Madam Secretary, welcome back to the Committee.

Four years ago, the President warned that we confronted a dangerous axis of evil in Iraq, Iran, and North Korea, and that by seeking weapons of mass destruction, these regimes presented a “grave and growing danger.”

Today, two members of the axis of evil – Iran and North Korea -- pose an even greater threat to our security than they did four years ago, and in the third, Iraq, we risk trading a dictator for chaos.

We continue to have a great debate about Iraq. But we can all agree that an unstable Iraq is not in our interests.

The draw down of American troops is already underway – I believe we will be down to 100,000 Americans by the end of this year, and half that number by the end of 2007.

The critical question now is whether we will leave Iraq with our security interests intact. The answer will depend on our success in three areas:

First, we must galvanize international pressure on Iraq’s political leaders to form an inclusive government and agree to a consensus Constitution.

Second, we must provide Iraqi security forces with the leadership, training, equipment, and logistical capabilities to operate on their own. We have made progress, but there is still a long way to go.

Third, we must develop Iraq’s governing capacity and ability to deliver basic services.

Last week, we heard a dismal report on the current state of Iraq’s infrastructure. By just about every critical measure – electricity, drinkable water, sewage treatment and oil production – Iraq is worse off today than before the war. Unless these shortfalls are addressed, they will continue to fuel the insurgency.
Perhaps the gravest danger to our security lies in Iran. If the world does not dissuade Iran from producing fissile material, or developing the capacity to produce that material, then an extremist government that actively supports international terrorism will gain a nuclear weapons capability.

Four years of policy paralysis in Washington during the first term did nothing to stop Iran’s program. I commend you for the last year of determined diplomacy, which has led to a broad coalition of support for reporting Iran to the UN Security Council.

But that was the easy part. Now the world must take more tangible action to show Iran how isolated it will be unless it reduces its nuclear ambitions.

The world must also convince the Iranian people that a nuclear weapons capability is not in Iran's national security interest. I urge the Executive branch to conduct careful studies of possible sanctions -- and their impact -- that could be implemented against Iran. It is equally vital for the Administration to prepare the American people for some level of sacrifice in order to maintain economic pressure on Iran.

The Administration has stated that “The United States is not prepared to tolerate a nuclear-armed North Korea.” I don't know what that means, as most experts believe North Korea already has nuclear weapons, and that it probably increased its arsenal from one to two weapons to as many as 10 over the past five years.

I do know this: big nations should not bluff. And by any measure we are currently tolerating a nuclear North Korea.

The United States is not to blame for North Korea’s intransigence. But the lack of urgency and attention given to this problem is troubling.

In December, the 9/11 Commissioners issued their latest report card on the government’s efforts to implement its recommendations. On the areas where the State Department has responsibility, Madam Secretary, it did not make the Dean’s List.

The Commissioners gave out several “Ds” – including on the issue of making a maximum effort to prevent terrorists from acquiring weapons of mass destruction, our policy on Saudi Arabia, and certain public diplomacy efforts.

I am not surprised by this dismal rating -- for years, this Administration has under-funded critical non-proliferation programs and failed to cut through red tape with Russia.

The recent victory of Hamas in the Palestinian elections is further evidence that elections do not a democracy make. Indeed, the recent string of strong showings by Islamists in the Middle East – Hamas, the Muslim Brotherhood in Egypt, religious parties in Iraq, and Hezbollah in Lebanon – remind us that elections can produce distorted
outcomes when there is not equal emphasis on developing the institutions of democracy, such as political parties, a civil society, a free press, and the rule of law.

Hamas's victory casts a pall on the future of the peace process. Israel cannot be expected to negotiate with a party that calls for its destruction, engages in terrorism and maintains an armed militia.

Unless Hamas changes it stripes, we must build international support to isolate it.

I remain concerned by the inadequate response to the tragedy in Darfur. The initiative to establish a UN force for Darfur is welcome. But it will take up to a year to deploy such a force. In the meantime, thousands more will suffer from genocidal acts. The United States should lead the way in NATO to provide for a small NATO protection force – and a NATO-enforced no-fly zone – as a bridge to the UN mission.

Finally, let me commend you for thinking creatively with your proposals on the Foreign Service and coordination of foreign assistance programs. We still don’t know all the details of these proposals, but we look forward to working with you to develop them in the months ahead.