Thank you, Mr. Chairman. And I appreciate your

organization of these hearings and the pacing and the nature that

we have built up to a hearing like today with the background that

we certainly had in this Congress, and I think built on the last

Congress. And I appreciate that very much, because we are here

today to examine where we are, a little bit about where we have

been, but I think most importantly where we go. And I want to

thank you for holding this particular hearing.

I do want to welcome all of our witnesses today and thank them

for the effort they put forth both to be here and in their preparation

for their written and oral statements.

Mr. Chairman, as you know, I have a great interest in the people

of southern Sudan, and I have traveled there many, many times

now, and twice in the last year. I spent most of my time in the

South, but have also been in the Nuba Mountains, have been in the

Blue Nile region, Pabong, and throughout the South.

Typically, I will go into the Sudan not as a United States Senator,

but as part of a medical team, and I spend much of my time

operating out of a hospital in southern Sudan where there was no

hospital about 7 years ago. Today, this little clinic that didn ’t exist

3 months before my first trip there, now serves a healthcare region

for about 350,000 people. It is the only healthcare facility within

about 150 miles. People literally walk days to come to that particular

facility.

What is remarkable about it —and I think it fits so much into

what our witnesses will talk about today —is that a facility like

that is so much more than just a healthcare clinic delivering

healthcare. It very much becomes a symbol of hope and a symbol

of the future of what Sudan can be like, to capture the rich texture

of the wonderful people there, the tremendous natural resources

that are there, that symbol of hope.

Samaritan ’s Purse, the group that I work with, also runs a hospital

in Kurmuk and has delivered tons of food to beleaguered peoples

up in Nuba Mountains and the Upper Nile. Like Catholic Relief

Services, who we will hear from shortly, faith-based organizations

like Samaritan ’s Purse have done much to bring real life and

vitality back to the region of southern Sudan.

Mr. Chairman, if I might, I would also ask unanimous consent

that some written testimony by Samaritan ’s Purse be made a part

of this record today.

I also join the chairman in applauding the work

of Senator Danforth and all the efforts that he and his staff have

made over the past year to further the goal of peace in Sudan.

The road to peace is a bumpy road, as we all know, that has been

well traveled. There are and have been many setbacks, but if you

look at the progress that has been made by Senator Danforth, I

think everyone will agree that it is real, that it is bringing the people

of the southern Sudan closer to achieving peace.

I do consider today ’s hearing as a progress report on an issue

that clearly is of substantial importance to this administration. As

the chairman pointed out, the administration has really focused a

great deal of attention on the Sudan.

Will we achieve a negotiated settlement among the parties?

What are the administration ’s objectives today? What is the plan

for achieving them, given that we have made some progress? We

must be reasonably certain that an agreement among the parties

is sustainable over time. And that means it must be verifiable, that

it must withstand the test of time.

I do hope that our witnesses will reflect on, based on their experiences,

what they consider are the important components or a sustainable

peace.

In the past, I do not believe Khartoum has lived up to its agreements.

Can we expect them to in the future? Khartoum continues

to bomb civilians and ban relief flights, leading to the starvation

of thousands. My colleagues have heard me describe my work in

hospitals in southern Sudan. I have seen people brought in with injuries

that clearly resulted from bombings. I have seen where the

church next door to the hospital has been bombed. The evidence of

bombings is very, very real.

Clearly, these sorts of things cannot continue. Samaritan ’s Purse

had very recently, about a month ago, June 11, another terrible

loss. Five of its staff were killed while riding a tractor at Lauda.

There is some evidence that this was a deliberate attack and that

the mine had been very recently placed.

I hope to hear from the witnesses on how we can ensure that a

negotiated settlement can be carried out, particularly by the government

in the North, including their thoughts on the kinds of

tools we need to ensure that Khartoum honors its commitments.

Indeed, I would like to know even if we should believe they are serious

at this point in time about these commitments in the first

place.

The banning of relief flights, unilateral declarations that humanitarian

aid and relief in the west Upper Nile be dictated by Khartoum,

all of these are of considerable concern.

Now, Mr. Chairman, again I appreciate you for putting forth this

hearing today. I also look forward to hearing also about some of the

positive things —we hear so much about the negative things —like

USAIDs southern Sudan Agricultural Revitalization Project and

the Sudan Basic Education Program, which I believe, are a basic

but major step forward in bringing much needed development to

southern Sudan.

So, Mr. Chairman, with that, I thank you for the opportunity to

make that opening statement and look forward to hearing from our

witnesses.

Thank you, Mr. Chairman.

Mr. Kansteiner, as I mentioned, when I was in Sudan last January,

I had the opportunity to take care of a number of patients, but

one that I remember very dramatically was someone who came in

from about 20 kilometers away from our facility with an injury sustained

to the kneecap, a shattered kneecap so that he was not able

to walk, from a bomb that was dropped. I also mentioned the land

mine injury that Samaritan’s Purse had 2 weeks ago.

On these repeated trips, it is hard for me to, in my own mind,

say maybe the government is going to really be serious, the government

of the North, when we have this continued bombing, playing

games with relief flights that we know occur. At the same time you

go to Nairobi and you come back a little more optimistic with regard

to the peace talks at the table. And Khartoum talks peace, but

it just seems like the actions say otherwise again and again and

again.

Could you give us, again, just two or three examples of why you

are a little more optimistic about why this is a regime that we can

deal with? Are they serious, or are they just stringing us along?

When people throughout the world and throughout

this country come forward and say, ‘‘Well, the cooperation in

terms of counter-terrorism, that is good, even though we,’’ meaning

people who are asking, say ‘‘we may not have access to all the information,

but we will trust you that that is good and that is coming

along well. But are you, the United States, using that as a mirror

that causes us to reflect where we have huge problems that

have been there for decades now in terms of the basic famine, war,

terror that has gone on long before September the 11th?’’ What is

the response?

And I understand that great progress has been made in terms

of cooperation from anti-terrorism. But at the same time, I want

to be able to answer the question, ‘‘Yes,’’ but nothing else has

changed.

Well, I hope that we can all share your cautious

optimism as we go forward.

Let me just jump to an issue that we hear a lot about and I think

it is important for us, again not to focus on because it is not exclusive,

but at least to mention it, and that is the issue of capital market

sanctions.

The original Sudan Peace Act originated in this subcommittee

31⁄2 years ago in its first version. And the House of Representatives

overwhelmingly passed a version of the Senate version of the

Sudan Peace Act in June 2001 that included a provision that would

ban foreign businesses from doing business in Sudan, and from

raising capital in U.S. capital markets. This is section 9 of the

House bill. You and most of your colleagues know the wording of

that.

Section 8 of that bill also imposes capital market sanctions on

these foreign companies if they do not comply with certain provisions

of disclosure. I guess putting together in the debate and the

question of where we are in conference, I guess it really boils down

to a question of: What is the administration’s position today on capital

market sanctions? And then from that, what impact would section

8 and section 9 have on U.S. capital markets?

The purpose of these would be to put in place

pressure on the Government of Sudan. If enacted, section 8, section

9, would these achieve that desired purpose?

I understand they have the toolbox working along and you put

your faith, hope, hard work, sweat and tears in that. But incrementally,

would these sanctions have the desired effect of putting pressure

on the government to respond in a more deliberate, honest

and straightforward way?

I have one final question on this. Are there companies

that are involved in oil development in Sudan that would

be directly affected by these capital market sanctions today?

In your opinion, would enactment of capital market

sanctions help or hinder Senator Danforth’s efforts with regard

to the peace process in Sudan?