Government could help to build momentum for a nascent peace process.

We expect the next Strategic Dialogue Ministerial to be scheduled in the early part of next year, which will allow us to continue frank and open conversations on all of these issues.

In my new role as SRAP, I look forward to working with Congress and this Committee, the exceptional team in the SRAP office, and our top-notch staffs in both Pakistan and Afghanistan. With that, I again thank you for your attention and look forward to your questions.