

Statement of John Koenig
Ambassador-Designate to the Republic of Cyprus
Senate Foreign Relations Committee
July 18, 2012

Madam Chairman and Members of the Committee, thank you for giving me the opportunity to be with you here today. It is a great honor to appear before you. It is also my great honor to be nominated by President Obama to serve as the next Ambassador of the United States to the Republic of Cyprus. If confirmed, I look forward to working with the Committee and Congress to advance the interests of the United States in Cyprus.

If you will permit me, I would like to introduce my wife Natalie, who has joined me here today, along with my sons Theodore and Alexander, and Cyprus desk officer Lindsay Coffey. My wife and sons have been living, working, and going to school overseas for much of their lives. We look forward to serving our nation overseas once again. Both of my sons started school in Cyprus, and, like Natalie and me, have fond memories of the island and its people.

I believe that the 28 years I have spent in the Foreign Service have helped prepare me for this important assignment. I served previously in Cyprus, an experience which I believe will enhance my effectiveness as Chief of Mission, if I am confirmed. In addition, my two tours in Greece deepened my understanding of regional issues. From my time spent working at the U.S. Mission to NATO and as political advisor to the Allied Joint Forces Command in Naples, I understand the importance of NATO in maintaining peace and stability throughout Europe and beyond.

If I am confirmed, my top priority will be to support efforts to reunite Cyprus into a bi-zonal, bi-communal federation. The longstanding division must come to an end through a just and lasting settlement. Since 2008, the leaders of the Greek Cypriot and Turkish Cypriot communities have made important progress in the Cypriot-led negotiations under the auspices of the UN Good Offices Mission and coordinated by Special Advisor Alexander Downer. However, much more must be done to end the *de facto* division of the island. Although this is a Cypriot-led process, we will remain actively engaged. The reasons are clear. The *status quo* is unacceptable. It threatens effective NATO-EU cooperation and affects regional stability, and also remains an obstacle to Turkey's EU accession process, which the United States and this Administration have long supported.

If confirmed, I look forward to continuing to build our bilateral relationship with the Republic of Cyprus and strengthening cooperation in our many areas of common interest. I am pleased to see increased investment by U.S. companies in Cyprus, especially in the energy sector. Our countries have also been working together to safeguard Cypriot cultural heritage, prevent pillaging, and stop the illegal trafficking and sale of antiquities. In addition, Cyprus has been a generous host for an increasing number of U.S. navy ship visits, which has driven growing cooperation in anti-terrorism and port security.

The Republic of Cyprus is facing a number of challenges: assuming the rotating presidency of the European Union, responding to the European financial crisis, and managing newly discovered natural gas resources. Although Cyprus has the third smallest economy in the EU, its financial sector is heavily exposed to Greek debt. If confirmed, I will work closely with the Government of Cyprus to explore ways the United States can assist Cyprus as it seeks to meet these challenges. We must also work together to address serious issues such as possible terrorist threats and trafficking in persons.

The Administration recognizes the Republic of Cyprus' right to develop its Exclusive Economic Zone. We believe that its oil and gas resources, like all of its resources, should be equitably shared between both communities in the context of an overall settlement. The discovery of natural gas underscores the urgent need for a settlement, but it need not hinder the talks.

I also look forward to engaging the Turkish Cypriot community. If confirmed, I will be accredited to one government, that of the Republic of Cyprus. That said, we need to maintain a constructive relationship with the Turkish Cypriot community. I am pleased that they share our goal of peaceful reunification of the island. We must continue to work with them to help prepare for reunification by strengthening civil society and reducing economic disparities across the island.

Madam Chairman and Members of the Committee, if I am confirmed, my foremost priority will be promoting U.S. interests in Cyprus while working to advance a comprehensive settlement. The United States stands only to gain from a reunited Cyprus that is peaceful, prosperous, and fully benefits from EU membership.

Thank you for this opportunity to appear before you. I would be pleased to answer any questions that you may have.