

Hearing Transcript

Senate Foreign Relations Committee Hearing on the Nomination of Rex Tillerson to be Secretary of State

January 11, 2017

CORKER:

The Foreign Relations Committee will come to order.

We appreciate everybody being here as the Senate carries out one of its most important responsibility, which is to advise -- to give advice and consent to nominees that are put forth by a president. We thank all of you for being here. Obviously, there's a lot of interest in this hearing. We would ask those who, like us, have the privilege of being in this room, we would ask you to respect democracy, respect the right for us to have a hearing, to control yourselves in an appropriate manner, and I'm sure that is gonna be the case. This is the best of America here.

Serving with outstanding members on this committee. As a matter of fact, because of so much happening in the world today and because of the role that this committee has played over the last several years, demand on this committee has grown and -- and with that, I want to welcome new members who I know will play a big role in the future of our country.

Mr. Todd Young, newly elected to the Senate, we welcome you here. This is our first public appearance. We thank you for your interest in our country's future and for being here. Mr. Rob Portman, who also joined the committee. I think he serves on more committees here than anybody in the Senate, but we thank you for your responsible thinking and leadership. I want to thank Jeff Merkley, who I know cares very, very deeply about these issues, for joining this committee, for your principled efforts in so many regards, and I know they will continue here.

And Cory Booker, new star (ph) of the Senate, who I know will play a very vigorous role here and we thank you so much for being here today.

Just to give you a little bit of a sense of what's gonna happen today, we have four very distinguished people, two of whom are colleagues, who will introduce the nominee and then we will move to opening statements. I will give an opening statement, our distinguished ranking member will give an opening statement and then our nominee, Mr. Rex Tillerson, will give his.

CORKER:

Each person here will have 10 minutes to ask questions, a little bit more than the norm. We've coordinated the schedule with the ranking member, but also with Senator Schumer and others, just to ensure that the American people and certainly all of us have the opportunity to ask the kind of questions that people would like to ask.

I would say to members, I know some of us have an art form of being able to ask about 90 questions in time ending about five seconds before the respondent responds. The 10 minutes includes the response and I'm gonna be -- in order to be -- in order to be respectful of everybody's time, which is a little bit unusual here, we're gonna be -- we're gonna hold to that in a very rigid way.

Our plan is that we will go until about one o'clock today if everybody uses their time. We will take a break out of showing mercy to our nominee for about 45 minutes and to many of us up here. And then we'll come back and resume until such a time as we have the vote-a-rama that -- which I think begins around six o'clock this evening.

Again, in order to make sure that all questions are answered, the ranking member and I have agreed that should there be another day necessary, we'll begin a morning -- in the morning at 10 o'clock. Hopefully, with all that will happen today, that will be unnecessary, but our nominee is very aware that that may well occur.

I think all of you know that our business meeting, again, in order to show respect for all of who are here, is moved until tonight when we have the vote-a-rama, at which time will take up the accession -- Montenegro accession to NATO and will take up the -- the resolution relative to Israel. We'll do that off the floor this evening.

So, with that...

CARDIN:

Mr. Chairman, can I just thank you for the accommodations for this hearing? I -- I know you started it at nine o'clock as an accommodation so that we could all have a little bit more time in the morning for asking questions. And I thank you very much for that accommodating a 10-minute round.

The two of -- the chairman and I have worked closely together to make sure that this hearing was the type of hearing that we'd be proud of in the Senate Foreign Relations Committee. And I want to personally thank you for that and welcome our four new members to our committee.

And with that, I'll withhold until (inaudible).

CORKER:

Thank you.

This -- this committee has been a -- certainly a beacon of bipartisanship, as was mentioned, sometimes an island of bipartisanship. But I think all of us understand the importance of us being united, especially when we leave the shore's edge. And I know that we will continual (ph) conduct the hearing today in that manner.

With that, we have four very distinguished individuals who would like to introduce the nominee. We thank each of them for being here. I know that they plan to spend about two and a half minutes each. To do so, we welcome you here.

We have the distinguished Senator Cornyn from Texas, the distinguished Senator Cruz from Texas, the distinguished Sam Nunn from Georgia, who we miss but thank him for his service, and the distinguished Secretary Gates who has served eight presidents. I'm actually surprised he's not serving a ninth. But we thank you for being here.

Each of you, if you would please give your comments and then we will move to -- to opening statements. Thank you for being here.

Senator Cornyn?

CORNYN:

Chairman Corker and Ranking Member Cardin, members of the -- of the committee, I'm proud to be here today with my colleague Senator Cruz to introduce a fellow Texan, Rex Tillerson, as the nominee to be the next secretary of State.

Without a doubt, Rex Tillerson is an inspired choice by President-elect Trump for this critical position. The depth and breadth of his experience as an accomplished and successful business leader and skilled negotiator give him a solid understanding of our current geopolitical and economic challenges, making him uniquely qualified to serve in this important office.

After graduating from the University of Texas with a degree in engineering, Mr. Tillerson joined the Exxon Corporation, eventually moving up the ranks and into overseas assignments in Asia, the Middle East and Europe. In 2006, he assumed command of Exxon Mobile, a tenure during which he displayed exceptional acumen, helping Exxon weather complex geopolitical obstacles to make the company into one of the world's most profitable corporations.

CORNYN:

As a lifelong Texan, Rex has been recognized for something you don't ordinarily associate with being a powerful business leader and head of one of the largest corporations in the world. He's been recognized for his humility and his altruism. One of my constituents recently wrote a piece in the Dallas Morning News talking about serving on a jury with Mr. Tillerson recently.

She noted that on that jury, his natural leadership ability and charisma, helped them deliver justice in a delicate and difficult case of sexual assault. Following the trial, Mr. Tillerson then donated to the local non-profit that helps support and counsel the victim after the trial.

Mr. Tillerson understands how to separate friendships and business. He knows who he works for. My first encounter with Rex is when I was attorney general. I don't know if he remembers this, but we were on opposite sides of a lawsuit.

I was representing in my capacity as attorney general to the state of Texas and we had the temerity to sue ExxonMobil. And lets say, our first encounter was a little awkward, to say the least. But

over the years, I've grown to admire and respect Rex and he didn't let our differences get in the way of what we could agree on.

Since then, I've seen him demonstrate an uncanny ability that will serve him and our country well as its chief diplomat. And that is an ability to deftly handle business matters while maintaining and building relationships, a further testament to his integrity and strength of character.

Once he's confirmed, I'm confident that he will be instrumental in shaping American foreign policy as we face a broad array of diplomatic challenges that will define the security and success of our nation for generations.

So thank you Chairman Corker, Ranking Member Cardin, members of the committee, for letting me introduce Rex Tillerson.

CORKER:

(OFF-MIKE) for being maybe the first prompt senator I've witnessed here. Thank you so much.

CORNYN:

Trying to set the standard, sir.

CORKER:

Thank you, sir.

CRUZ:

Mr. Chairman, Ranking Member, members of the committee, good morning. It is a privilege to join you this morning and have the opportunity to help introduce my fellow Texan and the secretary of State Designee, Rex Tillerson.

As many of you know, Rex is a Texan, born and raised in Wichita Falls and he's a proud Texas Longhorn, which John and I might think is plenty enough alone to qualify him for secretary of State. But I recognize you all might set a higher bar than that.

The good news is, that is only the beginning of a long substantive list of qualifications, achievements and international relationships that Rex brings to the table. A list that I believe has prepared him to be a strong candidate to lead our State Department, as we face the monumental task of restoring America's influence across the world.

As all of us know, this is no easy task. We live in a dangerous year and a dangerous world. And after the last eight years, we face a circumstance where many of our friends no longer trust us and many of our enemies no longer fear us.

Rex Tillerson is a serious man, who understands the value of perseverance and knows what it takes to accomplish difficult tasks. From an early age, he worked to climb the ranks in Boy Scouts to become an Eagle Scout and started as a production engineer at Exxon in 1975, eventually, climbing his way to the top as CEO of the Fortune 10 Company.

At Exxon, he led one of the world's most respected companies with over 75,000 employees and over \$250 billion in revenue. Exxon, a proud Texas Company, does business in 52 countries. And Rex has traveled the globe, negotiating business deals with world leaders, effectively advocating for the interests of his company, shareholders and employees.

The numerous achievements that Rex has earned, they don't come without hard work, dedication and passion for one's mission. This is the work ethic and spirit that America needs in its secretary of State.

That is the attitude that gives me confidence in the opportunity that Rex has to chart a different, better and stronger course for our national security and diplomacy. We need a secretary of State who understands that America is exceptional, who will establish policies upon that foundation of exceptionalism and who will put America's interests first.

Repeatedly, the current administration has used the United Nations to try to circumvent the will of Congress and the American people. I look forward to a president and secretary of State, who will instead vigorously defend U.S. sovereignty.

I believe that Rex has an incredible opportunity to defend the foreign policy principles upon which President-elect Trump campaigned, to strengthen our friendship and alliances and to defeat our enemies. And I look forward to all of us working with him in the years ahead as we restore American leadership across the globe. Thank you.

CORKER:

Thank you, also for those concise comments, much appreciated, thank you both for being here. And should you need to leave to go to other hearings, please feel free to do so.

Senator Nunn?

NUNN:

(OFF-MIKE)

CORKER:

You need to turn your mic on, sir. You've gotta practice, leaving here for a few years.

NUNN:

Well, I thank you Gentleman Corker and Senator Cardin and my friend for a long time, Johnny Isakson -- Senator Isakson, members of the committee. I wish I had thought of this clock a long time ago, it would've saved an awful lot of agony for our committee.

So I'm gonna try to cut my statement as short as possible. And I ask the whole statement be put into the record.

CORKER:

Without objection, thank you.

NUNN:

Mr. Chairman, Rex Tillerson's resume is well-known, so let me just tackle two points that I know have been raised with the committee, as well as with the Senate.

First, Rex Tillerson's knowledge of and experience in Russia. And second, how his work in the private sector prepares him to be our top diplomat and run one of the most important departments in our government.

With respect to Russia, certain facts are clear. Russia's recent, flagrant actions indicate that its national interest sharply differ from America's national interest in important places, most acutely in Ukraine, in Europe and in Syria.

Russia's values differ from America's values, in particularly in our form of government, our commitment to personal freedom, human rights and the rule of law. These fundamental differences are very important and the fact that our interests and values differ, should always inform our policy toward Russia.

But Mr. Chairman, the important facts don't end here. It is also a fact, that Russia today deploys hundreds of nuclear warheads on ballistic missiles that could be fired and hit their targets, around the globe in less time that it will take to have opening statements at the hearing today.

It is also a fact that for both the United States and Russia, the risk of an accidental, unauthorized or mistaken launch of a nuclear ballistic missile is unnecessarily high, particularly in our world of increasing cyber vulnerability. It is also a fact that the United States and Russia, like it or not, are bound together in areas of unavoidable common interests, including the prevention of nuclear and biological terrorism, the prevention of nuclear proliferation, false warnings of nuclear attacks and the hacking of command and control systems or nuclear facilities.

These facts lead me to an inescapable conclusion. It is dangerous for the United States and Russia and for the world to have virtually no dialogue on reducing nuclear risks and very little military to military communication. If this continues and we are guided by zero sum logic on both sides, we and Russia may be rewarded at some point with catastrophe.

This is my judgment, even when we have stark disputes, including strong evidence from our intelligence community that Russia has interfered in U.S. elections, a finding that Congress must fully examine, including its ominous implications for our political process and our security.

Mr. Chairman and members of the committee, there have been other moments in history where voices in both Washington and Moscow argued that our areas of disagreement were so great, that we should not work on issues even of common interests between our two countries.

For those who are considering this point, I would suggest re-reading President Kennedy's commencement address that American University delivered just months after the Cuban Missile Crisis. President Kennedy spoke of the pursuit of peace, as necessary and rational, quoting him at an age where singular nuclear weapon contains almost 10 times the explosive power delivered by all the allied forces in Second World War.

President Kennedy rejected voices saying it is useless to speak of peace until the leaders of the Soviet Union adopt a more enlightened attitude. Kennedy warned, "Let us not be blind to our differences, but let us also direct attention to our common interests and to the means by which these differences can be resolved."

NUNN:

Mr. Chairman and members of the committee, these words remain true today. I know Rex Tillerson pretty well. And I am confident that he is well prepared, to do what is essential for the security of our nation, to hold firm and tough where our national interests and values demand it and to build on our common interests in working with other nations, including Russia on practical concrete steps that will make the American people safer and more secure.

Mr. Chairman, Senator Cardin, and other members of the Committee, I also consider Rex Tillerson's experience and knowledge in business as an asset and as well as his knowledge of Russia.

I think both are assets, not liability. I also consider his business experience very relevant to the world today as an asset. As I look at the world today, every significant international challenge we face has a very important business component. It's true in Ukraine, it's true in the Middle East, it's true in most places. Rex Tillerson knows these crucial regions, he knows the leaders, and he understands the challenges and the risk.

He is also keenly aware of the power of the private sector and the important role it can play in addressing these fundamental issues. Mr. Chairman, in wrapping up, I'm confident that if confirmed to be secretary of State, Rex Tillerson will take off his corporate hat, but he'll use his vast experience to devote 100 percent of his considerable intellect, energy and experience to protecting America's interest in the troubled world we're in.

I thank you, Mr. Chairman, and I urge his confirmation.

CORKER:

Thank you so much for being here and participating and your many, many contributions relative to nuclear safety around the world.

Secretary Gates.

GATES:

Chairman Corker, Ranking Member Cardin, distinguished members of the foreign relations committee. It gives me great pleasure to introduce my friend and fellow Eagle Scout, Rex Tillerson as the president-elect's nominee to be the next secretary of State.

I've known Mr. Tillerson for a number of years through our shared experience in leading the Boy Scouts of America. On many of occasions, after a day of meetings, Rex and I would talk, often for hours about international affairs including Russia and Vladimir Putin.

I believe I have a pretty good idea about how he thinks about the world and the challenges we face. The secretary of State has four important roles; advising the president, negotiating with foreign governments and international organizations, representing the United States abroad, and leading the Department of State. Against a backdrop of having known or worked with 12 secretaries of State, I believe Mr. Tillerson is superbly qualified to carry out each of these roles.

He is deeply knowledgeable about the international scene and geopolitics and importantly would be an informed and independent adviser to the president. He would be candid and honest, willing to tell the president straight from the shoulder what he needs to hear. He would bring decades of experience as a tough and successful negotiator with foreign governments to the position. I've heard him speak often to scout groups about American values and I know he would be an eloquent and passionate representative of the United States to the world.

And finally, based on his long experience in leading a major corporation as well as the Boy Scouts, I know he will lead the Department of State with skill and respect for the professionals. Much has been said and written about Mr. Tillerson and Russia. I've spent my entire adult life dealing with the Soviet Union and Russia. I joined CIA over 50 years ago to do my bit in the epic struggle with the Soviet Union.

During that time, I acquired a reputation as something of a hardliner. Just ask a couple of previous secretaries of State. Yet, I knew that we not only had to resist and contain the USSR, we also had to contain the risk of conflict with it. And that meant engaging in dialogue, negotiations, and even reaching agreements limiting strategic nuclear weapons and establishing agreed procedures to prevent confrontations from escalating.

This new administration must thread the needle between pushing back against Vladimir Putin's aggressions, meddling interventionism, ambitions and bullying and at the same time find a way to stop a dangerous downward spiral in our relationship with Russia. I believe Mr. Tillerson is the

right person at the right time to help accomplish both of those goals. And so, it is with pride and confidence that I introduce him to you today and encourage his confirmation.

CORKER:

We thank you all for being here. You honor us with your presence, we thank you for your contribution. You do not have to leave, but you cannot stay there so...

(LAUGHTER)

... we actually hope you will stay somewhere in the premise and participate if you would like.

(CROSSTALK)

CORKER:

We have some new members to the committee today and I was thinking prior to this hearing that 10 years ago, I came on this committee as a new senator, in many ways to broaden my ability to - to serve our nation and to serve our state having been mostly a businessperson.

When I came here, the first order of business was to deal with the surge in Iraq. Pretty monumental time. We had an under-resourced effort that was taking place in Iraq and at a time when, really in many ways, the United States had unleashed forces in the region that had not been seen - not unlike taking, in some ways, a big stick and hitting a hornets nest and changing dramatically the dynamic in the region.

And so, we had the choice of whether we surge and try to be successful at what we began or take another course. Afghanistan also had been under-resourced and -- and all of a sudden we began discussing things like nation-building, things that had not been part of our vocabulary for many years.

We had the Arab Spring that took place in 2011. Again, some of which was built off of some of the activities that I mentioned earlier. And we had all kinds of incoherent things that took place; the quick throwing aside of a leader in Egypt that we had known for years, an undertaking in Libya that I still have never understood what the goal was, but left a large vacuum in the region with arms spreading throughout northern Africa and other places.

We had the conflict in Syria that began, if you remember, with us cheering on the people who wanted basic human rights and more of a democracy. And then, we had the red line that our country did not follow -- follow up on. After that, we had the taking of Crimea and the destabilizing of eastern Ukraine, some of which I think was driven by observing U.S. leadership in the world.

We had China redrawing a map that had been around for thousands of years in the South China Sea and claiming islands and properties and building runways and doing things that, again, until that time had not occurred. We've had the whole destabilization of Europe where I think confidence levels in Europe are probably the lowest they've been in our lifetimes. Driven by concerns about,

in many cases, what our role is but also the role of Russia and what it's been doing in the region, the role of immigrants that are flowing in, the whole challenging of the European -- the European model.

And then, we've had a campaign, let's face it, that has been somewhat unorthodox, one that has also given concern to our allies in the world and to many around the world as to just where America is going to be. With all of this chaos that has exhibited through multiple administrations and will continue under this for a period of time, we've had chaos where the United States has been withdrawing in its leadership role and to me that's a recipe for further chaos.

So, this is a very important hearing. I've had the -- I had the ability the other day to sit down with General Flynn who's going to be the national security adviser and I spent time with people around him for some time and I know that, rightly so, his focus is also on our country doing well economically.

Every -- every military leader we've had before us and certainly Secretary Gates have told us that if our nation is not strong economically, if we're not doing the things fiscally to keep ourselves strong then our nation will be weak and our leadership around the world will be -- be diminished.

CORKER:

And so, I'm thankful that is the case. A lot of people here realize that it's not also -- it's also -- it's not only important for us to be economically successful, but we understand that autocrats in other places, when they themselves are not successful, end up creating havoc around the world for nationalistic reasons to -- to build support within their countries.

And therefore we don't wish the other major countries in the world harm as it relates to economic growth. We want them to do well, countries like China and even Russia, who no doubt has conducted very nefarious activities here in our country.

Many of us has seen in the Middle East the fact that poverty, not unlike what happens in our own country, where people who lives in cities and neighborhoods have no hope, crime permeates, things occur. And we've seen the same thing happen in the Middle East where young people with no hope are attracted to ideologies that end up threaten -- threatening our own nation.

So, I appreciate the fact that at the National Security Office, they're not only connected to those who will be dealing with our issues of foreign policy and our role in the world, but also focus on those economic issues, which brings me to trade.

Our country has shown great leadership around the world. Rob Portman served as our trade representative in previous administrations. And there's been a great deal of talk about what our role will be in that regard. I think most of us believe that a world that continues to focus on free enterprise, a world that continues to have democratic principals more and more permeated, is a world that's a better place for us. And while our -- while we should always focus on trade as it

relates to improving the standard of living of Americans, an insularly benefit is that people within those countries begin to adopt the values that we hold so dear here in our country.

One of the things that many of us on the committee and so many in audience have been able to do is also to see the importance of American values around the world.

It's an amazing thing to -- to be in Afghanistan for instance and to see women at 4:30 in the morning -- who by the way do all of the hard work in Afghanistan -- up and ready to vote in the first election that they've voted in or to see young girls going to schools that they never had the opportunity to go to. To be in refugee camps where truly every eye is on the American that's there with hope, to be in -- to be in Venezuela and to see families who -- whose loved ones are in prison for political reasons and looking to us to change that.

To be in villages in Africa where, for the first time because of American ingenuity, people -- 600 million people without power now have hope with very little in the way of U.S. resources, but our leadership in setting a vision and working with others. The elimination almost of HIV, the dealing with Malaria, the dealing with other diseases like Ebola.

Many of us -- all of us I think, have been in situations where young people just want to touch us; they just want to see us. They want to hug Americans because they like the people who founded our country, believe in the American ideal. It's not just a country, but it's their hope. It's their vision of what their life might be with American leadership. And I believe the world's at its best when American leads.

And I think most people at this bias believe the same thing. And we understand the importance of diplomacy and that all of us know with the one percent of the U.S. budget that we spend on efforts like Mr. Tillerson may lead. But that one percent -- if we're successful, the likelihood of the men and women that we cherish so much in our military are much less likely to be in harm's way, which brings me to you.

(inaudible) Mr. Tillerson, who by the way, had never met Mr. Trump as I understand until a few weeks ago -- a month ago. I believe, like Senator Cardin -- Cornyn said that it's very, very possible that you are in fact an inspired choice.

We look at the president to, if you think about it, approaches everything almost from an economic standpoint. That's been the world that he has lived in. And the fact that you've led a global enterprise with 70,000 employees around the world, have been there for 41 and a half years, have met world leaders, know them up and -- up close and personally. To me, that is going to give our new president much greater confidence in your ability to offer advice.

And I think it's gonna give the State Department possibly the ability to have the appropriate balance with other forces as it relates within the White House and other places, as it relates to developing a vision for our country.

If you think about it, not only does the world not really understand where America is today -- and all of us have had leaders in our offices wondering what is next -- all of us. But if you think about the body politic here in our own country, doesn't understand.

You look at the election, we had a -- we had the Bush presidency and then we had the Obama presidency, which was not the Bush presidency. And then we've had this election where many things have been said and sometimes in unorthodox ways.

And so, not just the world leaders not know where we are, not do -- not just citizens who watch us on television and other places, but our body politic here does not know. So, Mr. Tillerson, you've got a -- this is a momentous time. This to me is the most important nomination that the president has made. The world paying attention to this hearing I think denotes that.

You have the ability no doubt to draw a crowd. But it's gonna be your responsibility to define clearly what America's role in the world is going to be. I know Secretary Gates has spoken to this many times as he talks about the way the world was when it was us and the Soviet Union. But now, it's very different. And the American people even don't fully understand what the future holds. You've got to restore our credibility secondly.

Look, the NATO alliance is shaken. Europe is shaken. Our Arab friends, because of negotiations that have taken place, are concerned about the future and I could go on and on, but I want to be respectful to other peoples' time. But one of your first goals is gonna be is to restore U.S. credibility around the world. You're gonna need to prioritize.

One of the things I've witnessed over the last several -- for the entire 10 years I've been here actually -- is there's a lot of activity that takes place, but it's hard to discern where it's taking us. And so I think as a person who's led an organization, who's risen from the bottom, who's been the CEO of a global enterprise may in fact be an inspired -- inspired choice to prioritize, to restore credibility, which is what a company like your has had to do, to have those relationships based on trust, based on people knowing that we're gonna do what we say.

And then lastly, you are the person that is charged with being the principal adviser to the president on foreign policy. And I think that's the question that people on both sides of the aisle will raise most here today is -- we know that -- we know that the president-elect's foreign policy is -- is evolving as he takes office, as he talks to people. And there's no way that you could speak on his behalf today. That cannot happen.

So what people here today are gonna want to know is, how are you going to advise him? You're gonna be one of the last people to talk to him. You're gonna be up under the hood, sharing with him what you think ought to happen. We know that at the end of the day, you're gonna carry out his policy. And all of us have watched as other secretaries of State have tried to carry out their -- their own policy and not the president's. And we know that that does not work.

So, we thank you for being here. My sense is that you are going to rise to the occasion and that you are going to demonstrate that you are in fact an inspired choice, that you're gonna be able to

take the years of accomplishment in relationships and transfer that and translate it into a foreign policy that benefits U.S. national interest.

CORKER:

Thank you again for being willing to put yourself before our country and world in this manner.

And with that, let me turn to our distinguished ranking member and my friend, Ben Cardin.

CARDIN:

Well, again, Senator Corker thank you very much for the accommodations in this hearing. And I agree with your final comment. This hearing is about Mr. Tillerson and Mr. Tillerson's views. But I think we're gonna have some specific questions because of statements made by Mr. Trump. But we do wanna hear your views, particularly as it relates to many of the challenges that Chairman Corker went through in his opening statement.

To Senator Nunn, it's a pleasure to have you in our committee and we thank you very much for your years of public service.

Secretary Gates, thank you for all of your service and you honor our committee, both of you, by being here today.

And I also want to, once again, welcome our new colleagues. Senator Booker, Senator Merkley, Senator Portman, Senator Young, I've worked with all four of you before in different capacities and I know your commitment to our national security and to foreign policy. And I know you all will be great additions to our committee.

I wanna acknowledge Senator King who is here, it's not the first time that Senator King's been in our committee room to observe a hearing. We gotta get you on the committee. But we thank you again, for you interest in -- in this hearing.

And Mr. Tillerson, as I told you in our private meeting, thank you. Thank you for being willing to serve the public. It's not easy, to put yourself forward, as you found since your nomination has been brought forward, your life has changed pretty dramatically. Not just for you, but your entire family. And we thank you for your willingness to serve our country.

Providing advice and consent on the nominees of the president is one of most important, constitutional powers of the Senate. It's an awesome responsibility and one that I know that all of us on this committee, take with the utmost seriousness.

Mr. Tillerson, there is no question about your impressive record in the business world, rising through the ranks and then running Exxon, one of the largest multinational operations in the world. Yet, I would offer having a view from the C-Suite at Exxon, is not at all the same view from the 7th floor of the Department of State.

And those who suggest that anyone who can run a successful business, can of course, run a government agency do a profound disservice to both. Serving the narrow, market-driven interest of Exxon shareholders, is not the same as serving the national interest of all the American people.

Effective corporate governance in management does not always lend itself to government decision making, where bureaucracies and representative institutions, such as Congress, serve a different political and social purposes than maximizing profits.

I therefore want to get a sense of how you envision pivoting from the mindset of an oil man focused on profits, to that of a statesman, focused on promoting American interests and values around the world. As you know, Congress has a separate and co-equal branch of government has an important role to play in ensuring that the values that have animated our nations since its founding continue to flourish.

So first, I wanna share with you, as I did in our private meeting, my vision of the United States foreign policy and the role of the secretary of state in carrying out that policy. I approach this hearing and discussion today with a clear set of expectations of the next administration.

I believe strongly in a world where America works with its allies and partners, a world that is governed by laws and institutions consistent with the liberal, international order. On one where we champion our values, both at home and abroad.

Indeed, I think it's worth spending a few minutes of this morning on the questions of human rights, Democracy, good governance, anti-corruption and civil society support. It is worth doing so, both because of the critical importance of these issues for America's role in the world and our values are our interest, not a separate set of considerations, but also because of the nature of Exxon and your work there. Mr. Tillerson leaves some troubling questions about how you view these issues and how you as secretary of State intend to approach them.

As you may know, over the course of my tenure in the House and Senate, I've championed the cause of human rights and the importance of Democratic process and good governance. So when I see violations of the sovereignty by China and the South China Sea, I speak out. When I see gross human rights violations in Ethiopia, I speak out. When I see massive corruptions in countries with extreme poverty, like Ecuador and New Guinea, I speak out. And when I see severe erosion of Democratic institutions in Venezuela, I speak out.

Indeed, events over the past year serve as a stark reminder, that democracy will not defend itself. It requires those of us who believe in the enduring values of the Democratic experiment, to nature and support it and to defend it from authoritarian opponents who do not share our values.

Perhaps, the most egregious events we've seen recently, has been what has happened by President Putin of Russia, having effectively killed the nation's nuanced democracy, has led efforts across Europe and the former Soviet Union to erode support for democratic institutions and calls into question well-established rules of the road.

Moscow directs efforts undermined democracy through propaganda, false news, cyber attacks and funding for populous political parties abroad. So perhaps, it should come as no surprise, that these nefarious activities have reached our shores, but it's stunning, nonetheless.

Last week, the intelligence community found that Mr. Putin did indeed direct efforts to interfere in our elections. That's their conclusion. They found that Kremlin attacked Hillary Clinton and directed resources to that end. I'm not saying the Russia's efforts were decisive in our election outcome. That's not the point. The point is that we, the United States, were victims of cyber attack of our Democratic process.

Recent news accounts, indicate Russia may well have information about Mr. Trump. And they could use that to compromise our presidency. It cannot be business as usual. That is why I was proud to introduce a bipartisan bill yesterday, with Senator McCain and several members of this committee, including Senator Menendez, Shaheen, Rubio and Portman, along with Senator Graham, Klobuchar, Sasse and Durbin, which will impose enhanced sanctions on Russia for its interference in our election and its ongoing aggression in Ukraine and Syria.

We need to stand up to this bully in Moscow and increase the cost for his behavior. So I was disappointed that in your prepared opening remarks submitted to the committee yesterday, there was no mention about the direct, confirmed cyber attack by Russia on America. But you did find time to say, it was the absence of American leadership that this door was left open and unintended signals were sent. So I wanna know exactly what additional actions the United States should have taken against Russia, in your view.

Do you, for example, support additional sanctions against Russia, demonstrating America's leadership, like what my colleagues and I introduced yesterday? Mr. Tillerson, I'm sure you can understand why I and many of my colleagues, have concerns about your relationship with Mr. Putin.

And this is not simply a question of what you saw when you gazed into his eyes, you don't strike me as someone likely to be naive. But also, about how Exxon conducted itself in supporting directly and indirectly, funding for the tools that Putin has used to crush democracy and descent at home and disown division abroad.

While I do not suggest it was your intent, it's frankly not too great of a distance from Exxon's business partnerships to Putin's Kremlin-controlled slush funds essential for his disinformation campaign around the world. You will be representing a president who may blatantly ignore the consensus of 17 independent intelligent agencies, who have said that the Russia had interfered with our election in an unprecedented way.

The same president to whom you will report has also made it clear that he may ignore Putin's invasion of Ukraine, his illegal annexation of Crimea. His interference in Syria, where Russian's forces partnered with Iran, Hezbollah and Shia militia, to shift battlefield momentum towards a dictator guilty of war crimes.

Russia itself is culpable of war crimes, for its backing of Bashar Al-Assad, who has starved, barrel bomb and tortured the Syrian people into submission. And yet, President-elect Trump may take quick steps to make Putin a close ally of the United States of America.

So there's a serious discussion to be had here today, about Russia and the president-elect's plans for Putin. And we need to know and understand your views, as the Chairman has said, on these critical issues of national security.

In addition, if we take seriously that your tenure and experience at Exxon serves as qualifications for secretary of State, then there's likewise a serious discussion this committee needs to have about the potential for conflicts of interest that arise, from your long corporate tenure.

For far too long, in my estimation, U.S. foreign policy has treated core governance issues as secondary considerations. If you become our nation's top diplomat, I want to know if governance issues will become a primary consideration.

CARDIN:

I've always worked free governance issues is one of the most important aspects of our foreign policy. I have been centrally involved in several legislative efforts over the years to bring transparency to extracted industries, to foster high standards of -- on corrupt practices and to use all the tools at our disposal when it comes to supporting human rights in civil societies. So, I'm troubled that on many of these issues, Exxon, under your leadership, appears to have been pushing in the opposite direction.

Mr. Tillerson, we have much to discuss. If confirmed, you will be assuming your new job at a consequential time. Indeed, I believe the United States today stands as a turning point in history. National power, economic, military, diplomatic is being redefined and redistributed across the globe.

International institutions, international financial and economic orders are under distress. Climate change is causing irreparable harm and creating and leading to great instability. In many parts of the world, there's a view that American power, determination and maybe more importantly our support for American values is uncertain. And clearly, candidate Trump added to that uncertainty.

We have global challenges. The Middle East is undergoing a period of unprecedented violence and instability. Iran is committed to confrontations with the United States and its allies, fomenting terrorism to challenge regional water. There are no less than three civil wars in this part of the world.

U.S. leadership is required to not only support movement towards negotiated political settlements. Six years after the hope of our spring, the region has entered into a long winter in which many governments are backsliding in inclusive politic space for civil society and open economies.

The fractured Middle East underscores my fundamental belief that the United States cannot pursue a hard-nose security agenda or economic ties without prioritizing values such as political inclusion, human rights and free active -- a free active media and civil society. Without these elements, instability will persist with serious implications for countering violent extremism and stunting the flow of refugees heading for Europe's shore.

I also need to stress that our important partner in this part of the world, Israel, needs more than tweets about how great our relationship is going to be. I hope we will hear from you today concrete visions with specific proposals for the way to forward and strengthening that strategic partnership.

And despite the challenges, encouraging opportunities exists for our country. President Obama leaves the next administration as an inheritance, strengthened relationships with historic allies in Europe and Asia, a reenergize partnership with India and growing economic relations with countries across Sub-Sahara Africa that provide promising platforms to advance U.S. security and economic interests.

I recognize that what I outlined here may not be in line with President-elect Trump's vision of the world. But I believe that core values like standing up against violations of international law, against war crimes, against human rights violations, against corruption and speaking up for democracy and freedom of speech must be at the forefront of American's foreign policy agenda.

Finally, I want to note that if confirmed, you'll be taking over as leader of one of the most skilled and able workforces in -- of any organization on the planet. Our foreign affairs and development professionals are truly among the most able and dedicated of our public servants on the front lines safeguarding our national security. And as ranking member of this committee, I've benefited greatly from their insight and counsel over the years

I hope and trust and encourage you will take full advantage of the dedicated public servants of the Department of State and USAID should you be confirmed. They're deeply committed to protecting and extending our nation's values and interests.

I'm certain that you and our nation will benefit greatly from a full and robust partnership between your office and the department you have been nominated to lead. Mr. Chairman, I look forward to hearing from our witness and I look forward to questionings.

CORKER:

Mr. Tillerson, thank you for being here. And I think you've been adequately introduced.

And I think the world knows more about you than they ever thought today. So, without using any more time, we thank you for being here today.

I know you may have some family members to introduce which is always helpful. And if you wish to do so, begin with that and then with your comments.

TILLERSON:

Thank you, Mr. Chairman.

Yes, I do have members of my family with me today. My wife, Renda, for more than 30 years who has kept a welcoming home when I would come back from my many travels and also for our sons and our five grandchildren. My sister, Jo Peters -- Jo Lynn Peters, a lifelong educator, high school mathematics teacher -- math teacher coach and teaching many, many years in the Texas public school systems.

My sister, Dr. Rae Ann Hamilton, a family practice position at Abilene, Texas for more than 30 years. And my brother-in-law, Judge Lee Hamilton is now finishing -- or has just begun to serve his fifth term on the bench at the 104th District of the State District Courts of Texas in Abilene, Texas.

I appreciate so much the love and support they've given me in my past endeavors, but most particularly that they would come all the way up from Texas to be with me today.

Good morning, Chairman Corker and others. I'm honored to have the backing of Senator Cornyn, Senator Cruz from my home state of Texas.

I do want to thank Senator Nunn for his commitment to nuclear nonproliferation, something that he remains as steadfast today as ever. And to Secretary Gates for his service to eight U.S. presidents and his own leadership of the -- as president of the Boy Scouts of America.

Chairman Corker, Ranking Member Cardin, and members of the committee, it's an honor to appear before you today as President-elect Trump's nominee for secretary of State and seek the approval of this committee and the full Senate for my confirmation.

I come before you at a pivotal time in both the history of our nation and our world. And everywhere we look, people in nations are deeply unsettled. Old ideas and international norms which were well understood and governed behaviors in the past may long -- no longer be effective in our time. We face considerable threats in this evolving new environment.

China has emerged as an economic power in global trade and our interactions have been both friendly and adversarial. While Russia seeks respect and relevance on the global stage, its recent activities have disregarded America's interest.

Radical Islam is not a new ideology, but it is hateful, deadly and an illegitimate expression of the Islamic faith. Adversaries like Iran and North Korea pose great threats to the world because of their refusal to conform to international norms.

As we confront these realities, how should America respond? My answer is simple; to achieve the stability that is foundational to peace and security in the 21st century, American leadership must not only be renewed, it must be asserted.

We have many advantages on which to build. Our alliances are durable and our allies are looking for a return of our leadership. Our men and women in uniform are the world's finest fighting force. And we possess...

PROTESTER:

(OFF-MIKE) my home was destroyed. Senators, be brave and protect my community. (Inaudible) protect America.

Rex Tillerson I refute (ph) you. I reject you. My home was destroyed by (inaudible) family.

TILLERSON:

Our men and women in uniform are the world's finest fighting force and we possess the world's largest economy. America is still the destination of choice for people the world over because of our track record of benevolence and hope for our fellow man.

America has been indispensable in providing the stability to prevent another world war, increase global prosperity and encourage the expansion of liberty. Our role in the world has also historically entailed a place of moral leadership.

In scope of international affairs, America's level of good will toward the world is unique and we must continue to display a commitment to personal liberty, human dignity, and principled action in our foreign policy. Quite simply, we are the only global super power with the means and the moral compass capable of shaping the world for good.

If we do not lead, we risk plunging the world deeper into confusion and danger. But we have stumbled. In recent decades, we have cast American leadership into doubt. In some instances, we have withdrawn from the world. In others, we have intervened with good intentions, but did not achieve the stability and global security we sought.

Instead, our actions and our non-actions have triggered a host unintended consequences and created a void of uncertainty. Today, our friends still want to help us, but they don't know how. And meanwhile, our adversaries have been emboldened to take advantage of this absence of American leadership.

In this campaign, President-elect Trump proposed a bold new commitment to advancing American interest in our foreign policy. I hope to explain what this approach means and how I would implement it if confirmed as Secretary of state. Americans welcome this rededication to American security, liberty and prosperity.

TILLERSON:

But new leadership is incomplete without accountability. If accountability does not start with ourselves, we cannot credibly extend it to our friends and our adversaries. We must hold ourselves accountable to upholding the promises we make to others.

In America they can be trusted and good faith is essential to supporting our partners, achieving our goals and assuring our security. We must hold our allies accountable to commitments they make. We cannot look the other way at allies who do not meet their obligations.

This is an injustice not only to us, but to long standing friends who honor their promising and bolster our own national security such as Israel and we must hold those who are not our friends accountable to the agreements they make. Our failure to do this over the recent decades has diminished our standing and encouraged bad actors around the world to break their word.

We cannot afford to ignore violations of international accords as we have done with Iran. We cannot continue to accept empty promises, like the ones China has made to pressure North Korea to reform only to shy away from enforcement.

Looking the other way when trust is broken only encourages more bad behavior and it must end. We cannot be accountable thought if we are not truthful and honest in our dealings. As you are aware my long standing involvement with the Boy Scouts of America. One of our bedrock ideals is honesty. Indeed the phrase "on my honor" begins the Boy Scout oath and it must undergird our foreign policy.

In particular we need to be honest about radical Islam. It is with good reason that our fellow citizens have a growing concern about radical Islam and the murderous acts committed in its name against Americans and our friends.

Radical Islam poses a great risk to the stability of nations and the well being of their citizens. Powerful digital media platforms now allow ISIS, Al Qaida, and other terror groups to spread poisonous ideology that runs completely counter to the values of the American people and all people around the world who value human life.

These groups are often enabled and emboldened by nations, organizations, and individuals sympathetic to their cause. These actors must face consequences for aiding and abetting what can only be called evil. The most urgent step in thwarting radical Islam is defeating ISIS.

The Middle East and its surrounding regions pose many challenges which require our attention including Syria, Iraq and Afghanistan. There are competed priorities in this region which must be and will be addressed but they must not distract from our utmost mission of defeating ISIS. Because when everything is a priority, nothing is priority. Defeating ISIS must be our foremost priority in the Middle East. Eliminating ISIS will be our first step in disrupting the capabilities of other groups and individuals committed to striking our homeland and our allies.

The demise of ISIS will also allow us to increase our attention on other agents of radical Islam like Al Qaida, the Muslim brotherhood and certain elements within Iran. But defeat will not occur on the battlefield alone. We must win the war of ideas.

If confirmed I will ensure the State Department does its part in supporting Muslims around the world who reject radical Islam in all its forms. We should also acknowledge the realities about China. China's island building in the South China Sea is an illegal taking of disputed areas without regard for international norms.

China's economic and trade practices have not always followed its commitments to global agreements. It steals our intellectual property and is aggressive in expansionists in the digital realm. It has not been a reliable partner in using its full influence to curve North Korea. China has proven a willingness to act with abandon in the pursuit of its own goals, which at times has put it at conflict with American interest. We have to deal with what we see, not what we hope.

But we need to see the positive dimensions in our relationship with China as well. The economic wellbeing of our two nations is deeply intertwined. China has been a valuable ally in curtailing certain elements of radical Islam. We should not let disagreements over other issues exclude areas for productive partnership.

TILLERSON:

We must also be clear eyed about our relationship with Russia. Russia today poses a danger, but it is not unpredictable in advancing its own interests. It has invaded the Ukraine, including the taking of Crimea. And supported Syrian forces that brutally violates the laws of war. Our NATO allies are right to be alarmed at resurgent Russia.

But it was in the absence of American leadership that this door was left open and unintended signals were sent. We backtracked on commitments we made to allies, we sent weak or mixed signals with red lines that turned into green lights. We did not recognize that Russia did not -- does not think like we do.

Words alone do now sweep away an uneven and at times contentious history between our two nations. But we need an open and frank dialog with Russia regarding its ambitions so we know how to chart our own course.

For a cooperation with Russia based on common interest as possible, such as reducing the global threat of terrorism, we ought to explore these options. Where important differences remain, we should be steadfast in defending the interest of America and her allies. Russia must know that we will be accountable to our commitments and those of our allies and that Russia must be held to account for its actions.

Our approach to human rights begins by acknowledging that American leadership requires moral clarity. We do not face an either or choice on defending global human rights. Our values or our interest when it comes to human rights and humanitarian assistance.

It is unreasonable to expect that every foreign policy endeavor will be driven by human rights considerations alone, especially when the security of the American people is at stake. But our

leadership demands actions specifically focused on improving the conditions of people the world over; utilizing both aid and where appropriate economic sanctions as instruments of foreign policy.

And we must adhere to standards of accountability. Our recent engagements with the government of Cuba was not accompanied by any significant concessions on human rights. We have not held them accountable for their conduct. Their leaders received much while their people received little. That serves neither the interests of Cubans or Americans.

Abraham Lincoln declared that America is the last best hope of Earth. Our moral light must not go out if we are to remain an agent of freedom for mankind. Supporting human rights in our foreign policy is a key component of clarifying to a watching world what America stands for.

In closing, let us also be proud about the ideals that define us and the liberties we have secured at great cost. The ingenuity, ideas and culture of Americans who came before us made the United States the greatest nation in history; so have their sacrifices.

We should never forget that we stand on the shoulders of those who have sacrificed much, and in some cases everything. They include our fallen heroes in uniform, our foreign service officers and other Americans in the field who likewise gave all for their country.

If confirmed, in my work for the president and the American people, I will seek to engender trust with foreign leaders and governments and put in place agreements that will serve the purposes and interests of American foreign policy. The secretary of State works for the president and seeks to implement his foreign policy objectives.

To do that, I must work closely with my cabinet colleagues and all relevant departments and agencies of the administration to build consensus. But let me also stress that keeping the president's trust means keeping the public trust. And keeping the public trust means keeping faith with their elected representatives. I want all the members of this committee to know that, should I be confirmed, I will listen to your concerns and those of your staff and partner together to achieve great things for the country we all love.

I'm an engineer by training; I seek to understand the facts, follow where they lead and apply logic to all international affairs. We must see the world for what it is, have clear priorities and understand that our power is considerable, but it is not infinite. We must, where possible, build pathways to new partnerships and strengthen old bonds which have frayed.

If confirmed, I intend to conduct a foreign policy consistent with these ideals. We will never apologize for who we are or what we hold dear. We will see the world for what it is, be honest with ourselves and the American people, follow facts where they lead us and hold ourselves and others accountable.

I thank you for your time and look forward to your questions.

CORKER:

Thank you very much for your testimony.

Do you commit to appear and testify upon requests from this committee?

TILLERSON:

Yes, sir.

CORKER:

With that I'm gonna -- I know the committee members know I rarely give opening statements, certainly not expansive ones like I gave. In order to move this along, I'm going to reserve my time for interjections and move to the ranking member, Senator Cardin, and then we'll move to Senator Rubio.

CARDIN:

Once again Mr. Tillerson thank you very much.

Do you agree with me that creating a stable democratic free societies around the world that support the aspirations of their people including basic human rights, is in our long-term national security interest?

TILLERSON:

Without question, Senator.

CARDIN:

And do you also agree that Russia, under Mr. Putin's leadership, fails in that category?

TILLERSON:

Yes sir.

CARDIN:

So what we try to do in order to provide national -- international leadership is to put a face on an issue. Thousands of people in Russia have been harmed or killed as a result of Mr. Putin's leadership and millions have been impacted by that.

There's one person who lost his life in a courageous way, Sergei Magnitsky. A young attorney representing a client with U.S. interests, found corruption, did what any lawyer is supposed to do, reported it to the authorities. As a result he was arrested, tortured and killed. And those who benefited from the corruption were held with no accountability what so ever.

Through U.S. leadership, we brought that case to the international forum. The Congress has passed a law, the Magnitsky law. Other countries have now passed similar laws to deny our banking system and the right to visit our country to those who perpetrated those gross violations of human rights that were not held accountable by Russia.

Do you support that law?

TILLERSON:

Yes sir, I do.

CARDIN:

I thank you for that, because under the Obama administration, there have been 39 individuals who have been individually sanctioned under the Magnitsky law and five more were just recently added on Monday. That law provides for Congress to be able to submit through appropriate channels, additional names to be reviewed by the administration for inclusion for sanctions.

Do you commit that you will follow that provision on law -- on names that we submit to you for potential sanctions for human rights violations under the Magnitsky law?

TILLERSON:

Senator, I will ensure that the -- that if confirmed myself and the State Department does comply with that law.

CARDIN:

And this year under the National Defense Authorization Act, that was extended globally and now applies to human rights violations in -- throughout the world.

Do you also commit to support the global Magnitsky law, using the tools of our visa restrictions to prevent human rights violators from coming to America?

TILLERSON:

Senator, again consistent with all applicable laws that might impact immigration, we'll endeavor to comply with that, yes.

CARDIN:

Well, the laws allowed secretary of State to -- visas are privileges that come to America. There is no due process issue on issuing of visas. This is a privilege to be able to come to a country. So we have -- there is no -- I'm not aware of any restrictions on your ability to withdraw the right of

someone to come to America. There may be -- other than through treaties that we have diplomats that have to come in -- which is exempted from that provision.

TILLERSON:

I understand Senator and that's what I intended is that I think I would ensure that a full examination was made of any and all applicable laws or other policies, but then we would follow those and implement.

CARDIN:

You mention in your statement about the invasion by Russia of Crimea. Does Russia have a -- in your view, a legal claim to Crimea?

TILLERSON:

No sir, that was a taking of territory that was not theirs.

CARDIN:

And do you agree that Russia has not complied with the Minsk agreement in regards to the resolution of Ukraine?

TILLERSON:

The process for implementing the Minsk Agreement, as I understand it, it continues and no full completion of all of the Minsk Accords has not been achieved.

CARDIN:

So I want to get your view on the sanctions that the United States applied and maybe I'll drill down if I might by asking this first question.

You stated in your statement that part of the reasons why Russia -- or we were ineffective in preventing Russia is that we didn't exercise strong enough international leadership. What would you have done or recommended to have been done to prevent Russia from doing what it did?

TILLERSON:

Well, Senator, in terms of the taking of Crimea, I think -- my understanding is, is that that caught a lot of people by surprise. It certainly caught me by surprise, just as a private citizen.

So I think the real question was the response to taking of Crimea that then led to subsequent actions by Russia, which I mentioned. The next action being coming across the border of eastern Ukraine with both military assets and men. That was the next illegal action. I think the absence of a very

firm and forceful response to the taking of Crimea was judged by the leadership in Russia as a weak response and therefore...

CARDIN:

So -- so what would you have done after we were surprised by what they did in taking over Crimea, what should the U.S. leadership have done in response to that, that we didn't do?

TILLERSON:

I would have recommended that the Ukraine take all of its military assets it had available, put them on that eastern border, provide those assets with defensive weapons that are necessary just to defend themselves, announce that the U.S. is going to provide them intelligence and that either NATO or U.S. will provide air surveillance over the border to monitor any movements.

CARDIN:

So your recommendation would have been to do a more robust supply of military?

TILLERSON:

Yes sir. What -- I think what Russian leadership would have understand -- would have understood is a powerful response that indicated, yes, you took the Crimea, but this stops right here.

CARDIN:

So as to understand, our NATO partners, particularly in the Baltics and Poland, are very concerned about Russian aggression. NATO has deployed troops in order to show Russia that Article V means something. I take it you support that type of action?

TILLERSON:

Yes, I do. That -- that is the type of response that Russia expects. If Russia acts with force, taking of Crimea was an act of force. They didn't -- they didn't just volunteer themselves. So they required a proportional act -- a proportional show of force to indicate to Russia there will be no more taking of territory.

CARDIN:

And that's encouraging to me, to hear you say that. Because it's not exactly consistent with what Mr. Trump has been saying in regards to Article V commitments under NATO by the United States. So I appreciate your commitment -- or your views on the issue.

So let me get to the response that was done. We imposed -- U.S. led sanctions against Russia as a result of its conduct in Ukraine. We went to Europe and were able to get Europe to act. The United States, in my view, wanted to go even further, but we couldn't get Europe to go beyond what they

were willing to do. Do you agree or disagree with that strategy for the United States to lead by showing sanctions as we did?

TILLERSON:

Senator, sanctions are an important and powerful tool and they're an importance tool in terms of deterring additional action once -- once actors have acted up, and we want to deter further any action on their part. So, yes, American leadership is -- is often times, if not almost always required to demonstrate that first step.

CARDIN:

And as you understand, unless we move and we have to move in a strong position, we are going to be the best; we're going to get the strongest reaction on sanctions from the United States. We saw it that in Iran and I know that some of us mentioned to youth legislation that was followed yesterday. I don't know if we have had a chance yet to respond or not, I might do that for questions for the record.

But we have legislation, I would urge you to look at, that seems consistent with what you are saying here that would provide the administration -- the administration with the tools to show Russia that if you attack us by cyber or you continue to do what you're doing in Ukraine or what you are doing in Georgia, that there's going to be an economic price you're going to pay. I -- I take it you believe that's a powerful tool and one that you would consider applying?

TILLERSON:

Senator, I have not had the opportunity to review the legislation. I'm aware it has been introduced. And yes, I think in carrying out -- the State Department carrying out this diplomacy, or its important role in trying to negotiate to a different course of action -- to a different pathway, we need a strong deterrent in our hand.

It's -- it's the old tenet of Teddy Roosevelt, walk softly and carry a big stick. Well, even in diplomacy it is useful to have a stick that's in your hand, so that -- so that whether you use it or not becomes part of that conversation.

CARDIN:

I appreciate it.

Let me ask one final question.

I was meeting with Mr. Pruitt yesterday and I asked him about his view of global leadership on climate issues and he said you should ask that question to the secretary of State nominee. So I'm going to ask it to you. And that is, we -- we were in -- we're a part COP21, do you agree that the

United States should continue in international leadership on climate change issues with the international community?

TILLERSON:

I think it's important that the United States maintain its seat at the table on the conversations around, how to address threats of climate change, which do require a global response. No one country is going to solve this alone.

CARDIN:

Thank you.

CORKER:

Thank you.

Senator Rubio.

RUBIO:

Welcome, Mr. Tillerson.

Do you believe during the 2016 presidential campaign, Russian intelligence services directed a campaign of active measures involving the hacking of e-mails, the strategic leak of these e-mails, the use of internet trolls and the dissemination of fake news with the goal of denigrating a presidential candidate and also undermining faith in our election process?

TILLERSON:

Senator, I have had no unclassified briefings because I've not received my clearance yet. However, I did read the interagency report that was released on January the 6th. That report, clearly, is troubling and indicates that all of the actions you described were undertaken.

RUBIO:

Based on your knowledge of Russian leaders and Russian politics, do you believe these activities could have happened without the knowledge and the consent of Vladimir Putin?

TILLERSON:

I'm not in a position to be able to make that determination. Again, that's indicated in the report, but I know there's additional classified information that might inform view.

RUBIO:

Mr. Tillerson, you've engaged in significant business activities in Russia, so I'm sure you're aware that very few things of a major proportion happen in that country without Vladimir Putin's permission.

So I ask based on your views of Russian politics and your experience, is it possible for something like this, involving the United States election, to have happened without Vladimir Putin knowing about it and authorizing it?

TILLERSON:

I think that's a fair assumption.

RUBIO:

That he would have?

TILLERSON:

Yes.

RUBIO:

If Congress passed a bill imposing mandatory visa bans and asset freeze sanctions on persons who engage in significant activities undermining the cyber security of public or private infrastructure and Democratic institutions in the United States, would you advise the president to sign it?

TILLERSON:

I would certainly want to examine all the corners, all four corners of that.

RUBIO:

Well, I just -- those are the four corners. We would sanction people who are involved in cyber attacks against the United States and interfering in our elections.

TILLERSON:

The threat of cyber attacks is a broad issue and those are coming from many, many corners of the world. Certainly this most recent manifestation -- and I think the new threat posed, in terms of how Russia has used, this is a tool that introduces even another element of threat. But cyber attacks are occurring from many nations...

RUBIO:

So no matter where they come from, if they come from Belgium, if they come from France, I don't -- if someone is conducting cyber attacks against the United States and we pass a law that

authorizes the president to sanction them or actually imposes these sanctions as mandatory, would you advise the president sign it?

TILLERSON:

I think it is that second element, Senator, that you just described that leaves the executive branch no latitudes or flexibility in dealing with the broad array of cyber threats. I think it is important that those be dealt with on a country by country basis, taking all other elements into consideration the relationship -- so getting the executive the tool is one thing, requiring the executive to use it without any other considerations, I would have concerns about...

RUBIO:

So Mr. Tillerson, I understand your testimony. You're saying it was mandatory, you would not be able to advise the president to sign it because you want to have the president have the flexibility to decide which countries to sanction and which ones to not sanction.

TILLERSON:

Under which circumstances do you sanction?

RUBIO:

In essence, because you want to be able, for example, to take other things into account. Like, for example, the desire to perhaps improve relations with that country and therefore, the president maybe doesn't want to sanction them even though they're attacking us.

TILLERSON:

There could be a whole array of important issues that require consideration including trading issues, trade relation issues, mutual agreements around our national security.

So I don't think it's appropriate -- and certainly for me at this time -- to indicate that I would just say that it's a blanket application. I think that is the role of the executive branch, it is the role of the secretary of State and the State Department to assist and inform the president in -- in judgments about how to use what is a clearly powerful tool.

RUBIO:

Well, again I mean, what's troubling about your answer is -- is the implication that somehow if there is some country that we're trying to improve relations with or how significant economic ties with, the president -- you may advise the president not to impose sanctions on that country or individuals in that country out of concern that it could dock damage or -- or the rest of our relationship with them on a cyber attack, which is a direct attack on our national security and our electoral process.

So let me ask you, would you advise the president elect to repeal the Obama administration's recent executive orders, regarding cybersecurity and Russian interference in the 2016 elections?

TILLERSON:

I think the president-elect has indicated and if confirmed, I would support the -- what's really required is a comprehensive assessment of our cyber threat and cybersecurity policies.

In my view, based on what I've been able to read and have been briefed, we do not have a cybersecurity policy. We do not have a comprehensive strategy around how to deal with what has been a rapidly emerging threat. As I said, we're seeing it manifest itself in ways that we never envisioned.

RUBIO:

But, Mr. Tillerson, I understand the cybersecurity plan, we have to have one to protect ourselves and handle cyber attacks against our country. That is separate from the question of whether people that have already conducted attacks should be sanctioned and singled out.

There's an executive order that is now active, that has sanctioned those individuals and my question is, do you believe that executive order should be repealed by the incoming president?

TILLERSON:

If confirmed Senator, I would want to examine it and all aspects of it when in consultation, not only with the president, but with other inner-agencies that are going to have input on this as to their views.

RUBIO:

Well, again, Mr. Tillerson we if -- all the executive order says is that certain individuals responsible for cyber actions against the United States will be sanctioned and you still need to examine whether that's a good idea or not is that correct?

TILLERSON:

Yes sir.

RUBIO:

Okay. Let me ask you this question, is Vladimir Putin a war criminal?

TILLERSON:

I would not use that term.

RUBIO:

Well, let me describe the situation in Aleppo and perhaps that will help you reach that conclusion.

In Aleppo, Mr. Putin has directed his military to conduct a devastating campaign. He's targeted schools, markets -- not just assisted the Syrians in doing it -- his military has targeted schools and markets and other civilian infrastructure.

It's resulted in the death of thousands of civilians. This is not the first time Mr. Putin is involved in campaigns of this kind. Back when he was just appointed Prime Minister before he was elected and I'm sure you're aware of that period of time, there was a series of bombings and they blamed it on the Chechens and Mr. Putin personally said that he would punish them.

So he ordered the air force to bomb the Chechen capital of Grozny. They used Scud missiles to hit hospitals, the city's main outdoor market packed with shoppers, 137 people died instantly. They used thermobaric and fuel air explosive bombs, these are the bombs that ignite and they burn the air breathed in by people who are hiding in basements. They used cluster munitions.

He used battlefield weapons against civilians and when it was all said and done an estimated 300,000 civilians were killed and the city was completely destroyed.

By the way there's incredible body of reporting, open source and other, that this was all -- all those bombings were part of a black flag operation on the part of the FSB and if you want to know the motivation here's what it is, Putin's approval ratings before the attacks against the Chechens was at 31 percent, by mid-August of that year it was at 78 percent in just three months.

So based on all this information and what's publicly in the record about what's happened in Aleppo and the Russian military, you are still not prepared to say that Vladimir Putin and his military have violated the rules of war and have conducted war crimes in Aleppo?

TILLERSON:

Those are very, very serious charges to make and I would want to have much more information before reaching a conclusion. I understand there is a body of record in the public domain, I'm sure there's a body of record in the classified domain.

And I think in order to deal with a serious question like this...

(CROSSTALK)

RUBIO:

Mr. Tillerson, what's (ph) happened in Aleppo is in the public domain, videos and the pictures are there...

TILLERSON:

I would want to be (inaudible) fully informed before advising the president.

RUBIO:

Well I encourage you, there's so much -- there's so much information about what's happened in Aleppo, leaving the Chechen issue aside. What happened there is clearly documented as well.

There's so much information out there. It should not be hard to say that Vladimir Putin's military has conducted war crimes in Aleppo because it is never acceptable, you would agree, for a military to specifically target civilians, which is what's happened there through the Russian military and I find it discouraging your inability to cite that, which I think is globally excepted.

I want to, in my last minute and a half here, move really quickly to an additional question. In fact I want to enter two things into the record, Mr. Chairman without objection.

CORKER:

Without objection.

RUBIO:

The first is a partial list of political dissidents, journalists and critics of Vladimir Putin who were suspiciously murdered or died under highly suspicious circumstances. The second thing I want to enter into the record is a letter, address to this committee, by Vladimir Kara-Murza who himself was mysteriously poisoned and is an opponent of the Putin regime. I'd like to enter that into the record.

CORKER:

Without objection.

RUBIO:

Mr. Tillerson, do you believe that Vladimir Putin and his cronies are responsible for ordering the murder of countless dissidents, journalists and political opponents?

TILLERSON:

I do not have sufficient information to make that claim.

RUBIO:

Are you aware that people who oppose Vladimir Putin wind up dead all over the world, poisoned, shot in the back of the head? And do you think that was coincidental or do you think that it is quite possible or likely as I believe, that they were part of an effort to murder his political opponents?

TILLERSON:

Well, people who speak up for freedom and regimes that are oppressive are often at threat and these things happen to them. In terms of assigning specific responsibilities, I would have to have more information.

You know, as I indicated I feel it's important that in advising the president if confirmed, that I deal with facts, that I deal with sufficient information which means having access to all information. And I'm sure there's a large body of information I've never seen that's in the classified realm.

I look forward, if confirmed, to becoming fully informed. But I am not willing to make conclusions on what is only publicly available or had been publicly...

RUBIO:

None of this is classified, Mr. Tillerson, these people are dead. Political opponents...

TILLERSON:

Your question was -- your question was people who were directly responsible for that. I'm not disputing these people are dead.

CORKER:

Senator Menendez.

MENENDEZ:

Thank you.

Mr. Tillerson, congratulations on your nomination. Thank you for coming by to meet with me. And I'd like to take this opportunity to expand upon the conversation we had last week.

Since you've worked in one sector for one company throughout your entire career, getting a sense of your world view is incredibly important since you will be the chief advocate and adviser to the president-elect on those issues. So I'd like to go through a series of questions.

I think many of them can be answered by a simple yes or no. Others, will probably take a greater, more extensive answer. So and you've alluded to some of this in your opening statement. So let me go through several of them.

Do you believe it is in the national interest of the United States to continue to support international laws and norms that were established after World War II?

TILLERSON:

Yes, sir.

MENENDEZ:

Do you believe that the international order includes respecting the territorial integrity of sovereign countries in the in viability of their borders?

TILLERSON:

Yes, sir.

MENENDEZ:

Did Russia violate this international order when it forcefully annexed Crimea and invaded Ukraine?

TILLERSON:

Yes, it did.

MENENDEZ:

Did Russia's continuing occupation of foreign countries violate international laws and norms?

TILLERSON:

I'm not sure which specific countries you're referring to...

MENENDEZ:

Well, the annexation of Crimea the...

TILLERSON:

Yes, sir.

MENENDEZ:

... eastern Ukraine, Georgia, just to mention a few.

TILLERSON:

Yes, sir.

MENENDEZ:

Does Russia and Syria's targeted bombing campaign on Aleppo, on hospitals for example, violate this international order?

TILLERSON:

Yes, that is not acceptable behavior.

MENENDEZ:

Do you believe these actions constitute war crimes?

TILLERSON:

Again, Senator, I am not -- don't have sufficient information to make that type of a serious conclusion. Coming to that conclusion is going to require me to have additional specific facts.

MENENDEZ:

Do you understand what the standard is for a war?

TILLERSON:

I do.

MENENDEZ:

And knowing that standard and knowing what is all within the realm of public information, you cannot say whether those actions constitute a war crime or not?

TILLERSON:

I would not want to rely solely upon what has been reported in the public realm. I would want confirmation from agencies who would be able to present me with -- with indisputable facts.

(CROSSTALK)

CORKER:

Senator Menendez, if -- if I could let me ask...

(CROSSTALK)

MENENDEZ:

If you won't take my time, Mr. Chairman.

CORKER:

No I'm not taking your time, it'll be added back.

If you had sufficient evidence though, in looking at classified information that had taken place, would that not be a war crime?

TILLERSON:

Yes, sir.

CORKER:

Thank you.

MENENDEZ:

For all of these answers that you've given me, does the president-elect agree with you?

TILLERSON:

The president-elect and I have not had the opportunity to discuss this specific issue or the specific area.

MENENDEZ:

Well, in your statement on page three, you say in his campaign, "President-elect Trump proposed a bold, new commitment to advancing American interests in our foreign policy. I hope to explain what this approach means and how I'd implement this policy if I am confirmed as secretary of State."

So I assume to some degree, that you've had some discussion about what it is that that world view is going to be in order to understand whether you're willing to execute that on behalf of the person you're gonna work for.

TILLERSON:

In a broad construct and in terms of the principles that are going to guide that, yes, sir.

MENENDEZ:

And I would have thought that Russia would be at the very top of that considering all the actions that have taken place. Is -- did that not happen?

TILLERSON:

That has not occurred yet, Senator.

MENENDEZ:

That's pretty amazing.

You built a career on ExxonMobil that you said afforded you the opportunity to engage regularly with world leaders, including Vladimir Putin in Russia.

In 2013, he awarded you with the Order of Friendship Award and in our conversations, you told me you had direct and personal access to the Russian president over the course of your tenure there.

Then in 2014, ExxonMobil lobbied aggressively against sanctions on Russia after their invasion of Ukraine. Exxon lobbied against the stability and democracy for Ukraine Act, which I introduced in the Senate last year.

You employed well-known Washington-based lobbyists who support these efforts. You personally, visited the White House and reported that you were engaged quote, "At the highest levels of government."

In essence, Exxon became the in-house lobbyist for Russia against these sanctions. Sanctions are one of the most effective diplomatic tools in our arsenal, one we rely on to avoid putting American lives at risk by engaging in traditional kinetic warfare.

Now, today, in response to the previous question by Senator Cardin, you said sanctions are a powerful tool. But you have made statements and given speeches where you have said you do not believe sanctions are a useful tool.

So if sanctions are not a useful tool, have you changed your view? What are the tools of peaceful diplomacy you will use to get countries to return and act within the international order? What are you gonna say to Vladimir Putin when he says to you, but Rex, you said sanctions were bad?

TILLERSON:

Senator, I think it's important to acknowledge that when sanctions are imposed, they by their design are going to harm American business. That's the idea, it's to disrupt America's business engagement in whatever country's being targeted for sanctions. And so broadly...

MENENDEZ:

I don't think it's to disrupt American business. I think it's to disrupt the economies of those countries. Now, American business may or may not be affected to some degree.

TILLERSON:

American business -- if America is going to have an influence on disrupting those economies, then the intent behind the sanctions is to disrupt that country's access to American business, investment, money flows, technology...

(CROSSTALK)

MENENDEZ:

... the financial sectors.

TILLERSON:

Correct. So -- so by it's -- and I'm only stating a fact, I'm not debating it. But the fact is, sanctions in order to be implemented, do impact American business interests.

In protecting America's interest and I think this is where the president-elect would see the argument, as well, is sanctions are a powerful tool. Let's design them well, let's target them well and then, let's enforce them fully.

And to the extent we can, if we can have other countries join us or if we are designing sanctions in concert, let's ensure those sanctions apply equally everywhere...

(CROSSTALK)

MENENDEZ:

Well, when you -- when you made your remarks and I have a long list you were telling and I'll introduce for the record, you did not differentiate that way. You basically, made the broad case that sanctions are not an effective tool.

Now, I had heard your response now. But in your opening statement, you said that quote, "America must continue to display a commitment to personal liberty, human dignity, principled action in our foreign policy and that we are the only global super power with the means and moral compass capable of shaping the world for good."

I totally agree with you, in that respect. But Mr. Tillerson, our efforts in leading the international community for example, in sanctions against our adversaries like Iran and North Korea, represent exactly that.

Leadership and a moral compass, it's not about disadvantaging American businesses. It's about putting patriotism over profit. Diplomacy is not the same as deal-making. Diplomacy requires

getting other countries often to do things they may not always want to do. And there isn't necessarily something to trade for it for.

This is how we were able to build an extensive and effective sanctions network against Iran. Through legislation from Congress and diplomatic pressure from secretaries of State across different administrations, we were able to build the framework of primary and secondary actions that ultimately crippled Iran's economy.

Now, you lobbied against the Comprehensive Iran Sanctions, Accountability, and Divestment Act which I was the author of. You reportedly, under ExxonMobil, and I say you, ExxonMobil, but you were the head of ExxonMobil, wanted to eliminate secondary sanctions that would prevent joint ventures.

This makes sense as in 2003 and 2004 and 2005, you were engaged to a subsidiary company in businesses with countries who the United States listed as state sponsors of terrorism including Iran, Syria and the Sudan. Countries that except for the maneuver of your subsidiary, ExxonMobil could not have been dealing with.

MENENDEZ:

ExxonMobil is listed as a coalition member of USA Engage, an advocacy group that lobbies against sanctions. This group also lobbied against sanctions, including against Iran, and applauded passage of the Joint Comprehensive Plan of Action.

So my question is, with that as a history, with the work that you did in the spring of 2011 where you oversaw an ExxonMobil deal with the Kurdish Regional Government Iraq (ph) after the United States government expressly did not want to see that happen, fearing that a deal would undermine the U.S. policy of one-Iraq and lead the country closer to civil war, what message are you now going to be able to send to American business who are intent on pursuing their own interests at the expense of U.S. policies and potential (ph) for political stability in foreign countries?

How are you going to recalibrate your priorities as secretary of state? Your shareholders are the American people and their security and their interests.

TILLERSON:

Well, there was a lot in that question, Senator...

MENENDEZ I'll give you the rest of my time (inaudible).

TILLERSON:

... around which I could respond. First, I have never lobbied against sanctions personally. I continue to believe sanctions...

MENENDEZ:

But the company that you directed did.

TILLERSON:

To -- to my knowledge, Exxon never directly lobbied against sanctions. Not to my knowledge.

In terms of all the other actions that were mentioned there, they've been done -- they were all undertaken with a great deal of transparency and openness and engagement and input to the process. That's -- that's the beauty of the American process is that others are invited to express their view and inform the process.

But that -- my pivot now, if confirmed to be secretary of state, will have one mission only, and that is to represent the interests of the American people. And as I've stated multiple times, sanctions are an important and powerful tool. But -- but designing poor sanctions and having poor and ineffective sanctions can have a worse effect than having no sanctions at all if they convey a weak response.

So it's important in designing sanctions that, as I've said, that they're carefully crafted, they're carefully targeted with an intended effect and then enforced to the extent American leadership then (ph) can broaden participation in those sanctions. And -- and you're exactly right, the Iran sanctions were extraordinarily effective because others joined in.

CORKER:

Thank you.

Senator Menendez has played an incredible role for our nation making sure that sanctions are in place and has done -- has led us all, if you will, relative to Iran.

As my first longer interjection -- let the records say your time ran over to accommodate the interjection I made earlier. It's my understanding -- I think you called me during this time -- that your concern with the sanctions that were in place relative to Iran were not that they were put in place, but that the Europeans had put them in a -- in a way that was different and it actually -- it caused adverse -- an adverse situation for U.S. business relative to European businesses. Is that correct?

TILLERSON:

That was with respect to the sanctions for Russia, that's correct.

CORKER:

OK.

With that -- and let me just -- on Senator Rubio's questions, I understand how a nominee would wish to -- to be careful how they answer, especially one that plans to do what they say.

In the event with many of those, where he was asking about war crimes, if you were able through your own independent knowledge and working with classified agencies here within the government to determine that the types of activities that he so well articulated took place, you would agree that those in fact would be war crimes?

TILLERSON:

Yes, sir.

CORKER:

Senator Johnson.

JOHNSON:

Thank you, Mr. Chairman.

Well, welcome, Mr. Tillerson. I imagine you're having a pretty good time already. I want to pick up a little bit on sanctions, because I've -- I've had my own legitimate concerns about the effectiveness of sanctions and the double-edged sword nature of them.

For example, you -- again, you -- you are pretty well aware of events and the public opinion inside Russia. I mean, I'm concerned that some not well designed sanctions can actually solidify, for example, Vladimir Putin's standing within Russia. I mean, is that -- is that a legitimate concern on sanctions?

TILLERSON:

Yes, sir, I think it is.

JOHNSON:

In -- in your testimony you -- a couple statements. You said that Russia is not unpredictable, which mean -- you know, another way of saying that Russia's pretty predictable. "Russia does not think like we do." Can you further expand on both of those comments?

TILLERSON:

Well, in terms of their...

PROTESTER:

Ryan Tillerson Francis please -- because they don't want to drill and burn the Arctic. That will ruin the climate and destroy the future for our children and grandchildren. Please don't put Exxon in charge of the State Department. Protect our children and grandchildren. Please don't put Exxon in charge of the State Department.

CORKER:

If very (ph) -- if you would -- I can easily add time myself, but it would stop the clock when these kinds of interferences take place it would be appreciated.

With that Senator Johnson.

JOHNSON:

If you forgot the question, it was -- it was explain your comments that Russia is predictable, basically and that they -- Russia does not think like we do? Expand on that.

TILLERSON:

Well, in my experience of both dealing with Russia and representatives of Russian government and Russian entities and then as my -- the link -- the time I've spent in Russia as an observer, my experience with the Russians are that they are very calculating and they're very strategic in their thinking and they develop a plan.

PROTESTER:

You have (inaudible) the world's most vulnerable communities as expendable. In our home state of Texas people are resisting dated pipelines. Whether or not you become secretary of State, oil is dead and people will not stop. Senator (inaudible), stop this man. Protect the vulnerable. Senators be brave, reject this man. Protect the vulnerable.

CORKER:

(Inaudible) that Mr. Tillerson. Now you can maybe answer the question unimpeded.

TILLERSON:

No it's -- I've found the Russians to be very strategic in their thinking. Very tactical and they generally have a very clear plan that they've laid before them.

So in terms of -- when I make the statement they are not unpredictable, if one is able to step back and understand what their long term motivation is and you see that they are going to chart a course -- then it's an understanding of -- of how are they likely to carry that plan out. And, where are all of the elements of that plan that are on the table and in my view the leadership of Russia has a plan.

It is a -- is a geographic plan that is in front of them and they are taking actions to implement that plan. They are judging responses and then they are making the next step in the plan based upon the response and in that regard, they are not unpredictable. If you -- if you -- if Russia does not receive an adequate response to an action, they will execute the next step of the plan.

JOHNSON:

So be a little more specific; summarize that plan that you see that they have.

TILLERSON:

Well, Russia, more than anything wants to reestablish its role in the global world order. They have a view that following the breakup of the Soviet Union, they were mistreated in some respects in the transition period. They believe they deserve a rightful role in the global world order because they are nuclear power. And their searching is to how to establish that.

And for most of the past 20 plus years since the demise of the Soviet Union, they were not in a position to assert that. They have spent all of these years developing the capability to do that and I think that's now what we are witnessing, is an assertion on their part in order to force a conversation about what is Russia's role in the global world order. And so the steps being taken are simply to make that point that Russia is here, Russia matters and we're a force to be dealt with and that is a fairly predictable course of action they are taking.

I think the important conversation that we have to have with them is -- does Russia want to now and forever be an adversary of the United States? Do you want this to get worse or does Russia desire a different relationship. We're not likely to ever be friends. I think as others have noted our value systems are starkly different. We do not hold the same values.

But I also know the Russian people, because of having spent so many years in Russia. There is scope to define a different relationship that can bring down the temperature around the conflicts we have today. And, these -- and I think as Secretary Gates alluded to and as Secretary Nunn alluded to, both in their opening remarks, dialogue is critical so that these things do not spin out of control.

TILLERSON:

We need to move Russia from being an adversary always to a partner at times and on other issues we're going to adversaries. It's not unlike my comments I made on China. At times China is friendly and at times China is an adversary. But with Russia, engagement is necessary in order to define what is that relationship going to be, and then we will know how to chart our own plan of action to respond to that.

JOHNSON:

In my mind, if I take a look at the spectrum of -- of our -- America's relationship with different nations, you have friends and allies, you have friendly rivals, you have unfriendly adversaries, you have enemies. And right now, you're basically putting Russia in the unfriendly adversary category.

TILLERSON:

Well, unfriendly to enemies. I think at this point, they clearly are in the -- unfriendly adversary category. I hope they do not move to enemy, because that would imply even more conflict with one another.

JOHNSON:

But you don't have a whole lot -- much hope that we can move them into the friendly rival category, maybe partners where we have mutual interests.

TILLERSON:

Senator, I tend to think of it in three categories. There are friends, there are partners and there are adversaries. And at times, our -- certain are our friends or partners from time to time, so on specific actions.

Our adversaries from time to time can be partners, but on other issues, we're just not going to agree and so we remain adversaries. An adversary at the -- at the ideological level is one thing. And adversary at the conflict level -- direct conflict level, that's very different. JOHNSON: I want to switch subjects a little bit. I agree with former Senator Dunn when he said that your business experience, your private sector background, your relationship with Putin is actually an asset coming to this position. I come from the private. I think that kind of perspective is sorely needed. I -- I don't think we have enough people from the private sector.

I think economic strength is inextricably linked to national strength. Your background traveling the world, I know I asked when we met, I don't know if you ever did the calculation, how many - - how many different countries have you traveled to?

TILLERSON:

I've never actually counted them up, I would say over 40 -- somewhere between 40 and 50. I've never actually counted them.

JOHNSON:

How -- how many countries have you actually done deals with, you know, where you've dealt with top leadership?

TILLERSON:

I've -- I've never counted those, but its -- it's certainly, you know, probably in the -- between 10 and 20 where I was directly engaged in a significant way.

JOHNSON:

Let me ask you, as somebody from the private sector being asked to serve your nation, understanding you're going to be going through a process like this, understanding all the disclosure, leaving a life behind, that I'm sure you -- you valued.

What was your greatest reservation saying yes?

TILLERSON:

Senator, when I went through all of the analysis, all of the reasons I had for saying no, which is your question, were all selfish reason, so I had no reason to say no.

JOHNSON:

You obviously had a responsibility as a CEO for ExxonMobil. Could you share your responsibility? Your role is going to change. Do you have any reservation and can you just kind of describe exactly what your mindset is from making that transition?

TILLERSON:

Senator, I have no reservations about my clean break with my private sector life. It was a wonderful 41 and-a-half year career. I am extraordinarily proud of it. I learned an awful lot, but now I am moving to a completely different responsibility. My love of country and my patriotism is going to dictate that I serve no one's interest, but that of the American people in advancing our national security.

JOHNSON:

As you've traveled the world with the business mindset, working at developing projects around the world, you know, obviously, you are hearing from people around the world. Former president carter in June of 2015 was commenting on president Obama's foreign policy and here's some excerpts of the quotes, he said, "He can't think of many nations in the world where we have a better relationship now than when we did when he took over, President Obama."

The United States' influence and prestige and respect in the world is probably lower now than it was six or seven year ago. Is that your general sense as you traveled around the world during the last eight years of this administration, that our power and influence and prestige and respect is lower, that we have not developed better relationships around the world?

TILLERSON:

Well, Senator, I think -- I don't know if I remember if I shared with you in the meeting that we had, but I have shared with others in the meetings, that in many respects I have spent the last 10 years on unintended listening tour as -- as I've traveled about the world, conducting affairs, engaging with the top leaderships, heads of State in many of these countries. And I have had the opportunity to listen to the express their frustrations, their fears, their concerns as to the withdraw and the stepping back of America's leadership, the lack of that engagement. And they are yearning and they want American leadership reasserted.

And when I met with the president-elect and we were meeting about -- his ultimately asking me to do this, I indicated to him -- I said, "Mr. President, we've got a tough hand of cards that you've been dealt," but I said there's no use in whining about it, there's no use in complaining or pointing fingers at anyone, we're just going to play that hand out because what I know is, America still holds all the aces, we just need to draw them out of that deck and that leaders around the world want our engagement. I said you're gonna be pushing on an open door because people want America to come back.

JOHNSON:

One of the reasons I really value the private sector experience is just in your opening statement, the number of times you used reality, clarity, moral leadership, moral clarity, moral lights (ph), facts, use logic, clear priorities, those are the words of business person. That's why I think your perspective will be very welcome in the State Department. Thank you, Mr. Tillerson.

Thank you, Mr. Chairman.

CORKER:

Thank you, sir.

Senator Shaheen.

SHAHEEN:

Thank you, Mr. Chairman.

And thank you, Mr. Tillerson, for being willing to consider the nomination which has been put forward to be secretary of State. I agree with your opening statement that the United States has an important role to play in the world, not just standing up for our interests and values but also for democracy, for press freedom, for human rights, for rule of law.

You were unwilling to agree with Senator Rubio's characterization of Vladimir Putin as a war criminal and you point out in our statement that Russia has disregarded American interests. I would suggest, as I think has been brought out in later testimony, that it not only has disregarded American interests but international norms and humanitarian interests.

The State Department has described Russia as having an authoritarian political system dominated by President Vladimir Putin. Meanwhile, Freedom House currently puts Russian in a category of countries like Iran with very restricted political rights ruled by one part or military dictatorships, religious hierarchies or autocrats. Do you agree with that characterization of Russia and Vladimir Putin?

TILLERSON:

I would have no reason to take exception.

SHAHEEN:

Senator Rubio and Senator Cardin both talked about some of those people who have been victims of the Putin authoritarian regime in Russia and behind me is a poster with a recent New York Times story. I quote, "More of Kremlin's opponents are ending up dead."

I'd like to ask unanimous consent, Mr. Chairman, to enter the article into the record.

CORKER:

Without exception -- objection.

SHAHEEN:

I think a picture is always worth a thousand words and when you put a face to Sergei Magnitsky, as this poster does, and see two other victims of the authoritarian regime in Russia, I think it speaks to what's happening there and how we should think about the country and dealing with President Putin.

So I understand what Senator Nunn said and -- I mean, former Senator Nunn and Secretary Gates said when they talked about the need to have dialogue with Russia and to continue a mil-to-mil relationship, but I also think it's important for us to understand who we're dealing with. In 2008, you notably said that there's no respect for the rule of law in Russia today. Do you think that continues to be true?

TILLERSON:

That is still this (ph) case, yes.

SHAHEEN:

So I think you can probably understand, Mr. Tillerson, why some of us are very concerned about the president-elect's statements praising Vladimir Putin's leadership, his intelligence, including after being reminded of his ruthless persecution of political enemies and after receiving compelling information that Russia has interfered with our elections.

So do you think now is the right time to lift sanctions against Russia?

TILLERSON:

I think it's important that we keep the status quo until we are able to develop what our approach is going to be, that it will be all part of the approach. That is part of the incentives on the one hand or part of the greater pressure on the other that will be an important element to developing that approach of that first conversation with Russia.

If confirmed, that is the foreign policy step that I will be working through other interagencies, again informed in the National Security Council with classified information as well as being informed by the views of others, to develop that strategic approach to engagement with Russia. So I would not -- I would leave things in the status quo so that we have -- are able to convey, this can go either way.

SHAHEEN:

Under your leadership ExxonMobile has invested more than \$100 million in its global women's economic opportunity initiative, partnering with the U.S. government and foreign governments. As you know the State Department also places a high priority on global women's empowerment, on gender equity, on combating violence against women.

I was very disturbed when there was a request from the Trump transition team to find out who the employees within the State Department have been, who have worked on gender equity programs and while I know that has been walked back by that transition team, I still think it sends a chilling message to people in the State Department and to people concerned about efforts to empower women around the globe.

So can I ask what -- whether you agree that we should continue that initiative to empower women and what steps you would take to ensure that the State Department and USAID continue to fund necessary programs to address global women's issues?

TILLERSON:

Well, Senator, this is an issue that's long been important to me personally as -- as well. I have seen firsthand the impact of empowering women -- particularly empowering women's participation in economic activities in the lesser developed part of the world. I know this is a really important area to you and we talked about it in your office.

And there are study after study to confirm that when you empower women in these developing parts of the world, you change the future of the country because you change the cycle within that family. Whether that woman has daughters or sons, when you empower the woman and they see them participating at an economic level, it changes the way that they will view things as they grow.

I've seen specific examples and visited projects in Papua, New Guinea which allowed women to participate by forming a coalition of bread bakers. It takes very little money. These are women who want the opportunity. What they need is the wherewithal and some structure to guide them around how to conduct a small business.

Interesting in that example, when the women began to be successful selling their bread in villages all up and down the trails in the jungle, their next concern when they came to our folks was -- we've got all this money and we're having to hide it all over the place and we're worried somebody's going to steal it. What do we do?

They were introduced to banking and they were assisted with opening a bank account in the capital of port -- this is just an example though of -- think about someone who starts with nothing, doesn't even know what a bank is and all of a sudden, now they have a bank account.

That will change their children and it will change the cycle within that area. So these are extraordinarily powerful programs.

SHAHEEN:

I certainly agree with that and does that mean you will commit to continuing those programs if you're confirmed as secretary of State.

TILLERSON:

Yes -- yes ma'am. I think it's an important part of all of our foreign aid assistance efforts. Whether it's the USAID or whether it's through other opportunities we have in more structured ways.

SHAHEEN:

Thank you.

Under your leadership in 2012, Exxon Mobile's foundation also helped develop a road map for promoting women's economic empowerment that specifically cited access to family planning and reproductive health services as a means to improve productivity and earning potential for women.

You and I also served as we discussed in 2010 on the Center For Strategic and International Studies Commission on smart global health policy, which also advocated for expanded access to family planning services. Will you pledge to continue to prioritize quality family planning and reproductive health services for women world wide and ensure that resources and access to these programs are not completed with support for abortion?

TILLERSON:

Senator, there are statutory requirements in place around the foreign aid. They are well known to yourself and myself as well. As I understand it we currently invest a little bit -- or something

around a half a billion dollars a year in programs directed at family planning through foreign assistance, and I think that's -- that's an important level of support.

SHAHEEN:

So do I take that as a yes?

TILLERSON:

Well, I would want to, if confirmed, and I have the opportunity to examine all the aspects of that program. I just am aware that we do spend about a half a billion dollars now.

SHAHEEN:

Well, as you know, of the approximately 225 million women worldwide with unmet family planning needs have access to modern methods of contraception, we would see 52 million fewer unintended pregnancies resulting in 600,000 fewer stillbirths, six million fewer miscarriages and 15 million fewer unsafe abortions. So I would attest that this is not only a humanitarian value that we should support, but also an economic one.

And I'm almost out of time, but I just want to go back to Russia for a brief moment because as you talk about the potential to work with them, one of those areas that we've been successful on is new start -- the New START Treaty back in 2010, which this committee supported and the Senate supported, which ensures that Russia's -- Russians have to reduce their nuclear warheads and delivery vehicles and it's given us more access to on-site inspections.

Do you believe that continuing to support those efforts is important for us?

TILLERSON:

Yes, Senator. I think, again, this is an area where we have to stay engaged with Russia, hold them accountable to commitments made under the New START and also ensure that we are in a position to meet our accountability as well.

SHAHEEN:

Thank you.

CORKER:

Thank you.

Senator Flake.

FLAKE:

Thank you -- thank you for your testimony and thank you for your willingness to serve. It is a difficult thing to put your family through and everything else, so I want you to know how much we appreciate that.

In your opening testimony, you talked about this war on ISIS, that it will take a while. That's the implication I get from what you wrote and I think that's certainly true. In Congress here, we rarely declare war these days, but we do authorize the use of military force or pass a so-called AUMF. We've not passed one yet with regard to ISIS. We're still working under an ill-fitting 2001 AUMF with regard to al-Qaida in Afghanistan.

Senator Kaine and I have offered a bipartisan AUMF to -- to deal with al-Qaida -- I'm sorry -- with ISIS and we think that it certainly helps to have congressional buy-in, that our allies certainly deserve to know where we are and our adversaries need to know. What are your thoughts with regard to an AUMF specifically regarding ISIS?

TILLERSON:

Well, I think the president-elect, in broad terms, indicated during his campaign and in comments made in other instances that he believes it is important that we not just lightly go into these conflicts, that he would seek the engagement of Congress and the support of Congress in some means, whether it's through a sense (ph) of the Congress or specific legislation.

So I -- and I would not disagree with your characterization that it is much more powerful when the U.S. shows up with everyone aligned and I think having the support of the Congress standing behind those decisions to commit U.S. men and women, U.S. military resources, does give us a much stronger position than to engage with allies in building those alliances that are important.

And in the case of defeating ISIS, that is one of the first actions that is going to be necessary, is to reengage with our allies in the area and ensure that we know what they are willing to commit as well. So yes, I would strongly support engaging certainly at the minimum with this committee, and ultimately, if legislative action would support our efforts to defeat ISIS, I would be certainly talking to the president about that.

FLAKE:

Well, that would certainly be welcomed here.

What we don't want to see -- I don't want to speak for my colleagues -- but what I would not like to see is what we saw after the (ph) promise, the drawing of the red line, which you mentioned in your testimony. When you draw a red line -- you said we sent weak or mixed signals with red lines that turned into green lights.

I think that's certainly the case, but what happened with the last administration is that red line was drawn but rather than enforce that red line when it was crossed, the administration came to Congress to ask permission. And we always enjoy the administration coming to us, but when you

draw a red line, enforce it. War Powers Act allows 60 days and that's what I think we -- that kind of collaboration with Congress is using us as a crutch than an ally in this -- in this battle.

TILLERSON:

I take the point.

FLAKE:

With regard to Cuba, you mentioned that there are leaders under the new arrangement we have with diplomatic relations and loosened travel restrictions, I believe you're referring to, their leaders receive much while their people have received little.

This serves neither the interest of Cubans or Americans. I would encourage you in the coming weeks and months, to look at what has happened in Cuba. Certainly, I think the government is no less repressive with regard to dissidence that is still going on.

But when President Obama allowed American, Cuban Americans in particular, to travel unfettered to Cuba and a lifted caps on remittances, it allowed Cubans who had previously worked for the government in Cuba, to engage in private sector activity.

And from virtually no private sector employment in Cuba, we've gone to about 25 percent of the Cuban workforce in the private sector. And I would submit that they enjoy now, a measure of economic freedom and political freedom that they didn't before.

So I think that that has benefited the Cuban people and will continue to, if we continue the approach that we've now taken. And so I -- I and I do share your aversion to sanctions, particularly those that are not multi lateral. And I think we've seen that in spades in Cuba, over the years, where it was only the U.S. who employed sanctions.

And then, sanctions that weren't comprehensive and didn't mean that much, other than given the regime there, a convenient excuse for the failure of socialism. So I would encourage in the next couple of weeks to look at what's happened in Cuba with regard to our new policy.

With regard to Africa, we had a good discussion in my office. You, at ExxonMobil, have dealt with Africa a lot. We always talk about soft diplomacy for a while, we have a lot of programs through USAID all over the continent.

As you have viewed those programs, in addition to what ExxonMobil has done in the corporate governance area, what works and what doesn't? How can we refashion some of our policies to nudge countries toward democracy that need nudging? Or that punished countries weren't deemed spent or encourage cooperation with us on security measures or humanitarian measures.

TILLERSON:

Well, certainly, the use of important USAID assistance really falls in kind of two broad areas, a disaster relief addressing imminent situations on the ground, where there's starvation or the result of storms or as result of conflict, providing assistance to relieve the immediate suffering. That is an important part of USAID.

Over the past few years, in looking at the balance of that against what I would call development assistance which is designed to create change which hopefully, becomes a sustainable change. That regrettably, the disaster assistance part of that budget has grown and that means there's less available for development.

Other important ways in which we can provide the assistance though, are through other mechanisms, such as millennial challenge corporation for those countries that qualify. That's a different model.

And so I think in terms of what is the issue we're trying to address, that then conditions how do we put obligations on the country then, to modify behaviors whether it's to take steps to reduce corruption, improve the strength of governments and their own institutional capacity to -- to manage their affairs.

Where I -- where I have seen a good progress is when assistance was put into the -- to the country with some requirement that, for instance, they modify or streamline their permitting process. One of the ways to begin to reduce corruption is to remove the complexities of how people are able to carry out their activities.

The more steps you have in the process, the more opportunities there are for people to be taking something out of it or adding a cost to it. So I know there are examples where governments have been required to simplify the simple thing of a citizen going down and getting a driver's license or the citizen to getting a permit to buy an automobile or a piece of equipment.

It only goes to one place, you can shine a bright light on that and it's easy to follow the money, as they say. And that in it of itself, can be very effective in beginning to change the behaviors within -- within some of these developing countries.

So I think where we can tie our assistance to obligations, its important that we do so and then, able to follow-up. And again, we have I think it's every country's issues need to be examined on a case by case basis and then try to target and design assistance to advance America's values and help that -- help that country continue its journey along better governance.

But in some cases, if its disaster relief, that's hard to do because its hard to start feeding starving people and then when the post (ph) governments not meeting its obligations, we're suddenly going to stop feeding starving people. Those are very difficult choices to make. And I -- and I understand and appreciate that.

FLAKE:

We had talked in our office about some of the programs like PEPFAR. Can you talk about how that has helped our situation and what you've observed in Africa in terms of good will?

TILLERSON:

Well, PEPFAR I think clearly, has been one of the most extraordinarily successful programs in Africa. I saw it up close and personal because of ExxonMobil had taken on the challenge of eradicating malaria because of business activities in central Africa, where malaria is quite prevalent.

And work with competent NGOs, some of which were receiving funding through PEPFAR, some through other agencies, along with other public/private partnerships. So eradicating malaria, there's been a great deal of progress made, that's where I saw it up close and personal.

But I know that PEPFAR broadly has -- has brought so much good will from Africa, a recognition of the good will and the compassion and nature of the American people. It's probably one of the best projections of the American and good will and compassion into the continent that I think you'll find anywhere.

Broadly recognized by leaders, but more importantly it's broadly recognized by those it touches.

FLAKE:

Thank you, thank you so much.

CORKER:

Senator Udall?

UDALL:

Thank you so much, Mr. Chairman and you and the ranking member for working so carefully with us to get this organized in such a good, good fashion.

Mr. Tillerson, let me first of all, just thank you very much for your visit to my office and us being able to exchange ideas and discuss where you want -- how you want to approach things as the incoming secretary of state if you're -- if you're approved.

And I wanna thank so much your family for being here, it's always wonderful to -- to see family, Renda and -- and brothers and sisters and so. That's a good -- a good -- a very good start, I believe.

You know, Exxon has done and continues to do business in various countries in the world that are very problematic to the U.S. And you've mentioned that a little bit, here. And in some cases, some of those countries are just outright hostile. We now know Exxon did business in Iran and Iran's regime has supported terrorist attacks against Americans.

Exxon has a massive oil interest in Russia, which has recently acted under minor elections and civil society. And of course, Exxon also has a history of major political contributions and a large Washington lobbyist presence.

Would you permit Exxon to lobby the State Department under your leadership?

TILLERSON:

Well, Senator as to any issues involving ExxonMobil that might come before me if confirmed as secretary of state, I would excuse myself from those issues.

UDALL:

And -- and would you take phone calls from the new CEO about foreign matters or any interest they had around the world that -- that are within jurisdiction of the State Department?

TILLERSON:

I would not extend to the -- the new chairman and CEO of ExxonMobil any courtesies beyond that which I would extend to anyone.

UDALL:

So -- so are you saying you would take calls and -- and visit with the CEO? I mean I'm trying to understand your...

TILLERSON:

Yeah it -- it would be...

UDALL:

What kind of limit you're gonna put on yourself in terms of dealing with your company and employees. I know that you've made a clean break in terms of the ethics agreements and things like that.

But give us an understanding of the policy that you're going to follow, if you're -- if you're approved as to how you're going to deal with these situations. I mean there are many countries as you know, in the world where to give you an example, Australia, Equatorial Guinea, Malaysia, Nigeria, Qatar, Russia and the United Kingdom.

Exxon right now, is asking for tax dollars back from those. And if you're carrying out foreign policy in those countries, how are you going to deal with that situation in terms of contact with Exxon, with your former colleagues, that kind of situation?

TILLERSON:

Well, let me -- let me start with where you began, in terms of taking phone calls. I would not expect that I'll be taking phone calls from any business leaders. In my prior role, I never called on the Secretary of State directly. I called on the Deputy often or the missions, primarily the Ambassadors. So I -- you know, whether I'll take phone calls from anyone is subject to -- to the question itself.

As to how I would deal with the past history I have in my prior position with ExxonMobil, I've made clear in my disclosures, and I think in answers to questions that have been posed, that obviously there's a statutory recusal period, which I will adhere to, on any matters that might come before the State Department that deal directly and specifically with ExxonMobil.

Beyond that though, in terms of broader issues dealing with the fact that it might involve the oil and natural gas industry itself, the scope of that is such that I would not expect to have to recuse myself. In any instance where there is any question, or even the appearance, I would expect to seek the guidance of counsel from the Office of Ethics in the State Department, and -- and will follow their guidance as to whether it's an issue that I should recuse myself from.

UDALL:

(inaudible) thank you very much for that answer, and I -- I was very heartened by some of the exchange we had in my office with regard to climate change. As you know, climate change has been expressed as a serious national security concern. Sea levels rising threaten navy bases. We have crop disruption and water shortages all over the world and in my state of New Mexico, and other natural disasters that I think are going to threaten the stability of many developing countries.

During the transition, some departments have been asked to name individuals involved in climate policy who attended international climate meetings. which made many federal employees concerned about a witch hunt against civil servants involved in climate policy. Do you plan or would you support any efforts to persecute, sideline, or otherwise retaliate against career State Department employees who have worked on climate change in the past?

TILLERSON:

No, sir. That'd be a pretty unhelpful way to get started.

UDALL:

Yes, well that's -- that's a -- I like that answer. While you were CEO of Exxon, the company website stated, and I quote here, "The risk of climate change is clear, and the risk warrants action. Increasing carbon emissions in the atmosphere are having a warming effect. There is a broad scientific and policy consensus that action must be taken to further quantify and assess the risk." And that's the end of the quote on your website.

I understand that, if confirmed, you will be serving under President-Elect Trump, but do you still personally stand by this statement today? Yes or no.

TILLERSON:

I do not take exception to that statement. I might articulate it a little differently as to my personal views. But the President-Elect has invited my views on climate change, he's asked for them, he knows that I am on the public record with my views, and I look forward to providing those, if confirmed, to him and discussions around how the U.S. should conduct its policies in this area.

Ultimately the President-Elect, he was elected, and I'll carry out his policies in order to be as successful as possible. But I think it's important to note that he has asked, and I feel free to express those views.

UDALL:

Thank you. During our meeting, you expressed support for a carbon tax as one preferred measure to address issues of climate change. Will you continue to work with the Congress on this complex issue and to make this a priority in the State Department, if you are confirmed?

TILLERSON:

Well, when -- when it gets to tax policy, that's going to be the responsibility of other agencies to conduct. My role at State would be only to deal with those issues that are relevant to treaties or international accords that we've entered into in terms of our continued compliance with those, participation in those. And so that would be the area that I'll be most engaged in.

UDALL:

(You know...) And my understanding in the discussion with you in my office, and I think you said you were going to talk about this publicly if you were asked questions, you came to the carbon tax conclusion doing a very thorough analysis of everything that was out there. Whatever was trying to bring down carbon emissions, you looked at everything, and then you concluded the best recommendation was to move forward with a carbon tax. Is that correct?

TILLERSON:

The analysis that I went through, which was largely informed by a number of studies, economic studies by academic institutions and others, was during the time that the Congress was debating the cap and trade approach, which in my view had not produced the result that everyone wanted in Europe. So we had a working model in Europe that we had been watching, and -- and had been -- ExxonMobil had been participating in that model.

The debate around a cap and trade as being the option versus something else is what stimulated the question from me of, well, if this isn't working, what might. And so that began the investigation of other alternatives. One of the important elements of even considering something like that as a

solution, though, is -- are two other aspects. And one is that it replaces the hodge-podge of approaches we have today, and which are scattered and some of which are through mandates, some of which are through well-intended but ineffective incentives.

So let's simplify the system. This is the one and only effort we're going to undertake to begin to try to influence people's choices. And then the second qualifier I've always placed on it is revenues from -- if a carbon tax were in place, the rev -- it has to be revenue-neutral. All the revenues go back out into the economy through either reduced employee payroll taxes, so that -- 'cause there will be impacts on jobs. So let's mitigate that by reducing the impact by putting it back into the economy. So none of the money is held in the federal treasury for other purposes. This is simply a mechanism to incentivize choices people are making. It's not a revenue-raiser.

UDALL:

Thank you very much, Mr. Tillerson.

CORKER:

Mr. Tillerson, if I could, Senator Udall did an outstanding job of teasing this out. The one thing that wasn't stated, though, would you succinctly state your position, your personal position, as it relates to climate change?

TILLERSON:

I came to my personal position over about 20 years as an engineer and a scientist, understanding the evolution of the science. Came to the conclusion a few years ago that the risk of climate change does exist, and that the consequences of it could be serious enough that action should be taken.

The type of action seems to be where the largest areas of debate exist in the public discourse. I think it's important to recognize the U.S. had done a pretty good job.

CORKER:

This is not quite as succinct as I was hoping. Would you -- would you -- it's my understanding that you believe...

UNIDENTIFIED MALE:

I think we should let him finish, Mr. Chairman.

CORKER:

...human activity -- human activity... Do you believe that human activity, based on your belief in science, is contributing to climate change?

TILLERSON:

The increase in greenhouse gas concentrations in the atmosphere are having an effect. Our ability to predict that effect is very limited.

CORKER:

Senator Gardner.

SEN. CORY GARDNER, R-COLO:

Thank you, Mr. Chairman, and thank you, Mr. Tillerson, for your service or hopeful service to the country. And to your family, thank you as well, to your commitment because, if confirmed, this is a sacrifice for you as well. So I thank you for your willingness to serve our nation, should that be the will of the Senate.

In your opening statement, you talk about what I believe is the idea of America, liberty, prosperity, security. That we live in a nation founded on liberty, maintaining liberty through security, and growing the prosperity of the American people. Periods of history, whether it's the Industrial Revolution, whether it was the Civil War or World War I, Depression, World War II, the time period afterward, it wasn't just a year or two or three in time, but a generational, if not more, definition and changing lives, impacting our children and the moment we're in today, the changes we've seen around the globe, changes in technology, changes in stability will greatly impact the lives of our children, my children, you children.

So, I believe that engagement with the world matters, and that U.S. engagement matters greatly. And you would agree with that assessment, correct?

TILLERSON:

Yes, sir, I would.

GARDNER:

This is not a time for the U.S. to shrink from the world or shrink from that engagement. Is that correct?

TILLERSON:

That's correct Senator. As I indicated in my opening remarks, that's what's been absent is U.S. leadership.

GARDNER:

And that U.S. values matter, Western values matter that we build a -- and continue to build upon those international norms that have made this country great, those ideas of liberty, security, prosperity?

TILLERSON:

Yes sir, we're the only country able to project that with authority.

GARDNER:

One of the things that I find so interesting about this committee and the work that we do has been the opportunity to lead around the globe with diplomacy and the will of good people of this country, and not just defense. Would you agree with that?

TILLERSON:

Yes sir.

GARDNER:

And that we will use force when necessary and we should never back away from the obligation to use force where necessary correct?

TILLERSON:

Yes. I know that everyone understands that is the least attractive option.

GARDNER:

And that we must leave no doubt in the minds of our alliances, the willingness and the commitment of the United States to both use diplomacy and force where necessary to achieve the goals of that alliance.

TILLERSON:

Diplomacy will be ineffective if it's not backed up by the threat of force.

GARDNER:

Mr. Tillerson, North Korea has developed a series of nuclear capabilities that pose a significant threat to the United States trying to develop those capabilities, the United States, our allies and to the region.

Last Congress, Senator Menendez and I, helped lead the -- did lead, the North Korea Sanctions and Policy Enhancement Act which passed the Senate, signed into law by the president, unanimous vote and it abandoned this administration's failed policy of strategic patience.

The legislation's the first stand alone sanction legislation on North Korea, mandated sanctions on those who assist Pyongyang's proliferation activities, human rights violations and its malicious cyber efforts.

Do you intend, if confirmed, to fulfill all mandatory sanction requirements of this sanctions act?

TILLERSON:

Yes -- yes, I would Senator. In fact, that is the issue with North Korea, is we have failed to enforce existing sanctions regimes, including that which is overseen by the United Nations.

GARDNER:

I want to get into that a little bit more and your plan, obviously, as it relates to North Korea. Our actions toward North Korea depend greatly on South Korea, Japan, our relationship with those two nations.

How do we bolster the relationship between the United States, South Korea and Japan?

TILLERSON:

It starts with our friends and allies and that is South Korea and Japan, ensuring that we are completely aligned on our commitment to enforce these sanctions.

GARDNER:

And the alliance that we have with South Korea will be strengthened under President-elect Trump's administration, is that correct?

TILLERSON:

That is to be my expectation, yes sir.

GARDNER:

And one of the keys, of course, to success with North Korea's peaceful denuclearization is China. Are you willing to exert additional pressure on North Korea, through China, including U.N. Security -- additional U.N. Security Council resolutions and pushing China to do more to enforce these resolutions as it relates to North Korea?

TILLERSON:

As indicated that I think a lot of our troubles today are that we do not enforce. We make commitments we say we're going to do something and then we don't enforce it. And that is, again,

a mixed message that I think has been sent in the case of North Korea and our expectations of China.

I think we have to be clear eyed as to what -- how far China will go and not -- not get overly optimistic as to how far they'll go. And that's why ultimately it's going to require a new approach with China in order for China to understand our expectations of them, going beyond certainly what they have in the past which has fallen short.

GARDNER:

If you look at the North Korean economy a tremendous amount of it exists and relies upon China and China has not, as a result, enforced the sanctions allowing them to continue proliferation activities through the dollars earned with the transactions through activities that otherwise would have been subject to sanctions.

Would you support secondary sanctions against Chinese entities if found and confirmed to have violated U.N. resolutions agreements they've entered into?

TILLERSON:

90 percent of North Korea's trade is with China. So to your point they are solely dependent on Chinese trade. To the extent that there are specific violations of the sanctions, such as the purchase of coal, which is specifically mentioned in the U.N. sanctions most recently.

If there are gaps of enforcement, they have to be enforced. If China is not going to comply with those U.N. sanctions than it's appropriate for us -- for the United States to consider actions to compel them to comply.

GARDNER:

And how do you intend lead U.S. in multilateral efforts -- multinational efforts -- multilateral efforts to peacefully disarm Pyongyang?

TILLERSON:

It's going to be a -- I think a long term plan and it starts with, again, designing the sanctions and enforcing the sanctions to close gaps that exist, and - and you've already highlighted. That there are gaps in those sanctions today that are undermining their effectiveness.

So, it is a question of closing those gaps where it's appropriate to seek further steps against those who are not fully complying with those sanctions and revisiting are there other ways in other areas where we can close off access by North Korean to resources that allow them to continue to develop their nuclear capabilities.

It's - it's in all of the - looking at all of that approach as to what - what is still there, what can we put - how can we put additional pressure on them to deny them the capability to continue to advance not just the development but the delivery systems, which is where the greatest threat exist today.

GARDNER:

So, it's (ph) in (ph) last Congress, for the first time, this committee added cyber security to its jurisdiction. And I chaired the subcommittee on East Asia-Pacific and international cyber security policies.

Part of that effort, we held a number of hearings that were exclusively devoted to international cyber security and mandated that the State Department produce a long overdue policy on the outgoing administration's international cyber security net (ph) policies. The North Korea bill that we passed also includes, as I mentioned, mandatory cyber sanctions for the first time that any legislation has done so.

I've supported, as others have on this committee, (inaudible) creating in Congress a standalone permanent committee on cyber securities that we have a whole government view of how to address our cyber policy concerns needs from the standpoint of the commercial sector to the standpoint of national security needs. I believe that's something we should do.

How will you prioritize cyber security at the State Department?

TILLERSON:

Well, I've (ph) confirmed, as I indicated, the imminent threat today is ISIS. And I highlighted that in my remarks. But probably the greatest and most complex threat we're facing today is in the area of cyber security.

Now, certainly the U.S. has significant capabilities of its own. But we also are extraordinarily vulnerable, partly because we have not maintained our own I.T. infrastructure, we've not built sufficient defensive mechanisms to - to protect not just government sites and government information, but important infrastructure and in some cases important private sector from attack as well.

It is important that we put in place once and for all a comprehensive strategy for dealing with cyber security and cyber threats that includes what are going - what are appropriate norms for behavior, appropriate use of cyber information, and what is - and what would be an acceptable response when nations violate those norms. I think the U.S. has to lead in this area because no one is doing it.

And so this is an area where it's going to require a lot of interagency engagement from all of the - from Commerce to the Defense Department, to the intelligence community of how do we construct a thoughtful approach to cyber security and a thoughtful approach to what are going to be the norms. And then I think we engage with our friends and allies first and we establish what those

norms are going to be and build out the international support for those so that when these attacks happen, we're not struggling with what - how to - what is an appropriate response, how far should we go.

The - this will be the accepted norms. It's a complicated issue.

It has a lot of aspects to it that have to be carefully considered. But we cannot delay beginning to develop this comprehensive approach.

GARDNER:

And do you believe that the issue of cyber security cyber policy should be elevated within the State Department, perhaps even toward an ambassadorial-level position?

TILLERSON:

I think that could be part of the outcome of a comprehensive assessment of what is the right way for the U.S. to manage the threat and be prepared to respond when others take action.

GARDNER:

Thank you, Mr. Chairman.

CORKER:

Thank you, sir. You've shown extreme stamina for a 64-year-old male in multiple ways.

And with that, we're gonna have a five-minute recess. If you wish to exit the room, I would suggest you coming this way. And we'll resume with Senator Kaine in five minutes.

(RECESS)

CORKER:

We'll bring the -- bring the hearing back to order.

Mr. Tillerson, based on my previous conversation before moving to Senator Kaine, I know we have had a little bit of a conversation about this. But when it comes to lobbying for sanctions, it's my understanding that there wasn't a lobbying that took place against sanctions. It was more to go through the details of what those sanctions would do to make sure that they applied appropriately across the board, is that correct?

TILLERSON:

Senator, that's correct. We -- I never lobbied against the sanctions. To my knowledge, ExxonMobil never lobbied against the sanctions. ExxonMobil participated in understanding how the sanctions were going to be constructed. And was asked and provided information regarding how those might impact American business interest.

And the only engagement I had, really came after the sanctions were in place. ExxonMobil was in the middle of drilling a well in the very remote part of the Russian arctic, in the Kara Sea. Several hundred miles away from any safe harbor.

When the sanctions went into place, because of the way the sanctions were written, they took immediate effect. There was no grace period, there was no grandfathering period. And I engaged immediately with the State Department and with Treasury and OFAC to explain to them there was significant risk to people and the environment if -- and we were going to comply with the sanctions, fully comply.

But that compliance meant immediate evacuation of all of these people which was going to put lives at risk and the environment at risk, because this was a wildcat exploration well that was at a very delicate position, at the time. Provided a lot of technical information to OFAC and the State Department, was thankful that it took about five days for them to understand that.

And ExxonMobil stood still while they were evaluating that and in the end, did grant a temporary license to allow that work to be completed safely, so we could get all the people then out of the country, get all the equipment that was subject to sanctions out of the country, including the rig, out of the country.

That was my direct engagement, it was really in dealing with an effect of the sanctions. So again, the characterization that ExxonMobil lobbied against the sanctions is just not accurate.

CORKER:

Senator Kaine?

KAINE:

Thank you, Mr. Chair.

And Mr. Tillerson, thank you for your willingness to serve. Congratulations on your nomination. How much information do you have about financial connections between President-elect Trump, the Trump family or Trump organizations and Russian individuals or organizations or the Russian government?

TILLERSON:

I have no knowledge.

KAINE:

And if I asked you the same question and I substituted Turkey, China Pakistan or Japan for Russia in that question, would your answer be the same?

TILLERSON:

I have no knowledge.

KAINE:

So I gather from your answer that you'll then have no way of knowing how actions proposed by a President Trump, regarding those countries or others, would effect his personal or family financial interests?

TILLERSON:

I have no knowledge.

KAINE:

How is a Congress of the American public supposed to fully judge the actions, official actions, proposed by a President Trump, if we lack basic information about how those actions may benefit his personal finances?

TILLERSON:

That's a question that others will have to address, Senator.

KAINE:

You're aware that government leaders of many of the countries that you dealt with in your capacity as CEO of ExxonMobil have used their positions of leadership to greatly advance their personal wealth while they were in office, correct?

TILLERSON:

I have no direct knowledge of that.

KAINE:

But you've read press accounts, for example, about folks like Vladimir Putin or the leaders of Equatorial Guinea and other nations suggesting that they have a mass grade personal wealth while in office, correct?

TILLERSON:

I'm aware of the press reports.

KAINE:

Do you think that such behavior by head of government is in accord with values of the United States or contrary to U.S. values?

TILLERSON:

If the reports are true and there has been inappropriate taking of funds that belong to the -- rightfully to the government and if that is not provided for under the government's laws, then that would be contrary to our values which are to respect the laws.

KAINE:

Should Congress be diligent to make sure that federal officials, including the president, do not use their public positions to amass personal wealth while in office?

TILLERSON:

That is the standard in the United States, yes sir.

KAINE:

Without full disclosure of the president of all his financial interests, isn't there a chance that you might be across the table in a negotiation setting, say with Russian officials who know more about the president's financial interest and exposure than you do?

TILLERSON:

Not to my knowledge.

KAINE:

If that was the case, wouldn't that put America and our national interest at somewhat of a disadvantage?

TILLERSON:

If it's not to my knowledge, it isn't gonna change the way I'm negotiating with them.

KAINE:

But if someone on the other side of a negotiating table you've been in negotiations has more knowledge than you do, is that not something that could put you at a disadvantage?

TILLERSON:

I think as long as the objective of the negotiation is clear, what are we trying to achieve, that's all that matters. If you achieve the objective, the heart of negotiating is just how you achieve that objective.

KAINE:

I wanna switch and ask you some questions about climate following-up on Senator Udall. We talked about this in my office. There's been a great deal of coverage about ExxonMobil's history with the issue of climate change.

There was a recent two-part article in the New York Review of Books, prepared by members of the Rockefeller Family Foundation and investigated by an independent team for the Columbia School of Journalism. In 2015, there was a three-part series in The Los Angeles Times.

And in the same year, InsideClimate News did an eight month investigation and produced a nine-part series that was a finalist for the Pulitzer Prize, all on the question of ExxonMobil's knowledge of basic climate science.

These articles conclude the following and then I'm gonna ask you some questions. One, ExxonMobil concluded as early as the 1970s that pollution from co2 released by the burning fossil fuels, was affecting the climate in potentially destructive ways. Two, despite this knowledge, ExxonMobil took public possessions against the scientific position regarding climate science.

Three, ExxonMobil funded outside organizations that publicly downplayed and obscured the scientific consensus. And four, ExxonMobil despite claims to the contrary, continues to provide funding if at a lower level, to outside groups that is deny, downplay or obscure this scientific consensus.

Are these conclusions about ExxonMobil's history of promoting and funding climate science denial, despite it's internal awareness of the reality of climate chance, during your tenure with the company, true or false?

TILLERSON:

Senator, since I'm no longer with ExxonMobil, I'm in no position to speak on their behalf. The question would have to be put to them.

KAINE:

I'm not asking you to speak on ExxonMobil's behalf. You were with the company for nearly 42 years?

TILLERSON:

That is correct.

KAINE:

And for the majority of your time you were with the company in an executive and management position?

TILLERSON:

Approximately half the time.

KAINE:

And you became CEO in 2006?

TILLERSON:

Correct.

KAINE:

So I'm not asking you on behalf of ExxonMobil; you resigned from ExxonMobil. I'm asking you whether those allegations about ExxonMobil's knowledge of climate science and decision to fund and promote a view contrary to its awareness of the science - whether those allegations are true or false.

TILLERSON:

The question would have to be put to ExxonMobil.

KAINE:

And let me ask you. Do you lack the knowledge to answer my question or are you refusing to answer my question?

TILLERSON:

A little of both.

KAINE:

I - I have a hard time believing you lack the knowledge to answer my question, but that's an editorial comment just like your comment was an editorial comment. With respect refusing to answer my question, we talked in my office - you have severed your financial ties with ExxonMobil, correct?

TILLERSON:

That is correct.

KAINE:

Are you subject to any confidentiality agreement that continues to be enforced that would limit your ability to talk about the matter I'm asking you about or any other matters concerning ExxonMobil?

TILLERSON:

Let me - let me clarify my first answer; all the ties will be severed if I am confirmed.

KAINE:

Right. Absolutely.

TILLERSON:

... I - I ...

KAINE:

I got that.

TILLERSON:

... I spoke too quickly.

KAINE:

Yes. I understood that.

TILLERSON:

To my knowledge, I have no such confidentiality agreement in place but I'd have to consult counsel.

KAINE:

I - I would - I'll file that question for the record. And I would be ...

TILLERSON:

... yeah.

KAINE:

... curious as to whether there's any existing confidentiality agreement and when the agreement was entered into. Mr. Chairman, I want to enter a couple of documents in the record. First, a letter dated September 2, 1982 from the direct - the Theoretical and Mathematical Sciences Laboratory Director of Exxon Research Company, Roger Cohen. And I will just quote from it and enter it into the record.

"September 2, 1982. Over the past several years a clear scientific consensus has emerged regarding the expected climatic effect of increased atmospheric CO₂. The consensus is that a doubling of atmospheric CO₂ from its pre-industrial revolution value would result in an average global temperature rise of between 1.5 and 3.0 degrees centigrade.

There is unanimous agreement in the scientific community that a temperature increase of this magnitude would bring about significant changes in the earth's climate - including rainfall distribution and alterations in the biosphere. The time required for doubling of atmospheric CO₂ depends on future world consumption of fossil fuels.

In summary, the results of our research are in accord with the scientific consensus on the effect of increase atmospheric CO₂ on climate. We're now ready to present our research to the scientific community through the usual mechanisms of conference presentations and publications.

As we discussed in the August 24 meeting, there is the potential for our research to attract the attention of the popular news media because of the connection between Exxon's major business in the role of fossil fuel combustion in contributing to the increase of atmospheric CO₂.

Our ethical responsibility is to permit the publication of our research in the scientific literature - indeed to do otherwise - would be a breach of Exxon's public position and ethical credo on honesty and integrity."

And I would like to introduce that record - that letter for the record.

CORKER:

Without objection.

KAINE:

I would like to also introduce an - an op-ed series produced by ExxonMobil in 2000. And I will read the following.

"Geological evidence indicates that climate and greenhouse gas levels experience significant natural variability for reasons having nothing to do with human activity. Against this backdrop of

large poorly understood natural variability, it is impossible for scientists to attribute the recent small surface temperature increase to human causes."

And I would like to introduce that.

CORKER:

Without objection.

KAINE:

Mr. Tillerson, one last subject. I know you're familiar with the use of the phrase, "resource curse," to describe the phenomenon whereby oil-rich countries often find that their abundance of natural resources actually impedes development of a diverse economy and promotes authoritarianism, violence, environmental despoliation, poverty and corruption.

That's not an iron law, but that has been a much discussed topic in economic literature since the early 1990s. ExxonMobil does business in many countries - Chad, Equatorial Guinea, Nigeria, Indonesia, Angola - that have suffered through this phenomenon.

I would like you to talk about as Secretary of State, where we have a development portfolio that tries to help nations raise sustainable economies - how will you work with nations that have suffered under this resource curse and what will - how will you work with them to make sure they respect human rights, the rule of law and our longstanding commitment to transparency and anti-corruption interests (ph)?

CORKER:

Good question, succinct answer please.

TILLERSON:

Well there's a lot of opportunity through our USAID programs to strengthen the institutional capacities and set standards of expectation in the developing part of the world including those that have resource wealth.

KAINE:

Mr. Chair if I could put one more document in the record and it's a document from this committee. It's a report that was direct by Senator Lugar when he was the ranking member of the committee in 2008 entitled the petroleum and poverty paradox, assessing U.S. and international community efforts to fight the resource curse and it has a number of suggestions about -- for both President and Secretary of State that I think still have some merit and I would commend it to the attention of the witness.

CORKER:

Without objection, thank you. Senator Young (ph).

YOUNG:

New guy. Thank you Mr. Chairman and thanks so much Mr. Tillerson for your presence here today. I'd like to return to an issue that has received quite a bit of discussion and dialogue here today and it's the sanctions that have been imposed on Russia in the wake of their annexation of Crimea, their armed intervention in the Eastern Ukraine and you've indicated to me privately and again here publically that you had a couple of concerns aside from the fiduciary concerns. That is your duty to ensure you maximize shareholder value as CEO of Exxon Mobile. You had concerns with respect to the ill formation of these sanctions. The fact there's a disparity between the U.S. and E.U.'s sanctions regime and there for you didn't believe that sanctions regime would work. Is that correct?

TILLERSON:

Well I think I expressed the view that it was likely to be ineffective.

YOUNG:

OK. I would -- I'm going to give you an opportunity to explain that in greater detail. In the wake of our private meeting we contacted the congressional research service and they indicated, and I'll submit this report for the record here, that in practice -- and I'm quoting, it appears that U.S. and E.U. sectoral (ph) sanctions are broadly similar. They did say it appears, but kindly explain the distinction between those two sanctions regimes that made you conclude they'd be ineffective.

TILLERSON:

And, I was speaking in terms of the sector that I was involved in at the time, all in natural gas development. The E.U. sanctions contained a grandfathering provision, which allowed activity that was already underway in the targeted sanction areas to continue. In the U.S. sanctions, there was no grandfathering. And in this dialogue that was going on during the development of the sanctions that was part of the input to the process, both to the treasury Secretary, I spoke to Secretary Lou (ph) myself, to point out that there was this gap and it was going to -- it could lead to problems for U.S. interest from two perspectives.

One was the operational effect that I just described a moment ago in response to the chairman's question that an immediate effect -- put -- would put operations that were ongoing at risk. So there was that issue. But the second was that to the extent European activities in the same sanctioned areas could continue because they were grandfathered, would put U.S. interest -- in this particular part of the sector at a disadvantage because U.S. could not continue to demonstrate it's capabilities. Our European partners could and it put at risk the possibility that agreements that had been entered into, might be terminated.

YOUNG:

So it's the grandfathering component. We'll look more into that, Mr. Chairman submit this for the record please.

CORKER:

Without objection.

YOUNG:

Let me pose a hypothetical. Perhaps a bit -- it gets the heart of the matter of trying to separate ones -- one's responsibilities -- one's incentives of a CEO of major multinational corporation, though U.S. based from perhaps your coming role as the chief diplomat of the United States. Assume that something that's not particularly lacking in plausibility, that Russia were to send troops and weapons into the Kiev area -- into Ukraine. Assume further that a well formed sanctions regime is presented to you as Secretary of State. Finally assume that that sanctions regime would disadvantage the bottom line of American based multinationals. Would you still propose -- would you still advocate that the United States of America advance its national interest by adopting the sanctions regime?

TILLERSON:

Senator, I think as I've indicated now several times, the use of sanctions as an important and can be can be powerful tool as long as they're constructed to be effective. In an instance like the example you give, there will be I'm sure, discussion at the National Security Council of all of the options, but the sanctions will certainly be an important option to have on the table for consideration. And, if that is the option selected I will vigorously support those.

YOUNG:

Very good. With respect to the U.S. and E.U. sanctions, it's already been presented to you that there's a possibility of removing those. You indicated that for now you believe the status quo should reign in part because I think understandably I'm non sympathetic to this. You indicated you lack sufficient information, you haven't been read in with respect to classified material, correct?

TILLERSON:

That is correct.

YOUNG:

Your nomination was announced on December 13th. You've never served in government before; it's understandable you wouldn't have a security clearance until now. Until last evening, you had a security clearance. Would you be willing to receive a classified security brief from our intelligence committee this evening, assuming we may go into tomorrow with respect to this hearing, focus intently on Russia?

TILLERSON:

If all of the paper is in place and I have been cleared, I understand it's on file I just haven't received any notice yet. But I look forward to having access to the additional information.

YOUNG:

So you would be willing.

TILLERSON:

Yes.

YOUNG:

Further, as the nation's chief diplomat, it's really important as we've seen with this previous administration, the chief diplomat of the United States speak with a voice that is perceived to be the voice of the President of the United States. There cannot be space between what you are saying, the policies you are putting forward and those that are embraced by our now President Elect.

He has a history of utilizing, to very well known effect, social media, twitter in particular. And some of the President Elect tweets appear to be quickly drafted, not vetted by staff or coordinated with the transition team's senior officials. So this gives pause to me, this gives some concern that in coming months, in coming years you might not be empowered to actually serve as the chief diplomat. You would lack credibility. So how do you finesse this? How would you ensure that the legs are not cut out from underneath you as the nation's chief diplomat and perhaps you have some ideas on this?

TILLERSON:

Well if confirmed and I am able to serve this President Elect, I don't think I'm going to be telling the boss he ought to communicate with the American people. That's going to be his choice. But in carrying out and executing and implementing the foreign policy, including traveling abroad and I understand your point. I'm overseas and that -- it would be my expectation that any way the President might choose to communicate -- through what ever method would be supportive of that policy we both agreed on.

YOUNG:

So do you have in mind any contingency plans to ...

TILLERSON:

Yes, I have his ...

YOUNG:

to address ...

TILLERSON:

I have his cell phone number.

YOUNG:

OK.

TILLERSON:

And he's promised me he'll answer and he does.

YOUNG:

We'll hope for the best there unless you have anything else to add. In your prepared statement you write that Russia must know that we will be accountable to our commitments are those of our allies. Article 5 of the North Atlantic treaty states that an armed attack against one or more member states in Europe or North America shall be considered an attack against them all. Mr. Tillerson if Putin were to instigate a Crimea style invasion of a NATO member, let's say Estonia or Latvia or Lithuania. Do you believe the U.S. should and would honor its treaty obligation, join our allies in defending our fellow NATO member against external invasion?

TILLERSON:

Article 5 commitment is inviolable and the U.S. is going to stand behind that commitment.

YOUNG:

So yes.

TILLERSON:

If that is the consensus from NATO members that that's the appropriate use of article 5, then yes.

YOUNG:

OK. I yield back.

CORKER:

Thank you so much. Senator Murphy.

MURPHY:

Thank you very much Mr. Chairman. Thank you Mr. Tillerson for your willingness to serve. And as a Cub Scout leader who was wearing the uniform last night as I lead my wolf den, I thank you for your service to the boy scouts and your leadership there as well.

A comment and then a few questions. In your testimony you said that you had not lobbied Congress on the issue of sanctions. And, I guess we've fleshed out that in your mind (ph), calling a United States senator to express your belief that sanctions would be ineffective, is not lobbying.

I would argue that's a distinction without a difference. If you are calling a United States senator on the phone to express your belief that sanctions that would affect your company would be ineffective, that likely constitutes lobbying. And in 14 different lobbying reports between 2006 and 2014, Exxon did list lobbying on sanctions as part of its political activity.

I have a question, though, on another potential inconsistency. In your testimony and in your private meetings with us you spent a lot of time, I think very smartly, talking about the importance of consistency and clarity in American policy and your belief that you need to rebuild that.

In this light, your response to Senator Rubio on whether you would support mandatory sanctions against specific individuals involved in confirmed, verifiable cyber attacks against the United States is fairly extraordinary. The U.S. is under attack today. We are under attack by Russia, by North Korea, by China through these cyber attacks.

And so I guess I'm gonna ask you to square how you can have a clear consistent policy on preventing cyber attacks against the United States when you said before this committee that you don't support mandatory sanctions against verified individuals who have committed attacks against the United States. Because there might be complicated multifaceted relationships with certain countries in which you might want to weigh the attack against the United States with another confederation.

How do you deter cyber attacks against the United States if you send a message that, "You can get away with it," with no sanctions against those individuals as long as there're other equities at stake with the United States? Put those two together for me.

TILLERSON:

Senator I -- what I was intending to convey is that I need to be fully informed as to what all the options are. And I'm not fully informed as of yet. And it will involve -- you know, if confirmed it will involve interagency discussions. Including that within the National Security Council of (ph) what are all -- and I think I said this; what are all the options to respond.

And again, this is -- this is a (ph) symptom of the - in (ph) the absence of a clear policy and a clear policy and a clear strategy. I fully appreciate this body and in particular this committee that has these important (ph) responsibilities wanting to take action. What (ph) I don't know, because I've

not been allowed -- or I've (ph) not had the sufficient briefings yet, what are the other potential ways to respond to these types of attacks?

And if sanctions are the most effective, then that certainly is what I would support. But I do not know, because I've not been briefed, as to what are our proportional capabilities in responding. Are there other options available to us that could prove to be even more effective and get a more immediate change in the behavior of whoever is attacking us?

So it's -- I didn't -- I hope I didn't convey -- or didn't intend to convey that kind of a narrow of a response. What I was trying to convey is, this is an extraordinarily complicated threat that exists today and we are being attacked. I don't -- I don't dispute that statement in (ph) any way. But I also believe we have to look at all of the options and all the tool available to us; and sanctions is one of them. It's a powerful tool.

And I think, as I said, if in an interagency -- a national security type environment that conversation's existing and the conclusion is made that these sanctions are going to be the best and most appropriate way to act; then I think the executive would like to have the optionally to make that decision. Not to the exclusion that there could be better options available, and yet we have to do -- we have to do this as well.

MURPHY:

Mr. Tillerson, as you know, the New York Times, the (ph) Washington Post, CNN amongst others, are reporting that Russia has a dossier of very damaging and embarrassing information about the president-elect that they have used to influence his views on Russian-American policy. This report is as earth shattering as it is thinly sourced.

But it was deemed credible enough for our intelligence agencies to reportedly read in both the president and the president-elect. I think we all pray that it isn't true, and I certainly understand that you're not in a position to testify to the contents of that report. But let me just ask you some very simple questions. Have you been briefed yet on these allegations that (ph) on this report?

TILLERSON:

I have not.

MURPHY:

There's some confusion on to whether the president-elect has been briefed, can you confirm whether he has been briefed or not?

TILLERSON:

I don't know.

MURPHY:

In this report, there are allegations that there were specific agents of the Trump campaign that communicated between it and Russia, have you or Exxon had any business dealings - any business relationships with either Paul Manafort or with Carter Page?

TILLERSON:

Not that I'm aware of.

MURPHY:

Could you take that question for the record and get a response to -

TILLERSON:

I'd be happy to do that.

MURPHY:

--to the committee? And finally, do you believe that U.S. law enforcement, most notably, the FBI should seek to determine the accuracy of these allegations?

TILLERSON:

I think that - I would leave that to those agencies to determine.

MURPHY:

If they chose to conduct an investigation, would the State Department under your leadership cooperate with that investigation?

TILLERSON:

To the extent there's a role for the State Department in such an investigation.

MURPHY:

Thank you Mr. Tillerson. You talked a lot in your testimony about the importance of setting red lines and then standing by them when you set them. And I want to ask you some questions about it. The president made his red line statement in the context of a press-conference and so I just want to get your position right here. You believe statements by American presidents, even those that are made off the cuff are taken by world leaders as statements of U.S. policy. Is that correct?

TILLERSON:

In that case I think the statement was pretty unequivocal.

MURPHY:

And so let me give you another unequivocal statement and ask for your thoughts on it. On Twitter, President-Elect Trump said that a North Korean ICBM launch was "not going to happen". That sounds about as clear as a red line as I can figure one out. Do you interpret that to be a red line?

TILLERSON:

I don't know that I would interpret that to be a red line. I could interpret that to mean a lot of things.

MURPHY:

Elaborate. Elaborate on that.

TILLERSON:

It's not going to happen because the president views the North Koreans aren't going to do one. It could be interpreted that way.

MURPHY:

You don't think that should be interpreted by the global community as the United States promising to do whatever is necessary not to allow the North Koreans to obtain a ICBM?

TILLERSON:

I think that's a pretty far extension of that statement to come some - to that conclusion.

MURPHY:

I think - I think many have interpreted it that way and I think to Senator Young's question therein lies the challenge when you conduct foreign policy by 140 characters, it does become a little opaque as to what you mean. I don't think there's as much confusion there but that will certainly be a challenge that you will have. Finally, I want to drill down a little bit more on the series of questions from Senator Menendez, he was getting at a question about conduct at ExxonMobil that directly contradicted American foreign policy in Iraq when you made a decision to do a deal with the Kurdish Government, even when the United States Government had requested that you refrain from doing such a deal.

In addition there's testimony now that through subsidiaries or joint partnerships Exxon did work in places like Iran, Syria, and Sudan. This question is going to sound confrontational but I mean it sincerely, was there any country in the world whose record of civil rights was so horrible, or whose conduct so directly threatened global security or U.S. national security interests that Exxon wouldn't do business with it? Was there any line while you were at Exxon where you would not

do business with a country given that Iran, Syria, Sudan and Russia were on the list of those that you would?

TILLERSON:

The standard that is applied is first is it legal? Does it violate any of the laws of the United States to conduct business in a particular country? Then beyond that it goes to the question of the country itself. Do they honor contract sanctity? Do they have a rule of law and if they do or don't, are there mitigating actions that can put in place to protect whatever business activity might undertaken?

MURPHY:

But on that list is not a question of their record of human rights abuses or U.S. national security interests?

TILLERSON:

That could go to contract sanctity, rule of law and stability of the country, which is always a judgment as well.

MURPHY:

Thank you. Senator Isakson.

ISAKSON:

Thank you Senator Gardner -- Corker and thank you for your outstanding opening remarks I think you cast the hearing exactly in the place it should be.

Mr. Tillerson thank you for accepting this challenge and thank you for the challenge of sitting before us for a couple of hours and answering a lot of tough questions in a great way.

Thank you also for bringing United States Senator Sam Nunn to introduce you, that goes a long way with me and I think with a lot of people here. Sam served for 24 years in the United States Senate. He chaired the foreign - the Armed Services Committee.

And he and Dick Lugar did the Nunn-Lugar Initiative which has reduced the expose of the world to nuclear fissile material to be used by terrorists around the world. And was a chief adviser to me and a number of other members of the committee on the new START Treaty and did a great job of helping us to understand what Russian (ph) capabilities were and how important it was for us to maintain a strong road (ph) on this (ph).

So I appreciate you having Sam here, he's a great testimony to you as an individual.

You mentioned a number of things and I'm going to take them in order real quickly and try to ask specific questions.

With regard to American leadership being renewed and reasserted because you - to lead in the world we have to renew our leadership, have to reassert our leadership, you've said that. Probably one of the most interesting places in the world right now, where we basically are out of the picture, is the Middle East with regard to Aleppo, with regard to Syria.

Turkey and Iran and Russia are sitting at the table as they divide up what's left of Syria and its assets and what's going to happen in the future. And we're sitting outside.

If you - as the nominee for being the chief negotiating diplomat for the United States of America, what would you recommend we do to get a seat at that table and what form of renewed leadership should we exercise to have that leadership respected?

TILLERSON:

Well if confirmed Senator the - I think the first step we have to take is to reengage with our traditional allies and friends in the area and reaffirm that we are back, we are back with our leadership and we're back with a plan of how to effect where events in Syria go from here. We can't do anything about where we are today.

I think you described the situation accurately. Russia, Syria, Turkey and Iran are dictating the terms of how things are going to play out in Syria today, absent our participation. So I think it's a reengagement with our traditional allies, sharing with them where we believe we have to now go in Syria.

We have to reengage with President Erdogan in Turkey, this is a long standing NATO ally that in the absent of American leadership, he got pretty nervous about his situation and he turned to who was next available. And he turned to an ally in Russia that is not a sustainable ally. And it's making clear to him, that is not a sustainable alliance, your sustainable alliance is with the United States of America.

So it's just - it's - the first step is that reengagement. And reinforce what had been long standing commitments by the United States to stability and security in this part of the world. And that includes reestablishing a clear statement of how important Israel is to us and our national security and the role they play in this region of the world for our benefit as well.

After that, then we will have a plan that will developed in concert with the National Security Council as to how we accomplish two things. One, we've got to protect innocent people on the ground in Syria.

People are fleeing areas, how do we secure their protection so they are no longer indiscriminately bombed, put under threat, and if that can happen then perhaps there can be a stabilization of the outflow of people who are leaving because there is not a safe place to go.

Second step then is, as I indicated, is defeat ISIS. We've had two competing priorities in Syria under this administration. Bashar al-Assad must go and the defeat of ISIS. And the truth of the matter is carrying those-both of those out simultaneously is extremely difficult because at times they conflict with one another.

The clear priority is to defeat ISIS. We defeat ISIS we at least create some level of stability in Syria which then lets us deal with the next priority of what is going to be the exit of Bashar Assad. But importantly, before we decide that is in fact what need - what needs to happen, we have to answer the question, what comes next?

What is going to be the government structure (ph) of Syria and can we have any influence over that or not. So there are a number of steps in a long road of regaining stability in Syria, defeating one of the greatest threats to us which is ISIS, and then determining what is the fate and future of the Syrian people and Syria as a nation.

It's going to take many steps but it isn't going to start until we get reengaged in that region.

[1225]

ISAKSON:

I'll make a statement, you don't have to concur - concur with it or not but I think it's implicit that we wouldn't be where we are today had two thing - had we not failed to do two things. One, we failed to enforce the red line when we drew it, number one with Syria. And I think that's an important thing to understand because we didn't renew and assert our leadership in that position.

And secondly, we never changed our ISIL policy from containment to destruction and because containment allowed them to continue to operate in that area it made impossible to get to a position we are today.

Would you have any comment on that?

TILLERSON:

I would agree with both of those reflections.

ISAKSON:

Are you familiar with the term, the Dutch Disease?

TILLERSON:

I am.

ISAKSON:

I think that's what Tim, Senator Kaine was referring to. My son wrote his Master's Thesis on - at Tulane in the early 1990s - on the Dutch Disease so that's the only reason I know anything about it.

But it points out the second thing about the State Department that's so important. The Dutch Disease is what the Middle East suffers from, they have an infinite source - well not infinite - but for all practical purposes an infinite source of re-wealth in terms of oil and petroleum.

They decided not to invest that money in their people and in infrastructure and instead kind of bought their people off with the money they had and had kingdoms and palaces where they lived. And now we're suffering today because they have no medicine, they have no educational system, they have no infrastructure.

USAID, Millennium Challenge Corporation, those entities within the State Department which are under - would be under your responsibility, are where we take our soft power to develop countries and friends at the same time.

Peace Corp being another example, and I am a huge supporter of those institutions and have seen those dollars, those soft dollars, invest in helping to build the infrastructure of human life (ph) within these countries that don't have it, a tremendous asset for us in the future. Do you share that belief?

TILLERSON:

I do Senator and as I think I commented earlier, USAID has one set of criteria by which the aid is provided --

(UNKOWN): Senators, your duty is clear. Do not protect (ph) Rex Tillerson. The people do not want oil (ph) (inaudible) as Secretary of State. Rejecting (ph) Rex Tillerson is honoring the earth.

TILLERSON:

The use of AID is multifaceted in terms of both disaster relief and development. One of the most successful programs I've seen is the Millennium Challenge Corporation because it has ownership on the part of the country.

They have to request the grant, they have to take ownership of the implementation and it is, in many ways, an advancement of their institutional capacity to actually get something done.

That's where you would hope we could put all of these countries on a pathway where they can begin to take responsibility and develop the infrastructure and the educational systems and the need to meet the needs of their people.

It is a different journey for each of these countries and the use of the foreign assistance, to the extent we can make USAID development programs more like Millennium Challenge, recognizing different criterias (sic).

But it goes to the - goes to the responsibility of the recipient government in putting some level of criteria where we are promoting the development of their institutional capacity to begin to address - look back to their people and address their needs. They're powerful tools and they're powerful because, as I said earlier, they really project the best of American compassion.

ISAKSON:

I appreciate your answer because a lot of people have questioned whether or not we ought to have a corporate executive from the private sector by Secretary of State. Soft power, which all of us prefer to hard power if we can use it, depends on the concept of joint venture and the investment of capital and the natural resources to bring about the best for people where those resources are.

Your knowledge of that joint venture process is going to be invaluable with the state department as we go through Africa and other developing countries (sic), to use Millennium Challenge to bring about a reduction in corruption, an increase in friends, and hopefully better votes in the U.N. when we need them the most.

TILLERSON:

It is - I think we certainly should use that as a way to build those connections with developing countries around the world and countries that are, hopefully, are going to be on the rise and can be important models to others, to demonstrate it is possible to lift yourself out of this condition.

ISAKSON:

One last quick question, and it's not a catch 22, but I'm a big supporter of trade, I think trade is important. It's a weapon that we have to use - a soft power weapon to have friends and help the United States of America.

China is - the whole issue of TPP has been an issue. I know the president (sic) was questionable on TPP but not on trade itself. And now do you think trade is an important component in inter-governmental relationships between countries and has a role to the State Department?

TILLERSON:

Having strong economic alliances where there's a certain, I hate to use the word interdependency because some people find that a threatening term, but having those important connections allows us to have these economic ties where we want to maintain good relations with one another.

They also provide an enormous opportunity for us to know one another as people. This --this is just people doing, going about their daily lives, doing their jobs and having connections with others in other countries that are doing the same.

It allows us to project America's values into those countries we're trading with. We have a presence in those countries, bringing American standards of conduct, honest dealings, ethical behavior, a structure around honoring our deals. That a deals a deal, we honor it. So economic trade is critical to the success of our foreign policy.

ISAKSON:

Well, thank you very much for your willingness to serve and thanks to your wife and family for their willingness to help support you in that service.

Thank you, Mr. Chairman.

CORKER:

Thank you, sir.

Senator Markey?

MARKEY:

Thank you, Mr. Chairman very much.

Mr. Tillerson, during your tenure as CEO of ExxonMobil, the company massively expanded its involvement in Russia, going from virtually no holdings in that country to holding the drilling rights to 63 million acres. That is an area, inside of Russia, that is the size of Wyoming. And almost five times the amount of holdings Exxon has here, in the United States.

As CEO of Exxon, you vocally opposed the Russian sanctions that have been put in place which hamper Exxon's ability to drill there. Now, in recent weeks, we have learned about the incredibly disturbing extent to which Russia has sought to weaken our nation from its efforts to under mine the election to yesterday's news that it has compromising personal and financial information about the president-elect.

Now, I'm sure that I am not alone in saying that I believe that these allegations, if true, demand more and stronger sanctions against Russia. Now, just this morning, Donald Trump said that he thinks that the Russians did hack our American election.

So Mr. Tillerson, in light of what you now know about the extent of Russia's hostile acts against our country, do you support increasing sanctions against Russia, even if doing so hurts ExxonMobil?

TILLERSON:

Well, Senator, if confirmed in consultation with the president and I'm sure what will be an interagency decision around imposing additional sanctions on Russia, there will be no space

between me and the president or the administration in those decisions. I serve, if confirmed, I serve only the interest of the American people.

MARKEY:

Well, again, the question that the American people are going to have is that you have spent 41 years at ExxonMobil and they -- and ExxonMobil controls for leasing purposes, drilling purposes, oil purposes, an area the size of Wyoming inside of Russia.

And you have spent your entire adult life working there. So there's a question that people have in their minds about your ability to be able to separate. You know, if the head of the Sierra Club was named tomorrow, to be the new CEO of ExxonMobil, some of the shareholders at ExxonMobil might wonder whether or not the head of Sierra Club could put aside their whole past history, in order to be able to advance that shareholder interest.

Well, the shareholders of the United States, the people who are watching this hearing, are wondering the same thing about this issue with regard to your past history and not just the vast interest which ExxonMobil has in Russia. But in dozens of other countries across the world.

Now, earlier, you said that you would recuse yourself from issues involving ExxonMobil as required by statute. But that statute, that statutory recusal period, is only for one year. You could be secretary of state for four years or for eight years.

You, in my opinion, are going to have many, many issues after that one-year period is up that relates to the economic interest of ExxonMobil. So I ask you sir, if you would be willing to recuse yourself for the duration of your time as secretary of state from any manner dealing with ExxonMobil's economic interests so that the American people are sure that the only interest that you are serving is the interest of the American people?

TILLERSON:

Senator, as I indicated earlier, I will honor obviously, the statutory recusal period and then after that, any matter that might involve ExxonMobil or has the appearance that it could lead to some type of conflict, I will seek the guidance of the Ethics Council. A review by them and if it is the view that I -- it would be proper for me to recuse, I'll honor that.

MARKEY:

Well, again, one year is a very brief period of time, given the vast economic interest affects on Mobil, in Nigeria, in Iraq, in Russia, in country after country around the world.

I think, Mr. Tillerson, it would be far better for you just to say that for the duration of your time, as secretary, that you will not allow for you -- for your own personal involvement to be a part of any decision about anything that affects ExxonMobil anywhere in the world.

I think the American people would feel much more comforted if you would, in fact, make that commitment to them. Now, during your tenure as CEO, Exxon has supported public policy groups who have spread climate denial.

Senator Kaine, dealt with that issue. And also, opposed clean energy including for example, financial support in 2015 for the American Legislative Exchange Council and the Manhattan Institute, two groups which are climate deniers.

In 2016, when the Attorney General of Massachusetts asked Exxon for information on the Company's climate activities under Massachusetts's consumer and financial protection laws, Exxon sued the state of Massachusetts, The Attorney General of Massachusetts.

And other public policy groups that have been critical of Exxon. So we have evidence in the past of Exxon during the time you have been there, supporting groups opposing climate action and also, trying to silence groups that have been critical of Exxon.

So if the American people, given your personal history at ExxonMobil and the actions of that company, some reason to have confidence that the climate agreement negotiated by Secretary Kerry and President Obama, will be something that the Trump administration State Department will honor. And that you U.S. leadership will continue on the issue of climate around the planet, we are not just any country.

We cannot be a lagger (ph), we must be the leader the world expects us to be the leader on climate change. Please give us those assurances that you will guarantee that the State Department will be the leader as it has been, in advancing a climate agenda for our country.

TILLERSON:

Well, if confirmed Senator, I'm sure that there will be opportunity and I know the president-elect will want the opportunity to do a fulsome review of our policies around engagement on climate issues, through global accords, global agreements.

And as I indicated, I feel free to express my views to him, around those. I also know that the president, as part of his priority in campaigning, was America first. And so there is important considerations as to -- as we commit to such accords.

And as those accords are executed overtime, are there any elements of that that put America at a disadvantage.

MARKEY:

Do you believe that it should be a priority of the United States, to work with other countries in the world to find climate change solutions to that problem?

TILLERSON:

I think it's important for America to remain engaged in those discussions so that we are at the table, expressing a view and understanding what the impacts may be on the American people and American competitiveness.

MARKEY:

Do you commit that -- to ensure that no employee of the State Department is influenced to take action because it would be favorable to business interest associated with the president-elect or his family?

TILLERSON:

If I understood the question, yes.

MARKEY:

Alright. The president elect said, famously, in a tweet, wouldn't you rather have - in a certain sense - have Japan with nuclear weapons, when North Korea has nuclear weapons. And the president elect has also said that he would be open to South Korea and Saudi Arabia acquiring nuclear weapons.

Senator, none who introduced you has previously described these comments as dangerously off-base and stated that Mr. Trump's suggestion would make American families less safe. Do you disagree with the president elect that it wouldn't be a bad thing for us if Japan and South Korea and Saudi Arabia acquired nuclear weapons?

(UNKNOWN)

(Inaudible) succinctly, if you will.

TILLERSON:

I think the priority has to be to deny North Korea the ability to deploy it's nuclear weapons.

MARKEY:

What about Saudi Arabia and South Korea?

(UNKNOWN)

(Inaudible) Senator Paul, please.

PAUL:

Mr. Tillerson, congratulations on your nomination. They say that those who refuse to learn the lessons of history are doomed to repeat the mistakes of the past. The president elect has said that the Iraq war was a big fat mistake. He said this many, many, many times. I was wondering if you agree with that (ph) statement and if you do agree with the statement, how it will inform your judgment as to the future of the Middle East and the other conflicts that we are engaged or possibly engaged in the Middle East.

TILLERSON:

Senator, I alluded to the Iraq war in my opening comments when I indicated that actions over the past decades, while well-intended, had unintended consequences that in the end, did not achieve the stability that we sought or the national security. And I think in that regard, the decision to go into Iraq and change leadership in Iraq, upon reflection, was - perhaps did not achieve those objectives.

We do not have a more stable region in the world and our national security has not been enhanced or is still certainly under threat today.

PAUL:

I think that's an important point, that we talk about whether our national security was enhanced and I think sometimes gets lost in the emotions of these are terrible, evil people acts (ph) whichever country we're talking about, we have to do something about it. And in reality, we maybe forget that really, what we're trying to do is to be protecting our vital national interest.

Another statement that president elect Trump has made is that the US should stop racing to topple foreign regimes that we know nothing about, that we shouldn't be involved with. This is kind of a little (ph) related to the last question but I think is also important in the sense that there are some within the foreign policy community who say oh we must go in and topple the regime in Iran and it'll be a cakewalk. They'll welcome us with open arms.

But one of the interesting things you find as you meet Iranian Americans, many of whom lost all of their land, all of their wealth and you ask them about Iran and you say would it be a good idea to militarily invade Iran. And they say completely the opposite. That much of Iran is younger. Much of Iran is pro-western and with the first bomb that is dropped, you'll reverse a lot of good will that is potentially there when Iran does finally change it's regime on it's own. But I think it's important because we do and everybody - nobody wants Iran to have nuclear weapons.

Nobody wants Iran to be in regress from (ph) the region and at the same time, I think it is important that we look at the lessons of the Iraq war. The Iraq war actually emboldened Iran, made Iran stronger. And so the questions are - the same thing with Libya, we toppled the regime in Libya. But I guess the question is, with regard to Iran, those who are advocating that it'll be a cake walk, that we should have military regime change, what do you think of that advocacy and what do you think of the - I guess Donald Trump's statements with regard to regime change?

TILLERSON:

Well I think you described it in many ways, and the same way I would see it, is that what is in the best interest of our national security. And I think this is where these priorities sometimes come into conflict with our values, with the projection of our American values and our desire - and out of our compassion for the mistreatment of people, the violation of human rights, oppressive regimes. We want those people to have what we have but balancing that against our national security interest and what's most important is that we are protect the American people first. This is where sometimes I think our priorities - we have too many priorities and therefore, we lost sight of what is the most important.

Any decision to affect a change of leadership in a country by force, it cannot be taken lightly and I think the question that one has to answer is that - I posed a couple of them. What comes next? And in the case of Libya, I think that was the failing in the decision to change the regime there. No one had a clear plan or view of what would come next. That's what we're experiencing and have experienced, somewhat, in Iraq. And it is the question in Syria when people talk about changing the leadership there.

What comes next? Certainly making the decision to use force is a serious, serious decision because we know it will come at a cost of precious American lives. So I think that it is important and if confirmed as Secretary of State, my job is to make sure we never get there. My job is to chart out other pathways by which we can have a steady progress towards causing regimes who oppress their people to change their behavior. And use all the other tools available to use. I haven't said that - I do think that we have to clear-eyed about the threat Iran poses today. And ensure that we have taken all steps appropriate through all mechanisms available to contain that threat and to limit their ability to grow that threat. In particular, not just on the nuclear - acquired a (ph) nuclear weapon, but more importantly, their widespread support of terrorism around the world. We have to disrupt that.

PAUL:

Thank you. With regard to foreign aid, there's been a lot of love for foreign aid going around today but I think there's another side that we ought to think about. There are many, many, many reports talking about corruption within foreign aid. That we give it to developing countries and 70 percent of it's stolen off the top. The Mubarak family in Egypt, everybody loved the Mubaraks, they were pro-western, pro-American and yet they're said to be worth about \$15 billion. I don't think they've ever created anything other than they skim a little bit off the top off everything that comes into the country.

We've given them \$60 billion and they're worth \$10 or \$15 billion. I believe it was the Equatorial Guinea that had one of their sons stopped in Paris a few years ago loading about 10 different cars onto an airplane that were all worth \$200,000, \$300,000 cars. So there's a lot of corruption. Now, some of the things that have been mentioned are more directed towards either third party charities or private entities, I would argue that these things are a lot less bad but I would argue that we can't blithely just look at foreign aid and say oh it's all great and it's all going to a good cause.

Sometimes it actually works in the opposite way and I'll give you an example. In Egypt, we gave so much in - the Mubaraks took so much of this money but some of it they actually spent because we have provisions. They have to buy stuff from us with the money. It's sort of this creation of economic business kind of game that we do. But one of the things that they bought from us was tear gas and so when they had these big democratic protests in Cairo, they were being doused with tear gas from the US and they would pick the canisters up on the street.

And I would argue that that soft (ph) power isn't maybe giving a warm, soft fuzzy feeling for America that in supporting many people who really are not pro-human rights or pro-American interest, that actually sometimes the foreign aid backfires on us because the resist those leaders who are using undemocratic and forceful authoritarian means on their own people that it backfires. But I would appreciate your comments on whether or not you see any kind of difficulty or problems with corruption within foreign aid or things that need to be reformed.

TILLERSON:

Senator, I'm very aware of and even in my prior work I have seen the examples of what you described where even in disaster relief cases where foreign assistance is phone (ph) in food supplies and while they're literally (ph) being unloaded at the airport, military forces are picking them up and taking them away to be sold. So it is all - the challenge is never in the intent and our compassion and the need we're trying to address, the challenge is always in the execution. And I do think that it is important that we have as well developed execution plans - if we're going to deliver aid into a country where we know this is a risk, what can we do in the execution of the delivery of that aid? If it's disaster relief, are there other agencies we can partner with to limit that type of theft going on. In terms of development assistance, to the extent, we do not give grants directly to governments, but whether we give them to particular projects, or perhaps partnering agencies, or public-private sector initiatives, which are executed by credible NGOs, so that the money just never passes through the hands, that's the preferred mechanisms, I think.

PAUL:

And then one final point I would make, and you don't necessarily need to comment on this, is that it's not only corruption, but it's unintended consequences. As a business person, you'll -- I (believe) you recognize this, and I think even right and left actually agree on some of this, if you dump Haiti with rice for 10 years, you ruin the ability of them to have their own rice market and grow their own rice.

If you want to give them rice during the middle of a famine, that's one thing. But you have to be very careful about having a big heart/small brain syndrome that we ruin their local economy sometimes with aid as well. But I appreciate you thinking about corruption, and then also thinking about unintended consequences of our aid. Thank you.

CORKER:

Thank you. Before turning to Senator Merkley, I want to -- I think you've made great contributions as it relates to foreign aid, and I think that there is support for the one percent that we spend to try to use it in appropriate ways for soft power. I think, and I've shared this with the Trump incoming transition group, we're still -- much of our aid is the Cold War model where we're buying influence. And so much of it needs to be -- all of it actually -- transformed into something that has appropriate efficacy.

What we're doing right now with food aid is beyond belief, and I could rant about this for another 20 minutes. It's beyond belief. But efforts like we have to end modern slavery where partnerships are created, where you're building on best practices, some of the things we're doing with water, some of the things we're doing with electricity, I think they're set up on the right principles. But I appreciate the comments. I appreciate, hopefully, all of you looking at foreign aid because there is much waste, there is corruption. We could deliver it in a much better way.

Senator Merkley.

MERKLEY:

Thank you, Mr. Chairman, and it's a pleasure to join the committee

Mr. Tillerson, during his campaign the President-Elect talked a lot about what he saw as major mistakes with NAFTA and with giving China full access to our market in terms of its impact on American manufacturing. He was very critical of the TPP. Do you share his vision that NAFTA and WTO China access, and that TPP are big mistakes in terms of creating living wage American jobs?

TILLERSON:

Senator, my understanding of the issue that the President-Elect has with those trade agreements is, in the case of NAFTA, it's an agreement that's been in place for -- for decades now, and I think even President Pena-Nieto of Mexico has indicated that, yes, perhaps it needs a relook. That we're in a different era now, both in terms of the type of trade and technology, but also the global trading environment has changed since that agreement.

MERKLEY:

And do you share his opposition to TPP?

TILLERSON:

I do not oppose TPP. I share some of his view regarding whether the agreement that was negotiated serves all of America's interests best.

MERKELEY:

Thank you. Exxon has a partnership with Shell, a company known as Infineum, that did a fair number of transactions with Iran, bypassing U.S. sanctions. Are you familiar with this -- the use of this subsidiary to bypass U.S. sanctions, and do you think it was the right thing to do?

TILLERSON:

I don't recall the incident. I've read about it, but I don't recall it specifically.

MERKELEY:

So the SEC directly contacted Exxon while you were in the senior leadership, saying that seems fairly material for investors, an effort to bypass U.S. sanctions, and asked why Exxon didn't disclose it. Do you have any memory of that or discussions of whether Exxon should have disclosed these transactions?

TILLERSON:

Senator, I think the question would be best placed to Exxon Mobile, where -- where the information would reside.

MERKELEY:

No, sir, you were -- you were there. I'm asking if you had discussions about this or have a -- have a memory of it.

TILLERSON:

I do not.

MERKELEY:

If you were Secretary of State, and you were working to enforce U.S. sanctions, and another CEO had a subsidiary set up and utilized to bypass American sanctions, would you call up that CEO or weigh in and say this is not a good idea, this undermines U.S. efforts to take on a serious terrorist threat or other malfeasance by some country in the world?

TILLERSON:

I think if the actions that are being taken violate the sanctions, then -- then there are proper authorities that would examine that and deal with it.

MERKELEY:

It's not an issue of the technicality of violating this. The operation subsidiary was set up in Europe specifically that Exxon set up so that it could legally bypass U.S. sanctions. But it was certainly inconsistent with the goal of U.S. policy to pressure Iran. And if you were the leader of the -- if

you were Secretary of State, would you try to -- to make sure that U.S. leadership and the effectiveness of using sanctions was not undermined through the setup of foreign subsidiaries?

TILLERSON:

I would certainly be open to having the -- having folks in the State Department contact companies and just inquire as to whether they're aware of the actions that they're taking and the State Department's view of that.

MERKELEY:

Well, to be aware of something is different than to be concerned or to be upset by it. Would you consider you would uphold the integrity of the U.S. goal of diminishing the ability of nations like Iran to do a whole host of things destructive to U.S. interests?

TILLERSON:

I understand, Senator, but I also think it's important that the -- that the State Department, as with any agency, also respects the laws that have been put in place. And there's a difference between expressing a concern and suggesting someone's breaking the law.

MERKELEY:

Yes, so you're -- as you look back on -- on the subsidiary, it doesn't upset you that Exxon took this role to undermine U.S. sanctions, and that you would not express concern if another company legally set up a foreign subsidiary to undermine U.S. sanctions?

TILLERSON:

As I said, I don't recall the circumstances.

MERKELEY:

Well, I'm not asking you to recall the circumstances. I'm asking -- your answer is that you don't consider that a problem. It sounds like you're not considering that to be an issue.

TILLERSON:

I don't know the example, so I don't know how to answer the question.

MERKELEY:

OK, that's all. We'll -- thank you. Let's turn to lobbying Ukraine. You said earlier in this hearing, I've never personally lobbied against sanctions. To my knowledge, Exxon never lobbied against sanctions. And yet there is a whole host of material in the public sector about Exxon lobbying on these sanctions.

There's a whole host of these lobbying reports in which Exxon reports under the law that they lobbied on these bills that imposed sanctions. There's your report of the 2014 meeting, and I quote, "We do not support sanctions generally." And you continued, "So we always encourage the people who are making those decisions to consider the very broad collateral damage of who are they really harming." I'd like to enter these articles into the record, if I could.

And (its) article, it's (titled) -- the New York Times -- "Rex Tillerson's company, Exxon, has billions at stake over sanctions on Russia." Politico article lays out "Exxon Mobile helped defeat Russia sanctions bill," and notes how it's (inaudible) Mobile successfully lobbied against a bill that would make it harder for the next President to lift sanctions against Russia.

Another article lays out "Tillerson visited the White House often over further Russian sanctions." So there's a host of material showing a widespread pattern of weighing in against these sanctions that were harming Exxon interests' activities in Russia, which was a major area of your effort. Do you still maintain that Exxon did not lobby against these sanctions?

TILLERSON:

Exxon Mobile did not lobby against the sanctions, but were engaged in how the sanctions were being constructed. As to the reports of my visits to the White House, my visits were to work through the process of Exxon Mobile's compliance with the sanctions. I described earlier the situation where, when the sanctions were enacted, there were drilling activities that involved considerable risk that were underway, for which Exxon Mobile sought a special license from OPEC in order to complete those, in full compliance with the sanctions.

Had we been denied the license, we would have had to pull people out, or Exxon Mobile would have had to pull people out at that time.

MERKELEY:

Is that the only instance in which you weighed in?

TILLERSON:

And all of the other meetings that... I'm sorry.

MERKELEY:

(About) 20 meetings going to the White House, that's the only issue you weighed in on -- on Exxon sanctions?

TILLERSON:

I don't recall 20 meetings, but the visits to the White House -- because under the terms of the compliance with the sanctions, first -- the first action was to seek the license to allow us to deal

with the imminent risk of the drilling situation. Following that, OPEC required us -- required Exxon Mobile to file reports on a periodic basis around our ongoing compliance activities.

Exxon Mobile has holdings in Russia, offshore Sakhalin Island, that are not subject to the sanctions, in partnership with Rosneft, which does contain individuals who are subject to the sanctions.

MERKELEY:

I'm going to take summarize that these reports you consider to be incorrect?

TILLERSON:

They're inaccurate.

MERKELEY:

OK, thank you. I'll continue. There are three individuals who were involved in the Trump campaign, Paul Manafort, Michael Cohen, and Carter Page, who public reports have been involved in dialogue with Russia...

with the goal of finding common strategy, with believing that Trump would better on Syria and Ukraine policy and Trump believing that Russia could help defeat Hillary Clinton. Now these reports have not been substantiated, I'm sure much more will come on them. But in theory, how do you feel about a U.S. candidate turning to a foreign country to essentially find another partner in defeating another opponent in an U.S. presidential election.

TILLERSON:

That would not - that would not comport with our democratic process.

MERKLEY:

Thank- thank you. I'm sure we're going to have a lot of discussion of this because the extent of the false news stories, the hacking, the cyber warfare, the use of bot (ph) nets (ph) to amplify false news stories, the hiring of trolls, all of which really attack the fundamentals of our democracy and the reports have it that Russia not only wanted to weigh in in the election but they also wanted to undermine U.S. confidence, the citizens confidence in the our electoral process and in our democratic values. So that's a real concern to the future of our state (ph) and I assume it's a concern that you might share as well.

TILLERSON:

Yes sir, it's a concern I share, I also noted in the publically available report that I read, that the inner agency a (ph) report also acknowledge that these kinds of activities were carried out during

the Cold War as well. The tools of sophistication have only advanced with the advent (ph) of cyber.

MERKLEY:

Yes, many of these tools were internet based electronic cyber warfare that didn't - was much different in that setting. When we come back in our next round, because I'm a few seconds left, I'd like to ask a few questions about Exxon's involvement in equatorial guiney (ph). My colleagues mentioned it on the other side and I think that would be of interest.

CORKER:

Thank you. Senator Barrasso.

Barrasso: Thank you very much Mr. Chairman, congratulations on your nomination. I wanted to go to your opening statement and try to talk about a couple things that we haven't really gotten into yet. And one of the statements that you made had to do with defeating ISIS. And as you said defeating ISIS must be our foremost priority in the Middle East, you go on to say that defeat will not occur on the battlefield alone, we must win the war of ideas. And if I could just engage you a little bit to talk about how we can use diplomatic efforts and others - other ways to target and actually undermine the ISIS ideology and its legitimacy and how can we do that and improve U.S. led coordination in the region with our allies?

TILLERSON:

Well the defeat of ISIS globally is extremely challenging, because it does not represent a country that we can apply traditional approaches to. The defeat of ISIS as an ideology, in other words, other than the battlefield is going to require advanced capabilities in our own communication tools in terms of disrupting their communication to develop their network, more importantly to further their ideology. This means getting into the internet airspace and putting forth different ideas and disrupting their delivery of ideas to people who are persuaded to join them.

ISIS - the defeat of ISIS in the Middle East removes their caliphate territory which then undermines their legitimacy. That in itself will not defeat ISIS once and for all, it will simply morph to its next version. And we see that already as terrorist organizations existing in other parts of the world have decided to identify themselves with ISIS just because of the strength of their brand quite frankly. So I think it's going to require a comprehensive inner agency effort informed by intelligence, informed by the defense department and other agencies as to how can we disrupt the delivery of this ideology. Why the ideology takes hold in a particular location, again there's not a country that identifies itself as ISIS, that's why taking away their caliphate is so important.

BARRASSO:

It even looks like their trying to extend into Afghanistan, I was there at Thanksgiving and near Jellalabad (ph) and near the Afghan Pakistan border, it seems like they're trying to establish a caliphate in that area as well. So the cancer has spread - so I appreciate those thoughts. In your

opening statement you just talked - and even those that introduced you talked about the fact that the U.S. is not as strong and respected as it had been previously and that we need a foreign policy aimed at securing our national interests, demonstrating our leadership, from a standpoint of credibility, you know you and I had talked about having the capacity to do something, having a commitment to use that capacity and communicating that commitment about that capacity. Could you share with us a little bit about what you intend to do in terms of restoring Americas position in the world.

TILLERSON:

Well as I - as I indicated also in the opening statement, we are dealing with a position of strength and so the only reason we're not perceived to be there with our (inaudible) because we're not asserting that strength in these issues. So it does begin with reengaging with friends and allies, reconnecting with them that our commitment is to the stability of the region, that if there are existing commitments and agreements in place that we fully intend to fulfill those and then developing a strategy in the region to deal with the most eminent threat. It means projecting the strength of our U.S. military might (ph) but hopefully not having to use it in terms of trying to persuade countries to change their course of action.

But in the case of the most immediate threat of ISIS it involves can we construct a renewed coalition that using the forces that are already there, including the Syrian Kurds which have been our greatest allies, that we recommit to the Syrian Kurds that we intend to continue to support you with the capability to continue the advance on Raqqa (ph). And then build coalition forces that can contain ISIS if it attempts to move into the other parts of the country. And eliminate them from Syria to begin. I think the effort in Iraq is progressing, hopefully it will progress to a successful conclusion as well in terms of removing the caliphate from ISIS.

BARRASSO:

Staying in the Middle East in terms of the relationship between Israel and the Palestinians, I've always felt as in the position of the country that direct negotiation between the parties without the interference from outsiders was the key. The Obama Administration recently abandoned Israel with a one sided resolution at the Security Council. The United Nations by sustaining - I'm sorry - abstaining from a vote which in the past we would routinely have vetoed (ph). Could you talk a little bit about your views on the refusal to veto the recent U.N. Security Council resolution and subsequent speech by Senator - by Secretary Kerry?

TILLERSON:

Well Israel is, has always been, and remain our most important ally in the region. They're important to our national security. The U.N. resolution that was passed in my view is not helpful. I think it actually undermines setting a good set of conditions for talks to continue. The secretary's speech which followed that U.N. resolution, I found quite troubling because of the attacks on Israel and in many ways, undermining the government of Israel itself in terms of its own legitimacy in the talks.

I think in the Trump administration, the present-elect has already many it clear and if I'm confirmed, I agree entirely with support that we have to recommit - this in these statements I keep making about renewing and committing that we're going to meet our obligations to Israel is our most important strategic partner in the region.

BARRASSO:

The staying with the United Nations that you talked about the international agreements, you were asked specifically about the climate agreements, the international climate change, funding is a part of that. The Obama administration is unilaterally pledge \$3 billion to the U.N. green climate funds. The administration as requested \$1.3 billion for global climate change initiatives in this years presidents budget for fiscal year 2017. You mentioned Donald Trump campaigning on America first. Will you commit to ensuring that no funding will go to the U.N. green climate fund?

TILLERSON:

In consultation with the president, my expectation is we're going to look at all of these things from a bottom up in terms of funds we've committed towards this effort.

BARRASSO:

As Senator Isakson asked about and talked about the value of using soft power and it just seems there's so many opportunities whether its humanitarian assistance, democracy promotion, embassy security measures that are necessary and countering global terrorist threats where money could possibly be better spent than on these efforts. So I appreciate your effort to look into that. Senator Corker earlier talked about some of the wonderful things that have been done around the world because of U.S. involvement and soft power.

Part of that is a (ph) power helping to power energy in a number of communities around the world, many of us have been to Africa to see what happens in a community where there is energy available that hadn't been previously in terms of helping as a tool for those countries. So people can give education opportunities, health, wellbeing, we have had a situation where some of the programs in place have not really supporting all of the above energy...

and we've seen where the World Bank has blocked funding for coal fire power plants which would help bring light and other opportunities to a number of countries in Africa. And I wonder if you could comment on the need to use all of the sources of energy to help people who are living in poverty and without power.

TILLERSON:

Well I think and I know you touched on it, but the -- nothing lifts people out of poverty quicker than electricity. It's just a fact. You give people light, you give them the ability to refrigerate food, medicine it changes their entire quality of life. They no longer cook on animal dung and wood cooking in their homes. So health issues -- their health improves. I think it's very important that we use wisely the American people's dollars as we support these programs and that means

whatever is the most efficient, effective way to deliver electricity to these areas that don't have it. That should be the choice and that is the wisest use of American dollars.

BARRASSO:

Thank you. Thank you Mr. Chairman.

CHAIRMAN:

Thank you, just see of state of play (sp), we're running slightly behind, we're going to go ahead and finish up with Senator Coons and Senator Portman. Senator Risch and Senator Book are not here. We'll take a 45 minute recess when these two gentlemen finish their time. Each of them will have 10 minutes when they get back to start and then we'll resume again in the same order starting with Senator Cardin and we'll do seven minute rounds when we get back. So it looks like we'll recess about 1:30 and come back at 2:15 and with that Senator Coons.

COONS:

Thank you Mr. Chairman. Mr. Tillerson good afternoon. And to Renda -- to you whole family, welcome and thank you for your willingness to serve this country in this important post. And I appreciate the frank conversation we had in my office last week and I just want the American people to hear some of the answers you gave on I think some pressing and relevant questions around your nomination and your views on the world but in a focused way and on the record.

Many of my colleagues have already asked about how you will handle the transition from CEO of the world's leading energy company -- oil company to Secretary of State advocating for human right and open press and democracy. I've been encouraged to hear you say that we will stand by our NATO allies. That you would not support accepting the annexation of Crimea by Russia and that you see Russia as currently and adversary and possibly and enemy. And I want to focus in on how you see Putin's leadership and Russia's role.

You said previously that the Russian's are strategic thinkers and they have a plan. They have a plan to restore their role in the world order. My core concern is that their plan is actually to change the world order. And, that they have used a wide range of tools and we have not successfully pushed back on their campaign. I led a bipartisan delegation to eastern Europe in august and was struck at the number of times in several country's we were briefed on a continuous campaign to divide Europe and the United States to undermine our NATO alliance and to Divide Europe from within. And that Russia has used all of the tools of state power, to overt and covert, to wage an aggressive propaganda campaign. Back in the 90's after the fall of the Soviet Union we used effectively radio (sp) free Europe and the National Endowment for Democracy. We were engaged in a full on fight for democracy in the former Warsaw Pact countries and former Soviet Republics.

I think we should be using all of our tools to push back on this Russian aggression. Do you see RT as a Russian propaganda outlet and how would you use and lead the resources of the State department to counter Russian propaganda to push back on this effort to change the rules of the world order?

TILLERSON:

Well as you point out, utilizing the opportunity to communicate to the people of Russia, through mechanisms that were successful in the past -- Radio free Europe, and utilizing those type of sources as well as providing information on the internet to the extent people can access internet so that they -- they have availability to the facts. The facts is they exist to the alternative reporting of events that are presented through the largely controlled media outlets inside of Moscow.

That is an important way in which to at least begin to inform the Russian people as to what the realities are in the world. And it is an important tool, it should be utilized.

COONS:

It is the intelligence community's assessment that the Kremlin has a long standing plan to undermine the global democratic order that we spent so much time and effort building in the decades since the Second World War. Will you rely on and will you encourage the President Elect to rely on the career professionals in the intelligence community in your role as Secretary of State if confirmed?

TILLERSON:

Senator I have enormous respect for the intelligence agencies and the vital role that they play. So I will certainly be informed by their findings and I think in terms of then understanding that as they apply to the facts on the ground -- it's important in guiding our future policies and guiding our future options for how to respond.

COONS:

I know this press conference has happened while you've been here in this confirmation hearing, but just an hour or so ago the President Elect finally publically said that he thinks it is most likely true that Russia was behind a hacking effort and he gave no more specific response to the question what should we do about it other than we will work something out.

Many of us are concerned about the lack of a clear embrace of a congressional role and a clear embrace of a congressional lead sanctions. There is a bipartisan bill that will move forward to enact sanctions so that it's not just the action of one outgoing president.

You've given some constructive answers previously about your view on sanctions and your view that if done in a solid and sustainable way they can be a constructive tool of foreign policy. Please reassure me that you would welcome working closely with congress on enacting sanctions against Russia in response to their war crimes in Syria- their invasion of Crimea and it's occupation and their attack on their democracy.

TILLERSON:

if confirmed Senator, I look forward to engaging with this entire committee particularly on the construct of new sanctions and I think as I have indicated in response to other questions, what I would hope is that the executive branch and in my role at the State Department if confirmed would be the latitude to use those sanctions in efforts to cause modifications to Russia's positions. If they're already in place and mandatory then that may remove some opportunities to explore ways in which we can use them as a tool and give the Russian government the option of moving because of the threat of those.

COONS:

Well I would say, if I could, Mr. Tillerson that I was a member of this committee when the current Secretary of State came and asked us not to strengthen Sanctions against Iran to give the executive branch the freedom to operate and I think by vote of 99 to 0 the Senate went ahead with bipartisan sanctions. Senator Menendez pressed you about this earlier. I do think that we should work in concert and in conciliation but there are some tools that congress sometimes chooses to move forward with and it's my hope that we could strengthen sanctions to show our determination to contain Putin's aggression and to push back on his adversarial actions.

Let me move to another topic if I could. Do you think it advances America's interests to have the Russian military supporting Assad. Coordinating with Iran and engaging in combat actions in Syria against the moderate opposition and against folks who we've relied on as allies in the fight ISIS.

TILLERSON:

As I indicated in my opening remarks, that is contrary to American interests.

COONS:

How do you think we can strengthen our hand against Iran, given their destabilizing regional actions? And in your view as you reconsider the nuclear agreement with Iran, if we withdraw from the agreement unilaterally, how will we sustain the current level of visibility we have into Iran's nuclear program and how would that make us safer or stronger?

TILLERSON:

With respect to the recent agreement to limit Iran's ability to advance or make progress towards development of nuclear weapons, if confirmed my recommendations and I think this is consistent with the President Elect is now, is to do a full review of that agreement as well as any number of side agreements that I understand are part of that agreement.

Examine what -- you know, whether Iran and our ability to verify whether Iran is meeting its obligations under the agreement and insure that we are enforcing all of the mechanisms available that hold them to that agreement. No one disagrees with the ultimate objective that Iran cannot have a nuclear weapon. The current agreement does freeze their ability to progress but it does not ultimately deny them the ability to have a nuclear weapon. My understanding is the current agreement for instance does not deny them the ability to purchase a nuclear weapon. It just means,

it just denies them the ability to develop one. So I think there are additional areas that have to be considered. And most importantly if we choose to use this agreement as a way to provide an opportunity to discuss what comes next, because the real important question is what comes at the end of this agreement?

And what comes at the end of this agreement must be a mechanism that does in fact deny Iran the ability to develop a nuclear weapon and that means, no uranium enrichment in Iran, no nuclear materials stored in Iran.

The other side of that is what does Iran get would be through working with partners would be to provide Iran the access, the means, to peaceful uses of nuclear materials. Nuclear power, medical - medical applications and industrial applications, but that would be done under a very controlled process working with other partners to do that.

Whether Iran is prepared to chart a pathway that looks like that, we'll only know once we engage in discussions.

COONS:

Well many members of this committee look forward to working with you to make sure that we are restraining Iran's nuclear ambitions effectively, fiercely. And that we are implementing what we get out of that current agreement and reviewing it closely going forward.

Thank you Mr. Chairman.

CORKER:

Thank you and I appreciate your observation that every administration is anxious to work with congress until such a time it, in any way, inhibits their ability to do whatever they wish. So thank you for that. Senator Portman.

PORTMAN:

Thank you Mr. Chairman. And Mr. Tillerson it's been a long morning and now going into a long afternoon, I think I'm the one person between you and a break. So I'll try be as quick as I can and - look I appreciate your willingness to step forward and serve your country and I know it's not without some sacrifice but also an incredible opportunity.

We talked a little in my office and I appreciate your meeting with me about restoring America's role in the world.

And just listening today to your testimony back and forth, I think there's a consensus building in this country that we do need to do some things immediately to put America back in a position of being trusted and respected by our allies and our adversaries.

I like to look at it more that we're not looking to be the world's policeman but, to put it in Texas terms, more like the Sherriff who gets the posse together and on the eastern border of Ukraine and, in Crimea that would be NATO. And, although Ukraine not a member of NATO, that region relies on it and those countries need leadership.

And with regard to Syria I think it's the Kurds, it's the Sunni countries in the neighborhood and - so it's the posse. And in the South China Sea where China has been increasingly aggressive I think it's the Pacific Rim countries who, as you know, are very nervous, but they're looking for leadership.

And that security umbrella we've provided since World War II has kept the peace. So I hope that's consistent with what you have told me in private and what you're saying here publicly today and I think there's an opportunity as well as a sacrifice related to your service.

As we talked about in our meeting, a number of my constituents in my home state of Ohio have family ties to Eastern, Central Europe including Ukraine, very interested in those issues. As a result I've gotten much more deeply involved in those issues over the last several years including traveling to that region.

And my questions are going to focus a lot on that. First one NATO, just to be clear, because I know there was some discussion about NATO earlier, particularly Article Five which reads, an armed attack against one or more member shall be considered an attack against them all.

Can you just clarify that you believe Article Five creates a binding obligation to assist any member of the alliance who's a victim of aggression regardless of their size or geographic location?

TILLERSON:

Yes sir, I do.

PORTMAN:

And as Secretary of State, would you ever threaten to break the U.S. commitment to Article Five as a means of pressuring allies to spend more on defense?

TILLERSON:

I would not recommend that, no sir.

PORTMAN:

Okay. Understanding that I think all of us around this dyas (ph) would like to see our partners do more in terms of their defense budget.

Since 2014 of course, Ukraine has struggled to defend its sovereignty and its territorial integrity against this (ph) Russian aggression. It's been discussed here a lot today.

One point that has not been discussed, in the way I think it ought to be, is the fact that, back in 1994, the United States, Britain, Russia, and Ukraine signed an agreement, the Budapest Memorandum, which said that when Ukraine regained its independence following the collapse, having possessed at that the world third largest nuclear arsenal, that in exchange for giving up that nuclear arsenal that we would assure Ukraine's sovereignty and territorial integrity.

I think that's very important because it's a signal. You know we talked earlier about Sam Nunn and his good work on nuclear non proliferation. What kind of signal does that send? Clearly that agreement has been violated by Russia and the question is, you know, whether we're going to keep to that agreement as well, in my view.

So, a couple of questions. One, in your written statement you talk about the taking of Crimea. We talked a little about that. Just to clarify, do you regard the Russian annexation of Crimea as an illegal occupation and annexation, in direction violation of Ukrainian sovereignty?

TILLERSON:

Yes, I do.

PORTMAN:

OK. Do you pledge the United States would never recognize that annexation of Crimea, if you served as Secretary of State, similar to the way the United States never recognized the Soviet occupation of the Baltic States?

TILLERSON:

The only way that that could ever happen is if there were some broader agreement that was satisfactory to the Ukrainian people. So, absent that, no, we would never recognize (that).

PORTMAN:

OK, I think that's fair. If the President-Elect were to ask you for your advice as Secretary of State on whether he should maintain sanctions against Russia for its actions in Ukraine and Eastern -- and in Crimea until Russia ceased its aggression and fulfilled its obligation under the Minsk Agreements, what would you tell him?

TILLERSON:

I -- as I indicated in answer to a question earlier, I would recommend maintaining the status quo until we are able to engage with Russia and understand better what their intentions are.

PORTMAN:

Does that mean keeping the sanctions in place?

TILLERSON:

Yes, sir.

PORTMAN:

As Russia continue arming, training, organizing and fighting alongside the separatists in Eastern Ukraine, do you support providing defensive lethal assistance so Ukrainians can defend themselves?

TILLERSON:

I think it's important that we support the Ukrainians in all -- in all ways to protect themselves from any further expansion or aggression. I'm hopeful the ceasefires will hold. But in the absence of that, then it is -- I think it is important for us to support them in their ability to defend themselves.

PORTMAN:

So you would provide them with defensive lethal weapons to be able to defend themselves.

TILLERSON:

That would come in consultation through the National Security Council, and certainly would require the input of others, but I would support that.

PORTMAN:

This United States Senate's on record supporting that. The administration has chosen not to do that. They (view) the international security waiver, as my chairman talked about earlier. I think this is significant, and I heard you say that earlier today. And I think this is a big change in terms of U.S. policy that's positive and will get Russia to the table, in my view.

We talked a lot about the terrorists right here today, and obviously that's a growing threat that we need to address in a much more aggressive way. I believe there's another growing threat to our national security and to the stability of our allies around the world, democratic allies in particular. It's not a kinetic or a military threat. It's propaganda. It's disinformation.

Russia, China, in particular, but also other countries are more and more pursuing these extensive disinformation and propaganda campaigns against the United States and other democracies. And by the way, this happened well before our most recent presidential election and the information we have today about what might have happened here in this country I think is part of a broader effort that we ought to be more focused on, which is this effort of disinformation. And not just by Russia.

When I've been to Ukraine and the Baltic countries, members of NATO by the way, I've been struck by the conversations I've had with their leadership. This is at the top of their mind, top of their list. They feel like they're under assault every day. They feel like they're sovereign democratically-elected governments that are being attacked through this disinformation and propaganda campaigns.

I've also been struck by recent public comments by officials in Germany, in the U.K. and, over time, comments by our friends in Japan, Taiwan, and other places about these kinds of operations and the meddling in their democracies. As you know, these operations blend a range of tools and methods, including cyber attacks and hacking false news, troll farms to flood the zone on social media, funding the think tanks right here in this town, and political organizations that help them. And also state-owned media, some of whom are following your hearing today, and are here in the room with us today.

Senator Murphy and I have legislation, recently signed into law, that is meant to strengthen our outdated U.S. response to this disinformation propaganda campaigns, and establishes a new inter-agency center at the State Department to coordinate and synchronize U.S. counter-propaganda activities against foreign threats. It's just been passed. It's just being set up.

So, my question to you is, one, how would you characterize the threat posed by foreign government influence operations? Not just Russia, but in general. And, second, what should be done about it? And do you support the establishment of this new agency, and would you put your personal support behind that?

TILLERSON:

Senator, as I indicated in that response to your question earlier, in terms of the -- the broader threat of cyber, and I put all of the activities that you just described as a subset, because those are largely delivered through digital means to people, in -- in terms of the propaganda or the undermining, the placing of fake news. All of that is done by and large in the digital space.

So, it's part of this comprehensive cyber strategy. It has to include how do we deal with -- with all of this misinformation that goes on around the world. And there are a number of actors playing in this space, Russia most notably, as you point out. But we know that others are playing in this space as well to undermine legitimate governments.

(To) be honest, the bad actors have got the jump on us. They've been at this already for some time, and we've failed to develop a way to respond to that in that digital space. And so this is a -- it's a very complex technical issue that I think has to part of a comprehensive assessment of how are we going -- how is the U.S. going to protect itself in the cyberspace, and all the aspects of those threats that present themselves, including the one that you just described.

And what are the mechanisms for response, appropriate responses, and how do we get international agreement around some of that that sends messages back to the bad actors that there's going to be a - there's going to be a cost if this continues. That there's a consequence for these actions. What is

that -- what's -- what is the proper proportional... Or, if it's not proportional, maybe it's asymmetrical.

I don't know the answers because I think that's part of the what's needed in a comprehensive assessment. It'll be multi, multi-agency, inter-agency driven. But that is I think one of the most vexing challenges in front of us. But we can't just be vexed by it. We need to begin to address it.

PORTMAN:

Well, it sounds like you -- you acknowledge the threat. I would just add one footnote. I don't disagree with you that our cyber response is the weakest part of our response and we need to strengthen that, but it's beyond cyber. I mean this is again, it's -- it's media, it's funding think tanks that are spreading this disinformation and false news. It's -- it's some of this is pretty old-fashioned and, you know, we are just not up to the task, and Radio Free Europe isn't the answer. It has to be much more sophisticated, and I look forward to working with you in that regard.

Thank you, Mr. Chairman.

CORKER:

Thank you. We will recess until 2:15 sharp. We will begin with Senators Risch and Booker, if they are here, and then start at the beginning. I'll see you at 2:15.

(RECESS)

CORKER:

Call to order the Foreign Relations hearing and we're gonna begin with Senator Booker. We might reserve time for Senator Risch ended up having a conflict so we might reserve time for him when he is able to make it back.

And with that, turn to one of our newest members, Senator Booker.

BOOKER:

Mr. Chairman, I really appreciate this opportunity.

Mr. Tillerson, thank you very much for being here. I think you should mark for the record that it is a testimony to your character that even your in-laws have stuck through this, which is something you rarely -- you rarely see.

(LAUGHTER)

Sir, I just wanna follow-up on a few points of testimony that I heard and I know I had to leave unfortunately, for two other committees that were meeting at the same time. So I may have missed some of this.

But I know that the folks are gonna get back to some of the issues regarding many of the things we discussed. But I just wanna know, USA*Engage, do you know what USA*Engage is?

TILLERSON:

USA*Engage?

BOOKER:

Yes.

TILLERSON:

No sir, I'm not -- I'm not -- it's not ringing a bell with me.

BOOKER:

So my notes here say, is that USA*Engage is an industry lobbying group for oil companies that did a lot of lobbying. In fact, they worked very hard on lobbying against a lot of the U.S. sanctions that were in place.

And you don't know if ExxonMobil is a member of USA*Engage and pays into that group for those lobbying purposes?

TILLERSON:

I do not know.

BOOKER:

OK. Would you be able to find that out for me for the record?

TILLERSON:

You might wanna put the question to ExxonMobil or if it's not on the lobbying report.

BOOKER:

All right, thank you very much. Another issue before I get into my question I just want to follow-up on, you characterize some of the Obama administration in foreign policy as -- characterized as weakness, that we didn't show strength around the globe, is that correct?

TILLERSON:

I think it's an absence of asserting our leadership, yes, sir.

BOOKER:

And you indicated that our response to Russian aggression in eastern Ukraine was one of those indicators of that weakness, is that correct?

TILLERSON:

That is my opinion, yes.

BOOKER:

Right. And -- and it seemed in the testimony that you were saying that such an aggression should be met with a proportional response that we did not show.

TILLERSON:

Well, I don't -- I don't think that's exactly the way I stated it. I think what I indicated in terms of the next step, was my view of its back to my predictability comment, that Russia's not unpredictable.

That when the response to the taking of Crimea was met with, in my estimation, a response that was less than I suspect, the leadership of Russia thought they would encounter. Then the next move, was logical to come across the eastern border of Ukraine because it was pretty well-known that there were elements in eastern Ukraine that already were sympathetic to Russian interest.

BOOKER:

And -- and so that might be a case then, when they annexed Crimea, entered into eastern Ukraine, this is a sign of weakness because we didn't respond in a way that would defer he further actions.

TILLERSON:

Working with allies in the region and obviously, working with the government in Kiev (ph), both.

BOOKER:

And so what we did do in those cases, was to put together with the Europeans a way of sanctioning them economically. But that was not sufficient in your mind to stop them from their aggressions.

TILLERSON:

Well, I think and I think you're on to a really important point around sanctions. And obviously, there's been a lot of questions about sanctions and so I think it is -- its good to try to clarify my view on those.

As I've said, sanctions are a very powerful tool, they're an important tool. And they can be used in two circumstances. One is to punish someone or a country for what they've already done. The other is to intervene and cause them not to do certain things.

And in this case, clearly the sanctions that were put in place in response to Crimea did not deter them from entering...

(CROSSTALK)

BOOKER:

And so was it your opinion then -- is it your opinion then that our sanctions should've been much more severe or do you think, in that case, they should've been a match (ph) of equal force, in other words, military action?

TILLERSON:

That, the latter, is -- was my response in that -- in that situation, given the dramatic, the dramatic taking of Crimea, that was a dramatic action, sanctions were going to be insufficient to deter the Russian leadership from taking the next step.

BOOKER:

And your opinion thinks it should've been military force, then?

TILLERSON:

I'm sorry?

BOOKER:

Your opinion then, is that it should have been military force?

TILLERSON:

My opinion is there should have been a show of force, a military response, in defensive posture. Not in offensive posture but in defensive posture, to send the message that it stops here. It stops here.

And sanctions, in my view, taken after the fact, were not going to be adequate to deter that. Now, that's my opinion. We'll never know...

BOOKER:

Right.

TILLERSON:

How that would've played out.

BOOKER:

But you understand -- you understand that if you put yourself in a defensive posture, there's an old saying that if you pull a gun, you should be prepared to use it, that that could've quickly escalate into a conflict. And -- and you're gonna be making decisions about whether we should have commit American troops, commit European troops.

If there's a military response, obviously they weren't putting forth in Crimea, it would have to come from some place else. And do you understand that that -- it seems to me that you're advocating for a greater U.S. -- use of U.S. military power, greater U.S. military engagement, in conflicts like the one we saw in Ukraine.

TILLERSON:

Senator, I'm advocating for -- for responses that will -- that will deter and prevent a further expansion of a bad actor's behavior. I would not, in any way, wanted (ph) anyone to take way the thought that-- that I'd recommend that is the first action.

And again, in any decision to respond with a show of force, that will be taken within the National Security Council and be fully informed by others, including the Department of Defense and intelligence agencies, as to whether that would in fact, first, can it be executed upon, can it be effective.

But looking at your options as well and again, I'm not dismissive of the sanctions.

BOOKER:

But you did characterize the Obama administration's as weakness, even though you're saying that you wouldn't necessarily do something different.

TILLERSON:

In that instance, I would've done something different.

BOOKER:

Military force?

TILLERSON:

A show of force at the border of the country that had been already had territory taken from them.

BOOKER:

American military force, in this case?

TILLERSON:

No I indicated Ukrainian military force, supported by the U.S. providing them with capable defensive weapons. If that's not seen across the border, then it's a -- it's not a show of force.

BOOKER:

Switching gears now, it is an American value, this value of transparency in government, correct?

TILLERSON:

Yes.

BOOKER:

And accountability in government?

TILLERSON:

Yes.

BOOKER:

I have a concern, it's not a great one, you could allay (ph) it right now, that as a leader of a private company, you made it clear in many ways that you were first and foremost accountable to shareholders, employees and customers.

But as the secretary of state, you're accountable to the American public. And would be expected to keep the media, the public, constantly informed of general activities. And I just know that when my staff did a rough calculation of past secretaries interactions with the press, Clinton had over 3,200 in her four years, I think Kerry had about 3,000.

When you were at ExxonMobil, it was a far, far smaller number. But I imagine, as secretary of state you believe in the importance of transparency of engaging with the public of answering to the questions that often come from the media?

TILLERSON:

Yes and I indicated in my opening statement, that that's part of earning the public trust is also to engage with this committee. And that's a way to communicate with the public, as well.

BOOKER:

And so you will press corps with you if you travel overseas and you will commit to having those regular interactions with the press?

TILLERSON:

If confirmed, I will look into what would be appropriate to take. I have not -- I've not gotten that far in my thinking.

BOOKER:

OK. And so you haven't thought through about -- about issues of accountability and transparency?

TILLERSON:

I have thought through issues of accountability and transparency. Your question was about the size of my press corps, I think.

BOOKER:

No sir, it was not. My question was, access of the media and the public to the work of the secretary of state.

TILLERSON:

We want to insure at all times, to confirm the secretary of state and the State Department is fully transparent with the public. That's part of my comment of being truthful and being you know, and holding ourselves accountable, as well as others accountable.

BOOKER:

OK. Switching gears and I'll get back to this -- to this in the next round of questioning.

In fact, I'm gonna yield back, because it's a new line of questioning that I have.

CORKER:

OK. I will, just as a matter of sharing some information, the supplying of defense, lethal defensive support to Ukraine at a time when we were only sending used night vision goggles and MREs, was something that was strongly supported in a bipartisan way

on this committee under Chairman Menendez's leadership.

CORKER:

I just want to say that for the record.

And so I didn't view the response to be necessarily in any way outside the norms of what this committee overwhelmingly supported at that time. I'm just saying that for information and I'm more than glad to talk more fully about that.

So we're going to start the second round. They're going to be seven-minute rounds. And we're going to go in the same order that we began. If Senator Risch comes in, I would like to be able to give him time since he was around earlier and now has a conflict. And with that, I'll turn to Senator Cardin again.

CARDIN:

Well, once again, thank you, Mr. Chairman.

First, Mr. Chairman, in response to Senator Menendez's questions about lobbying in regards to the Iran Sanctions Act, just to make the record complete, I'm going to ask consent to put into the record the lobbying disclosure form from ExxonMobil Corporation that indicates that approximately \$3.4 million was spent in lobbying on behalf of the Iran Sanctions Act.

Put that into the record, Mr. Chairman?

Without objection.

I wanted to be chairman.

(LAUGHTER)

(CROSSTALK)

CORKER:

I understand you became chairman while I was talking.

(LAUGHTER)

But...

CARDIN:

You've got to watch it. You've always got to watch out.

CORKER:

Without objection.

CARDIN:

Thank you.

The second thing, Mr. Tillerson, I want to just underscore a point. We talked about it in the office. This has come up several times. And that is you keep referring to the fact of your concern in regards to the Ukrainian sanctions that were imposed against Russia for their actions in Ukraine, that you were concerned that American companies could be at a disadvantage because of Europe being treated differently; the grandfather's clause, et cetera.

And then we talk about leadership, and it was very true on Iran. And Senator Menendez took the leadership on this, that but for the U.S. leadership, we wouldn't have gotten other countries to act. So if we take the position we're going to the lowest common denominator, we're not going to get anything really done. And you talked about being tough and taking tough positions. It requires leadership and requires us to be willing to go the extra amount.

And one last point on this, and I agree with Senator Corker. We've never had any administration believe that Congress just take away their discretion. That is absolutely fact. Whether it's a Democrat or Republican administration, they'd just assume do away with Congress. We understand that. We get it.

But you, I assume, understand the advantage we have in America with the separation of branches of government. And it could be helpful to you as our -- if you're confirmed as our principal negotiator, to have clear directions from Congress that you must impose sanctions, must impose sanctions unless you get real progress towards the issues on which those sanctions will be imposed.

Take advantage of the independent branch of government. Work with us so you can have those strong tools to help America's interests.

I want to take most of my time on this round to go over an issue that Senator Corker and I have been working through. And I'm not going to spend a lot of time going over some of the issues on tax returns. And we'll save that for a different time for our committee, because it really involves an internal debate here more so than -- than our nominee.

But as a result, I had sent to you 20 questions to answer that are related to the tax issues, because we didn't have the tax returns. And I'm -- before the close of business for asking questions, I will be proposing questions to you related to your tax issues in order to better understand areas that I think we need to have information on.

We are concerned about the fact -- I'm concerned. I think members of the committee are concerned that you will have some private interests. You're going to continue to operate a farm. You're going to have a charitable foundation. You have a real estate firm -- a real estate partnership.

We need to know a little bit more how that operates from the person who is going to be secretary of state. You have trusts that are being set up and how those payments are paid out over time. We need to have better understanding how that operates during the -- your term if you're confirmed as secretary of state. So that type of information is useful to us.

I'm still trying to figure out exactly how this trust that you're taking restricted stock and, if confirmed, selling it to become -- or putting cash in rather than the restricted stock. But then you are able to withdraw the funds from the trust in the same schedule as I believe as the restricted stock would have become actionable.

But as a result of that, you're also putting contingencies on your receipt, so you can defer the taxes, at least as I understand, defer taxes for a significant period of time. These are issues that I think we have to have more transparency on because they're big dollars -- \$180 million of (inaudible) restricted stock; the tax consequences are about \$70 million. And these are not types of tools that can be used by average Americans. So I think we need to know more about those types of issues.

We also have concern about making sure that all of your employees have been properly documented and taxes paid. That's a standard issue that's been raised now in confirmation hearings. And Senator Corker and I may not think it's relevant to the final confirmations -- I shouldn't say relevant -- determinative to a final confirmation, but it's certainly relevant for us to have that information before we make those answers.

So Mr. Tillerson, I'm going to ask you to answer these questions for the record. I hope we'll be able to get the cooperation in a timely way so that the committee can have this information before we're called upon to act on your nomination.

(CROSSTALK)

(LAUGHTER)

TILLERSON:

I'm happy to try to answer the areas of concern you have. And I indicated that in the original questionnaire that it's my objective to address concerns you have. You know, I am -- I'm also, though, mindful of privacy issues that are afforded to every American and the privacy issues that are afforded under individual's tax returns. So, I'll do my best to answer the questions that you have, but I hope you'll also respect the privacy of myself and my family and the longstanding tradition of the privacy of individual's tax returns.

CARDIN:

And I can assure you that that will absolutely be observed. As I have explained to Senator Corker, much of this information is not even reviewed by members. It's strictly by people who can tell us whether we have a problem or not. So I absolutely respect what you're saying, and my full intentions are to fully maintain your legitimate rights of privacy.

I look forward to following up on that, and I thank you for your reply.

CORKER:

Thank you.

Just for the edification of the committee, I think that it's true that over the last four years, I have worked as the lead Republican on Foreign Relations to ensure that we move candidates out as quickly as possible -- nominees. I think at every nominations meeting we've had, that's been stated.

And what I've shared with the ranking member is we have a tradition here that we are following. This has not been a committee that has asked for tax returns, has asked for a disclosure form. And just because we were so overwhelmingly helpful with the Democratic president's nominees, doesn't mean that we want to be changing the standards or unhelpful, if you will, under a Republican nominee. So I just have tried to keep things exactly the same -- exactly the same. Disclosures are exactly the same.

And, you know, as far as getting into -- I've told Senator Cardin that if there is a substantial issue that we need to look at that would affect Senator Tillerson's -- excuse me -- you don't want to be demoted to that.

(LAUGHTER)

The nominee Tillerson's role, then I'm more than glad to look much deeper into it. And if we need to have somebody from the outside do so. But to get into silly "gotcha" questions, not that you've done that, that's just not what we've done in this committee. And I hope we will not turn this process into one that turns qualified people away from wanting to serve.

So again, if there's some substantive issue that we need to pursue and we need to get into some private setting and have someone come in from an accounting firm that really matters as it relates to his ability to not have conflicts as a secretary of state or something like that, I'm willing to look at it, as I know he is.

Asking questions that, you know, are not in any way determinative in that manner (ph) is belittling the committee and certainly a huge change in the protocol and the respect with which we've dealt with nominees and their privacy in the past.

CARDIN:

Could I just say something?

CORKER:

But I thank you for working with me (inaudible).

CARDIN:

Could you just yield for one moment I - and I thank you for that. And I can assure you, the disagreement on supplying tax returns has nothing to do with Mr. Tillerson.

It is a discussion we are having and it has not at all delayed any of our operations and I fully expect that I will continue to use whatever means I can to change our committee practices so that we do have our nominees, as many other committees in the Senate require, to file tax returns. That's not unique, Small Business, I've been told by Senator Shaheen requires -

CORKER:

Yes, and -

CARDIN:

But the second point I would just make very quickly is that - the second point, the ability of members to ask questions for the record and ask questions of the nominee is pretty well been respected and I would hope that that right would not be diminished.

That we have the ability to ask questions through the witnesses in regard to areas that we think are important.

CORKER:

No one in any way is trying to diminish that. I know that you and I have agreed on a series of questions that will come from the committee itself and Mr. Tillerson, as I understand it, is going to answer those.

I would think that, absolutely, the arrangement that he has with Exxon is something that should be fully vetted and everyone here understand that that is going to happen and he's going to make that all forth - and has actually.

I would just say, again, we may wish to change our standards for four years from now. Our most recent Secretary of State, as I understand it, as a couple, was worth over a billion dollars. Had all kinds of far ranging investments and as a committee we never tried to force a tax return issue.

They filled out the disclosures and we as a committee ask them questions. Same thing happened with Secretary Clinton so, all I'm trying to do is not, in any way, change the way that we operate because of the outcome of an election and continue to be, again, that island of bi-partisanship where we continue to operate regardless of who wins an election, in the same manner.

I'm in no way trying to infer that you're attempting to do that. I'm just telling you what I'm attempting to do. And with that, if we can close this matter out I'll turn to Senator Rubio.

RUBIO:

Thank you. Mr. Tillerson when we met on Monday night, and thank you for coming by, I provided you a copy of a bill that was filed in the last congress which I anticipate has or will be filed again in this new congress here in the senate by my colleague Senator Flake and Senator Leahy.

And what it would do is it would remove the travel ban to Cuba by Americans. If you are confirmed, and that bill were to pass the congress, would you advise - can you commit that you would advise the president to veto that bill.

TILLERSON:

Senator as to the current status of travel to Cuba that is going to be under discussion with the president elect. I think he has been fairly clear on his intent that he is going to ask all agencies, essentially on day one, to do a complete review of recent executive orders and the change in the status of travel to Cuba as well as business activities in Cuba.

So that would be - it would be my expectation that the president would not immediately approve that bill until after that review had occurred, because that would be part of a broader view of our posture towards Cuba.

RUBIO:

Well, again, if he doesn't do - act on the bill it would become law without his signature. So my question is, at this time you cannot commit to supporting a veto of that bill should it pass?

TILLERSON:

Well I would support a veto because I don't think we want to change the current status of things until we've completed that review.

RUBIO:

Okay. That was the question I wanted to get to.

Let me ask you this, if a bill were to pass congress that would remove the U.S. Embargo against Cuba and there hasn't been democratic changes on the island of Cuba, would you advise the president to veto a bill that lifted the embargo on Cuba?

TILLERSON:

If confirmed, yes I would.

RUBIO:

And can you also commit that you would advise the president to reverse many, if not all, of the Obama Administration's Cuba regulations and executive orders regarding Cuba, that were recently submitted in 2014?

TILLERSON:

As indicated, I expect a comprehensive review of all those executive orders. And from the State Department perspective, I would want to examine carefully the criteria under which Cuba was de-listed from the list of terrorist -- nations that support terrorism, and whether or not that de-listing was appropriate, and whether or not the circumstances which led to that de-listing still exist.

RUBIO:

You do not currently have an opinion at this time as to whether Cuba belongs on the list of terror sponsors?

TILLERSON:

Well, I would need to examine all the criteria that were used to make the current determination, and then utilizing the expertise of those in the State Department, again informed by the interagency process to look at those criteria that would put Cuba back on that list.

RUBIO:

As I'm sure you're aware, there is a dispute between China and Japan over control of the Senkaku Island chain. If China attempted to take over the island chain through the use of military force, would you support the United States responding with military force to prevent that from happening?

TILLERSON:

Well, we have longstanding ally commitments with Japan and South Korea in the area. And I think we would respond in accordance with those accords, which are not a NATO-type agreement. But certainly, we have made commitments to Japan in terms of a guarantee of their defense.

RUBIO:

I want to, because in your opening remarks, you referred to human rights, and I'm glad that you did. And I wanted to walk you through a few examples quickly. I shared with you when we met on Monday, a political prisoner database maintained by the Congressional Executive Commission on China, contains more than 1,400 active records of individuals known or believed to be in detention.

Do you believe China is one of the world's worst human rights violators?

TILLERSON:

China has serious human rights violations. Relative to categorizing it against other nations, I would have to have more information, but they certainly have serious human rights violations.

RUBIO:

OK. Well, since President Rodrigo Duterte took office last June, the Los Angeles Times reports that roughly over -- over 6,200 people have been killed in the Philippines by police and vigilantes in alleged drug raids. In your view, is this the right way to conduct an anti-drug campaign?

TILLERSON:

Senator, the U.S. -- America and the people of the Philippines have a longstanding friendship. I think it's important that we keep that in perspective in engaging with the government of the Philippines, that that longstanding friendship -- and they have been an ally and we need to ensure that they stay an ally.

RUBIO:

That's correct, Mr. Tillerson. But my question is about the 6,200 people that have been killed in these alleged drug raids. Do you believe that that is an appropriate way to conduct that operation? Or do you believe that it is something that's conducive to human rights violations that we should be concerned about and condemning?

TILLERSON:

Senator, if confirmed, again, it's an area that I'd want to understand in greater detail in terms of the facts on the ground. I'm not disputing anything you're saying because I know you have access to information that I do not have.

RUBIO:

This is from the Los Angeles Times.

TILLERSON:

Well, again, I'm not going to rely on solely what I read in the newspapers. I will go to the facts on the ground. I'm sure there's -- I'm sure there's good credible information available through our various government agencies.

RUBIO:

Well, one of the sources for that number on the campaign, and its nature, is President Duterte himself, who openly brags about the people that are being shot and killed on the streets, who he has determined are drug dealers without any trial. So, if in fact he continues to brag about it, would that be reliable information that you would look at and say, OK, it's happening?

I mean, what's happening in the Philippines is not an intelligence issue. It is openly reported in multiple press accounts. The president-elect has spoken about it. And quite frankly, the president of the Philippines has admitted to it; in fact, brags about it.

So I guess my question is: Is that, in your opinion, an appropriate way for him to act and should it influence our relationship with the Philippines?

TILLERSON:

If the facts -- if the facts are in fact supportive of those numbers and those actions, then I don't think any of us would accept that as a proper way to deal with offenders, no matter how egregious the offenders may be.

RUBIO:

I'm sure you're also aware of the -- the lack of both religious freedoms and the rights -- lack of rights of women in Saudi Arabia. In your opinion, is Saudi Arabia a human rights violator?

TILLERSON:

Saudi Arabia certainly does not share the same values of America. However, American interests have been advocating in Saudi Arabia for some time. And I think the question is what is the pace of progress that should be expected for the Kingdom of Saudi Arabia to advance -- advance rights to women and others in the country.

RUBIO:

And as it currently stands, do you consider what they're doing to be human rights violations?

TILLERSON:

I would need to have greater information, Senator, in order to make a true determination of that.

RUBIO:

You're not familiar with the state of affairs for people in Saudi Arabia? What life is like for women? They can't drive. They have people jailed and lashed. You are familiar with all of that?

TILLERSON:

Yes, Senator, I'm familiar with all of that. And...

RUBIO:

So what more information would you need?

TILLERSON:

In terms of when you designate someone or label someone, the question is: Is that the most effective way to have progress continue to be made in Saudi Arabia or any other country. So my interest is the same as yours. Our interests are not different, Senator, and there seems to be some misunderstanding that somehow I see the world through a different lens. And I do not. I share all the same values that you share, and want the same things for people the world over in terms of freedoms.

But I'm also clear-eyed and realistic about dealing in cultures. These are -- these are centuries-long cultures -- cultural differences. It doesn't mean that we can't affect them and affect them to change. And in fact, over the many, many years that I've been traveling to the Kingdom, while the pace has been slow -- slower than any of us wish -- there is a change underway in the Kingdom of Saudi Arabia.

How and if they ever arrive to the same value system we have, I can't predict that. But what I do believe is it is moving in the direction that want it to move. And what I wouldn't want to do is to take some kind of a precipitous action that suddenly causes the leadership in the Kingdom of Saudi Arabia to have to interrupt that. I'd like for them to continue to make that progress.

CORKER:

Thank you.

Senator Menendez?

MENENDEZ:

Thank you, Mr. Chairman.

Mr. Tillerson, I know that you're new to this, and I know that the chairman was trying to help you out on the question of lobbying on sanctions. You stated on the record that to your knowledge, neither you nor Exxon ever lobbied against sanctions; that you were merely seeking information.

I have four different lobbying reports totaling millions of dollars, as required by the Lobbying Disclosure Act, that lists ExxonMobil's lobbying activities on four specific pieces of legislation authorizing sanctions, including the Comprehensive Iran Sanctions Accountability and Divestment Act of 2010, the Russian Aggression Prevention Act of 2014, the Ukraine Freedom Support Act of 2014, and the Stand for Ukraine Act.

Now, I know you're new to this, but it's pretty clear. My understanding is that when you employ lobbyists, who submit lobbying forms under the law, you are taking a position. Is that not correct?

TILLERSON:

If the form clearly indicates whether we were -- I don't know -- I haven't seen the form you're holding in your hand, so I don't know whether it indicates were we lobbying for the sanctions or were we lobbying against the sanctions.

MENENDEZ:

I know you weren't lobbying for the sanctions, but...

TILLERSON:

Well, if the form there...

MENENDEZ:

It says specifically, for example, here, specific lobbying issues: Russian Aggression Prevention of 2014, provisions related to energy. You weren't lobbying for sanctions on energy, were you?

TILLERSON:

I think that's a description of the subject that was discussed. And I haven't seen the form, Senator, so I don't want to be presumptuous here.

MENENDEZ:

Well, you don't -- let me just edify you for the future. You don't need a lobbying disclosure form to simply seek information and clarification about a bill. That's not lobbying. Lobbying specifically is to promote a view, a position and what not.

So, that's -- I'd ask unanimous consent to have these included in the record.

CORKER:

Without objection.

MENENDEZ:

So there was lobbying here. And I know that Senator Booker asked you about USA Engage you said you don't know about. But ExxonMobil is listed on USA Engage, whose whole purpose, and I'm sure that while Exxon is a huge corporation, like the State Department is a very big entity, that you may not every minutiae of what's going on, but you have to generally understand that you're giving direction as to whether or not you want to be lobbying on certain issues or not; you want to be taking positions on certain issues or not.

And so just like you told me earlier that in your conversation with the president-elect, you didn't discuss Russia. It's a little difficult to think you actually don't know that Exxon was lobbying on these issues of sanctions.

TILLERSON:

My understanding is those reports are required whether you're lobbying for something or you're lobbying against something. You're still required to report that you have lobbying activity.

MENENDEZ:

So you believe you were paying monies to lobby for sanctions?

TILLERSON:

I don't know. All I know, Senator, is I don't recall...

MENENDEZ:

Could you imagine being in a position in which you would have your company and its shareholders pay money to lobby for sanctions that would affect your bottom line?

TILLERSON:

I don't know, Senator. It would depend on the circumstance.

MENENDEZ:

OK. All right. Let me -- let me turn to Mexico, a little different part of the world than we've been discussing. Some of us care about the Western Hemisphere.

Last week, the president-elect tweeted that any money spent on building the great wall will be paid by Mexico. Mr. Tillerson, building a wall on the southern border and having Mexico pay for it has been a hallmark chant at Trump rallies.

Now, the president-elect says the American people will pay for it, and then that the Mexicans will reimburse us. I also want to point out the last time a country tried to wall itself completely from its neighbor was in Berlin in 1961 and that wall was constructed by communist East Germany.

Former Mexican president last week tweeted and it seems that's how we conducting foreign policy, by tweets these days, that "Trump may ask whoever he wants but still neither myself nor Mexico are going to pay for his racist monument, another promise he can't keep," closed quotes. As you're well aware, the president-elect has repeatedly referred to Mexican citizens who have come to the United States as saying they are sending quote "people that have lots of problems and they are bringing those problems with us. They're bringing drugs, they're bringing crime, they're rapists and in some, some I assume are good people." So Mr. Tillerson, do you think Mexicans are criminals, drug dealers and rapists.

TILLERSON:

I would never characterize an entire population with any single term at all.

MENENDEZ:

Do you think that those comments help our relationship with Mexico, our third largest trading partner, a trading partner that represents \$583 billion in trades of goods and services including second largest goods export market?

TILLERSON:

Mexico is a long standing neighbor and friend of this country.

MENENDEZ:

And so that doesn't help your jobs as the secretary of state, does it? If you are to achieve nomination?

TILLERSON:

Well we are going to engage with Mexico because of their importance to us in this - in this hemisphere and we have many, many common issues, common areas of concern.

MENENDEZ:

Let me turn to another part of the western hemisphere. Senator Rubio referred to it, so he took care of the some things I cared about. When you and I met, you indicated to me on Cuba that you needed more time, which is fair, to come to a conclusion about your option on U.S.-Cuban policy and the Obama administration changes.

I want to share with you the latest report by, not me, OK? By amnesty international that noted, quote, "Despite increasingly open diplomatic relations, severe restrictions of freedom of expression and movement continuing, thousands of cases of harassment of government critics and arbitrary arrest and detention were reported." Thousands, that's their quote. The Cuban commission for human rights and national reconciliation which works within Cuba, documented more than 8,600 politically motivated detentions of government opponents and activists during the year.

There's a group of women who march every Sunday to church with gladiolus'. They're called the women in white. They get beaten savagely simply because of their peaceful protests. Now, I would hope would you agree with me that if our engagement is still going to allow that to take place, then something is wrong with our engagement. Something fell short. And I have a specific question on Cuba. Do you think that as a condition of establishing diplomatic relations with Cuba, at a minimum, should have insisted on the return of fugitives, cop killers, like New Jersey cop killer JoAnne Chesimard and others American fugitives of justice being harbored by the Castro regime.

TILLERSON:

I do, senator.

MENENDEZ:

Thank you, very much. Now would you finally commit yourself, if you are confirmed as secretary of state, to work with us and others, Mexico and others, have cop-killers and other fugitives that are in Cuba to make that conditioning of any future transactions as it relates to Cuba?

TILLERSON:

Senator if confirmed, I look forward to working with you most specifically as well as Senator Rubio and others that I know have a great depth of knowledge on Cuba, to ensure that we are not relaxing the pressure on Cuba to reform its oppressive regime and certainly as I indicated and the response to a question earlier and in my opening remarks, Cuban leadership got a lot out of most recent deal. We need to make no mistake about where the flow of funds is going inside of Cuba. And Cuban people got almost nothing. And as I indicated, the president-elect I think has been very clear on his intent to direct bottom up review of the entire relationship with Cuba.

MENENDEZ:

Thank you.

CORKER:

I appreciate the great senator from New Jersey acknowledging that when our nominee has left an impression that I don't think he is wishing to leave that give him an opportunity to change that. Thank you. And he with that, Senator Risch...

RISCH:

Mr. Chairman, thank you.

CORKER:

Senator Risch has a 10-minute segment because he missed first round. Thank you for being here.

RISCH:

Thank you. I won't take that full 10 minutes. Mr. Tillerson, thank you for your willingness to do this. You're going to be hitting the ground at a very difficult time as far as U.S. relationships around the world. They have spiraled out of control from time to time and we are not in a good place in many parts of the world, primarily because U.S. policy. And it's going to be rethought, it's going to be redeveloped, and I thank you for willing to take -- for willingness to take that on.

I was - I was struck when you were named that -- this is something that has been a bit off of the radar screen of most Americans, and that is the importance of the work that the state department does in dealing with our companies and with commerce in foreign countries. Most Americans don't realize how difficult it is to do business overseas. And the - and the state department really needs to focus on that more than what they have, and - and be helpful to countries that do want to do business overseas because it is -- a lot of times it has to go through a government sources to - to get into business over there.

So I was impressed with that. And I'm glad -- having your business background that you do, I think you're very helpful in that regard and in helping the state department further understand its responsibilities in that regard. And state department does a good job. Every one of us has traveled overseas. And sometimes in bipartisan fashion, isn't that right, Senator Shaheen? And we are always treated, regardless of the political party, so well by our - by our people in the state department, people that working here.

We have talked a lot -- Russia's got a lot of play in this meeting but we haven't talked much about Iran and North Korea. Those are - those are a couple of real challenges for us. And those -- those policies, as far as those two countries are concerned, really need to be rethought and recalibrated and then re-announced in a way that they understand what America will do, where we're coming from and what we do. I think that -- in talking with people, our allies, they're confused with where we want to go with this and what we will do and how we're going to do it. And the same is trying with ISIS. How we're going to handle that situation, where they're operating both in Iraq and Syria.

I'm not - I'm not going to press you on those because you are just getting your feet on the ground and I hope the president-elect will be -- after you're able to get your arms around these things, he will listen to you carefully as to the policies we're going to develop for that. The policies need to be entirely different than what they are. In that part of the world, the sipping tea and singing kumbaya is not a way that you're going to be successful in a lot of those countries. They understand strength. Not necessarily the use of strength, but they understand people who possess strength and people who they are convinced will use that strength if necessary. They need to be convinced of that.

And I know there's a lot of people complaining about the relationship between Mr. Putin and the president-elect, and for that the matter yourself and Mr. Putin. I hope Mr. Putin gets to know both of you guys really, really well. Because I think he'll be convinced that you do project American strength and that America still has the muscle that it's had and that we still stand for , and we're going to project that around the world.

So in that regard, I really hope that Mr. Putin does have a relationship to where he gets to know both of you guys, and especially the president-elect, because I think that that will impress him that he's not going to be able to get away with the kind of stuff he's gotten away with in the Crimea or in Syria or in other places where they've been meddling in the world where they shouldn't be.

So finally, let me say, again, thank you for your willingness to do this. I've been impressed as we've been sitting here. You know, the meeting we had in my office is very good. We were able to develop these thoughts a lot more deeply than we can here. And I want to say that I've been

really impressed, having come from a private sector backgrounds myself, it's difficult for people to understand that the transition from the private sector and business into the world of the diplomacy is very different. It's transition that needs to be made.

And just sitting here listening to you over the hours that you have been here, I've been very impressed that you've been able to make that transition. You're speaking in terms that diplomats understand, I appreciate that. I think it will serve you well as you - as you go forwards. So again, thank you for your willingness to do this, and with that, I yield back time Mr. Chair.

CORKER:

Thank you. This was the last person of the first round, so we're gonna get back into the sync we were in before.

Senator Johnson.

JOHNSON:

Hey, Mr. Chairman.

Mr. Tillerson, I want to go back to before -- responsibilities that Secretary Gates laid out for the secretary of State; advise the president, negotiate agreements, represent us abroad and lead the State Department. Represent U.S. abroad -- I met you the morning I returned from my trip to Israel, which was a couple days before, the way I would term in, the U.S. shameful abstention in the vote on settlements.

I've never understood why any administration, we've done this on a bipartisan fashion, would force a friend, an ally, to sit down and negotiate with -- I guess negotiating partners that refuse to acknowledge the right to exist. I mean, that's kind of table stakes (ph), right? It's kind of -- in business, it's forcing -- sitting down and forcing negotiation to buy a company to somebody who doesn't want to sell it. Do you have a similar type of view on that?

I appreciate the fact that -- and I agree with you that I think that actually complicates the future negotiation on that.

TILLERSON:

Well, I do have a view on it, Senator, and thank you.

It -- it would be akin, in many respects, if you're negotiating with someone that denies your right to exist, you'd have to question why would they ever live up to any agreement if they don't expect you to be around. So it is already a complex negotiation, and then to force one party to the table through coercion or however you want it describe the most recent resolution, is not useful.

There have been many opportunity since the Oslo Accord for parties to sit down and try to work things out. Leadership certainly has not seized those opportunities. I would say in the case of the Palestinian leadership, while they have -- while they have renounced violence, it's one thing to renounce and it's another to take concrete action to prevent it.

And I think until there's a serious demonstration on their part that they are willing to do more than just renounce the violence, they're willing to do something to at least interrupt it or interfere with it, it's going to be very difficult to create conditions at the table for parties to have any productive discussion around settlement.

JOHNSON:

Do you agree that Israel's conceded just about every point, and at this point in time, the Palestinians just refuse to say yes?

TILLERSON:

Well, I think there have been many, many opportunities, again, for progress to be made and those have never been seized upon. So I do think it is a matter to be discussed and decided between the two parties. To the extent America's foreign policy engagement can create a more fruitful environment for those discussions, then I think that's the role we can play. But at the end of it, this -- this has to be settled between these two parties.

JOHNSON:

Our policy should be to help strengthen our friends.

In terms of negotiating agreements, advising the president, I think Congress has willingly given away its advice consent power. Most famously, recently is the Iranian agreement. You look at federal -- or the foreign affairs manual, I think clearly, that Iranian agreement was a treaty. I think had we honestly upheld our oath of office, that vote on my amendment deeming that a treaty should have been 100 to one. Every senator should have voted to support and defend the Constitution, which first starts with jealously guarding our power of advice and consent.

Would you -- first of all, do you believe that was a treaty?

TILLERSON:

It would have the appearances of a treaty. It looks like a treaty.

JOHNSON:

What about the Paris Climate Accord, which commit us to a fair amount of expenditure, do you believe that's a treaty or just an agreement that the executive can enter in on its own?

TILLERSON:

It looks like a treaty.

JOHNSON:

Will you work with us then, will you advise the president as you go negotiate for this nation to respect the Constitution and come to Congress -- come to the Senate for advice consent on treaties?

TILLERSON:

Senator, I respect the proper roles of both branches of government and in my conversations with the president-elect, he does as well and I think he's expressed some of these same views, that under the past administration, the executive branch has gone pretty far out there in terms of recognizing the proper role of Congress as a body to express its own view on some of these agreements.

JOHNSON:

Leading the State Department -- you obviously were the CEO of a functioning and successful organization of 75,000 employees, I think the number was. But they're (ph) employees that have the same mission statement, they understand their roles to achieve the goals, they're -- they're actually supportive of the goals of the organization.

You're gonna be assuming the leadership of a -- of a department that -- I mean, let's face it, in many cases you have entrenched bureaucrats that are not only don't necessarily agree with your foreign policy or the next administration's foreign policy, might be hostile to it.

Do you understand that challenge and as an experienced manager, how are you gonna react to that, how are you gonna deal with that?

TILLERSON:

You're right, Senator. The State Department held over 70,000 employees, interestingly about the same size of the organization that I led when I was at ExxonMobil. About more than 40,000 of those State Department employees are deployed overseas.

Interestingly, about 60 percent of ExxonMobil's employees are not Americans. So in terms of understanding and dealing with people who are representing you around the world and they're half way around the world, in various embassies and missions, how do you get all of these people aligned with one objective?

And the objective is, America's interest and America's national security. So I think part of leadership is expressing very clear views. And then part of leadership is having an organization that has a clear line of sight on issues as to who owns these and who's going to be held accountable for them and having an organization that is all working in concert towards that objective.

My experience has been that people -- people look for leadership. And -- and when they're acting in ways that are contrary to the overall mission, it's generally because there's an absence of strong leadership to clearly define to them what that expectation is and what their role in it is.

And then reward people who are behaving in a way that supports the overall mission and not support their own agenda. I've used the term many times in large organizations of working in the general interest.

Well, the general interest of the State Department is the American people's interest. And if anyone's working in a way that's only to advance their own interest, they're not working in the general interest.

And I think it's important that people understand that is the responsibility of all of us who will serve the country and the State Department, is the general interest which is the American people's interest.

JOHNSON:

Thank you, Mr. Tillerson. Good luck on your next assignment.

CORKER:

Thank you.

Senator Shaheen?

SHAHEEN:

Thank you, Mr. Chairman.

And I'm glad you came back after lunch, Mr. Tillerson. I appreciated very much your response to that question because I have to say, my experience with State Department employees is that overwhelming majority of them are dedicated, they're dedicated to this country.

They do their work often at great personal sacrifice and I think we should appreciate the work that they do. And it sounds to me like you share that appreciation for the sacrifices that that they make.

TILLERSON:

I most certainly do Senator. I have a great affection for those who are willing to take the overseas assignments. Many of them are in very difficult locations. And particularly when their families go with them, they truly are sacrificing on behalf of this country. And I think that they deserve the recognition for that and the appreciation for it.

SHAHEEN:

Well, thank you. There's been some discussion today about the concerns that this committee has expressed about, which I think are legitimate, about potential conflicts of interest that you might face if confirmed as secretary of state because of your long career at Exxon.

And I -- while I understand there are some concerns about the precise approach that you've taken to divest your financial interests in Exxon, I do appreciate that you have taken these concrete actions and that you plan to take more if you are confirmed. And I wonder if you could talk about why you think that's important.

TILLERSON:

Well, Senator and again, as I commented in response to a question earlier, I had a good 41.5 year career. I was truly blessed, enjoyed every minute of it. That part of my life's over.

I've been humbled and honored with the opportunity to now serve my country, never thought I would have an opportunity to serve in this way. And so I -- when I made the decision to say yes to President-elect Trump when he asked -- asked me to do this, the first step I took was to retain my own outside council, to begin the process and the only guidance I gave them is I must have a complete and clear, clean break from all of my connections to ExxonMobil.

Not even the appearance. And whatever is required for us to achieve that, get that in place. I am appreciative that the ExxonMobil corporation, whoever represented by their own council and the ExxonMobil board were willing to work with me to achieve that, as well. It was their objective too.

And in the end, if that -- if that required me to walk away for some things, that's fine. Whatever was necessary to achieve that. And again, told people, I don't even want the appearance, that there's any connection to -- to myself and the future fortunes, up or down, of the ExxonMobil Corporation.

SHAHEEN:

Well, again, thank you very much for that. And I'm sad to say that I think it stands in stark contrast to what we heard from President-elect Trump today, who announced that he is not gonna divest himself of his vast business interests around the world.

So I do appreciate your recognition that this is important for maintaining the integrity of the position with the American public and the world. You talked about eliminating ISIS as one of your top priorities, if you're confirmed.

And your opening statement connects radical Islam to ISIS. And you also make the point of saying that, you think it's important to support Muslims around the world who reject radical Islam.

During the last Congress, this committee heard about the importance of working with the Muslim community in the United States to combat ISIS and the domestic terrorists that have been produced as a result of ISIS ideology. In your view, is it helpful to suggest that as Americans, we should be afraid of Muslims?

TILLERSON:

No, Senator. I, in my travels and because of my past work, I've traveled extensively in Muslim countries. Not just the Middle East, but throughout Southeast Asia and have -- I've gained an appreciation and recognition of this great faith. And that's why I made a distinction that we should support those Muslim voices that reject this same radical Islam that we reject.

Now, this is part of winning the war other than on the battlefield. I mentioned we have to win it, not just on the battlefield. We've gotta to win the war of ideas and our greatest -- one of our greatest allies in this war is going to be the moderate voices of Muslim, of people in the Muslim faith, who speak from their perspective and their rejection of that representation of what is otherwise a great faith.

SHAHEEN:

And so do you support restricting travel or immigration to the United States by Muslims?

TILLERSON:

I think what's important is that we are able to make a judgment about the people that are coming into the country. And so no, I do not support a blanket type rejection of any particular group of people. But clearly, we have serious challenges to be able to vet people coming into the country.

And particularly, under the current circumstances because of the instability in the parts of the world that it's occurring. And the massive migration that's occurred out of the region and a lack of any documentation following people as they have moved through various other countries.

It's a huge challenge and I don't think we can just close our eyes and ignore that. We have to be very clear-eyed about recognizing that threat and developing a means to deal with it.

SHAHEEN:

Well, I certainly agree with that which is very different I think, than a ban on an entire religion, people of that religion. Do you support creating a national registry for American Muslims?

TILLERSON:

I would need to have a lot more information around how such an approach would even be constructed. And if it -- if it were a tool for vetting then it probably extends to other people, as well, other groups that are threats to the U.S.

But that's a -- it would just require me much more information around how that would even be approached.

SHAHEEN:

And one of the things you and I discussed when we met was the special immigrant visa program that we have maintained for Afghans who have helped our men and women in military on the ground.

And will you support continuing that program to insure that those people who have been properly vetted, who helped our men and women, are able to come to this country when their lives are threatened in Afghanistan?

TILLERSON:

Special Visa Waiver Program, it's important that we protect those who's lives are truly at risk because of their efforts to assist our American military forces or other forces in Afghanistan. I think it is also important to make the distinction, otherwise we undermine this program and risk losing it.

And not expand it, to allow other people to come through the program that are not truly at risk. And so it is, I think its the execution and this gets back to following through on -- on what the intent of these programs were and let's be very specific and execute well and not get sloppy in the execution and start having a lot of other folks coming through the program that really don't meet that criteria.

SHAHEEN:

Well, thank you. I think Congress has pretty narrowly focused the program. I appreciate that.

CORKER:

Thank you.

And I do want to say I appreciate the fact that you were able to highlight that, you know, the secretary of State shares his views, ultimately has to carry out the policies of the president or he's not successful, but I think it's good to distinguish that sometimes people have very different views and they lobby strongly for those views and that's what we're wanting to hear from is what Mr. Tillerson's views are on these issues and how he will attempt to persuade the administration. He may not be successful.

But I thank you for highlighting that just now.

Senator Gardner.

GARDNER:

Thank you, Mr. Chairman.

Mr. Tillerson, thank you again for your continued patience and participation in this very important discussion. I would follow up with many of the discussions today on human rights issues. I just was notified that the administration has sanctioned two individuals in North Korea under the legislation that we passed this past year, North Korea Sanctions Act. The younger sister of Kim Jong-un was sanctioned for human rights violations, as well as the minister of state security in North Korea.

I think it's important that we continue and I appreciate your commitment that you gave me in the prior round of questioning about your commitment to the mandatory sanctioning of people who carry out human right violations. It's something that we can do together, it's something the administration and Congress should work together to make sure that we're trying to protect people from tyrants around the globe who would murder their own people.

Mr. Tillerson, you mentioned Southeast Asia in your last answer to Senator Shaheen. China has been actively reclaiming, building islands in the South China Sea, 3,000 acres of land since reclamation activities commenced in 2013. Reports and (ph) open-source information that they have militarized some of these -- these reclaimed areas. We offered legislation last year, a resolution that called for the Obama Administration to take a stronger and much more aggressive approach to these activities in the South China Sea, including additional and more frequent freedom of navigation operations, overflights of the South China Sea.

In July, the Hague, the international tribunal ruled against China, held (ph) that they violated Philippines sovereignty. What do you believe the position of the United States ought to be in the South China Sea? And what more could we be doing to stop China from violating international law?

TILLERSON:

Well, I think when it comes to China, and you mentioned North Korea previous to this, that we've really got to take what I would call a whole of China government approach. I think part of where we struggled with China is, and I mentioned it in opening remarks, we do have important economic relationships. Our economies are intertwined. But we've got to step back and look at all of China's activities.

The one you mention now, the island-building in the South China Sea, the declaration of control of airspace in waters over the Senkaku Island with Japan. Both of those are illegal actions. They're taking territory or control or declaring control of territories that are not rightfully China's. The island-building in the South China Sea itself in many respects, in my view, building islands and then putting military assets on those island is akin to Russia's taking of Crimea. It's taking of territory that others lay claim to.

The U.S. has never taken a side in the issues (ph) whether we -- but what we have advocated for is look, that's a disputed area. There are international processes for dealing with that and China should respect those international processes. As you mentioned, part of -- some of their actions have already been challenged at the -- at the courts in the Hague and they were found to be in violation.

So it is -- China's activity in this area is extremely worrisome and I think, again, a failure of a response has allowed them just to keep pushing the envelope on this. So again, we find we are where we are and we just have to deal with it, and the way we've got to deal with it is we're going to have to show back up in the region with our traditional allies in Southeast Asia and I think use some existing structures to begin the re-engagement.

Use ASEAN, which most members of ASEAN are affected by this. You've got \$5 trillion of economic trade goes through those waters everyday, and this is a threat to the entire global economy if China is allowed to somehow dictate the terms of passage through these at waters. So this is a global issue of great importance to many, many of our important allies, but certainly to people in the region.

GARDNER:

And you would support a more aggressive posture in the South China Sea?

TILLERSON:

We're going to have to send China a clear signal that first, the island-building stops, and second, your access to those islands also not going to be allowed.

GARDNER:

Thank you, Mr. Tillerson.

Last year, I passed legislation that would encourage Taiwan's entry into the international police organization Interpol. It was signed into law by the president. The president has made it clear that Taiwan is our friend, and last Sunday, mainland Chinese as a result of some of President-elect Trump's activities and actions, the state-run newspaper, The Global Times, said the following.

Quote, "If Trump reneges on the one-China policy after taking office, the Chinese people will demand the government to take revenge. There is no room for bargaining." The editorial also when on to say that should -- "They should also impose military pressure on Taiwan and push it to the edge of being reunified by force."

Combined with (inaudible) recent show of forces, exercises around Taiwan, it appears that Beijing has increased its pressure considerably on Taiwan. Can you share with this committee the administration's -- the Trump administration's position on Taiwan and its position on the one-China policy?

TILLERSON:

Well, I think with respect to Taiwan, we haven't -- we've made important commitments to Taiwan through the Taiwan Relations Act, through the Six Issues Accord, and I think we should express a reaffirmation of those. Again, this is part of this -- this approach that I'm trying to lay out over and

over, that we've made commitments to people. We need to reaffirm those commitments and live up to those commitments, and I think it's important that Taiwan know that we are going to live up to the commitments under the Relations Act and the Six Issues Accord.

That in and of itself is a message, so I think the -- the importance of that action to, again, this whole of China approach that I'm speaking about, is we've got to deal with the whole of China's actions and recognize that we have these balancing forces in our relationship that need to be dealt with.

GARDNER:

In terms of one-China policy, the new administrations position?

TILLERSON:

I don't know of any plans to alter the one-China position.

GARDNER:

Thank you.

And an issue back in Colorado that I think is very important, it's coming to attention of a lot of people around the country, is they hear from NGOs -- Compassion International, a faith-based group in Colorado, served nearly two million children living in extreme poverty around the world. They've operated in Colorado since -- Compassion's operated in India since 1968. They've contributed nearly \$50 million in aid to India. They've provided one-to-one scholarships for 145,000 Indian children.

But since 2014, Compassion has been the target of multiple coordinated governmental attacks because of its unapologetically Christian belief and -- but it's been delivering humanitarian services to hundreds of thousands of Indian children. But due to restrictions by the Indian government, they've been unable to fund its India operation since February of 2016, despite having broken no laws.

I believe the State Department should take notice that this ill treatment of Compassion International should stop, and it's part of a broader pattern by the government of India, where other NGOs have seen similar problems. The State Department should insist the Indian government release Compassion funds, restore its FCRA licenses and permit Compassion to immediately resume its humanitarian operations.

We'd just appreciate your assistance on that. This is a pattern that's very disturbing as (ph) an organization that does nothing more than try to help children in poverty.

TILLERSON:

Senator, I appreciate you bringing it to my attention and look forward, if I'm confirmed, to discussing it further with you.

CORKER:

And I also appreciate you bringing it up. I know Chairman Royce is very concerned about this issue and I know he'll be thankful that you brought it to everyone's attention here today. Thank you.

Senator Udall?

UDALL:

Thank you, Mr. Chairman.

Mr. Tillerson, in your capacity as CEO of ExxonMobil, you praised the Paris Agreement last year, noting that addressing climate change, and I quote, "requires broad-based practical solutions around the world." Do you personally believe that the overall national interests of the United States are better served by staying in the Paris Agreement? If so, why? And if not, why not?

TILLERSON:

As I indicated earlier in a response, I think having a seat at the table to address this issue on a global basis, and it is -- it is important that -- I think it's 190 countries or there about -- have signed on to being to take action. I think we're better served by being at that table than leaving that table.

UDALL:

And -- and I think you understand that it's been -- it's been a generation or more that it's taken to get all of the countries at the table to sign an agreement, be willing to move forward with targets and it would be very unfortunate, I think, to move away from the table. So thank you for your answer there.

I just wanted to follow-up on a discussion Senator Flake had with you in the first round, urging you to look at the successes of our policy change in Cuba. And this is mainly because you, as a CEO at Exxon, I suspect that you had a low tolerance for old ideas that had failed to produce positive results. Regardless of what one thinks about the Cuban government, no one can argue that the policy of embargo and isolation has achieved any progress. The proof is right in front of us the Castro regime endures and I'm a strong supporter of the policy of reengagement, which has already produced results.

You know you mentioned you're going to do a bottoms up review, in thinking about that bottoms up review, I would just point out that these things that I'm going to mention have happened and are very positive. First of all we've worked with the Cubans to combat diseases such as *ZEKA and diabetes and a multi-national effort to combat Ebola in Africa. Efforts to increase access to the internet have paid off with new WIFI hotspots in Havana and increased efforts to bring improved cellular access to the island, including roaming deals with US carriers.

Increased bi-lateral business activities supported by the US Chamber of Commerce and the Hispano Chamber of Commerce, and last week the United States and Cuba signed a bi-lateral agreement to prepare for and respond to oil spills and hazardous substance pollution in the Gulf of Mexico and the Straits of Florida. Our new policy towards Cuba according to a 2015 Pugh research poll shows that 72 percent of Americans support the renewed diplomatic relations and 73 percent support ending the embargo. I doubt that there are many issues where such a vast majority of the American people agree and I hope we will not be letting those Americans down by returning to a period where such efforts are made impossible by a failed policy that showed no results. Instead I hope you will continue to work to support the Cuban small business owner. Almost 500 thousand licensed businesses and growing and to continue the engagement which has led to increased opportunities for both Cuban and American businesses in Cuba. Will you recommend to President-elect Trump a policy of engagement with Cuba in order to foster the change that is needed on the island or do you prefer to go back to the old policy of the past 50 years that failed to bring real change or undermined the Castro regime?

TILLERSON:

Well Senator, again if confirmed, the job of the diplomat is to engage. So engagement is always preferred and our door is always opened to want to engage to affect change. I think we have to be honest with ourselves about the engagement with Cuba, there is long-standing statutes in place that govern that relationship. With the *Helms-Burton amendment, with the designated list of state sponsors of terrorism and there's specific criteria around whether we and organizations and those who are conducting affairs in Cuba are in compliance with those, the statutory requirements. If we are able to engage in a positive way and still meet all of the compliance of those statutes then that is a good thing. I don't know because I have not had the opportunity to have a full examination.

As is said earlier of what changed, because there is a lot activity that has been enabled and obviously had to make a determination that something changed. Did it in fact change, I'd like to see the all the documentation, the information around that. Otherwise if we are going to change the relationship, we've got to change the statutes as well. So I'm again, maybe this common theme you are hearing from me is I believe we live up to the agreements and we live up to the laws and we fully enforce them. They were put there for a reason, if circumstances change then we need to change our posture on those as well. That's the reason I think it demands a bottoms up review because a lot of things have been changed in recent past here. Much of it by executive order and I think the President-elect has indicated that he would really like to understand all of that. What was the criteria that the State Department used to make its determinations, that's what he's going to be asking me?

UDALL:

The reason that I cited those polls is that I think the American people are at the point of wanting those statutes to be set aside and I quoted one, so I don't want to argue with you, but I very much appreciate your answers in terms of consulting State Department people. I can't think of better professionals than these State Department professionals that spend decades learning about the regions that they serve in, the specific countries they work on and I appreciate your thoughtfulness

in terms of doing that. And just a final question here. Senator Menendez mentioned the whole issue of fugitives. We also have a fugitive by the name of Charlie Hill, who I believe should be brought to justice and I really believe that we have a better chance at getting him out, we're already having discussions. If we engage with them rather than going back to the policy of isolation, so with that thank you very much Mr. Chairman.

CORKER:

Senator Flake.

FLAKE:

Thank you. I will continue on the same theme for just a bit. I want to talk for a minute about we hear the word concession a lot and we shouldn't make concessions to dictators or despots. Part of the executive orders that have been taken over the past couple of years, one of the first of which in 2009 we found that Cuban-Americans who had family still in Cuba, would have to choose between going to their mother's funeral or their father's funeral if their parents died within the same three years. What a horrible thing to ask of an American, do you believe it is a concession to the regime to allow a Cuban-American to visit or go to his father or mother's funeral in Cuba?

TILLERSON:

Well Senator these are really heartbreaking questions that again, I have to take us back to what are our statutes. What are the provisions that govern that, and this is where exceptions become very difficult. I want to be honest with you when I say my expectation if confirmed, is to do a complete bottoms up review of all these issues. Under what provisions are we making exceptions? What provisions allow for a waiver? Under what conditions can we grant perhaps an exception for someone to resolve these really difficult personal issues for people? But not undermined our American values, which is the leadership of Cuba must change the way it treats its people.

FLAKE:

I don't think it was the President's executive authority to make that change. I don't think it was questioned, there were certainly no law suits filed, or any real resistance. As soon as Cuban-Americans started to travel back to Cuba, it was assumed this is a great thing and hundreds of thousands of them have. And have remitted more money. It was illegal for them to send fish hooks to their family members on the island before. Those are some of the restrictions that were removed, I would submit that those are not concessions to a regime. It's not a concession to a regime to allow Americans to travel, those sanctions are on Americans not Cubans. In the same vein with regard to diplomatic relations, we have diplomatic relations with some pretty unsavory countries, or the leadership of some countries is pretty unsavory. We have diplomatic relations with Saudi Arabia, we don't agree with how they treat women and political opponents in that country. Is it a concession to the regime to have diplomatic relations with the country?

TILLERSON:

This is a question again that is grounded in long standing, historic policy of the United States. That policy and the statutes that govern that policy, if the time has come for statutes to be altered that will be the role of Congress to alter those statutes. In the meantime the State Department, if I'm there and confirmed to be there, it's our role to enforce what Congress has expressed its desire. So if the judgement of the Congress and the judgement of the State Department, the President-elect through consultation views that we have moved to a different place, then we should address that. Not just ignore what the law of the land is.

FLAKE:

I understand that completely, I'm just saying that diplomatic relations with countries is not a concession to those countries. It is in our national interest, it is the way we practice state craft and diplomacy, is to have diplomatic relations. I suggest that is the same with Cuba. As mentioned there are fugitives from justice in Cuba that we would like back. There are fugitives from justice in a number of other countries that we'd like back as well. We use our diplomatic relations, we use state craft and diplomacy to try to arrange those things. If we said to every country that held fugitives from justice, we're going to withhold diplomatic relations, recall our ambassadors, where would we be?

So I would suggest that a review is prudent. I'm glad that the administration is undertaking a review. I believe that a review will conclude that some of the measures that have been taken, allowing Americans to travel to Cuba, we still have restrictions. I would suggest that the restrictions that are still in place simply force Americans to place more money in the government's hands when they do travel to Cuba.

Cuban-Americans and other citizens of this country, that if we just lifted the travel ban completely, and they could more easily ensure that more money goes to family members and entrepreneurs on that island. So I'm glad the review is going to take place and I'm glad that you're going to be a part of that review.

Just in a minute-and-a-half left, you've talked a lot about sanctions. As I mentioned in the beginning, I share your aversion to sanctions, particularly when they're practiced unilaterally. What other -- sanctions are simply a method we have or a tool to change behavior or to induce or to punish countries.

What other tools do we have, without resorting to sanctions?

TILLERSON:

Well, depending on exactly what the issue is and what the target country is, certainly we have other tools related to our trade policies in general. We have tools related to our immigration and visa exchange policies in particular, in terms of the soft power side of this. Obviously, we always have the hard power tool to use.

And so I think it does depend on the specific country, the specific issue, what our relationship has been. What are -- what are the pressure points that are going to -- if they're going to feel it. Because just -- and that's the issue I have around ensuring that sanctions are properly structured so that we hit the proper pressure point that causes a change in the way that party is thinking or change in the direction they're going.

So, it is very much case by case in terms of what we can use to apply pressure to whatever government we are wanting to alter their course.

FLAKE:

Right. Thank you, Mr. Chairman.

CORKER:

Thank you very much. I appreciate your comments on Cuba and the multilateral sanctions issue. And I will say, you're going to find on both sides of the aisle strong divisions on the issue of Cuba. People sitting next to each other, having very, very, very different views. And I do hope you'll seek input of all as you move ahead and do this top-to-bottom review.

Having sat here the whole hearing, I do want to just clarify. I don't think that necessarily you've expressed an aversion to sanctions. I think what you may expressed, if I heard correctly, is just ensuring that when they're implemented, they're implemented in a way that is appropriate.

Is that correct?

TILLERSON:

That's correct, Senator -- Chairman. And as I -- I think I commented at one point this morning, having ineffective sanctions is worse than having no sanctions at all because it sends -- it sends a weak signal to the target country, and then they say, "Oh, well, they're not really serious after all."

And so that's why if we're going to have sanctions, they need to be carefully crafted so that they are effective.

CORKER:

Senator Kaine?

KAINE:

Great. Thank you, Mr. Chair.

Thanks again, Mr. Tillerson. I want to stay in the Americas. You and I had a good discussion in my office about the Americas and you've done work in the Americas. And also being a Texan, I think you, you know, understand the importance of the relationships.

We've been grappling on this committee and in this country with unaccompanied minors coming from the Northern Triangle -- that migration from Mexico is now kind of almost at an even zero point. But the instability in the Northern Triangle -- violence, drug trade, weak civil institutions -- has created some challenges.

We've supported in a bipartisan way investments in the Northern Triangle. But we want to make sure that the investments are, you know, kind of targeted the right way to accomplish the objective of bringing more stability and creating more opportunity there so people don't feel the need to flee.

Talk a little bit about that -- that part of our foreign -- foreign affairs portfolio and how would you approach those issues.

TILLERSON:

Senator, I really appreciate you bringing us back to the Western Hemisphere, because we've just - - we've talked about the hot spots. But -- and I say that in all seriousness because I don't think we should in any way downgrade the importance of the Western Hemisphere and what's going on not just in Central America, but South America as well. There are important relationships there. There are not unimportant national security issues in this hemisphere also.

But as to the immigration challenge, and I think you described it pretty well, that what's happened over the last -- the most recent time is a real shift in -- in where these people coming across the border in an illegal fashion, where are they coming from. And they're largely transiting through Mexico, coming from south of Mexico's border.

I am aware of the Northern Triangle project, which is trying to strengthen law enforcement. Because a lot of people are motivated to run from high crime-ridden areas, anti-narcotics trafficking, helping strengthen the governance institutions, and providing a safe environment for people down there.

And to the extent we can direct assistance programs that then gets at some economic development as well, some of which is simple infrastructure projects. And some of this, again, it gets back to how do we use not just this special targeted effort and the funds that have been made available there, but also how we use other aid programs like the Millennium (sic) Challenge Corporation, to develop the capabilities of these countries to perform better.

I do think, and I know you and I spoke about this when we were in your office, that out of our true compassion for these people that are coming across the border, many of which are unaccompanied minors, how do we deal with that. And I know in response to that challenge, there's been some well-intended action taken -- programs like DACA, the deferred treatment of -- adjudication of these cases -- all well intended.

But when those got translated back to the host country, the places these people are leaving from, we know that it got misinterpreted. And even the leaders of those countries have spoken in public and indicated that, look, the wrong signals are being sent down here as a result of this effort to be

compassionate. And in fact, it's incentivizing some, because it's misunderstood, to take even greater risk to themselves, to their children, to try to make this journey across Mexico, largely using illegal smugglers to get them to this country.

So I think we just have to be very thoughtful about the signals we're sending, the messages we're signaling, and I think go back, as you say, go back and try to address some of the issues in the host country. Also, work with Mexico, our partner right next door. This is not -- this is a challenge for them -- how to secure their southern porous border, and deal with all of this transiting of their country to get to the land of the free and the home of the brave, where everybody wants to be.

So, I acknowledge the challenge that we have before us. We're going to have to deal with the situation that we have today, the reality of it. I think this is where the intent of the president-elect, and while he does express it in the view of the wall, but what he's really expressing is we've got to get control of this -- of this border. We've got to prevent and stop the flow of people coming across.

And how we -- how we do that, what policies, and how we execute those, are yet to be developed. But certainly, the State Department, if I'm confirmed, will have a big role in the foreign aspects of that. Once they come across the border, they're largely the Department of Homeland Security's responsibility. The State Department's role will be what actions can we take to prevent the movement of the people in an illegal fashion. We want people to come legally. This is -- the history of the country is that people came here legally.

KAINE:

Mr. Tillerson, thank you for that. And I, as I said in my office, I always encourage a secretary of state to fly north-south and not just east-west. I think there's huge opportunities in the Americas that we sometimes don't take advantage of, and other parts of the world have a claim on our attention, obviously. But there's some real opportunities.

I assume you support the U.S. position that has been in place since the 1940s to do what we can, even if it's hard, to promote a two-state solution in Israel and Palestine with a Jewish state of Israel and an independent state of Palestine, living peacefully side by side. That that is the dream that we hope for that region. And I assume that you support that.

TILLERSON:

I don't think anyone would take a position that they don't hope for peace in that area and for the issues to be ultimately resolved.

KAINE:

And peace within the context of a two-state solution, as was -- as was determined by the U.N, and it's been the bipartisan policy of the United States since the late 1940s.

TILLERSON:

I think that is the dream that everyone is in pursuit of. Whether it could ever be a reality, remains to be seen.

KAINE:

What do you think the right -- I think this is something that has frustrated all of us, that there's been so little progress toward it in the last few years. And so, what do you think, from the secretary of state's position, you could do to try to hasten the day when we could find a path forward?

People didn't think you could find a peace deal between Ireland and Northern Ireland either for hundreds of years and yet youngsters in Ireland now, don't remember when there was a problem. What -- what might you bring to the table on that?

TILLERSON:

Well, and I'm glad you put it in the context of hundreds of years, I know that was a -- that was issue you initially (ph). But I think it is -- it is indicative of how conflicts like this, take a long time. And sometimes, it takes another generation to have a change of view.

Oftentimes, we just have to try and make the situation as stable as possible and limit the impacts on people that are living there now. The Palestinian people have suffered a lot under -- under their own leadership, in many cases, as a result of there not being more progress made.

So I think it has to be a shared aspiration of all of us that that ultimately, is resolved. The issues are long standing and I think it's the State Department's role to create -- try to create an environment that brings parties together to want to find a way forward.

I can tell you under the conditions today, that's just -- it's extremely challenging to do that. But that has to be the aspirational goal and -- and to your example, sometimes it takes a different generation that's not carrying all that baggage of the past with them.

KAINE:

Thank you.

Thank you, Mr. Chair.

CORKER:

Absolutely, thank you.

Senator Young?

YOUNG:

Thank you.

Mr. Tillerson, from the outset I just wanna thank you for the level of -- level of candor you've shown throughout this hearing. You've engaged on issues, you've answered questions, you've been adept at times and I want that from our nation's chief diplomat.

The only request I would make, is that they don't coach that out of you, should your nomination move forward and you become our next secretary of state, which I suspect you will. So thank you, for that.

In your prepared statement, you write, quote, "Defeating ISIS must be our foremost priority in the Middle East," unquote. And you also note later, that defeat will not occur in the battlefield alone, we must win the war of ideas, something we've already discussed a bit, here.

I couldn't agree more. We have to win the war of ideas. We can kill every single irreconcilable, as you know, who subscribes to this poisonous ideology that those who join ISIS do. And yet, we're still gonna have a problem.

The organization will reconstitute itself and so we really -- there's something deeper we need to tap into, a deeper tap root. In your prepared statement, going back to that, you indicate that if confirmed, you will ensure the State Department does its part here in this war of ideas.

Now, based on your presentation for this hearing, what is your assessment of the State Department's current performance in the war of ideas and why don't you make your comments specific to our effort against the Islamic state?

TILLERSON:

Senator, I'm not sure I could articulate what the current State Department is doing on the war on ideas, other than the advocacy, the public advocacy condemning this type of brutality.

I think -- I think your observation, that even if we defeat ISIS and it's caliphate in Syria and Iraq, they will morph to something else. And I think this is where we have to be truthful and realistic in our conversations with the American people.

Terrorism has been a part of the world for centuries. It is -- it is the nature of man, the unforced (ph) of nature of man. But what we have to do, is certainly limit it and suppress it to a level that it is no longer a threat to our national security or a threat -- an eminent threat to Americans or all other people in the world who value human life.

YOUNG:

So in a recent hearing, before the Senate Armed Services Committee, DNI Clapper indicated that he believes the U.S. might re-establish United States information agency to fight this information war and to advance our efforts to defeat radical extremists or terrorists or terrorists, however one chooses to brand them. Do you agree that this would be a good idea?

TILLERSON:

I think, as I indicated in exchange with Senator Portman, we have got to up our game in terms of how we engage in both the digital communication world because that's where ISIS has been very effective. And other radical groups, Al-Qaeda and others, have been effective in using the digital communication space to spread their message.

We've got to become more effective at encountering that message and countering that message. But I also take Senator Portman's observation that it's not all digital. There are other communication mechanisms that are effective broad base, in terms of how do you -- how do we communicate, particularly in those parts of the world that could be susceptible to these messages.

YOUNG:

For the record, for the benefit of my colleagues and also for your benefit, I'll note that I'm just coming from the House of Representatives. And in my final two-year term, I introduced legislation so that Congress could assess whether or not the countering violent extremism initiative within the Obama Administration was working or not.

Is it working? I was prepared to be briefed in a classified setting, yet the administration came out fairly strongly against our efforts to exercise oversight. So my hope would be I can -- that I can work together in a bipartisan way. And in the next administration, we will have the tools to assess whether or not we are improving and work with the administration to ensure that we are, in fact, killing the terrorists, countering violent extremism.

Most importantly, making sure that this effort doesn't reconstitute itself moving forward. Mr. Tillerson, back to the prepared statement. You write that China has not been a reliable partner in using its influence to curb North Korea.

I know we've discussed this before, slightly different attack here. Just an open-ended question, here. Why do you believe China has not done more?

TILLERSON:

Well, I'm aware that under the most recent version, I believe of the U.N. sanctions which have been ratcheted up with each of North Korea's provocative, whether it's been a nuclear test or the test firing of a missile. That -- and I indicated earlier, that China is 90 percent of North Korea's trading exports and import trading.

So they really do have complete control over what sustains the government of North Korea. A big part of that is the sale of anthracite coal across the border and the sanctions did speak to that sale. And I think that's an area where I think we have to hold China accountable to comporting with the sanctions that were put in place by the U.N. And just, we have to call people out on it, when we view they're not complying.

YOUNG:

So there might be a -- there might be an opportunity to exploit there with respect to the reliance on an anthracite coal, to ensure that the missile and nuclear programs, you know they comply with international law and our security interests?

TILLERSON:

Well, under the U.N. resolutions, North Korea's already violated those on multiple occasions with both the nuclear tests, including the one most recently in September, as well as they're firing of tests.

YOUNG:

I'm gonna interject, which is D.C. talk for interrupt. But so what would you suggest to the president of the United States, he considered doing to wield (ph) more effectively influence over China's decision-making on North Korea? In 10 seconds or less, please.

TILLERSON:

Well, it does involve -- well, it does involve a concerted response from our allies as well, Japan, north Korea and making sure China understands as part of this whole (ph) of China approach, that this is an important element of what they can do to strengthen our relationship or they can do to weaken our relationship with them.

YOUNG:

Thank you.

CORKER:

Thank you, sir.

Senator Murphy?

MURPHY:

Thank you, Mr. Chairman.

Thank you for sticking this out Mr. Tillerson, this is a long day. I wanna come back to the issue of human rights. Because I do worry, that there are gonna be a lot of human rights advocates. A lot of people who are hoping that the United States maintains its leadership role on maintaining and promoting human rights around the world.

Who are gonna be very worried by some of your testimony here today, asked about the 3,500 extrajudicial killings in the Philippines. You weren't yet, ready to say that you had enough evidence

to call that a violation of human rights. Similar answer on Saudi Arabia. And a similar answer with respect to the war crimes, perpetrated by the Russians inside Syria.

So I guess the simple question for you is this, if -- if you're not ready to say today that what's happening in the Philippines is a human rights violation, despite the fact that the president brags about killing people without trial or the denial of rights to women in Saudi Arabia as a named human rights violation or what's happening in Syria as a war crime, can you maybe give us a little bit of a sense of what countries today you would consider to be violators of human rights or how you are going to make judgments about where the U.S. pursues human rights violators and where we don't? Because I think it'll be a surprise to a lot of people coming out of this hearing that you aren't ready today to call President Duterte a violator of human rights or to call what's happening in Saudi Arabia a named violation of human rights under international law.

TILLERSON:

Well, I think somewhere in your question there, Senator Murphy, was in fact the answer.

I'm going to act on factual information. I'm not going to act on what people write about in the newspapers or even what people may brag they've done because people brag about things that they may or may not have done. I'm going to act on the facts, and if confirmed, I'm going to have access to a lot of information that I don't have access today. It's just my nature to not pre-judge events or pre-judge and make conclusions or conclude that someone has in fact violated this norm or in fact now meets the standard to be labeled this until I have seen those facts myself.

That should in no way suggest that if those acts that you've described are backed up by the facts, I would agree with your labeling and characterization. I'm just not willing to do that on the record today because I've not seen that information. So please don't confuse that with my -- my standards are no different than yours.

MURPHY:

But just -- let's take the Philippines for an example. I mean, I don't know that there's anybody on this committee that would deny that there are extrajudicial killings happening in the Philippines. That's been widely reported. Our embassy has reported it. The president himself talks about it.

What more information do you need before deeming the Philippines to be a human rights violator? What's happening there is a massacre that's -- that's there for everyone to see.

TILLERSON:

I'm sure the committee has seen a lot of evidence that I've not seen. I'm not disputing your conclusion. You're asking me to make a judgment on only what I'm being told. That's not how I make judgments.

MURPHY:

So what information in that case would you need? Who would you need to hear from?

TILLERSON:

I would want to see the factual basis behind the statistics and the factual connection as to who is committing those acts.

MURPHY:

Well, we don't have -- a lot of times the factual evidence is reporting by objective observers on the ground. I'm not necessarily sure you're going to get a videotape of an extrajudicial killing. So oftentimes, the evidence is the objective reporting we get from sources on the ground inside a place like the Philippines.

TILLERSON:

I will rely on multiple sources to confirm what I am being told. That is -- you can blame it on me being an engineer. It's just the engineer in me that I deal with facts and then I analyze and then I conclude. And I'm sure there's a lot of credible information out there that I simply haven't seen.

MURPHY:

This is a question that often gets asked of members of Congress to judge their view of politics and conflict in the Middle East. It's a pretty simple one. Do you believe that the Iraq war, not the conduct of the war, but the war itself was a mistake?

TILLERSON:

I think I indicated in response -- I believe it was to Senator Paul's question -- that I think our motives were commendable, but we did not achieve the objectives there. We did not achieve greater stability. We did not achieve improved national security for the United States of America. And those -- that's just the events have borne that out.

And at the time, I held the same view, that I was concerned, just as I was concerned before the decisions were made to go into Libya and change the leadership there. It's not that I endorse that leadership, but that leadership had the place somewhat stable with a lot of bad actors locked up in prison. Now, those bad actors are running around the world.

MURPHY:

Just -- just...

TILLERSON:

So it's just a -- it's the question of -- it isn't a question that our ultimate goal has to be to change that type of oppressive leadership. It has to be though that we know what -- we know what is

coming after or (ph) we have a high confidence that we can control what comes after or influence it and it will be better than what we just took out.

MURPHY:

But which -- in this case, which motives are you referring to that were commendable?

TILLERSON:

I think the -- the concern for the Saddam Hussein represented a significant threat to the stability in that part of the world and to the United States directly. So I understand that people had -- were looking at information that was available to them, information that's not available to me, at least at this point. So I'm making this -- I'm making this comment as a casual observer.

MURPHY:

One last question going back to Russia. You said in earlier -- answer to an earlier question that you wouldn't commit today to the continuation of sanctions against the Russians for their involvement in the U.S. presidential election, but could you commit to us today that if you deem sanctions to be the inappropriate policy, that you will recommend and argue for a substitute response for the interference in U.S. elections?

Will you argue for a U.S. response, even if you don't believe sanctions is the right policy?

TILLERSON:

Yes. If -- and all I've read is, again, the unclassified portions, but it is troubling. And if -- and if there's additional information that indicates the level of interference, it deserves a response.

MURPHY:

Thank you.

CORKER:

Thank you.

Just to follow up, our embassies in countries have pretty massive capabilities that are well known. If in the Philippines, for instance, our embassy there assessed to you with very high confidence since you're not going to be able to be on the ground checking things out yourself in a 75,000 person organization, and you're going to have to rely on people that as you did as an engineer and certainly as CEO of a company, if they assess that extrajudicial killings were taking place, that would probably be enough evidence for you that he was a human rights violator, would it not be?

TILLERSON:

In all likelihood, it would.

CORKER:

Just to follow up on one other thing, I know this committee passed very strongly in a bipartisan way, and now it's been through multiple (inaudible) of appropriations and now an authorization, a bill to end modern slavery, to work in partnership with others around the world. And I say this because I visited a place in the Philippines where much of that is occurring, and thank you for reminding me.

But would you -- do you plan to continue to support the effort that's been authorized here and has been appropriated towards -- to work in conjunction with the world community to end one of the greatest blights in the world today, and that is 27 million people in the world being enslaved more than at any time in the world's history?

TILLERSON:

I think it is part of America's moral clarity and our values that we must speak out, and not just speak out, but take action to cause countries that are allowing this to go on or facilitating it (inaudible) cause them to change that. And I know that this is a particularly passionate to yourself and other members of the committee, and I want to enlarge it to human trafficking at large as well.

Slavery and human trafficking have to be addressed and America has to lead in this particular area.

CORKER:

Thank you so much.

Senator Isakson?

ISAKSON:

Thank you, Mr. Chairman.

Mr. Tillerson, thank you very much for your candor and your respect you've exhibited for the committee and the process. We're proud of your nomination and commend you to the Senate.

I'm going to ask one question and then I'm gonna waive the rest of my time so we can get a little rest. One of the important roles of the State Department, I went back to the State Department for, is some of the soft power (ph), and part of our soft power (ph) is our ability to solve problems that nobody else can solve. Most recent example, Ebola. When the Ebola outbreak took place in West Africa, it was the CDC that created the mechanism by which we actually stopped Ebola. And now, we have a vaccine that will prevent Ebola, which is a great victory for humanity and a great victory for the process.

The money that was done to treat the initial patients from West Africa was a special appropriation of the United States Senate and House to create an emergency fund to deal with Ebola. During the same period of time, the State Department had referred a Lassa fever patient to the CDC to (inaudible) to take care of, which they did. There was no funds available for that loss of payment (ph) and to this date, Emory has not been reimbursed for that payment -- for that treatment.

My question is, it seems to be a good time for us to look at the CDC, which is the heart of the solution, and create an emergency fund reserve where we have an amount of money available to the CDC secretary that they can -- that they can immediately go to to use for an emergency like Ebola or like Lassa fever. I am going to work to try and establish that this year and I hope as the secretary of State, when you're confirmed, you'll work with me to do that.

TILLERSON:

I look forward to that, Senator, and engaging with you on it. I -- I think you're right, the CDC's response in the Ebola outbreak is -- was remarkably well managed. I wouldn't make an observation because at some point somebody has got to pay for this and in examining the -- how the world health organization did in these outbreaks, I think what it exposed was some deficiencies within the world health organization as well that they were not able to respond.

And that's where normally -- this was an outbreak that occurred in another part of the world, they should have been the first responders to the scene, but as you pointed out the CDC as well as other U.S. assets had to be put in to those countries to address that. So I think it's worth an examination as we're considering CDC's role, it's worth an examination of how that interfaces in these types of outbreaks, whether it's Ebola or the zika virus, how is with the global health organization working with others as well.

ISAKSON:

Thank you very much for your time and congratulations your nomination.

CORKER:

Senator Markey.

MARKEY:

Thank you, Mr. Chairman. Mr. Tillerson, do you agree with President-elect Trump when he said, quote, "it wouldn't be a bad thing for us if Japan, South Korea, Saudi Arabia acquired nuclear weapons?"

TILLERSON:

Senator, I don't think anyone advocates for more nuclear weapons on the planet.

MARKEY:

Donald trump said it would not be a bad thing. Do you agree with that or disagree with that?

TILLERSON:

I do not agree.

MARKEY:

You do not agree. Would you commit to working vigorously to ensure that no additional country on the planet obtains a nuclear weapons capacity?

TILLERSON:

Senator, I think if confirmed, it a vital -- one of the vital roles of the state department to play in working in the national Security Council in an interagency way has to be the pursuit of the nuclear nonproliferation. We just simply cannot back away from our commitment to see a reduction in the number of these weapons on the planet.

MARKEY:

Great. President-elect Trump recently said on twitter that in his view the United States must, quote, "expand its nuclear capability" when warned this could trigger an arms race, he replied "let it be an arms race." Do you agree with President-elect Trump that the United States should welcome a nuclear arms race with Russia or with China? Would that be a good thing for the United States?

TILLERSON:

Senator, I think as we're pursuing nonproliferation, than we're also pursuing the enforcement of important agreements like new start, that we have to also approach those from a position of strength. I think in the context of some of the quotes that you're running through here, the president-elect has also indicated a commitment to ensuring that the level of nuclear arms and capability that we are going to maintain under agreed treaties that those capabilities must be maintained and that from time to time that means we have to renew them and bring them up to date and ensure they are capable, otherwise we now have an asymmetric arrangement with the people we're negotiating with.

MARKEY:

That's at odds with what he has been quoted publicly as saying so I think it's important for us to hear you take a position that, in fact, negotiations towards reducing the nuclear threat rather than having a nuclear arms race is much better for our country and the global security. If you are confirmed, will you commit to protect the rights of all Korea employees of the state department so that they retain their right to speak with Congress?

TILLERSON:

As pursuant to an open and effective dialogue with Congress would encourage that issues are put on the table for discussion with the Congress, yes.

MARKEY:

You - you -- you just had I think a great conversation with senator Isakson about global health issues, and one of our great achievements over the last couple of decades has been the establishment and investment in PEPFAR and U.S. leadership in the global funds to fight AIDs, T.B., and malaria. Millions of lives have been saved and health infrastructure has been built in the developing worlds. Could you discuss your view of those programs and your commitment to strengthening them in the years ahead?

PEPFAR is one of the remarkable successes of the past decade or more, obviously begun under President Bush. And I think what's notable about PEPFAR is there are measurable results. Very well managed, very well targeted at getting at those three diseases. I think it serves as a model for us to look to as we're thinking about other ways in which to project America's values, project our compassion to want to solve these threats that are in other parts of the world that by and large we're not threatened by a lot of this here in this country.

Malaria eradicated decades ago, T.B., well under control. AIDs, great treatment programs available to people. Projecting that into other parts of the world is a marvelous way to send a message of the compassion of the American people that we care about people's lives all over the world. So PEPFAR is a terrific model to look at in the future as we think about other areas that may be useful for us to put additional programs in place.

MARKEY:

Now, I'd like to move on to another global health issue, as it impacts the United States. Again, this is the opioid epidemic. It's now been transformed into a -- a fentanyl issue. In Massachusetts this year, in New Hampshire, Senator Shaheen's home state. Three quarters of the people who died in 2015 of opioid overdose died from fentanyl. And if it was occurring at the same rate across the country as it did in Massachusetts in 2016 that would be 75,000 people a year dying from fentanyl overdoses.

Now, the way this is coming into America is pretty much the chemicals come in from China. They go down to Mexico and then they're trafficked in out of Mexico into the regions of the country. Senator Rubio has a similar problem in Florida. We need to elevate this issue, Mr. Secretary, to a much higher level of importance in our country. The terrorists that's going to kill Americans on the streets of our country are the terrorists who are selling fentanyl.

It's the Mexican and Chinese operatives who are funneling this into our country. That is the terrorist fear in the hearts of Americans. Can you talk about how strong you intend on ensuring that the state department takes in terms of actions to tell the Chinese and the Mexicans how serious we are about this threat, this existential threat to families across the country?

TILLERSON:

Senator, if confirmed, this will require an interagency approach, both in terms of applying many of the tools that have been used in terror financing elsewhere to track the flow of money, attempt to disrupt on both ends of that, because I think it's one thing we can send the Chinese a message, but it's another to put in place the mechanisms, whether it be working with treasury and other parts of the interagency process to disrupt the flow of these materials and these drugs as well. Clearly we have a message to project to china, but I'm also clear eyed about China just suddenly saying okay, never mind.

MARKEY:

A wall across our southern border will not keep the fentanyl out. It's going to take much tougher action tougher action if we're going to save two Vietnams per year from deaths inside of the United States from (inaudible). Thank you Mr. Chair.

CORKER:

Thank you. Senator Barrasso.

BARRASSO:

Thank you, Mr. Chairman. Thank you for your patience in staying with us. I had just a couple of questions to follow up on things you've been asked already. A little earlier you were talking about the efficiency of PEPFAR and that government can at times do things well. The American people know the government is full of waste and fraud and abuse, you saw some of it in the private sectors. You'll see it in government. So I just want with the kind of debt that we have as a nation to know that you're committed also to when you see it, to eliminating duplication, eliminating redundancies and do what you can to try to address this incredible debt that we have.

TILLERSON:

Well senator, obviously very consistent in my nature to look for the inefficiencies and to streamline. And that will start, if confirmed, it will start right there in the state department itself in terms of assessing the organization structure in the state department. I know as part of preparing, I've looked at organization charts from a few years ago to organization charts today and I've noticed there are a few more boxes. Now, some of those may be for very good and valid reasons, but also, it appears to me that new issues which have been added may rightfully need to be places back into the mission and integrated into the mission itself. Because that, it appears to me we've got some duplication.

But it's not only about saving the American taxpayer's dollars and spending them wisely. It's also about the delivery on the issue. If we've got it dispersed in several places, we're probably not dealing with the issue very effectively either, because there's lack of clarity as to how does this --

how does this issue integrate into the mission's obligations and what we're trying to achieve in the various missions of the State Department.

So, that's -- I just give you that as a simple example because it was so obvious to me when I began to look at the chart. So, I know there will be opportunities to streamline things, with the objective primarily of being more effective in terms of how we carry out the State Department's mission, making sure people understand what they own; making -- having clarity and line of sight to who's accountable.

And then out of that, I think will come some -- we're naturally going to capture some efficiencies and cost-savings.

BARRASSO:

Another topic that was discussed was human rights. And as we travel around the world, we talk to leaders around the world who are concerned about security in their nations, economic growth in their nations, and -- and somewhat human rights, but perhaps not to the degree that we would like to see that commitment. And these are people that we have interests with, in terms of our own global security.

So as secretary of state, how do you balance engaging these countries in terms of trying to protect their security, as well as the economic aspect, as well as protecting and focusing on human rights?

TILLERSON:

Senator, I take the view that it's never an either-or choice we make. I think it's been said, you know, our values are our interest. And our interests are our values. So, regardless of what we may be dealing with, our values are never not right sitting on our shoulder in full display, on the table.

I think the real question you're trying to get to is how do we advance those values, though, against other priorities at the time. And I did -- and again, just speaking in an honest assessment in my opening remarks, acknowledge that from time to time, our national security may have to take the priority. It doesn't mean our values were de-prioritized. It doesn't mean they're not still as important. It doesn't mean they're not right here on our shoulder with us.

It's really -- I think what you're asking is: How do we project those values to another country in a negotiation in a way that they begin to move closer to our values? That is always there and it is never an either-or choice.

BARRASSO:

And then the last thing I wanted to get to was the issue of energy is a master resource in the way that Putin uses it as a political weapon. And one of the things we're seeing now is this Nord Stream 2 pipeline -- the pipeline between Russia and Germany that the United States has been working closely with our European partners, with respect to that.

And this is something that we've had bipartisan support on, looking across the aisle. Senator Shaheen, Senator Murphy have signed a letter with me and with Senator Risch and Senator Rubio, Senator Johnson, because of our concern with the ability of this pipeline to deliver more energy and make Europe more dependent upon Russia for energy. It also bypasses Ukraine and impacts the Ukrainian economy as well when it runs directly from Russia under the Baltic Sea directly into Germany.

The -- several European countries have raised the concerns that this pipeline would undermine sanctions on Russia, increase Russia's political leverage over Eastern Europe. Can you give us your assessment of something of which there's actually a lot of bipartisan agreement on this panel with regard to?

TILLERSON:

Well, energy is vital to every economy the world over. So it can be used as a powerful tool to influence, kind of tip the balance of the table in one party's direction or the other. So it is -- it is important that we are watching and paying attention to when this balance is upset.

Now, the greatest response the United States can give to that threat, and is the development of our own national resources. The country is blessed with enormous natural resources of both oil and natural gas, and I know the Congress took action here in the recent pass to approve the export of crude oil. We now have exports of liquefied natural gas.

The more supply -- more U.S. supply, which comes from a stable country that live by our values, we can -- we can provide optionality to countries so that they are not -- cannot be held captive to a single source or to a dominant source. That's -- that's a physical response to that issue.

I think from a policy standpoint, it's engaging with countries to make sure they understand they have choices and what those choices are. And what can we do in foreign policy to help them gain access to multiple choices so they're not captive to just one or a dominant source.

BARRASSO:

Well, thank you. Thank you for your willingness to serve.

Thank you, Mr. Chairman.

CORKER:

Thank you.

Senator Booker?

BOOKER:

Thank you, Mr. Chairman.

And again, I want to thank you. This has been a very long process, and you've showed a remarkable amount of poise and equposure and endurance. So thank you very much.

I'd like to pick up on something that Senator Shaheen was asking about, which is just issues with our Muslim allies around the globe, as well as Muslim countries. You've been really resonating with my spirit. I'm pretty strong in talking about the Muslim faith. You called it -- I wrote down when you said it -- "the great faith."

And it shows a level of respect and deference that I'm sure will serve you well as secretary of state should you be confirmed.

What I worry about is a lot of the rhetoric coming from the president-elect and others. It really does undermine often our relationships with a lot of our allies. When I was traveling to the Middle East in countries like Jordan, for example, I was surprised that people at the highest levels of the government were directly concerned about the rhetoric coming from individual leaders in this country.

The president-elect has said that he would consider Muslim Americans being required to register in a government database. I just want to ask you directly, you don't support a Muslim registry, do you, for people coming into this country, based on religion?

TILLERSON:

Senator, I think in response to that question, I do not support targeting any particular group. If a registry of some -- some sort that's broadly applied to any person entering the country that could present a threat...

BOOKER:

So, sir, can I -- I'm sorry to interrupt you. My time is short. The -- let's just use specifically the NSEERS program, the National Security Entry-Exit Registry System. I introduced legislation last week to eliminate that, potentially. And under the Bush administration, there were about 25 countries registered. All of them were Muslim countries that were in that NSEERS program, except for one, which was North Korea.

That was then the policy of the Obama administration was to zero-out that registry. What -- what -- is that something you would support, the NSEERS mechanism is still there? And how would that affect our ability to deal with countries that are -- we're working so closely with, such as Jordan, which is my example?

TILLERSON:

Senator, I appreciate the question. I'm not familiar enough to be able to address it specifically. I'm happy to get back to you with an answer, though.

BOOKER:

Sir, I appreciate that. How does it affect, in your opinion, our ability to work with Muslim countries? For example, when people like General Michael Flynn has publicly called Islam "a political ideology, not a religion"? Saying that it's like cancer, and writing that fear of Muslims is rational. That can't be constructive to our foreign policy, to our diplomacy with key countries in Southeast Asia as well as the Middle East.

TILLERSON:

My experience, Senator, has been the best relationships in which you can make progress on tough issues is built on mutual respect of one another, which then leads to hopefully mutual trust. Just as we want to be trusted, as -- whether we're Christians or we practice the faith of Judaism or whatever our religious faith may be. And in this country, we have the freedom to practice that in any way we want.

We want to be respected for that as well. But that relationship has to be built on a mutual -- a mutual respect for each other, and not a judgment about one's faith.

BOOKER:

Sir, I'm really grateful -- not that I'm surprised at all, but I'm grateful for you putting forth those very important values.

Could you answer me this: What do you think it does to our enemies' ability to push forth more propaganda about the West or incite more radicalism when you hear these evil terrorist organizations? What do you think it does to their recruiting efforts when rhetoric like that comes from the highest levels of leadership in our country?

TILLERSON:

Well, I think, you know, these radical Islamic factions that we've been talking about, whether it's ISIS or Al Qaida, they have broad networks, obviously, that they're putting in place. And that's what we've got to disrupt. We've got to disrupt their ability to reach large numbers of people who could be persuaded and that's what I -- spoken to earlier with new tools to advance our ability ...

BOOKER:

Clearly sharing intelligence with other Muslim majority nations -- cooperating with them, creating those relationships that you said are so important, it's important to counter ISL but if you're insulting and demeaning their very faith, not only does it make it probably more difficult to deal with your allies, but it might even incite more radicalism potentially, correct?

TILLERSON:

My expectation is that we're going to be able to reengage with our traditional friends and allies in the region. Not just in the middle east but I think as you pointed out there are large Muslim populations in South East Asia, Indonesia, Malaysia, other important countries in that part of the world where we have serious issues of common issues as well.

BOOKER:

I -- I -- again -- there's much about our conversation privately that I appreciate and there's much about your testimony that I appreciate as well. One thing we discussed was just how important USAID is when we were together. I have real concerns, now having been out and around the globe, seeing the powerful impact the USAID is making for really asserting human dignity. I really worry that -- that this budget has been cut -- the base international affairs budget which includes funding to state and USAID has been repeatedly cut about 30 percent adjusted for inflation since fiscal year 2010, despite the fact that across multiple biparty administrations, there's always been a broad agreement supporting USAID and the State Department is a moral, economic and strategic perspective.

I just want to hope that you will be -- especially I've read about your -- the way you ran your private business of streamlining and the like. But I hope that I priority for yours is a more robust USAID program. Is that something I have -- could you give me reason to hope?

TILLERSON:

Well I think -- I hope what you're after is more effective programs, with better use of the tax payers dollars and to the extent we are good at that and we have even greater opportunity, then we should seek additional funding. But there will be a complete and comprehensive review of how effective we are with the dollars over there. USAID, as I said is an important part of the projection of America's values around the world. We're going to have -- I think there is a joint strategic plan that is required between the State department and USAID and fiscal year of 2017. That's going to be perfect opportunity for me and for those who are working with me, if I'm confirmed over the State Department to take a comprehensive look at the effectiveness and what are -- what are our ranges of opportunities out there that might argue for greater funding?

So I want to be effective with the program and make sure as we are using the tax payers dollars, they are delivering a result that we're proud of.

BOOKER:

And that's something I respect. I was a Mayor, the Chairman was a Mayor, we know that spending more money on a problem doesn't necessarily mean that you are dealing with it more effectively. But if you do have effective evidence based programs, investing more resources is a strategic and well as a human rights advantage.

Sir, I am a low man on the totem pole and I'm done with my time. I do want to say this to the Chairman ...

CHAIRMAN:

You had an extra minute this morning, so go ahead. You're high man on the totem pole now. You have the Mic.

BOOKER:

If only people told me this people was so magnanimous as it is. Sir, I'm just going to use my last few seconds, I'm not sure if we're going to have another round. We not, my ranking member's not. So I just want to just ...

CHAIRMAN:

If by agreement with others, if I could, there's been I think a request to all members asking. I know there's some members that want to go another round and we're going to make that available to them today.

BOOKER:

I've expressed my thoughts to my ranking member and I'll wait for his instruction, but in the few seconds I have left. I just want you to know that this is probably one of the more important positions on the planet earth, the one to which you're nominated for. It's not just about always -- it is obviously looking for America's interests and strategic advantage, but it's also about American values, values of human rights, values of taking care of poor and marginalized people and I am -- expect that you at some point will be confirmed and I look forward to working with you to asserting those values of human dignity as well as American interest abroad. So, thank you sir.

TILLERSON:

If I might, Mr. Chairman because, for my members -- there are some additional questions that members have asked second rounds. When they ask them we're going to try to be able to give you the time. But it is possible we all cooperate, we might be able to complete this hearing this evening and not go into tomorrow. So that's what we're trying to do. Obviously we have to complete it by 6 o'clock because we have business on the floor at 6'clock.

CHAIRMAN:

I saw the look of disappointment on Mr. Tillerson's face. As I understand it, Senator Rubio will have additional questions. Senator Menendez, Senator Shaheen has a little bit -- a little bit. At -- for those member who -- Senator Risch. So we may be here tomorrow, but we're going to -- we're going to try to finish this evening if everybody can cooperate and again if that's not the case, we're perfectly willing to come back tomorrow. We're really trying to accommodate to ...

TILLERSON:

And I appreciate the Chairman, he's been very open about that and it's been very helpful.

UNKNOWN:

We also have some members who have not had their second rounds yet, we know that.

CHAIRMAN:

And now to Senator Portman.

PORTMAN:

Thank you Mr. Chairman. And again Mr. Tillerson, thanks for your willingness to be patient and answer the questions as you have with candor and appreciate your willingness to serve. One thing we didn't talk about this morning in questions was the Middle East. And I know you've had a lot of experience in the Middle East, particularly you've done business in many of the Arab countries. We talked a little in our meeting but this relationship we have with Israel, it's a corner stone of our strategy in the Middle East. They are our greatest ally in the Middle East, the one true democracy.

I want to talk to you a little about your views on Israel and the U.S. Israel relationship. One important issue for me as you know is this issue of boycott divestment and sanction movement, the so called BDS movement, which is a global movement targeting Israel. I've been concerned about this for a while -- introduced some legislation on it, in fact Ben Cardin and I have not just introduced but passed legislation in this regard to try and push back against the BDS forces. Recently -- of course with the consent of the Obama administration the U.N. Security Council passed this resolution condemning the settlements and demanding Israel cease all activities in the occupied Palestinian territories including east Jerusalem is the way the resolution reads.

I think this will no doubt galvanize additional BDS activity. And so here's my question to you. Would you make it a priority to counter boycott divestment and sanctions efforts against Israel is not held to double standard but instead treated as a normal member of the international community?

TILLERSON:

Yes, I would.

PORTMAN:

Any preliminary thoughts as to how you would do that?

TILLERSON:

Well I think, just by raising it in our interactions with countries that do put in place provisions that boycott whatever elements of activity or business with Israel in their country. That we begin by highlighting that we oppose that and just expressing that view and that those countries need to understand that does shade our view of them as well then.

One of the things that would, I think, help change the dynamic obviously, would be if there were a change in the dynamic regionally. Today because of Iran and the threat that Iran poses, we now find that Israel, the U.S. and the Arab neighbors in the region all share the same enemy. And this give us an opportunity to find -- to discuss things that previous I think could not have been discussed.

PORTMAN:

You find more support among the Sunni countries in the region for Israel as a result of that new dynamic?

TILLERSON:

I don't want to speak for them Senator. But I think clearly there's much more sharing going on between the leaders of those countries as they confront this singular threat to the whole region.

PORTMAN:

That's my sense and I think it's an opportunity. On BDS we do have legislation that ties trade negotiations to dismantling BDS and would you support that legislation? It's law of the land and as we conduct trade negotiations, would you support using those negotiations to help dismantle the BDS efforts in those countries?

TILLERSON:

From the stand point of the State Departments view, if confirmed I would advocate for that position as well. Recognizing there is other agencies that would really purview over that.

PORTMAN:

What attitude do you take toward the U.N. initiatives relating to the Israeli Palestinian conflict? Is it your intention to press the Palestinians to resume negotiations with Israel, rather than seeking to negotiate through international bodies such as the U.N.? What's your position on that?

TILLERSON:

I think as I've expressed in answers to a couple of other questions, and I want to be brief because I realize we're trying to get through questions quickly. This issue has to be settled between the Israeli's and the Palestinians and no one can be coerced into coming to the negotiating table. That will not lead to a solution. So I support the parties being allowed to deal with this speaking for themselves.

PORTMAN:

With regard to Syria, complicated obviously, in my view it's been made worse by our inaction and specifically drawing red lines and not honoring them but also not establishing safe zones and no fly zones and as you know, Russia's entry into Syria's civil war has helped turn the tide decisively (ph) so Iran currently (ph) backing a side and now you have Russia more involved in this Assad or Iran, Hezbollah (ph) access (ph) has been strengthened. And yet as an indication of how complicated it is over there, an enemy of that access (ph) of course would be ISIS. One of my questions for you is, would you under any circumstances advise any sort of cooperation with Iran where we might have a confluence (ph) of interest, namely in confronting ISIS.

TILLERSON:

That's an area that requires exploration. I think earlier I indicated that that's where we've got to find a way to engage in the overall peace process, or the cease fire process that's been agreed by Russia, Turkey, Syria, and with Iran's involvement as well. Can we get engaged in that? Can we at least stabilize the situation regarding the rebel activity with the Syrian government and turn our attention on ISIS? That remains to be seen and that would involve obviously, the engagement of others as well and input from others as well.

PORTMAN:

Do you think Russia has an interest or desire in this conflict to push back against ISIS? Or do you think they're simply in Syria to help Assad's regime?

TILLERSON:

I think it has provided a convenient open door for Russia to now establish a presence in the Middle East, a region that it has long been absent from. Having said that though, there are common threats that Russia faces because of terrorist organizations and radical Islam themselves. I've seen statistics that are significant - significant fighters in ISIS are all speaking Russian as a language.

That indicates Russia's got a problem as well in terms of where those people came from and where they may go back home to. So I think there's scope for discussion, this is was I lewd (ph) to earlier, we will have to see what Russia's posture is. Do we - are they looking for a partnership with us where we can try to reestablish some type of a positive working relationship or are they uninterested in that?

PORTMAN:

Again, an incredibly complex situation in a difficult part of the world but my sense is that Russia has not followed through with its statements with regard to pushing back on ISIS in Syria and in fact have focused on simply protecting Assad's regime. Again, thank you for your willingness to step forward into some of these complicated situations, we are looking forward to the opportunity to - working together with you going forward and I wish you the best of luck.

TILLERSON:

Thank you.

CORKER:

Senator Merkley.

MERKLEY:

Thank you, Mr. Chairman. I have 10 articles I mentioned one or two earlier that I'd like to submit for the record related to Exxon's involvement regarding sanctions and Russia's activity in Ukraine.

CORKER:

Without objection.

MERKLEY:

Thank you. I wanted to turn to climate, the environment, and of course you've received many, many questions today and we talked about this some in my office (ph) what (ph) I (ph) think (ph) is (ph) a (ph) reflection on how important it is as we look down a few generations from now, people will say here was a major threat to the planet, what did you all do?

And you noted earlier in your conversation with the chairman that our ability to predict (ph) impacts of climate change are very limited but I believe that when I met with you - you indicated that but you also indicated that while we can't model with certainty that shouldn't bother people too much - the fact that we have risk and challenge, we shouldn't let that go. And then I think you continued - so my viewed has always been it's a serious risk and we need to take steps to address it. Is that a fair recounting of how you view it?

TILLERSON:

Yes sir. I think you know the fact - I think what I said is the fact that we cannot predict with precision and certainly all of the models that are - that we discussed that day, none of them agree doesn't mean that we should do nothing.

MERKLEY:

One of the thing I've seen in my time here in the Senate is that we've gone from talking about models in the future to talking about what's happening on the ground right now, and in my state the forests are burning at a much faster rate due to pine (ph) beetle (ph) expansion and the additional heat and dryness. And over on the coast the oysters are having trouble reproducing because the ocean is 30 percent more acidic than before we starting burning fossil fuels.

In Senator Shaheen's state the moose are dying because the ticks aren't killed off during the winter and they're transmitting disease. And along the coast with Senator Coons state there - I think the - accurately the lowest average land level in the country and very concerned about the advancing

sea level and storms and experienced that in Hurricane Sandy. And so every one of us are seeing effects on the ground and as we see that, we know we're just at the beginning of these impacts, that they're getting worse each year. But we are also viewing often climate change as a national security issue. And since you believe, so I wanted to ask do you see it as a national security issue?

TILLERSON:

I don't see it as the imminent national security threat that perhaps, others do.

MERKLEY:

You know, one of things that's noted is -- is how the change in climate in the Middle East concentrated Syrian villages into the -- the towns and sparked the civil war that has now produced something like 4 million and (ph) counting refugees, having profound impacts on -- on European security.

And that would be an example. Is that -- is that something you've looked at or considered to be real or -- or perhaps, misleading or any thoughts in that regard?

TILLERSON:

The -- the facts on the ground are indisputable, in terms of what's happening -- happening with the drought, disease insect populations, all the things you cite. Now, the science behind the clear connection is not -- is not conclusive.

And there are many reports out there that we are unable yet, to -- to connect specific events to climate change, alone.

MERKLEY:

What we're seeing are a lot of scientific reports that will say we can tell you the odds increased, we can't tell you any specific event was the direct consequence. For example, Hurricane Sandy might have occurred in a hundred year period, but the odds of it happening are higher with the higher sea level and higher energy in the storms.

So but do you agree with that viewpoint that the -- that essentially, that the odds of dramatic events occurring, whether it's more forest fires or more hurricanes with more power, is -- is a rational observation from the scientific literature?

TILLERSON:

I think as you indicated, that there's some literature out there that suggests that. There's other literature that says it's inconclusive.

MERKLEY:

One of the things we -- I'm -- I'm sorry to hear that viewpoint because it's overwhelmingly the scales are on one side of this argument and I hope you'll continue to look at the scientific literature and take it seriously.

One of the things that you mentioned was, it was impressive that so many countries came together in Paris as a part of a global effort to take this on. And that that was an important outcome, that there's a global conversation. I just wanna make sure I'm capturing correctly your impression of Paris.

TILLERSON:

As I've stated before in my statements around climate change and responses to it, that it will require a global response. And that countries that attempt to influence this by acting alone, are probably only harming themselves.

So the global approach, was an important step and I think also as I indicated in response to a question earlier, I think it's important that the U.S. maintain a seat at that table so that we can also judge the level of commitment of the other 189 or so countries that are around that table and -- and again, adjust our own course, accordingly.

MERKLEY:

So this is a case where really, the American leadership in the world matters. We rarely see big efforts that take on global problems, unless America is driving the conversation. Do you think it's important for America to drive this conversation?

TILLERSON:

Well, I think it's important for us to have a seat at the table, but I also think it's important that others need to step forward and decide whether this is important to them or not. If it only -- if America is the only one that's willing to lead, then my conclusion is the rest of the world doesn't think it's important.

MERKLEY:

We saw in the sanctions on Iran, it was America that led and we brought the rest of the world to the table. We also saw that leading up to Paris, China has committed to producing as much renewable power as our entire electricity production in the United States.

And we've seen India now, talking about how to shift providing electricity to 300 million people, who don't have it and doing it primarily, or shifting from primarily a coal strategy to primarily a renewable energy strategy.

So we're seeing big countries with big populations that have far smaller carbon footprints than the United States stepping up and shouldn't we step up, as well?

TILLERSON:

I think the United States has stepped up. As indicated earlier, I think the United States has a record over the last 20 years of which it can be quite proud.

MERKLEY:

Thank you. And it sounds like that means you think we should keep not just being at a table, to be at a table you can be table silent. But a table on active participant in taking on this challenge

TILLERSON:

I think it's important that we're engaged in that same conversation as I said, so we have a clearer view of what others are doing and actions they're taking.

MERKLEY:

I thank you.

Am I out of time?

CORKER:

You are. If you would like to take 30 seconds.

MERKLEY:

Earlier -- thank you, I'll take those 30 seconds.

Earlier, we talked about the Exxon working with a subsidiary to bypass American sanctions and do business with -- with Iran. And you said you didn't have knowledge of it, hadn't heard about it. Have you participated in any Exxon meetings in which you strategize or the individual strategized to find a legal path to do business with nations on which we had sanctions?

TILLERSON:

No.

MERKLEY:

Thank you.

CORKER:

Thank you.

Senator Risch?

RISCH:

Thank you.

Mr. Tillerson, several questions go (ph) in an answer you stated. And I was delighted to hear that, that you had reservations occasionally, when the United States acts about what was gonna happen afterwards if a regime changed.

Lemme tell you, that that's a refreshing view up here. I sit on this committee, of course, I sit on the intelligence committee and we hear proposals all the time and we hear of actions people wanna take all the time. But they can't answer the question of, OK, what's gonna happen next.

And that -- that is something I hope you will remain committed to while you're at this job and when you're sitting at that table and those decisions are being made. I hope you'll insist that people tell you what's gonna happen next. Because we -- we have been very, very short on strategy after being able to topple a regime.

We're -- you know, if we wanna do it we can do it, we've got the power to do it. But then, what comes next? And everyone, for a long time around here I heard, well, you know we're gonna do nation building and everything's gonna be wonderful. It's gonna be a new America when we're done with them.

Well, you know, the nation building was a -- was a great strategy in the World War II era and it worked. That strategy isn't working anymore. We have been notoriously unsuccessful in attempting -- in attempting to do nation building.

And part of it is because there's a lot of reasons for it. But obviously, one of them is that we're operating in countries where the culture is so much different than ours, very different from the -- from the landscape in World War II and after World War II.

So I -- I again, I want to -- I want to encourage you to take that question to the table every time and say, OK you guys, I see what you've got planned. I think it's gonna work, what happens next? Because that is an incredibly important decision when we decide what we're gonna do.

Lemme shift gears here for a minute, I wanna talk about the Iran situation. As you know, there are a lot of us up here that -- that were very much opposed to the deal that was cut by the current administration with Iran. There's a lot of us up here that believe we're not done yet.

This thing has set us -- set Iran on a path towards having a nuclear weapon. Now, it's gonna be some time, I couldn't agree more that it's gonna be further down the road as a result of the deal. But it gives them, in my judgment, a legal path forward if they continue to do all the things that they're required to do in the agreement.

And take it step by step and year by year and then the agreement expires and they're gonna say OK, we're done. We did everything what you -- we said we were gonna do, now we're gonna build a bomb.

And -- and if people object, they're gonna say well, wait a second. You know, we negotiated in good faith, we did everything we said we were gonna do. Why -- you know. So I -- that -- that's not over.

But what's more concerning, is the more instant question. And that is, a lot of us at this table, particularly on this side of the table, urge the administration in -- in very clear terms, both in open hearings and in closed hearings, to push the Iranians to behave themselves.

To change their conduct, not just -- not just -- not quite fiddling with enrichment and what have you. These people are the primary sponsor of -- the greatest sponsor, of terrorist activity in the world.

When -- when they were talking about giving them however many billion dollars it was on pallets, we said look, these people have been financing terrorist activities when they were broke. What do you think's gonna happen when we make them rich?

And they said well, you know we don't wanna do that because it'll interfere with that we're talking about on the nuclear deal. And to me, it wasn't worth the deal at all when they limited it just to that.

When it comes to the -- the U.N. sanctions or the U.N. resolutions have been passed that said you've gotta behave yourself. For instance, you can't launch missiles anymore I mean one week after the thing went into effect, they were launching missiles.

There's a lot of us here that want to re-impose sanctions. In fact, ratchet sanctions up for their activities on terrorism, for their failure to obey the U.N. sanctions on -- on missile activity. And the Iranians are saying no, you can't -- you can't be putting more sanctions on us. In fact, some people up here are arguing that, that that's not the case.

We believe that that -- look, the administration themselves said that it didn't cover those -- the agreement didn't cover those activities; it was limited to nuclear. Do you have a view on that? Because I think you're going to be dealing with that sooner rather than later. There's a lot of us who feel strongly about that, and if we're going to change these people's attitude about joining the world stage with the rest of the civilized society, we're going to have to curtail their activities, not just in the nuclear area, but in these other things that are just despicable acts that they commit.

Have you got some views on that?

TILLERSON:

Well, I think I may have commented earlier that one of the unfortunate effects of all the attention placed on the Iran nuclear agreement, I think I've heard -- at least I've heard this expressed by

others, resulted in a bit of a down-focus on the real immediate threat today, and that's Iran's continued sponsorship of terrorism and terrorist organizations there in the region, most particularly support for Hezbollah and Hamas. So I think we do have to keep what's important in front of us and what's imminent in front of us.

As to the nuclear agreement itself, I do look forward, if confirmed, to taking a comprehensive look at that, along with the side agreements, to see what are all the elements available to us to enforce, stay informed on their activities and are they complying with all the inspection requirements and confirming that they're meeting the agreement.

But back to your point of what happens next in the case of taking certain regimes out, the same thing is true here with this agreement. It's -- what happens at the end of this agreement is really the important question we've got to be asking ourselves because the objective has not changed. Iran cannot have a nuclear agreement. What happens at the end, as you point out, is they go right back to where they were and we've not achieved our objective.

So my intention is to use the elements of this agreement that may be helpful to us in addressing the what comes next when this agreement is over or what replaces it, which has to be we have once and for all blocked Iran's path to a nuclear weapon because they're agreed that they're no longer going to pursue one because they have no reason to, because we've behaviors or because we have mechanisms in place that are going to prevent them from pursuing that.

That is -- that will be a difficult negotiation because it is in the context of their continued sponsorship of nuclear terrorism around the world. And we can't -- we can't just work this and turn a blind eye to that, and it is a complicated discussion, but I think we do have to take that approach with them that we're not going to do a one-off deal with you and act like all this stuff over here is not happening. It has to be looked at in full view and we just have to be honest and acknowledge it.

RISCH:

And that's exactly what happened. I'm encouraged to hear you say that.

Let me warn you about one thing. I sit on this committee, I sit on the Intelligence Committee and I have not seen the side agreements, nor has any member of the United States Congress seen the side agreements. I've traveled to the U.N. operations in Vienna and met with the IAEA. They will not let you see those side agreements. So these people were voting for -- the people who voted for that Iran agreement did so on an agreement that part of which we weren't able to see.

So I wish you well. We've had one witness who said she was in the room where they had the side agreements and they were passing them around and she touched them as she went by, but did not read them. So she wasn't able to tell us either what was in the side agreements. I wish you well. If you get your hands on the side agreements, give me a call, would you? Because I'd like to join you in having a look at them.

Thank you, Mr. Chairman.

CORKER:

Thank you.

Senator Coons?

COONS:

Thank you, Mr. Chairman.

Thank you, Mr. Tillerson, for your fortitude and patience. It bodes well for what I think are the riggers and demands of services as secretary of State.

Since Senator Risch has taken us on a guided tour of the JCPOA, I just thought I would start by going back to an important point that you referenced in passing. I believe earlier today, you said one of the -- one of the failings of the deal is it does not deny Iran the ability to purchase a nuclear weapon, and my very diligent staff has reminded me that the nuclear non-proliferation treaty does prohibit the purchase of a nuclear weapon.

But more importantly, the JCPOA, which I have, in Provision Three of the general provisions at the very front says, "Iran reaffirms that under no circumstances will Iran ever seek, develop or acquire any nuclear weapons." My general approach to this agreement has been distrust and verify. I couldn't agree with you more that Iran's ongoing activities in their ballistic missile program, their human rights violations domestically, their support for terrorism in the region make them one of the most dangerous regimes in the world and one that deserves very close scrutiny.

But I didn't want us to move forward without some clarity that at least the paper, at least the words on the page do say that they committed to not acquiring a nuclear weapon. That was, I think, one of the positives about it in addition to the inspection protocols...

(CROSSTALK)

TILLERSON:

Senator, if I could correct for the record, I misspoke. And during the break, I went and checked my source for that and confirmed that I misspoke, and that in fact, their commitment to the nuclear non-proliferation treaty -- the language that was in there about "acquire" some people quibble over, but -- but their commitment to the NPT was clear and I misspoke in that regard.

COONS:

Thank you.

And I appreciate your comment in response to questions from Senator Merkley and others about keeping a seat at the table through the Paris Agreement and the general approach that that suggests.

I believe climate change is a major concern for us in the long-term and the short-term, and that it's human caused and that there are actions we can and should take in response to it. As a trained chemist, I respect your training as an engineer and would urge you to be attentive to the science because I think it's fairly overwhelming on this point.

I do think that the JCPOA structure, the P5-plus-one that brought it into force and is enforcing it and the Paris Climate Agreement are two examples of tables where we should have a seat at the table and be advocates and be driving it.

I want to ask you about one other table that was literally designed with a seat for the United States that still sits empty. There's been a number of questions and discussion today about South China Sea and about China's aggressive actions in building islands. The U.N. Convention on the Law of the Sea decades ago was advanced by a Republican administration, but has still never been ratified by this Senate. And in June of 2012, you signed a letter indicating in your role as CEO of ExxonMobil that you supported the Senate's consent to ratification of the U.N. Convention of the Law of the Sea.

I was a member of this committee when then Chairman John Kerry convened seven hearings where panel after panel of four-star admirals and generals and business leaders and national security leaders and former Republican leaders, the administration and senators all testified in support of this, yet we fell short of ratification. Had we ratified it, we would have that seat at the table to aggressively assert the international Law of the Sea and to push back on China's actions, which during that debate were hypothetical, today are real.

Would you work to support the Law of the Sea Convention if confirmed as secretary?

TILLERSON:

Well, I will certainly work with the president. We've not discussed that particular treaty. Certainly, my position I've taken in the past was one from the perspective of the role I had at that time and I'm -- I do take note of it and I do acknowledge the concerns people have about subjecting any of our activities to international courts, and that's the principle objection that people have.

But when given the opportunity, if given the opportunity to discuss this in the interagency or the National Security Council, I'm sure we'll have a robust discussion about it. I don't know what the president's view is on it and I wouldn't want to get out ahead of him.

COONS:

Well, let me ask about that, if I might, because I came to this hearing with a whole list of questions. And in response to others, you've addressed many of them.

Wherein in my view, you have a notable difference of view from at least some of the concerns based on some campaign statements by the president-elect; no ban on Muslims, no nuclear arms race, no nukes for Japan, South Korea or Saudi Arabia, no abandoning our NATO allies, no deal with Russia to accept the annexation of Crimea, stay engaged potentially in both the Iran agreement

and the Paris Climate Treaty. All of these to me are quite encouraging, but they suggest some tension with statements made by the president-elect.

How will you work through those differences? And just reassure me that you will stand up to the president when you disagree on what is the right path forward in terms of policy.

TILLERSON:

Well, I think early in the day, someone asked me a similar question and I said that one of the reasons that I came to the conclusion, among many, to say yes to President-elect Trump when he asked me to do this is, in my conversations with him on the subjects we have discussed, he's been very open and inviting of hearing my views and respectful of those views.

I don't think in terms of discussing or -- or perhaps characterizing it as my willingness to push back on him, my sense is that -- that we're going to have all the views presented on the table. And, everyone will be given the opportunity to express those and make their case.

And then, the President will decide. And -- and, I'm not trying to dodge a question in any way, but -- but, this is one that -- that I don't know where the President may be. Nor, do I know where some of the other agencies and departments that will have input on this will be under the new administration. So, I respect -- I respect their rights to express their views also.

And, again, as you point out, I'm on the record having signed the letter from my prior position in which I was representing different interests. When I hear all the arguments for myself, I don't -- I don't want to -- to commit to you that my views might not change if I hear different arguments. Because, I was looking at it -- on it from a different perspective.

COONS:

And a number of Senators, myself included, have pressed you on making the transition from CEO of ExxonMobil and its interests and a 41-year career there to representing America's interests.

And, I understand the concerns about sovereignty that some raised in the hearings. Having sat through the hearings and heard the testimony, I'm convinced that the interests in the United States are best advanced by our seating to that treaty and ratifying it. I have more questions but I'll wait for the next round.

CORKER:

And, we're beginning that round now. Senator Carden has deferred to Senator Menendez. And, only those who really have questions I think are going to be acknowledged at this time. However, if anybody wishes to come down can do so.

So, it's going to be Menendez, Rubio, Shaheen, Carden -- Cummings, Carden. Pardon me. Sounds like a pretty cool third round and I'm glad everybody's interested.

MENENDEZ:

Thank you. Mr. Tillerson, I admire your stamina. You've been through several rounds here. And, from my perspective, I hope you understand that my role in the questions while they may seem tough in some respects, I take my role in advising consent of any nominee really important.

And, in your case, you have a very unique background coming to this job. So, trying to understand as the person who's going to be the Chief Adviser to the President-Elect, in that meetings that you just described when everybody gets around the table, but on foreign policy, it's going to be you.

And, so, I try to get from the past a gleaning of it so I understand where you're going in the future. So, I hope you understand the nature of my questions. Let me take a quick moment on Cuba. You've heard a lot about Cuba here, maybe just proportionally to things in the world.

But, I think it is rewarding of regime when the only way you can do business in Cuba is with Castro's son or son-in-law. They had the two monopolies inside of Cuba that control tourism and everything hotel and tourism related. And, everything agriculture related which are the two main areas that people want to do business with in Cuba.

And, who are they? Not only are they the son and son-in-law, but they are high ranking officials of the Cuban military. So, what do we do? When we allow business to take place with them and you can only do business with them, I wish you could do business with the average Cuban and empower them and make those economic decisions that would free them in some respects, then you strengthen what?

They are both high ranking officials of the Cuban military. So, you ultimately fund the very oppressive regime that you are trying to get them to change in terms of human rights and democracy. So, when you do your bottoms-up review, that's another element I'd like you to take into consideration.

Let me ask you this. As you know, following up on Senator Rich's (ph) comments on Iran, Iran was designated as state sponsor of terrorism in 1984. Following its connection to the 1983 bombings of U.S. marine personnel in Lebanon. A horrific event. It killed 241 U.S. service personnel.

That label on Iran has unfortunately not changed. Just this June, the State Department in its annual report on global terrorist activities listed Iran as the state sponsor of terrorism. The report indicated that Iran in 2015, "Provided a range of support including financial training, equipment to terrorists' groups around the world, including Hezbollah."

It has been brought to my attention that between 2003 and 2005, ExxonMobil sold \$53 million worth of chemicals and fuel additives to Iranian customers. Alarmingly, Exxon did not originally disclose this business with Iran in it's annual 10k annual report with the S.E.C in 2006. ExxonMobil only disclosed this information to the S.E.C after receiving a letter from the S.E.C asking for explanations.

The Securities and Exchange Commission asked Exxon to explain these dealings because Iran at the time, was, "Subject to export controls imposed on Iran as a result of its actions in support of terrorism, and in pursuit of weapons of mass destruction and missile programs." It went on to say, "We know that your form 10k does not contain any disclosure about your operations in Iran, Syria and Sudan."

Exxon's response has been that the transactions were legal because Infinium, the chemicals joint venture with Shell was based in Europe and the transactions did not involve any U.S. employees. In other words, this would clearly seem as a move designed to do business with Iran to evade sanctions on Iran. So, I have a few questions for you to the extent that you're familiar with this of the customer at the end of that deal and whether you can ascertain that Exxon was either knowingly or unknowingly potentially funding terrorism.

One of the customers in this sales to Iran was the Iranian National Oil Company, which is wholly-owned by the Iranian government. The Treasury Department of the United States has determined that that entity is an agent or affiliate of Iran's Islamic Revolutionary Guard Core.

The IRGC is Iran's main connection to its terrorist activities around the world and pledge allegiance to Iran's supreme leader, the ayatollah. In other words, the IRGC and it's foreign arms, the Quds (ph) force are the ayatollah's army. In fact, they are currently in Syria right now helping Assad remain in power. So, can you tell the committee whether these business dealings with Iran did not fund any state sponsored terrorism activities by Iran?

TILLERSON:

Senator, as I indicated earlier, I do not recall the details of the circumstances around what you just described. The question would have to go to ExxonMobil for them to be able to answer that. I --

MENENDEZ:

You have no recollection of this as the CEO?

TILLERSON:

I don't -- I don't recall all the details around it, no, sir.

MENENDEZ:

This would be a pretty big undertaking to try to circumvent U.S. sanctions by using what may or may not, I'm not ready to make that determination, a legal loophole to do so. But, it would be pretty significant. It wouldn't come to your level? It wouldn't come to your level that the securities and exchange commission raised questions with your company about lack of disclosure?

TILLERSON:

That would have -- I'm just saying, I don't recall 2006, would have been the first year that I would have been looking at those things. I just don't recall this all I'm saying.

MENENDEZ:

Do you recall whether ExxonMobil was doing business with three different state sponsors of terrorism, including Iran in the first place?

TILLERSON:

No, I don't recall that. Again, I'd have to look back and refresh myself.

MENENDEZ:

I -- I would hope that you would do so. And, I would be willing to hear your response for the record. Because, I think it's important. Regardless of moving to a different vein, because, this all my sanctions (inaudible), I'm trying to understand that.

And, this is an expression. Regardless of whether or not you have read the bill that Senator Carden and I and others have sponsored in a bipartisan basis, do you believe that additional sanctions on Russia in view of everything that has been ascertained is in fact appropriate? You may view that some may be more useful than others, but do you believe that any additional actions in terms of sanctions on Russia is appropriate for their actions?

TILLERSON:

Well, I would like to reserve my final judgement on that until I have been fully briefed on the most recent cyber events. I've not had that briefing. As I indicated, I like to be fully informed on decisions.

MENENDEZ:

I appreciate that. I would just say that in the public forum, that you could read -- or any citizen could read, it's pretty definitive by all of the intelligence agencies of what they did. So, it just seems to me that while I -- I know you're cautious and you want to deal with the facts, that's the essence of you being an engineer and a scientist and I respect that. There are some things in the public realm for which one could deduce and make a decision, and I'd love to hear your response to that at least for the record as well.

TILLERSON:

Well, when I know there is additional information, and there are additional facts in the classified area, I would wait until I've seen all the facts. If -- if I knew that there's nothing else to be learned, and this is all the facts and there's nothing else out there, then I would say I could make a determination, because this is all we know. But, as I've been told, at least I'm aware there is a

classified portion of this report that -- that when I have the opportunity, I look forward to examining that. And, then, I'll have all the information in front of me.

MENENDEZ:

I have one final question, Mr. Chairman, but, I'll wait for my next turn.

CORKER:

In the -- in the order for efficacy to prevail, please go on.

MENENDEZ:

So, in -- in light of efficacy, so, here's characterizes in essence my big question for you. My question about you. It's an article that appeared in -- in Time Magazine, and, I really want to hear your honest response to this.

And, I'm going to quote from the article. It says, what the Russians want from Tillerson is bigger than sanctions related. They want to see a whole new approach to American diplomacy. One that stops putting principles ahead of profits. Focusing instead on getting the best political bargain available. And treats Russia as an equal.

"For the next four years, we can forget about America as the bearer of values," said Valdmir (inaudible), a former Russian Energy Minister who went to join the opposition. America's going to play the deal game under Trump. And, for Putin, that's a very comfortable environment." He told the radio host this week in Moscow.

It's an environment where statesmen sit before a map of the world and they haggle over pieces available to them, much like Putin, this is the article, and not me, like Putin and Tillerson did (inaudible) in the oil fields of Texas against Russia's reserves in the article.

Through the canny eyes of the political dealmaker, many of Washington's oldest commitments in Europe and the Middle East could come to be seen much the same way, as a stack of bargaining chips to be traded rather than principles to be upheld.

I'd like to hear your - that's not you being quoted but, that's a characterization that was in one article, but beyond that, it's a characterization I've heard many times. And, so, to me, that comes down to the core of everything I've tried to deduce in my line of question to you and I want to give you an open opportunity to respond to it.

TILLERSON:

Well, I haven't seen the article in its entirety. But, I'll - I'll just deal with the quotes that you read. If you conclude that that's the characterization of me, then, I have really done a poor job today. Because, what I've hoped to do in today's exchange on the questions is to demonstrate to you that I'm a very open and transparent person.

I do have strong values that are grounded in -- in my American ideals and beliefs, the values I was raised with and they're underpinned. I've spoken to the Boy Scouts this morning earlier, they're underpinned by those same values, duty to God and country, duty to others and duty to yourself and that has guided my life for all of my life. And, it will guide my values and it will guide the way in which I will represent the American people if given the chance to do so.

I understand full well the responsibilities and seriousness of it. I don't view this as a game in anyway, as that article seems to imply. So, I hope if I've done nothing else today, you at least know me better.

CORKER:

Thank you. If there's no objection, there has been a response from ExxonMobil that my staff gave me relative to the Sudan, Iran, Syria issue and I'm just going to enter it into the record, if that's OK with everyone to be able to peruse. With that, Senator Rubio.

RUBIO:

Thank you, Mr. Chairman. Thank you, Mr. Tillerson for your patience. As you can see the finish line from here I think. We're almost there. I really just have four clarifications. I don't think they're going to take very long, just going back to some of the things.

On the sanctions piece to build on what Senator Menendez had just asked you, it was my recollection that your testimony earlier this morning about - asked specifically about sanctions on those who conducted cyber attacks against the United States, not specifying Russia in particular, just a bill that said if anyone was guilty of cyber attacks against our infrastructure would be subject to sanctions.

And, you answer, if I recall correctly, was that we would want to weigh other factors before we -- that's why you wanted the flexibility and not the mandatory language. Because there may be other factors to take into account, such as our trade and economic relations with that country or actor before we chose whether or not to use a tool such as sanctions.

So, on essence, even if you had information available to you, or will in the future, about, specific actors, that alone may not be enough based on that testimony. There are other factors that you would want to take into account before making your recommendation to the President about whether or not to institute sanctions. Is that a correct characterization?

TILLERSON:

Yes, it is and I think the way I would try to explain this, at least why I'm taking this position, sanctions are not a strategy. Sanctions are a tactic. And, if we are going to engage - and, I'll use Russia in this case, but I could use any other country that - that these sanctions would apply to - if - if we're going to engage in trying to address a broad array of serious issues, I'd like to have this as a tool, as a tactic.

If it's already played, it's not available to me as a tactic in advancing those discussions, trying to come to some conclusion that best serves America's interests and, America's national security interests. It's a powerful tool. I'd like to be able to use it tactically. And - and, if it's already been played, it's not available to me to use tactically.

RUBIO:

OK. The second is a clarification of the exchange you had with Senator Portman (ph) about an hour or so ago, he asked you whether there was any, basically, any sort of cooperation with Iran where we may have a confluence confronting ISIS, working with Iran to confront ISIS. Your answer was "that's an area requiring exploration. As I indicated, that's where we have to find a way to engage in the overall process."

Just to clarify, does that mean you would be open potentially to working with Iran on issues that we have potentially in common, such as defeating ISIS?

TILLERSON:

Well, defeating ISIS is the one that's right in front of us. And we're already cooperating with them in Iraq.

RUBIO:

OK. The third question has to do with sanctions on Crimea -- against -- again Senator Portman's question. I believe your answer was, and I caught it on television, I had just stepped out the tail end of the first round. And he asked, and I think your testimony was along the lines of, "We won't change anything right away; after we examine the situation."

But in -- embedded in that was the notion that potentially at some point, there could be an arrangement in which the United States would recognize Russia's annexation of Crimea if the government in Kiev signed off on it or accepted it as part of a broader deal to ensure peace and stability.

Is that an accurate assessment of the testimony as I heard it?

TILLERSON:

I think what I was trying to recognize is that since that was territory that belongs to Ukraine, Ukraine will have something to say about it in the context of a broader solution to -- some kind of a lasting agreement.

I'm not saying that that's -- that that is on the table. I'm merely saying I don't think that's ours alone to decide.

RUBIO:

OK. Here's my last clarification, and it's more about the hearing here today in general. When -- in the end of the last round, at the end of the questioning, you said that there must -- there's some misunderstanding -- you know, alluding to human rights. You said, "We share the same values," but that you "are clear-eyed and realistic about it," end quote.

So I wanted you to understand the purpose of the questions I've asked you today, because they are in pursuit of clarity and realism. On the clarity side, I was very pleased when your statement today used the term "moral clarity." Because I think we've been missing that for the last eight years.

And that's why I asked you about whether Vladimir Putin was a war criminal -- something that you declined to label him as. I asked about China, whether they were one of the worst human rights violators in the world, which again you didn't want to compare them to other countries. I asked about the killings in the Philippines. I asked about Saudi Arabia being a human rights violator, which you also declined to label them.

And the reason was not because I was trying to get you involved in the name of international name-calling, but for the sake -- for the sake of name-calling, but because in order to have moral clarity, we need clarity. We can't achieve moral clarity with rhetorical ambiguity.

I also did it in the pursuit of realism. Because here's what realistic. You said that you didn't want to label them because it would somehow hurt our chances to influence them or our relationship with them. But here's the reality. If confirmed by the Senate, and you run the Department of State, you're going to have to label countries and individuals all the time.

You expressed today support for the Magnitsky Act, which specifically labels individuals and sanctions them. You are going to have to designate nations as sponsors of terrorism or organizations as terror groups. Again, a label; and one that I think a lot of us care about is the trafficking in persons report, which specifically labels countries and ranks them based on how good a job they're doing.

And that one really concerns me because in that one, over the last year, there's evidence that the rankings and the tier system has been manipulated for political purposes. They upgraded Cuba. They upgraded Malaysia. Because we're working with them now to improve relations and we didn't want to have a label out there that hurt the chances of doing that.

And so that's why I think it's important for you. But here's the last reason. You gave the need for a lot more information in order to comment on some of these. And believe me, I understand that. It's a big world. There's a lot of topics. These were not obscure areas.

I can tell you that, number one, the questions I asked did not require access to any sort of special information that we have. All these sources were built on voluminous open source reporting, rights groups, the leaders sometimes themselves when it comes to the Philippines, the State Department, et cetera.

And so we're not going off news reports alone. But the selling point for your nomination has been that while you don't have experience in government and in foreign policy, you have traveled the world extensively. You have relationships all over the world. And you have a real understanding of some of these issues as a result of that.

Yet, today we've been -- I've been unable to get you to acknowledge that the attacks on Aleppo were conducted by Russia, and that in fact they are or would be considered under any standards of human rights; that somehow you're unaware about what's happening in the Philippines; that you don't -- are not prepared to label what's happening in China; and Saudi Arabia, a country that in my understanding you're quite aware of -- women have no rights in that country. That's well documented. And if you visited there, and anyone who has, they would know.

Now, I want you to understand this, too. And I said this to you when we met. I have no questions about your character. Your patriotism. You don't need this job. You didn't campaign for this job. It sounds like a month and a half ago, if someone had said that you were going to be up here today, you'd say that's not true, that's not what I -- there's only one reason for you to be sitting behind that table today, and that's your love for this country and your willingness to serve that. And I do admire that, I do.

But I also told you when we met that the position that you've been nominated to is, in my opinion, the second most important position in the U.S. government, with all due respect to the vice president. It is the face of this country for billions of people, for hundreds of millions of people as well, and particularly, for people that are suffering and they're hurting. For those people -- those 1,400 people in jail in China, those dissidents in Cuba, the girls that want to drive and go to school, they look to the United States. They look to us and often the secretary of State.

And when they see the United States is not prepared to stand up and say, yes, Vladimir Putin is a war criminal, Saudi Arabia violates human rights, we deal with these countries because they have the largest nuclear arsenal on the planet, because China's the second largest economy in the world, because Saudi Arabia is a strategic partner in what's happening in the Middle East but we still condemn when (ph) they do, it demoralizes these people all over the world.

And it leads people to conclude this, which is damaging and it hurt us during the Cold War, and that is this. America cares about democracy and freedom as long as it's not being violated by someone that they need for something else. That cannot be who we are in the 21st century. We need a secretary of State that will fight for these principles. That's why I ask these questions -- that's why I asked those questions, because I believe it's that important for the future of the world that America lead now more than ever. So I thank you for your patience today.

CORKER:

Thank you, sir.

Senator Shaheen.

SHAHEEN:

Thank you, Mr. Chairman, and thank you for giving us some additional time.

I want to just comment on Senator Rubio's statement and Senator Menendez's because I think the concern that I have listening to your testimony today is that your eloquence about the values and the principles of this country can't be denied, but many of those statements have been undercut by earlier statements by the president-elect. And so what I want to know is which values are going to prevail and are you deferring on answering some of these questions because of concerns about statements that the president-elect has made.

So I won't make that as a rhetorical statement, I don't know that you need to respond to that unless you would like to. But I do think that's a concern that I have listening to the discussion today.

I want to go back to non-proliferation because it got short shrift. The five most recent U.S. presidents, including Barack Obama, George W. Bush, Bill Clinton, George H.W. Bush and Ronald Reagan, have negotiated agreements with Russia to ensure strategic stability and to reduce nuclear stockpiles. I think you said this morning earlier that you do support the New START Treaty, which is the most recent of those agreements.

But more broadly, do you support the long-standing bipartisan policy of engaging with Russia and other nuclear arms states to verifiably reduce nuclear stockpiles?

TILLERSON:

Yes, I do.

SHAHEEN:

Thank you.

And I want to go back to climate change, because I appreciate your recognition about the science and your concern as an engineer about wanting to have scientific evidence. I would argue that we have a lot of scientific evidence in New Hampshire. We have a sustainability institute at the University of New Hampshire that produced a report in 2014 that pointed out the impacts of climate change in New Hampshire and the New England region.

I won't read all of those, but two that I thought were most alarming is that for the New England region as a whole, right now, the majority of our winter precipitation is rain, it's not snow. That's having a huge economic impact in New Hampshire and other parts of New England on our ski industry, on snowmobiling, on our maple sugaring industry. And also, that by 2070, New Hampshire will begin to look like North Carolina. So there are tremendous economic implications, as well as implications on everything from, you know, our wildlife, our moose, our trout, to our fauna and lots of other things that affect the state.

Now, I do appreciate your comments about being at the table as we continue to negotiate around climate change. In 2009, the U.S. government, along with other nations that are part of the group

of 20, the G-20, agreed to phase out fossil fuel subsidies. I, for one, believe that the science shows that fossil fuels have contributed dramatically to climate change. And while much of the responsibility for this G-20 agreement falls on the Treasury Department, the State Department also does have a role in overseeing the objective.

So I really have a two-part question here with respect to subsidies for fossil fuels. The first is, at this time when many of our oil companies, particularly large oil companies like Exxon, are reaping very good profits, do we really need to continue these subsidies? And second, if confirmed, how would you as secretary of State help to fulfill our international commitment to phase out those fossil fuel subsidies?

TILLERSON:

Well, since it's a two-part question, obviously the first part I'm happy to offer a personal view on, even though it's not within the State Department's role to make that judgment. This just comes from my understanding of how the various tax elements of the tax code treat certain investments, certain research credits and whatnot.

And I'm not aware of anything the fossil fuel industry gets that I would characterize as a subsidy. Rather, it's simply the application of the tax code broadly -- tax code that broadly applies to all industry. And it's just the way the tax code applies to this particular industry. So I'm not sure what subsidies we're speaking of other than if you want to eliminate whole sections of the tax code, then they won't apply to any other industries as well. I just say that as kind of a broad observation.

So as -- as to the State Department's role then in participating in summits or discussions around others taking similar action, it would be with that view in terms of how we're going to apply things at home, because I think the president-elect's made clear in his views and his whole objective of his campaign in putting America first, that he is not going to support anything that would put U.S. industry, in any particular sector, at a disadvantage to its competitors outside of the U.S., whether it's automobile manufacturing or steel making or the oil and gas industry.

So it would depend upon how the domestic part of that and how that decision's made by others would then inform the positions that I would be carrying forward in the State Department.

SHAHEEN:

Well, so -- so then, I know you said earlier that you don't want to talk about tax reform, which I appreciate. But if we assume that the way the tax code is written, it provides additional subsidies, and I would argue that they are subsidies, to oil companies and the fossil fuel industry, should we -- if we're going to comply with the 2009 agreement with the G-20, should we then think about as we're looking at tax reform and rewriting the tax code, that we change that aspect of the tax code in order to deal with our commitment to phase out those subsidies?

TILLERSON:

Well, I -- I'd really have to defer to Treasury and others that are going to undertake that exercise, as well as the other agencies that will inform the State Department's view of how that compares to what others are doing to live up to their commitment to phase out, quote, "subsidies" as well.

So it's hard for me to make a judgment on whether I think we should do this until I know what other -- what's the parallel in the agreement that other countries are going to do as well.

SHAHEEN:

Thank you.

Thank you, Mr. Chairman.

CORKER:

Thank you.

Senator Cardin?

CARDIN:

Well, first, let me start off again by thanking Senator Corker for the time that's been allowed. I think Senator Coons has a question or two, if we could yield perhaps for Senator Coons.

CORKER:

Absolutely.

Senator Coons?

COONS:

If I might, Mr. Tillerson, we spoke in my office about countering violent extremism in fragile states, and a number of other senators have asked questions about three countries -- Turkey, Egypt and the Philippines -- but there's many others we could be focusing on, that have been partners of ours or allies of ours and where they've recently turned away from the democratic norms and have cracked down on civil society, on press freedom, on human rights.

And you talked with me and you've also said here that in some instances, we have to set aside, for the moment, human rights, civil liberties, democracy as our number one goal when our national security's at risk. And I just wanted to ask you about to what extent you think the actions to curtail human rights and press freedom by some governments actually fuel instability or strengthen terrorist threats. We talked in particular about Nigeria.

Or places where human rights violations might actually increase the risk of instability. And what strategy you would follow to prevent partners like Turkey, Egypt, the Philippines and others from sliding further away from sharing some of our core values in terms of democracy and human rights.

TILLERSON:

Well I certainly would take no exception to what you posed that to the extent human rights either deteriorate, oppression increases, or to the extent it exists and it's not addressed, it foments within the population. There's no question about it. And that over time you know it's going to take its effect in terms of the stability of the country.

So I think, as I've talked about these competing priorities -- and I made clear earlier that these most precious of human values that we advocate for are never absent. They're never absent. And they really are only going to be trumped, so to speak, when there are serious national security concerns.

And if we are engaged with a "partner" today, and that's why I talked about sometimes people are partners, sometimes they're adversaries. Sometimes they're friends. Sometimes they're friends and partners. But if we're engaged in an area where this relationship and what we are pursuing is in the national security interest, the values stay with us. But we may have -- we may not be able to assert those values at this time.

It doesn't mean they're gone. It doesn't mean we don't talk about them. It doesn't mean we dismiss them. We just may not -- we may not -- it may not be in our interest to condition our national security pursuits on a country making certain commitments around oppression and human rights.

These are the most difficult of choices. They're the most difficult of choices. But we have to keep -- be very clear about what the objective is.

COONS (?):

Thank you.

I have a few more questions. I'll try and move through them quickly if I could.

I believe that LGBTQ rights are human rights, that gay rights are human rights. And in a number of meetings with African heads of state I've advocated for them to push back on actions where they have engaged in preventing people from meeting, from advocating, where they've been physically abused or tortured.

I'll never forget meeting in my office in Delaware with a woman from Zimbabwe who had been given asylum in the United States after being tortured in Zimbabwe because of who she loved.

Do you believe gay rights are human rights? And is that a piece of our human rights advocacy agenda around the world?

TILLERSON:

American values don't accommodate violence or discrimination against anyone. That's just -- that's part of that American values that we project.

COONS (?):

Could I press you for a more specific question, sir?

I was encouraged by your -- a tough leadership moment at the Boy Scouts. And I simply wanted to reassert that in my work around the world, although not always easy or comfortable, it's, I think, important that we include respect for the whole range of people's relations in our menu of how we define human rights.

Let me ask you about support for foreign assistance. Others have asked about it before. But both Condoleezza Rice and Bob Gates, former leaders who've introduced and spoken in support of you, agree that diplomacy and development have to be equal to defense. And our total budget about 50 percent is DOD and about 1 percent is State Department/USAID.

Are you going to press in partnership with those of us in Congress who are committed to making foreign aid transparent, accountable and efficient, to sustain our investments in development and diplomacy?

TILLERSON:

I think, to quote Gen. Jim Mattis, I think he said that if the State Department doesn't get the money it needs then I have to buy more ammunition. And so I think clearly the recognition of the importance of ensuring the resources are available to advance our foreign policy and diplomacy goals are important and elevated to a level that even by the nominee of the secretary of Defense has recognized.

COONS (?):

There are at least I think six non-career ambassadors who reached out to you for some consideration. They're in allied countries. Not partner countries, allied countries.

And because of some of their visa rules they can't stay on as private citizens more than a few months. And they were hoping to be able to stay through the end of the school year in accommodation for their family concerns. I hope you'll take that seriously.

In previous transitions, even with a difference in party registration, non-career ambassadors have been considered on a case-by-case basis for some clemency for family reasons to stay through the end of the school year. And I hope you'll seriously consider that.

TILLERSON:

I'm aware that certain people have petitioned for a review. And I think there's a process that's underway while I've been preparing for these hearings. I've not been directly engaged in it.

COONS (?):

I appreciate your attention to these hearings. But I would be grateful for any consideration.

My last question. As you've cited, there's a whole string of important presidential legacies around development and foreign assistance. AGOA and the Clinton Administration; PEPFAR and the Millennium Challenge Corporation, which I think have been terrific initiatives of the Bush administration; Feed the Future; Power Africa; and the Global Health Security Initiatives in the Obama administration.

Part of what has built a good agenda for us around the world, the developing world, is that the best ideas of previous administrations have been sustained.

Are you familiar with the Young African Leadership Initiative, or YALI, which brings some of the most promising young Africans to the United States for a summer to meet with civil society leaders, business leaders, elected leaders around the country?

Are you familiar with Power Africa? I believe you are. It's been discussed before. And with the Global Health Security Initiative? And are these the sorts of things you'll seriously consider sustaining in the future?

TILLERSON:

I think all of those have proven to be extremely valuable programs, a successful program. When you look for the successful programs, understand why they're successful and how can they be replicated in other areas, perhaps either addressing other geographic areas or addressing other issues that we want to advance.

COONS (?):

Mr. Tillerson, thank you for your testimony in front of the committee today. And I appreciate the opportunity to hear your views and look forward to the opportunity to continue our work together.

CORKER:

Thank you.

And if I could, since he has been very busy in getting ready for this hearing, we spent some time talking to the transition team about some of the ambassadors and others, and have hardship. And I know there's been something set up where they can in fact petition even before he comes into office. So hopefully some of that is being accommodated.

And I want to thank you and Sen. Kaine and others for bringing it to my attention.

Sen. Markey?

MARKEY:

Thank you, Mr. Chairman, very much.

President-Elect Trump has argued that the United States should again waterboard suspected terrorists. Yesterday, Sen. Sessions said that that would be illegal. And Gen. Mattis has said that it would be ineffective. Will you advise, Mr. Tillerson, President-Elect Trump that torture in any form is illegal, immoral and ineffective?

TILLERSON:

Well I think others have opined on that sufficiently, and I wouldn't disagree with what they've said.

MARKEY:

So you agree with what they've said?

TILLERSON:

I would agree with what they've said.

MARKEY:

OK. Thank you. I think that's important.

Now, last year, in the world one half of all new electricity which was installed was renewables, one half all new electricity in the world. And China has announced that it is now going to invest \$360 billion in renewable energy in its country.

The global climate agreement that was reached in Paris is driving much of this investment. But if the United States does not take advantage of this global market which is going to open up, it's going to mean that we're going to lose jobs here in the United States.

We now have 300,000 people on the wind and solar industry in the United States, and only 65,000 coal miners who are left. So this sector is growing and growing. And the Chinese clearly want to get the lion's share of it.

Can you talk a little bit about how you see this renewable energy revolution as a job-creating engine for the United States, and as a way of dealing with the commitments which the United States has made in Paris to the reduction of its greenhouse gasses?

TILLERSON:

Well, I think this is largely a trade issue, one of America's manufacturing investments and competitiveness. I think to the extent we can let free market forces work then I would expect American companies to be competitive in participating in this growing market.

But this'll be subject to trade agreements perhaps, or just subject to a continuation of free and open trade to be a supplier to these countries that are installing the significant capacity. There's been significant capacity already installed in the U.S. But as you point out, there's a growing market out there as a result of this agreement.

So I think it's really a question for the U.S. private sector, working with the administration and the Commerce Department and others as to ensuring that there's no trade obstacles to their ability to participate should they choose to do so.

MARKEY:

You were quoted a few years ago as saying "energy made in America is not as important as energy simply made wherever it is most economic in the world."

From this committee's perspective, we look at the foreign policy of the United States. And we feel great responsibility for the young men and women who we export over to the Middle East to defend our country and these ships of oil that keep coming back into the United States. And we're still importing five million barrels of oil a day, meaning that we don't have it here, but we continue to import it.

Could you talk about this view that you have that an American-made barrel of oil is no different than a barrel of oil made overseas? Because from our perspective, the issue of importation of oil ties us into policies, into regions, into countries that we would otherwise never really have to give the weight of importance to that we now do just because of the fact that they have oil.

TILLERSON:

Well I think the context in which that statement was made, because I made it often at the time, was that anything that puts more supply on the global market means the global market is less dependent on any single source. So a greater diversity of supply.

And I think it was made probably in the context of promoting American -- America fully developing our own natural resources and America being willing to put its supply into the global market as well. And so it was just a -- it was just an observation. To the extent you have more supply from more sources, you have a more stable market, less reliance on any particular part of the world.

MARKEY:

And I understand that from an Exxon-Mobil corporate perspective, that a barrel of oil is a barrel of oil wherever it is produced in the world, and it's flooding out onto the market. But on the other hand, we have this issue of the impact which importation of oil has on the United States.

So would you agree that it is in America's best interest that we reduce consumption of foreign oil so that we are not dependent upon that extra barrel of oil, wherever it's being produced in the world?

TILLERSON:

Senator, my -- you're getting into areas that are the purview of other agencies. But I'd just make the observation that anything we did to prohibit the availability of supplies to the United States would in all likelihood put the U.S. at a competitive advantage.

MARKEY:

Well, I don't think it's outside of the purview of the State Department because where we import oil from, the country Saudi Arabia, other countries in the Middle East, Northern Africa that we import oil from. That then implicates our foreign policy. Your attitude, or whoever is the secretary of State's attitude toward that country.

So it goes to the question of should we reduce the demand for oil so that it increases the leverage of the secretary of State when they're talking to the leaders of this country because we're telling them we don't need their oil in order to run their own country.

TILLERSON:

I would not agree with that conclusion.

MARKEY:

Well, how would you describe our need to import oil and allowing that country to have that as one of the discussion points as you're sitting there with them?

TILLERSON:

Well, it's back to where you started the conversation. Once the oil -- once a barrel of oil is loaded on a tanker, a barrel of oil is a barrel of oil.

And the end consumer doesn't really care where that barrel of oil came from because it's going to be priced in a global market. As long as they have free access to the barrels, and they have the ability to shop around for barrels. That is what's most supportive of their economic activity.

MARKEY:

We're not just talking about economic activity any longer, Mr. Tillerson. We're now talking about the impact which that barrel of oil coming in from Saudi Arabia or coming in from another country has upon the leverage they have over any discussion that the United States is having with that country about other issues. And it's on the table, even as we're asking them to give us help in other issue areas.

So I'm not just talking about what the global price of oil may be. I'm also talking about where that barrel of oil comes from. And that the less it comes from a country that we don't want to allow them to use oil as a leverage point, is the more leverage the secretary of State or the president will have in telling them we don't need you. We don't need your oil to run our country. We are industry independent.

So do you think that energy independence, again, should be our goal? And that the five million barrels of oil that we're still importing should be something that we're trying to keep out of our country's economic system?

TILLERSON:

No, I've never supported energy independence. I have supported energy security. And I guess if - - to go to your concerns, our largest supplier of imported oil is Canada.

MARKEY:

No, I appreciate that. But we still...

TILLERSON:

I don't know whether we feel hostage to them or not.

MARKEY:

Well, I appreciate that. But I also appreciate the fact that we're still importing from Saudi Arabia and other countries in the Middle East. And I do feel that that's unnecessary. If we could develop our capacity within our own country to be able to develop oil.

So Canada is one thing. Saudi Arabia is another thing all together. And I just don't think that a barrel of oil is a barrel of oil. I think that it has real consequences when it's coming from a country that has itself a strategic vulnerability that can be bolstered by the fact that we need -- other countries need their oil.

Thank you, Mr. Chairman.

CORKER:

Thank you.

Senator Murphy?

MURPHY:

Well thank you, Mr. Chair.

In regard to North Korea, we have had a lot of concerns about their long-term expansion of their missile program and missiles gaining more and more range. Should America put down a line in terms of them testing very long-range missiles? And if North Korea violates that line, what should the U.S. do?

TILLERSON:

Well, I think the U.N. resolutions have already put down some pretty hard lines. And North Korea has continued to violate those, both in terms of conducting nuclear tests as well as conducting the launch of delivery systems as well. So we're really already past that point.

MURPHY:

Meaning -- well my question wasn't in the context of the U.N., but in the context of whether the U.S. should lay down a line and respond if it's crossed because our security is more and more endangered as the range gets longer.

I take your answer to be one way of saying no, there's probably nothing we can do?

TILLERSON:

No. You shouldn't take my answer in that regard at all.

We need to work closely with our allies in the area, Japan, South Korea in particular, because anything we do will have a -- will certainly have a profound impact on them. And it all -- anything that we might consider, and what all of our alternatives might be would require a careful conversation at the National Security Council in terms of our capabilities, which we certainly have the capabilities to bring a missile test down. But how and what might be the consequences of that would require careful thought.

So I'm not rejecting that as an option. I'm just not prepared to sign up for it today.

MURPHY:

Fair enough.

Let me turn to Saudi Arabia. Saudi Arabia has been utilizing cluster munitions in Yemen. Much of the world has said these are terrible weapons to use because they have a range of fuses and they can often go off months or years after they've been laid down. These are the cluster bombs. You're familiar with them.

They've also been targeting civilians. How should the U.S. respond to those actions?

TILLERSON:

Well, I would hope that we could work with Saudi Arabia, perhaps by providing them better targeting intelligence, better targeting capability to avoid mistakenly identifying targets where civilians are hit -- impacted. So that's an area where I would hope that cooperation with them could minimize this type of collateral damage.

MURPHY:

How about on the cluster munitions side?

TILLERSON:

Could you ask the question --

MERKLEY:

How about in regard to the use of cluster munitions?

TILLERSON:

Well, I would have to examine what our past policy has been. I don't want to get out ahead of -- we have made commitments in this area. I don't want to get out ahead of anyone on that.

MERKLEY:

I do think this is a little bit of an example that my colleague from Massachusetts was pointing to, because we have often been reluctant to put as much pressure on states that we are dependent upon for oil and in situations with states where we're not dependent on oil so this is sometimes referred to as shadow cost. Some of the studies have been done in think tanks place a shadow cost on gasoline of imported oil because of the type of national security apparatus we need to make sure we sustain access, secure supply, to quote your words, of \$5 to \$10 a gallon. And I think that's where Senator Markey was driving that there is a distinction between an imported gallon and domestically produced gallon.

I don't need you to respond to that. But I wanted to amplify his point that for many of us there is a significant difference between an imported and domestic gallon. I wanted to turn to Equatorial Guinea. Senator brought this up earlier today about the corruption of the leadership of that particular country. The president for life, President Obiang has become exceedingly rich and part of the way he's become exceedingly rich is the payments that Exxon has made, have gone this family's accounts rather than going to the national treasury. What are your thoughts on why Exxon participated in that, which continue in time that you were in the leadership of the company?

TILLERSON:

Senator, I'm familiar with the circumstance you're talking about. That was the subject of an investigation by the judiciary committee. There were no findings that Exxon had committed any wrong or broken any laws at the end of that investigation. In terms of these payments that ExxonMobil would make in any arrangement, contract in any country, would be no different than they were made with domestic producers here in the U.S. that are operating on federal lands. There's royalty and there's taxes paid to the treasury. What the government does with those moneys once the company pays those is up to the government.

Obviously the U.S. government distributes those funds responsibly. Some countries, I understand do not. In ExxonMobil's engagement in countries like this, though, I do think that on the whole, there are positive benefits to the people in the country in terms of job creation that occurs because of the activity, employment that occurs because of the activity. And I'm not in any way suggesting that that mitigates the corruption in the country, but that it is not without benefit and it is not without having American values on the ground in those countries as well. So this is true not just of the extractive industries portion or sector but it's true of any American business that may be engaging in business activities in countries which have very poor governance structures at the top.

MERKLEY:

You mentioned that royalties and taxes should go to the government but in this case, Exxon paid -- made the payments to a private account controlled by the president. Do you see anything wrong with that?

TILLERSON:

I'd have to - I'd have to review for my memory the circumstance you're talking about. My recollection is that that account was designated as the government's account and I think when it was discovered that the account either may or may not have been a valid account, it was closed.

MERKLEY:

There are also a number of contracts that Exxon did with companies controlled by the family members of the president. This included building leases and land leases and a number of series of other contracts. The net effect of which was transferring a lot of wealth to a president for life, someone who has no interest in democratic principles.

The state department has reported on this for many, many years. Each year doing this report on Equatorial Guinea, 2003 states there's little evidence the government used the country's oil wealth for the public good. The oil wealth is concentrated in the hands of the top government officials while the majority of the population remained poor.

The state department actually cut their foreign economic assistance to the country because much the massive corruption and control by this family And it ties in earlier, one of my colleagues

mentioned situation where I believe a whole series of very expensive sports cars were being loaded onto a plane to be flown into Equatorial Guinea, but those weren't being paid for by U.S. foreign assistance. Those were being paid for by diverted oil royalties.

And I think it does raise not just a legal question and you've noted that no legal violation was found, but it certainly raises a moral question about how one engages a country and increases the power of leaders who are doing nothing to elevate the quality of life of their citizens. Do you share any of that perspective?

TILLERSON:

Senator, again, my recollection is that in all the examples you mentioned, they were investigated. There were no violations of law. During my time at ExxonMobil, ExxonMobil took at that time, and I expect still do, very seriously the foreign corrupt practices act and has in place processes to ensure that the corporation and all of its employees remained in full compliance, that any suspected violations were always fully investigated. And if anything was found, the process would have dictated full investigation, are solution and if required, a self-reporting process.

So I think the corporation had very strong procedures in place to ensure compliance and I think the examples you're giving, while I understand the concern you're expressing, indicated that the process to ensure there was no violation of foreign corrupt practices act, did perform and did withstand that investigation.

MERKLEY:

So I'm going to conclude with just a thought about this. In the course of this conversation, you have given -- you spent the whole day answering our questions and I appreciate that very much and with my colleagues, I appreciate your willingness to serve. The process of vetting in the Senate is a challenging one and you have appeared with dignity. I do have remaining concerns from some of the conversation from today. When Senator Shaheen raised the question of the national registry for Muslims you noted that you needed more to information. To me, I'm somewhat disturbed, because we are a nation founded on religious freedom and there is clarity -- can I complete my sentence? My statement?

CORKER:

I hope it's not paragraphs.

MERKLEY:

It's not a paragraph, no. And when Senator Rubio asked about the president of the Philippines slaughtering thousands of people, you said you needed more information. To me, there's a moral dimension to that. And when I raised the issue of bypassing U.S. sanctions and helping Iran, there's a moral dimension to that. On this issue of strengthening dictator for life, there is moral dimension to that. And you came to my office and said the first thing you said was I want moral clarity to be

a foundation for U.S. policy. I agree with that. I'm not sure we are hearing it in these particular instances.

TILLERSON:

Thank you.

CORKER:

Senator Cardin?

CARDIN:

Thank you, Mr. Chairman. First, I would like to ask consent to put in the record statement from Publish What You Pay.

CORKER:

Without objection.

CARDIN:

If I could, just to follow up very quickly on a couple points. I'm not going to be asking any questions. In regards to the issues of transparency and anti-corruption, I just want to comment on the conversations we had in the office. I really appreciate the conversations we had. We talked about, Mr. Chairman, the trafficking of persons report and the commitment to end modern day slavery and how effective it was to have directed goals, so countries knowhow they could make advancements so there was a clear path forward.

I have suggested as you know legislation that would do that for fighting corruption and I look forward if you're confirmed, Mr. Tillerson, to working with you as to how we can advance a more effective way to judge how the international community can judge progress in fighting corruption because every country has the problem but as you pointed out, many times during this hearing, there are countries that are very challenged and you look for certain standards as you did as a businessperson to do business in a country, and the United States should lead the world in developing those standards on corruption. So I look forward to working with you on that issue.

And we also talked about transparency in the extractive industries, and I appreciate you cantor there as to the usefulness for that, to make sure the resources actually get to the people, rather than to corrupt leaders.

I thank you on both points.

One quick comment about the role of Congress. We talked about this many times. You're pretty strong about the role to confirm, ratify treaties, you've talked very firmly about complying with our laws in regards to Cuba and you then talked very firmly about having enforceable sanctions. I

would just point out when we do mandatory sanctions or sanctions with tight waiver language, it makes it much more likely we'll have strong enforcement. So I'd just point that out and hope that we could work together on that.

I also want to just acknowledge another role that I play, I'm the ranking Democrat on the Helsinki Commission. Roger Wicker -- Senator Wicker is the chairman of that. It's a commission that deals not just with human rights, but it's known for human rights. It also deals with security and economic issues, and we look forward to working with the -- with you if you're confirmed at the State Department to advance the congressional role in dealing with the OSCE through the Helsinki Commission.

We will be asking you some additional questions for the record. I have not had a chance to ask questions on refugees and there are some others that I will ask. Senator Gardner and I will ask you questions in regards to Burma. (inaudible) is ranking on the subcommittee for the last Congress and we have some serious issues about the human rights progress being made in Burma. But we'll ask those questions for the record.

I want to thank you for being responsive to our questions today and thank you for being willing to put up with such a long day. I was commenting to Senator Corker about an hour ago, we passed the new limits on the overtime rules that were adopted by the Department of Labor, so I think we're all entitled to extra pay for the length of the day's hearings. But thank you very much for your attention.

CORKER:

So Senator Cardin, again, I want to thank you for working in a post-election environment to make sure that this hearing came off in the way that it did today and I want to thank all the committee members for the way that they conducted themselves, and as they always do, and the fact that we stayed at I believe a very high level.

I want to thank the nominee for being here today and I'd just like to make an observation. I've been here 10 years, I don't know how many hearings that I've been to, briefings, people in my office. We take in a tremendous amount of information here. It's very hard to replicate that. Back home when I'm talking to people, I discuss the fact that being a United States senator is much like getting a PhD almost on a daily basis, just because of the information flow that we have, the access to intelligence, the access to brilliant staffers who are constantly e-mailing us 24/7 with updates.

And I just would like to say that we have a man who's come in from the private sector, he spent - I think he was notified he was selected less than a month ago for this job and I know there's been some comments about clarity. As I mentioned, I've been here ten years. I've seen secretaries of State who come before our committee who have been around for 30 years. When they take questions, they have booklets open and paragraphs written to answer those questions.

I think if you look at what's happened today, I don't think there have been any notes referred to, and so to some of my friends on both sides of the aisle that may talk about clarity, which I respect and I actually think almost every senator here did an outstanding job today, but hopefully we will

take into account that we have a person who has been wafted in, if you will, from a totally different world, has arrived, has been through briefings, has been through murder boards (ph), has done all of -- met with every single member of the committee and sat here today excepting a 45-minute break for nine hours and answered questions without any notes.

I'm going to leave the record open until the close of business tomorrow for people that continue to ask questions. I know that Mr. Tillerson had planned to be here tomorrow in front of us, all day if necessary, and I would just urge those who may have had questions about clarity to remember something and then maybe do something. Senators develop pretty strong opinions, and sometimes, we express those opinions in a very crisp, direct, strong manner, just to break through the clutter that we have to deal with to make a point. And we've had years, again years, of input.

And so we develop really strong opinions about what's happening in China as it relates to human rights, what Putin may be doing. Many of us have been to refugee camps. We've seen photos of what's happened in prison camps and what Assad has done to his own people. And so it evokes a clarity of how we feel about what has happened on the ground.

A nominee coming in, on the other hand, wants to make sure that he's not getting out over his skis. He's working for a president that he doesn't know that well yet. He's trying to accommodate the fact that in fact he's going to be working in an interagency situation to come to conclusions.

So I just hope that those things will be taken into account if there are questions about clarity.

Mr. Tillerson, as an (inaudible) person who's lived an exemplary life, been at the same company for 41-and-a-half years. And, again, I think has handled himself in a very good manner.

So the thing I would ask is if there are questions about that clarity, contact us. Contact the transition team. Give him an opportunity to sit down in front of people and discuss these things, especially in person where the media's not there and every single question is going to be obviously written about in multiple ways. And let's really think about this. This is a very important decision.

We have a president-elect who is coming into office also without a great deal of background. And for him to have some -- in foreign policy. And for him to have someone who he has confidence in, and who's demonstrated that he's very much in the mainstream of foreign policy thinking.

But for him to have someone who he has confidence in who's sitting up under the hood, who's helping him shape his views, to me is something that is very, very important. And my sense is that, very quickly, on these issues of clarity, the nominee, when exposed to what is happening in the way that all of us have been, will in fact develop that clarity.

So I thank you for your time. And the meeting is adjourned.

he meeting is adjourned.