

**A REVIEW OF THE STATE DEPARTMENT  
REAUTHORIZATION BILL FOR FISCAL YEAR  
2018 AND THE STATE DEPARTMENT  
REORGANIZATION PLANS**

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**HEARING**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

—————  
JULY 17, 2017  
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**MONDAY, JULY 17, 2017**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

The committee met, pursuant to notice, at 5:01 p.m., in Room SD-419, Dirksen Senate Office Building, Hon. Bob Corker, chairman of the committee, presiding.

Present: Senators Corker [presiding], Risch, Rubio, Johnson, Gardner, Isakson, Portman, Cardin, Menendez, Shaheen, Coons, Udall, Murphy, Kaine, Markey, Merkley, and Booker.

**OPENING STATEMENT OF HON. BOB CORKER,  
U.S. SENATOR FROM TENNESSEE**

The CHAIRMAN. The Foreign Relations Committee will come to order.

Just so people understand how we are proceeding today, we have a vote at 5:30. Senator Cardin wanted to make sure that everyone had the opportunity to hear everyone's questions, so in order to accommodate that, gladly, at 5:30, we will recess for 15 minutes and come back at 5:45. So everyone can go over and vote and be back, so that everyone is able to hear everyone else's questions.

We thank you for being here, Mr. Secretary, again, so promptly. We appreciate that you have made time to appear before this committee twice in a week's time.

Passing an annual State Department authorization bill is one of the fundamental responsibilities of this committee. And when we shirk that responsibility and decline to exercise our oversight, we, in essence, surrender our authority to the executive branch and to other congressional committees, and we fail to do the job our constituents sent us here to do.

Restoring this annual practice was a top priority of mine when I became chairman, and I am proud of the significant progress we made last year when the first authorization bill in 14 years became law. I want to thank Senator Cardin and everybody on this committee for making that happen.

However, because of previous inaction, there are programs at the department that have not been appropriately reviewed and analyzed in well over a decade. This lack of oversight results in uncertain policy goals, wasteful spending, and a lack of transparency.

This year's State authorization contains numerous important provisions that build upon last year's bill in exercising oversight of the State Department bureaucracy and government programs that spend billions of dollars in taxpayer money.

We also understand that this legislation is being crafted in the early stages of the department's plans for reorganization. We expect that the reorganization will be a topic of a good bit of our conversation today.

We are pleased that you have come before us to speak about the process underway to reorganize the department, and you being here is further evidence of the new administration's commitment to openness to input and to consultation with Congress. I, again, appreciate the 45 minutes or so you spent with Ben and I last week before the hearing.

Rather than being a hindrance to the Secretary as he accesses the structure of the department, I believe this authorization is a tool that will assist the administration in its work, while also serving as a mechanism by which Congress can assist in improving how the department functions.

Ranking Member Cardin and I and our respective staffs worked together successfully in the past 2 years to pass authorization bills out of committee and get a combination of those two bills signed into law.

Again, I want to thank you, Senator Cardin, for your dedication in making sure that this committee continues to fulfill its duty this year as well. I want to thank all of our members for their cooperation and important contributions in the process.

We are here today to discuss the committee's draft authorization bill that we have shared with everyone, and we look forward to hearing your views.

Thank you again.

I will turn it over to our distinguished ranking member.

**STATEMENT OF HON. BENJAMIN L. CARDIN,  
U.S. SENATOR FROM MARYLAND**

Senator CARDIN. Thank you, Mr. Chairman.

Secretary Sullivan, thank you for returning to our committee. I guess we treated you well enough the last time that you came back so soon. It is always a pleasure to have you here.

This is an extremely important hearing, the review of the State Department reauthorization bill for fiscal year 2018, as well as the State Department's reorganization plans.

Chairman Corker has laid out what both of us feel very passionately about, and that is Congress has a responsibility to authorize the programs at the State Department, and the Senate Foreign Relations Committee is the committee that needs to do that work.

We watch what the Armed Services Committee does with the National Defense Authorization Act, which is a very important bill, and we recognize that a lot of issues that should come through this committee, we need to look at the NDAA bill in order to try to get a vehicle to get those issues into statute.

We should have our own opportunity to do that. And under Chairman Corker's leadership, we were able to get an important

bill done in the last Congress, and we look forward to your help in establishing that principle.

So the draft legislation we are looking at deals with the organization of the Department of State. It deals with Embassy construction. It deals with personnel issues, diversity, information security, public diplomacy, anticorruption, and other related issues.

It is more ambitious, I would say, than the bill we had the last time, and it keeps building on what we believe is the appropriate role. But we do need your help.

Now, it is complicated because there is a new administration, and there is also a listening tour going on and a reorganization going on. So you have committed to us, that we, the Congress, this committee, will be a part of that consultation as you look at the reorganization of the Department of State.

How we handle the State authorization needs to be consistent with congressional input into the reorganization. So that presents an additional challenge.

When we had the hearing on this year's TIP report, I went over the fact that there had been press reports that Consular Affairs and the Bureau of Population, Refugees and Migration were being considered for transfer to the Department of Homeland Security, or being abolished, and raised serious questions as to whether that was advisable.

We also know there is a discussion of whether USAID would maintain its quasi-independence.

These are issues that, obviously, this committee has great interest in. And as we look at State authorization and reorganization, it is important that we understand how these issues are being contemplated.

And then we have an area that has me greatly concerned, the reduction of the workforce by attrition. To me, that is a nonstrategic way to reduce the numbers at the State Department based upon who retires, and could very well compromise the ability of the State Department to carry out its mission.

I am not going to belabor the point. We all know about the budget that was submitted by the Trump administration that would very seriously compromise the ability of the United States to maintain its global leadership on diplomacy. But I do mention there is, in that budget, the elimination of development assistance at USAID, the elimination of economic support and putting it into a new category of development assistance and economic support, but at 40 percent lower funds.

So as we are looking at authorization, it is important that we understand what is going on here, because it does not seem to add up to what we think are important issues.

Lastly, let me mention the area of diversity. Diversity is a matter that is critically important for the State Department to carry out its mission. If you do not have a diversified, talented workforce, it is virtually impossible for America to have maximum impact around all parts of the world.

So we want to help you on that effort, but when you look at what happened with the Pickering and Rangel Fellows, that causes us some concern as to the commitment in the State Department to maintain that flow of talent and a diversified workforce.

So yes, we will deal with that in the State Department authorization, but we would like to work with you to make sure that we in fact have that type of talented workforce at the Department of State.

I look forward to your testimony, and I look forward to our discussions.

The CHAIRMAN. We will now turn to the only confirmed person, other than the Secretary of State, to help structure the State Department. We are thankful that you are here and in the role that you are playing on behalf of our Nation and all of us, and we look forward to your testimony.

**STATEMENT OF JOHN J. SULLIVAN, DEPUTY SECRETARY OF STATE, U.S. DEPARTMENT OF STATE, WASHINGTON, D.C.**

Mr. SULLIVAN. Thank you, Mr. Chairman, Ranking Member Cardin, and members of the committee for having me back today. We had a good discussion last week in this committee on the department's annual TIP Report, which we released last month. We are grateful for your support and attention to this important issue and many other State Department matters.

As I committed in my confirmation hearing, I am always at your disposal to come talk about issues of mutual importance of the Department of State, and I am grateful for this opportunity to engage with the committee, both on the draft authorization act and on our redesign effort.

I certainly recognize and appreciate the committee's success last year in passing authorization legislation. In passing the bill, you sent a clear, unmistakable message that Congress is committed to American diplomacy and to the many patriots of the Department of State who work long hours, serve the American people, and advance our interests abroad.

Thank you, members of the committee, for your commitment to the department and for your dedication to our mutual goal of serving and representing the people of the United States. We look forward to working with you on this year's authorization effort and appreciate the opportunity to engage, discuss, and coordinate with you throughout this process.

From my initial review of the draft fiscal year 2018 State Department authorization bill, it is clear that the committee and the department share many of the same goals: advancing America's national security and economic interests, the judicious expenditure of resources, and the protection of our personnel and interests around the world.

In the 21st century, the United States faces many evolving threats to our national security. As this committee knows well, the State Department, with a work force of more than 75,000, must respond to these challenges with the necessary speed and appropriate resources.

The nature of our work at the State Department demands flexibility and adaptability to an ever-changing world. We ask that the committee keep this in mind as you continue to evaluate proposals for the authorization bill.

We also appreciate the great interest and support the committee has shown to the department's efforts to make our programs and

organizations more efficient and effective. The cornerstone of this redesign effort has been the input and feedback received from the State Department's own employees.

We recently completed a listening survey, which was made available to every one of our State and USAID colleagues. The response was outstanding and well-received. Over 35,000 employees completed the survey, and hundreds took part in face-to-face follow-up interviews.

Now that we have that initial feedback and have posted the results of the survey, the Secretary has asked me to lead Phase II of the redesign efforts, which began last week. I share the Secretary's approach to making our department more efficient and effective without preconceived ideas about the final result.

Phase II includes a steering committee that provides oversight and working groups to address the main themes that came out of the listening tour: first, foreign assistance; second, overseas alignment and approach; third, human capital planning; fourth, IT platforms; and fifth, management support.

We have created an online portal so that every employee can continue to provide input throughout this process.

To ensure a thorough and comprehensive review, we are drawing upon the expertise of every bureau in the department, with participation from Washington and posts overseas.

This redesign effort is part of a larger agency review, as directed by the President. To meet the President's goals, we expect our review to be completed and a report submitted by September 15th.

We welcome your input as we move forward, and please know that your feedback will be integral to making the Secretary's organizational redesign a success.

Thank you again for the opportunity to discuss the State Department authorization bill. We look forward to working with you and your staff, so that Congress can exercise its oversight role and the State Department can carry out its mission to serve American interests abroad.

I look forward to answering any questions you may have.

[Mr. Sullivan's prepared statement follows:]

#### PREPARED STATEMENT OF JOHN SULLIVAN

Thank you Chairman Corker and Ranking Member Cardin for having me back today. We had a fruitful discussion last week in this committee about the Department's annual Trafficking in Persons Report, released last month. We are grateful for your support and attention to this, and many other State Department matters. And I am always glad for the opportunity to engage with the committee.

I certainly recognize and appreciate the committee's success last year in passing authorization legislation. In passing the bill, you sent a clear, unmistakable message: that Congress is committed to American diplomacy and to the many patriots of the Department who volunteer to work long hours, serve the American people, and advance our interests abroad. Thank you, members of the committee, for your commitment to the Department and for your dedication to our mutual goal of serving and representing the people of the United States.

We look forward to working with you on this year's authorization effort, and appreciate the opportunity to engage, discuss, and coordinate with you throughout this process.

From my initial review of the draft FY 2018 State Department Authorization Bill, it is clear that the committee and the Department share many of the same goals—advancing America's national security and economic interests, the judicious expenditure of resources, and the protection of our personnel and interests around the world.

In the 21st century, the United States faces many evolving threats to our national security. As the committee knows well, the State Department—with a workforce of more than 75,000—must respond to these challenges with the necessary speed and the appropriate resources. In other words, the nature of our work at the State Department demands flexibility and adaptability to an ever-changing world. We ask that the committee keep this in mind as you continue to evaluate proposals for the Authorization Bill.

We also appreciate the great interest and support the committee has shown to the Department's efforts to make our programs and organizations more efficient and effective. The cornerstone of this redesign effort has been the input and feedback received from State Department employees.

We recently completed a listening survey made available to every one of our State and USAID colleagues. The response was outstanding and well-received. Over 35,000 employees completed the survey and hundreds took part in face-to-face interviews. Now that we have the initial feedback, and have posted the results of the survey, the Secretary has asked me to lead Phase II of the redesign efforts, which began last week. I share the Secretary's approach to making our Department more efficient and effective, without preconceived ideas about the final result.

Phase II includes a steering committee to provide oversight, working groups to address the main themes that came out of the listening tour, foreign assistance, overseas alignment and approach, human capital planning, IT platforms and management support, and an online portal so that every employee can continue to provide input throughout the process.

To ensure a thorough and comprehensive review, we are drawing on the expertise of every Bureau in the Department, with participation from Washington and posts overseas.

This redesign is part of a larger agency review, as directed by President Trump. To meet the President's goals, we expect our review to be completed and a report submitted by September 15th.

We welcome your input as we move forward, and know your feedback will be integral to making the Secretary's organizational redesign a success.

Thank you again for the opportunity to discuss the State Department Authorization Bill. We look forward to working with you and your staff so that Congress can exercise its oversight role, and the State Department can carry out its mission to serve American interests abroad.

I look forward to answering any questions you may have.

The CHAIRMAN. Thank you very much.

I will defer to the ranking member and withhold my time for interjections.

Senator CARDIN. Again, Secretary Sullivan, thank you so much for your willingness to take on these responsibilities.

I want to talk about an area that has gotten a lot of attention in this committee, and that is special envoys. The chairman has properly pointed out that they continue to grow and grow and grow. These are not confirmed positions, and, therefore, they gain a lot of power at times, where a confirmed person should have personal responsibility.

So I do not know exactly how we are going to handle this one, because there is a lot of support within Congress for particular envoys. We do not want to diminish the importance of a particular area in which we have a special envoy, and, therefore, if we eliminate, the concern is that Congress is deterring the priority.

On the other hand, I would like to know what your priorities are. Where do you think we should be looking at these special envoys? Where are you looking at not filling envoys or suggesting, perhaps, even new envoys? Is it important to have those positions confirmed by the United States Senator or not?

So can you just share with us your thoughts on how you would like to see the Congress, the Senate working with you on special envoys?

Mr. SULLIVAN. Certainly. I think, Senator, you have hit the nail on the head. The topic of special envoys, it really depends on the issue we are talking about, the office that we are talking about.

We have, I think, approximately 70. Some of those offices were created to address serious issues, which, over time, have diminished in significance or importance. Others, whether it is global women's issues, fighting anti-Semitism, are enduring issues that are of extreme importance to us not only in the State Department, but as Americans.

So it really depends on the office we are talking about. Some of the interests that will guide us are making sure that the office, if the office is to remain functioning, is that it is linked to resources at the department—for example, a bureau—that it may be isolated from if it is a special envoy who reports only to the Secretary.

So all of these special envoys are subject to our redesign review that is—

Senator CARDIN. Even those that are congressionally authorized? Are you considering not filling positions that Congress specifically has provided by statutory authority?

Mr. SULLIVAN. We are looking at all of them, and we will consult with you and this committee and others on each of them, any office that you—I know Senator Shaheen and I spoke about women's issues. Any office that has continuing interests by members of this committee, we will consult with you before we take—

Senator CARDIN. I want to give the administration maximum flexibility, but where Congress has said that this area, whether it is gender issues or tolerance or the rights of minority communities, where we have specified by statute certain authority, it seems to me that we are the policy arm, that those are areas where you really do not have discretion and should be filling.

If we are going to try to work together on this—I don't know, I am open on this, because I agree with the chairman. We have too many special envoys. On the other hand, there are areas that I want to have special attention where I do not think you get it unless there is a point person within the State Department to deal with it. And I do not have that comfort level as to how we are going to resolve this.

The CHAIRMAN. If I could, just to put it in perspective, I think there are 68 envoys. Seven are permissive—in other words, we legislated permissive language to create an envoy. Eleven are mandated. So the vast majority of these are just made-up.

In many cases, there are large staffs that go with that. Is that correct?

Mr. SULLIVAN. That is true.

The CHAIRMAN. So anyway, I just—

Senator CARDIN. What is “permissive”?

Mr. SULLIVAN. “Should” instead of “shall.”

The CHAIRMAN. Or “may” instead of “shall.” It is just like we do sometimes on sanctions, “may” instead of “shall.”

So there are really only 11 that are mandated.

Senator CARDIN. I may challenge whether “may” and “shall”—we have gone through this debate many times, whether that is directive or whether that is mandatory.

I am not comfortable, and I would like to know how we are going to—how the United States Senate is going to be able to weigh in. If we are the authorizing committee, if the Congress is the authorizing body, and we want to pay special attention, and we think the best way is by special envoy, do we have to pass a statute to do that? Or are we looking at ways that we have input?

So if you follow the traditions of other administrations, yes, we tell you eight, and then you get 70 on your own? I am not sure that is the right way to go.

On the other hand, should we require that the Senate sign off on every one of them by advice and consent? We could do that. We are already backlogged on your filling positions. That will just add another, I don't know, 20, 30 more confirmations to get through.

I just think this is a cumbersome process, and it is tough for us to figure out how to do it unless we know that there is an open process. I think there is tremendous interest on women's issues. That is one. But there are other areas where members have pretty strong views.

And I know, in the United States Senate, one Senator sometimes can dictate what happens around here. So if a Senator gets difficult, are we then going to have a special envoy?

Mr. Chairman, I just think we have to have some orderly process in which we are going to be dealing with these special envoys.

The CHAIRMAN. My sense is that Secretary Sullivan agrees with that and is more than glad to have a conversation about that.

Senator MENENDEZ. Mr. Chair, I have a procedural question?

The CHAIRMAN. Yes, sir?

Senator MENENDEZ. Since there is a vote at 5:30, how does the chair intend to proceed with the hearing?

The CHAIRMAN. We are going to adjourn at 5:30, and we are going to come back at 5:45.

Senator MENENDEZ. Thank you.

The CHAIRMAN. Any other procedural questions?

Senator Young?

Senator MENENDEZ. Mr. Chairman, I have some if you want some. [Laughter.]

Senator YOUNG. Thank you, Chairman.

Thank you, Mr. Sullivan.

So just on the issue of special envoys, this is precisely why we need to look at the entire organization, so that we are not doing an end-run around our regional bureaus or functional bureaus and so forth.

But it would be helpful, I agree with folks on both sides of the aisle, that we need to, at least over a period of time, establish some operating principles that inform us when a special envoy will be appointed, when one will not. One possibility is that we are notified, and that special envoy will continue to exist unless we affirmatively indicate, after 60 days or whatever, that that special envoy was inappropriately, from our perspective, put in place.

I would like to pivot to the proposed merger, at least circulating in some circles, the contemplated merger of USAID and the State Department.

CSIS recently published what I thought was really instructive and thoughtful analysis of the merger of USIA, the United States

Information Agency, and the State Department in 1999 and why that went awry. I would like to just read some excerpts from that.

The origins of that merger, I became aware, were Vice President Al Gore's Reinventing Government blueprint.

The plan was to fold USAID and USIA and the Arms Control and Disarmament Agency into State. Now ACDA, the arms control agency, was happy to merge because they are primarily diplomatic in what they do. But USAID and USIA resisted that. A deal was cut, as so often happens up here. So here is what happened.

And, oh, by the way, the Heritage Foundation, which is currently advocating for a consolidation of State and USAID, has called this USIA merger misguided, and some of their scholars have written about how poorly it went.

So one reason for the failed integration of the agencies stem from the vastly different missions and cultures of the two organizations. I would argue that this is something we should consider here.

State and USIA's budget functions were also merged, but public diplomacy was and is seen as a secondary or tertiary function of the State Department. That created problems as well.

Lastly, the consolidation, we now know, was shortsighted. Soon thereafter, we had 9/11. The global war on terror is a global war of ideas. It gives us some sense of how consequential getting it wrong can be.

So I would just command that very brief article to your attention, to others' attention, as we consider that.

Next, I want to thank you. You caught me out in the hall. You have the best follow-up of any political appointee in my recent memory. You caught me out in the hall after the last hearing and asked me if I had any additional questions or concerns pertaining to a Government Accountability Office question I asked you. Then we got into a conversation about a task force that Senator Shaheen and I have been working on related to USAID and its reorganization.

I indicated to you that Secretary Tillerson had promised to sit down with members of that task force, Senator Shaheen and myself, to discuss some of our ideas, and you offered your encouragement. So thank you for that.

Lastly, I think it is important for this committee to understand, Secretary Sullivan, the timeline we are dealing with here. In your prepared statement, you write that you expect to complete the reorganization report by September 15th.

I do not believe you have spoken to this yet, but will this committee receive a copy of that report? And if so, when?

Mr. SULLIVAN. Thank you, Senator.

Not only will you receive the final work product, but my plan is that we will be consulting regularly. I and others, including the Secretary, will be consulting regularly between now and then, so that your views inform the final report.

Senator YOUNG. So when would you anticipate the next—because I have not been apprised of any previous consultations, to my recollection. So is that something you can send to each office here, each member of the committee, your updates?

Mr. SULLIVAN. Certainly, I would be delighted to. I started last week. As the chairman mentioned, I had a conversation before the

hearing last week with the chairman and the ranking member on this. I told them then, and I will tell all the members of the committee now, that that is just a first step in our consultation with you. This is the next step.

We will make sure that you and all the members of the committee are aware going forward of opportunities for us to solicit your input and also to provide you updates on how we are proceeding.

Senator YOUNG. Lastly, can you assure me that you will not begin implementation of this proposed plan until each member of the committee has been fully briefed on it?

Mr. SULLIVAN. Absolutely.

Senator YOUNG. Thank you.

The CHAIRMAN. Thank you.

Senator Coons?

Senator COONS. Thank you, Chairman Corker, Ranking Member Cardin, for holding this important hearing, and for all the work that you and your staff have done on this fiscal year 2018 State authorization bill. I continue to believe it is very important for this committee to go through this process annually, and I appreciate the improvements to the process this year.

I am pleased the bill includes three of my proposals to help State Department personnel, and I hope we can agree to provide greater flexibility to allow separated family members of Foreign Service Officers to travel to see each other and family members. And I look forward to authorizing science and technology fellowships to encourage innovation at the department.

While I support this committee process, I also want to be clear that I do not view this bill as somehow granting congressional approval of the Trump administration's reorganization or funding plans for the department and USAID. I appreciate the line of questioning by Senator Young, to that effect.

I continue to be concerned about the lack of clarity surrounding the reorganization process and hiring freeze. I appreciate what we have heard so far today, but look for more.

And, of course, I oppose the steep budget cuts to diplomacy and development proposed in the administration's fiscal year 2018 budget request.

I am pleased that this bill includes a mechanism by which Congress can review reorganization, and I want it to move forward.

So, Deputy Secretary Sullivan, thank you for your willingness to testify and to respond to our concerns.

Foreign Service Officers, their families, and the whole community of employees of the State Department and USAID make enormous sacrifices to serve our country. Their work is critical to our national security and to advancing U.S. interests around the globe. As a member of the Senate's Friends of the Foreign Service Caucus, I believe we can and should do more to recognize their work and address the challenges they face. I look forward to taking that on with you.

Let me just mention, in April, I traveled with Chairman Corker to the Bidi Bidi refugee camp in northern Uganda to draw attention to the impacts of conflict and manmade famine in South Sudan. I then went on to Juba. I had an opportunity to spend time

with the Foreign Service Officers at Embassy Juba, which is an unaccompanied post.

I am concerned that they face unnecessary hardships, and I would be interested, Mr. Deputy Secretary, in whether you are working to improve the conditions, of course, at Embassy Juba, but also at many other unaccompanied posts around the world.

And I am interested in whether you would consider renewing or extending the South Sudan and Sudan envoy position, one of the 70-some that I see some value in, given the famine, the conflict, and the regional context.

Mr. SULLIVAN. Sure. Well, the welfare of our men and women who serve abroad, both in Foreign Service and civil service, is our highest priority.

The Secretary, every staff meeting we have begins with a question, and that is, are our people okay abroad? It is his highest priority. It is my highest priority.

To address the issues that you have raised, we have included in our redesign effort—the redesign consists of an executive steering committee, which I chair, and then the five working groups that I described. Among them, the working groups would address all of the issues you raised about conditions abroad, allowances, the treatment of our Foreign Service Officers, the support that we provide to them.

The most significant aspect of this redesign is all of the input is coming from our career Foreign Service and civil service officers. All of the working groups, there are very few noncareer participants. In fact, for the working groups, there is only one non-career participant. All the other members are either from State or from AID, with proportional representation between State and AID, Foreign Service, civil service, stationed in Washington or abroad, and at different levels of seniority. So we have tried to cover the whole gamut of the department and AID, so that those issues you raised will be raised by the people most affected by them.

Senator COONS. Let me ask, if I might, two more quick questions. I understand you may not have the full time to answer them. I will submit them for the record, if that is the case, because we are going to adjourn in just a moment.

First, I understand one of the bureaus or offices you are considering closing is the Office of Iran Nuclear Implementation, and folding it into the Bureau of Near Eastern Affairs. Ambassador Stephen Mull, someone who this committee got to know well, is no longer serving as the lead coordinator for Iran Nuclear Implementation.

I would welcome hearing, if I need information on JCPOA enforcement, who is the lead person? Will the administration appoint a new lead coordinator for Iran Nuclear Implementation? And are you accounting for the fact that this committee and individual Senators like having regular briefings on Iran, the JCPOA, and the path forward, first?

Second, I will just summarize. In a lot of meetings with civil service and Foreign Service Officers in a number of posts in the last 6 months, there is a lot of concern about USAID, both from its own employees and from others in the department, about proposals that would reduce its autonomy. The budget proposal imposes par-

ticularly sharp cuts on USAID. I did not know whether proposals to merge USAID into State were part of what is being reviewed under your leadership and how you would work to address USAID employee concerns.

The CHAIRMAN. Briefly.

Senator COONS. I have exceeded my time.

Mr. SULLIVAN. I will take the second issue first.

Senator COONS. Thank you.

Mr. SULLIVAN. Let me reassure you and the committee that there has been no predetermination on the issue of absorbing USAID into the State Department. We had a robust discussion last week on the steering committee with significant representation from USAID participating, who provide their input on what Senator Gardner has described as the different culture, mission, toolsets, et cetera, that USAID employees have.

I am very familiar with that and very respectful of that, and their input is extremely important. And there has been no decision to merge AID into State.

Second, Ambassador Mull I have met with. He is one of our most senior career Ambassadors, a great patriot. The office that you described is one of those that is under review. No decision has been made yet on what will be done, if anything will be changed, with respect to that office.

But what I can assure you of is two things. First, that the significance of the subject that is addressed by that office has not diminished in any way. And second, whatever information you, Senator Coons, or any member of this committee needs, you will get. That is my promise to you.

Senator COONS. Thank you, Mr. Secretary.

Thank you, Mr. Chairman, for your indulgence.

The CHAIRMAN. Thank you.

So we will stand in recess for 15 minutes. We will reconvene, by my watch, at 5:49. You are welcome to some of our great coffee back here or sitting there talking to others.

Thank you. [Recess.]

The CHAIRMAN. The recess will end, and we will stand in hearing again.

And I will move to Senator Portman. Thank you for being here, sir.

Senator PORTMAN. Thank you, Mr. Chairman.

Secretary Sullivan, you know how I feel about you. I appreciate the proactive approach you took on getting Otto Warmbier home, and I appreciate your coming to Cincinnati for his service as well, his funeral.

I was not here earlier. I know the hiring freeze and the reorganization was a topic of discussion. I just wanted to talk to you a little about that as it relates to the Global Engagement Center. As you know, it is something I feel strongly about.

We, in 2017, as the Senate and the House, in the National Defense Authorization Act, asked the Global Engagement Center to take on additional responsibilities specifically with regard to disinformation coming from countries intending to destabilize democracies, undermine some of our basic values and institutions. Russia and China come to mind.

The GEC also has an important role, as you know, in providing the counternarrative in pushing back against Islamic extremism.

So my question for you is, is there an ability to keep some of these important entities, like the Global Engagement Center specifically, from being weakened by a hiring freeze or other reorganizations that could lead to it having a more difficult time carrying out its important responsibilities?

Mr. SULLIVAN. Certainly. Thank you, Senator.

And thank you for your help also with the Warmbier case. We appreciate the assistance that you provided.

With respect to the Global Engagement Center, it is a priority for Secretary Tillerson. It is something that is an important part of our mission, for all the reasons you State.

We are flexible. There is a hiring freeze, but we are flexible with respect to that. We have granted a number of exemptions, over 700 exemptions to the hiring freeze to support safety, security, health.

So we are reviewing them regularly. And I am not aware that there has been, as of yet, a request with respect to the GEC, but we would certainly entertain that.

Senator PORTMAN. Thank you. I think that the threats we talked about do present a national security threat to the United States of America. Certainly, that would qualify, it seems to me.

Again, we are just getting this up and going. It is more important than ever, given what we know about, now, some of the meddling here in our own election, but also in democracies around the world being affected by some of this disinformation and propaganda.

So I would hope they would ask for and be exempted from these hiring restrictions, to the extent you are continuing to develop that important entity. So I thank you for that.

If you do not mind, what I would like you to do is get back to me on it.

Mr. SULLIVAN. Of course.

Senator PORTMAN. We will be interested to see why they have not made a request, if they have not.

On the reorganization, in general, again, I know you have had an opportunity to speak about this some. The many entities that you now have oversight over in your role as deputy, and I understand that you are going to be heading up some of the reorganization ideas, is the foreign military financing.

I think FMF is a critical component of American diplomacy and relationship-building in very key parts of the world. In the State Department budget request, that account was to be reduced, I think by 19 percent compared to 2017, with 95 percent of the requests allocated to just four countries—Israel, Egypt, Jordan, Pakistan. I think the remaining \$200 million was to be placed in a global account.

I guess I just wondered, does this budget proposal reflect broader structural changes in the reorganization? In other words, is this something that the State Department is considering as part of its reorganization? And what do you perceive as the benefits of such changes, compared to the current FMF structure?

Mr. SULLIVAN. The redesign that we are undertaking is really independent of the budgeting process. Secretary Tillerson has made

clear that even if our budget were being increased, even if we were the Defense Department and we were getting more money from the budget, that he would undertake a redesign to look at the mission of the department and how we are organized.

One of the work streams, one of the work groups that has been constituted for the redesign focuses on foreign assistance programs. Included in that is FMF.

So we are considering reviewing that as part of our redesign effort with input from Foreign Service, civil service, senior-level career people, to make recommendations on improving our foreign assistance programs, including FMF.

Senator PORTMAN. At FMF, are you looking at loans instead of grants?

Mr. SULLIVAN. I am sorry?

Senator PORTMAN. Are you looking at loans instead of grants?

Mr. SULLIVAN. We are looking at both.

Senator PORTMAN. Again, my time has expired. I want to thank you for your help most recently on the Warmbier case.

And then, generally, I wish you good luck on the reorganization. I do think that there is room for reform. I do think that there are ways to more effectively be able to represent our interests, soft power interests, around the world. I am glad you are where you are.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, sir.

Senator Menendez?

Senator MENENDEZ. Thank you, Mr. Chairman.

I hope this is the first of many conversations we will have about the State Department authorization bill. I have serious reservations about the bill as written for a number of reasons, and I just want to outline a few of those.

It is my personal belief that Congress as a whole is a coequal branch of government with the executive and must, therefore, dutifully exercise its role not only as overseer, but as authorizer. What do you authorize?

While I appreciate the efforts of the chair to include many of the provisions Senator Rubio and I worked on together for the bureaus that fall within our subcommittee's jurisdiction, the bill merely offers permissive suggestions for the Secretary. Saying there should be a bureau within the department that is authorized to promote democracy and actively support human rights throughout the world is very different from mandating that bureau's existence.

I worry, particularly given this administration's intentions, for example, to completely cut funding for democracy assistance, such permissive language would give the Secretary congressional cover for simply not supporting such a bureau.

So in my view, true oversight is, in essence, to create the structure at the State Department, to authorize it. That is the Congress' view.

Additionally, this bill does not address a critical component of our foreign policy, foreign assistance. And USAID and foreign assistance programs that promote economic development, support good governance reform, provide technical and educational training are essential elements of a comprehensive American foreign policy

that promotes our interests and builds more stable and resilient allies and partners.

To suggest, as I have heard, the possibility of folding USAID into State, to me, is alarming, and I would like to understand the policy perspective behind that. I am especially concerned that we are undertaking this exercise as the administration pursues what continues to be, at least to me, draconian cuts.

And even though we supposedly reject it here, it says where the administration's intent is—draconian cuts to the agency primarily responsible for promoting American values and securing our interests overseas, and an ill-defined reorganization process that thus far seems to be no more than an exercise undermining and pushing out career diplomats in the foreign and civil service who have dedicated their lives to serving this country, with seemingly no strategic consideration that I can discern.

Mr. Sullivan, public reports of the listening survey you referenced in your testimony indicate “a high level of confusion and demoralization among the ranks of career diplomats and civil servants who express concerns about their futures, as well as the trajectory of American foreign policy.”

You have explained these measures as saving money, and I ask, at what cost?

The conservative National Review recently published a piece that concluded, “The State Department's core is being gutted. Tillerson is running Foggy Bottom the way a corporate raider might take over a company, firing half of its work force, repurposing its original mission, scaling back its operations across the globe. Offices are being shuttered while ambassadorial, assistant secretary, and under secretary posts remain unfilled.”

So since this is the beginning of this debate, I assume, I just wanted to take most of my time to say that. But let me ask you, in what time I have left, one or two strategic questions.

Can you share with me whether—during your nomination hearing before this committee in May, which I supported you, you noted the cultural and policy differences between USAID and State, including the long-term nature of development and often shorter focus of diplomacy.

Can you give me a sense of whether it is true that a proposal to merge USAID into the State Department is, in fact, taking place or to reduce the agency's autonomy? And if so, how do you intend to incorporate this perspective you said under oath here, in terms of going through the conversations on reorganization?

Mr. SULLIVAN. Well, the first thing I would say, Senator—thank you—is that we are including, both on our steering committee, which is the broad, organizing committee that I chair, and on all of the five working groups, including the foreign assistance working group, senior and less senior career AID officials.

Career people, first, predominate on every one of these working groups and the steering committee. And there is proportional representation. So AID is well-represented, the AID perspective, which you just articulated, with which I agreed during my confirmation hearing and still agree.

Senator MENENDEZ. How many people are on the working group?

Mr. SULLIVAN. There are approximately 50.

Senator MENENDEZ. And how many people from AID?

Mr. SULLIVAN. I do not have it. I will get you that number. But it is a breakdown based on the size of the State Department versus AID. I will get you those precise numbers.

But AID, we believe, is completely—its view is articulated by senior people, who are represented fairly on all of these committees.

Senator MENENDEZ. My time has expired. You told me that they are represented. That was not my question. My question was, is it part of the policy reorganization intention to fold AID into State? And if so, how are you dealing with the differences in culture?

Mr. SULLIVAN. My apologies, Senator. The answer to that question is no. There is no intention to fold AID into State. That has been proposed by people outside the department. It is something that could be considered by this working group. But if it were, it would be with the full input of all of these AID leaders involved.

But I can commit to you that there has not been an intention—there is not an intention of this department to absorb USAID.

The CHAIRMAN. If I could, as I understand, just in talking with you, but also Secretary Tillerson, there is no beginning point on making any assumption whatsoever either way, as I understand it. And you all are taking input, but you are not beginning this process with the intention of trying to make that happen. You are beginning the process by meeting with others and trying to understand the best way to go forward.

Mr. SULLIVAN. Correct. And in going forward, it will be done, as Senator Menendez has recommended, and we agree, in close consultation with this committee.

Senator MENENDEZ. Mr. Chairman, I remember the refrain that the road to hell is paved with good intentions. So I get what the Secretary is saying, but I have serious concerns when people have been told to fill out forms and do memos that basically talk about how your service would be moved into another direction.

Maybe that is not the intention. Maybe it is informative, at the end of the day. But I am not quite sure.

I have many other questions. I will submit them for the record. I hope this is the beginning of a conversation.

The CHAIRMAN. Very good. I am not trying to lead. I just do not want his response to be misunderstood, based on what I know to be some other context.

Also, I do not think that there is an intent to move it in any particular direction. I think that is fair, at this point. And I think it is also fair that you want input, and others want input, before a decision like that is made.

Senator Shaheen?

Senator SHAHEEN. Thank you, Mr. Chairman.

Thank you to you and Senator Cardin, for holding this hearing, which I think is very important, because, as so many of my colleagues have said, it is critical that Congress play a role, an oversight role in this reorganization effort.

Our engagement as a committee, when we are in the process of a State authorization process, I think is particularly important. I have some reservations that I have shared with the committee chairman about moving forward with this kind of reorganization at

the department while we are also doing a reauthorization, and we have no idea what is going to come out of the reorganization that you are doing at the department, and what your recommendations will be.

So I have some specific questions, but before I get to those, I just want to raise a topic that I know this committee has been concerned about. I know it was raised last week, I think with you, actually, and that is the reports of Under Secretary Shannon's meeting with the Russian Deputy Minister Ryabkov today.

We have had experts. I raised this last week before the Armed Services Committee when we were talking about Russia's influence in the Montenegro election and their coup attempt, basically, about what kind of a message it would send if we returned those facilities that were seized in response to the attack on our election.

The witnesses before the Armed Services Committee were unanimous in saying that is absolutely the wrong message for us to be sending.

So I just want to raise this again, because I think it is a very big issue, and I hope you will keep the committee informed about any updates on these talks and what happens with this issue.

Mr. SULLIVAN. Certainly, Senator Shaheen. I have had this conversation with Senator Cardin last week.

Senator SHAHEEN. That is my understanding.

Mr. SULLIVAN. Those properties to which you refer are part of a larger dialogue with the Russian Federation, involving issues—for example, the PNG issue, the Russian diplomats who were expelled. There are a whole host of issues that we are discussing with the Russian Federation. I understand there is a meeting going on as we speak.

But my undertaking—commitment to Senator Cardin, and I make to you, is that we will consult with you on this issue before any final implementation of an agreement that we do not have yet the Russian Federation.

Senator SHAHEEN. Well, I appreciate that. Again, I do not think we should be rewarding Russia until we see their behavior change.

So I want to go on to a couple issues relative to the reorganization. You mentioned the conversation we had at your confirmation hearing about the Office of Global Women's Issues, which I understand is that our draft State authorization text still removes the Ambassador-At-Large for that position. I think it is hard to think about setting up an Office of Global Women's Issues without having somebody in charge of that who has significant authority.

So can you talk about what you are doing with respect to that issue, as you are looking at the reorganization?

Mr. SULLIVAN. Certainly. It is a high priority for the Secretary, as he has testified and as I have testified. And it is a high priority for the White House, both for the President and senior advisers to the President.

So the office itself, as is the case with all of the special envoys that we have been discussing, is included in—because it is a look at the entire department, it is included in what we are assessing.

What I can commit to you is—well, I can commit several things. First, that issue will not—the significance of that issue of empowering women will not be downgraded, no matter what happens to

the office. Second, we will consult with you before any action is taken. And third, we are committed at the department to empowering women at the department.

And those three things I am confident of and commit to you.

Senator SHAHEEN. Thank you. I very much appreciate that.

One of the other reports that has come out in the last week has been that the White House is pushing for State Department Bureau of Consular Affairs and the Bureau of Population, Refugees, and Migration to be transferred to the Department of Homeland Security.

Can you speak to whether that is under consideration?

Mr. SULLIVAN. It is similar to my response to Senator Menendez. That is not the intent of the department. Secretary Tillerson does not have, at present, that intention.

It is something that, if it were raised in our review, we would consider. But it would be considered with the understanding that both the Consular Affairs function and the function of PRM are vitally important to our mission at the Department of State, as I discussed last week at the hearing on Thursday.

Senator SHAHEEN. Thank you. I, again, appreciate that. Consular Affairs, as you know, has been charged with setting visa policy since 1952 when we passed the Immigration and Nationality Act. I think to shift that to the Department of Homeland Security, especially at a time when the issue of refugees and immigration is so controversial, would be the absolutely wrong approach.

And I will just tell you right now that, if that is the case, I will be one of those opponents leading the charge.

Thank you.

Mr. SULLIVAN. Thank you.

The CHAIRMAN. I just, again, want to revisit the subject that Senator Menendez brought up, and then I would like to visit something Senator Shaheen has just brought up.

I get no sense whatsoever that it is the intention of the Secretary of State to push for USAID to be merged into State. I get none of that. I do not think that is an outcome they are driving at.

I do think, on the other hand, they are sitting down and talking with people, as you might expect, and getting input as to how the organization ought to be set up. But I do not think there is any desire whatsoever for that predetermined outcome to occur, okay? I don't.

I know you have some concerns about the piece of legislation, and we all know that any one Senator, at this juncture, can keep it from happening.

What I do not understand, I know we have talked about it some on the floor, I do not understand why waiting to do an authorization until after the State Department has acted, I do not see how that benefits anybody. I just do not understand that.

I mean, we are continuing to build out a State Department authorization each year. We make it larger and larger and larger. At some point, we are going to have the whole thing done. I do not understand how, because they are going through a reorg, us not taking action benefits us.

I mean, I know we have talked about that. And again, any one person can keep it from happening. We've got it. I just do not understand how that retains authority to the Senate.

So we are having an open discussion. Maybe this is improper, but I just wanted to raise that.

Senator SHAHEEN. May I?

The CHAIRMAN. Sure.

Senator SHAHEEN. So as I understand the reauthorization that we are looking at, we do not deal with USAID in that reauthorization. Is that correct?

The CHAIRMAN. Which is how we set up the process on the front end in order to, again, accomplish as much as we thought we could under a unanimous consent-type Senate.

But go ahead.

Senator SHAHEEN. Well, I guess it feels to me like, if there were a reorganization that makes a recommendation for USAID or the Bureau of Consular Affairs or Global Women's Issues, whatever it is, that when that goes into effect, if we have already done a reauthorization, we do not really have a vehicle that we can help to move to raise Congress' concerns about those reorganization policies that we might disagree with. That is the concern that I have.

The CHAIRMAN. Except that we have the authorization again next year.

Senator SHAHEEN. We do, but——

The CHAIRMAN. By withholding, we are in no way keeping a vehicle to do it. Do you understand? I just——

Senator SHAHEEN. I do, but I also understand that when something goes into effect, it is harder to undo it than to prevent it from happening.

The CHAIRMAN. But we do not have a vehicle at present.

Again, I am just missing the psychology here, and I want to understand it, because I would like for us to continue as a committee to build out to a place where we actually have an NDAA-type authorization process.

Senator SHAHEEN. Right.

The CHAIRMAN. Each year, it is getting broader and broader and broader. I just do not understand how withholding has any effect whatsoever on the reorg when they are telling us they are going to come back and consult with us anyway on that process all the way through.

But it is a conversation we need to continue to have.

Senator CARDIN. Mr. Chairman, if I could just briefly intercede.

The CHAIRMAN. Yes.

Senator CARDIN. I want to get an authorization bill done this year, so I am with you on that. But I think it is a reality that we have to look at what is being done in the administration. Let me just give you one example.

Tonight, there was a press report that the Secretary of State is considering the elimination of the special coordinator for Global Criminal Justice issues, which basically deal with atrocities and war crimes. There is great interest in this committee on both sides of the aisle for Syrian war crimes accountability, Iraq war crimes accountability, preventing atrocities, et cetera. And although I understand the Secretary wants to reorganize, it is being broadcast

as downplaying the importance of holding war criminals accountable.

In that environment, it is going to be difficult for us not to respond.

So I think Senator Shaheen's point dealing with USAID, yes, we have agreed that this framework would not include USAID. But if the administration is making fundamental changes—and I understand Secretary Sullivan believes that is not the case, but if they are making fundamental changes on the organization of USAID and we remain silent, that is a challenge. If they are going to do major changes in criminal war crimes accountability, and we are silent, that is a nonstarter for I think both Democrats and Republicans on this committee.

So I just think it is a reality we are going to have to respond to some of the things that are done. But I want to get to the finish line.

The CHAIRMAN. And each year, there is an authorization that comes up, and each year, you can write things in and make them law. I do not see how remaining silent by not acting in any way causes it to be any lesser remaining silent.

So again, I do not get the psychology, but I obviously need to understand it for us to be able to move ahead.

Senator Menendez, then we will move to Senator Markey.

Senator MENENDEZ. Mr. Chairman, thanks for the opportunity. I understand your question. Let me just give you a few cuts at it.

The CHAIRMAN. Okay.

Senator MENENDEZ. As you may remember, I did not want to move forward on the State authorization last time.

The CHAIRMAN. I remember it very well.

Senator MENENDEZ. Out of deference to the chair, I yielded and stopped my objection on the floor.

The CHAIRMAN. I appreciate that.

Senator MENENDEZ. And we have worked together on many things, so this is not an ideological issue. But it is, for me, one of the most critical things the committee can do, and how it does it is incredibly important.

So, for example, in answer to your question, how does waiting inure to our benefit, if we were actually having legislation that was creating certain parts of the State Department in a mandatory form versus a permissive form, I would say it does not inure to our benefit to wait. But when we basically create permissive, virtually across-the-board, the second complicating factor, in addition to I do not believe it should be permissive across-the-board, is that the reorganization taking place by the Secretary, such a permissive nature might be seen by some as giving it an okay, that what you ended up doing is actually okay.

For some of us, I think some of the things, whether they are intended or not, and I accept your word, since you are engaged far more with the Secretary and the State Department than I am, that the intentions are good.

But, for example, I know that OMB Director Mulvaney, he has a different view than the Secretary. So he may be pushing that

view from an administration point of view, so it may not even be the Secretary, at the end of the day, to collapse USAID into State.

The point being that, when we give it our imprimatur, in a sense, I do not want to be responsible for giving imprimaturs to things that I really fundamentally have a problem with.

And the last point is the question of, it will be far more difficult, in my view, having sat where you sat, and having an administration of my party and standing up to it when I personally believed they were wrong on a policy basis, to challenge next year's authorization, assuming you do this year's authorization, something that the administration will have done.

So they structure the new department as they wish. They pursue their reorganization without any meaningful effort legislatively to construct what that should look like. And now, once having done that, members not only on this committee but of the Senate as a whole, will be put into a position of, if they believe that reorganization or elements thereof were not appropriate, of challenging the administration to do that in a new authorization bill.

So that may not be a problem for the chair, because I recognize the chair's independence, but I have to be honest with you, I am not sure that is in everybody's case.

So when you ask me, why wait? That is my perspective.

The CHAIRMAN. I am glad to have this conversation. We are going to move to you in one second, Senator Markey.

I would just say we are in that situation either way. If we act in the next 60 days or we do not act in the next 60 days, we are in that same situation, but we have not built it out further.

I understand what you are saying about permissive versus mandatory. That is a point well-taken. But by not acting or acting, we find ourselves in the same place when the timing of what they do is going to occur later on.

But go ahead, Senator.

Senator SHAHEEN. I just wanted to make one point to clarify that I support the reauthorization. In fact, I think this committee should have the same kind of process that the Armed Services Committee has, where we do an authorization every year. It is debated. It goes to the floor. And there is an understanding that it is going to be part of what we do annually. Because I think what we need to do is to elevate the role of diplomacy and the State Department. Having that kind of process does that.

So I am totally in agreement with you on that. We are just disagreeing about timing.

The CHAIRMAN. That is fine. I will move to Senator Markey by saying, each year, there seems to always come an issue, and I really appreciate both of you, actually—I think last year, on the floor, the two of you were actually somewhat resistant for different reasons. I appreciate you allowing us to continue to build out.

And I have shared with each of you and Senator Cardin, I do not come at this with any ideology. I come at this with what you just said exactly. I want this committee to determine the policies that take place at the State Department and USAID. And it is more important to me each year that we build that out, whatever direction it takes, just so we continue to build it out.

And I thank you both for allowing last year to go forward. I do not know how stopping it this year benefits this, but I am still listening.

Senator Markey?

Senator MARKEY. Thank you, Mr. Chairman. You are going to be in an echo chamber here, so I will just say that, if there is going to be an effort by this administration to eliminate special envoys, and this legislation makes it possible for them to eliminate special envoys, we are talking about the Special Representative for Nuclear Nonproliferation, the Special Representative for Biological and Toxins Weapons Convention issues, the representative to the Organisation for the Prohibition of Chemical Weapons, the special negotiator for plutonium disposition, the Special Envoy for Climate Change, the Office of the Haiti Special Coordinator, the Special Representative for International Labor Affairs, the Special Envoy for Human Rights of LGBT Persons, the coordinator for sanctions policy, the Special Representative for Religion and Global Affairs, and the representative for Northern Ireland issues.

So I am very concerned that language in this State authorization bill will have the effect of cutting all of these positions, unless the administration chooses to fill them. I think it would be better for us to kind of know what their plan is so that we can then respond to their proposal rather than giving them this authorization to do so without having an idea as to how many of these positions might be eliminated, if not all of them.

So can I ask you, Mr. Sullivan, how many of these positions are you contemplating right now eliminating?

Mr. SULLIVAN. Senator Markey, there is no preconceived view on any of those offices. The goal is to, for all of those issues—and all of the issues that are represented or addressed by those offices, all are important.

Our overriding goal is to make sure that those issues are addressed properly. One concern we have with the special envoys, speaking generally, is that they are delinked from the substantive bureau.

So, for example, for the Northern Ireland representative, it is not part of the European Bureau. So it would not be a case, I do not think, without prejudging—but just as an example, for that special envoy, rather than being a special envoy outside the organizational bureau who reports directly to the Secretary, and, therefore, is somewhat insulated from this committee, because the Assistant Secretary for European Affairs who can be called before this committee, that special envoy reports to the Secretary.

It is really a question of how we address those important issues and structure our bureaucracy accordingly.

Senator MARKEY. As you know, my mother is a Sullivan. So it took a long time to get a special envoy to Northern Ireland, right? So that is the special thing. But each one of these other special envoys reflects a priority that was established to ensure that a little special attention that otherwise the issue might not receive from the department, in general, was given that special role.

So none of these are incidental. Each one of these areas has a reason why they have a special envoy. If they are moved into kind of larger parts of the agency that do not have any squarely aligned

responsibility with a senior person inside the department, it just would run the risk of slipping through the cracks, of not getting the attention it needed, of not having the focus, which, clearly, we have tried, over the years, to ensure that each one of these areas receives.

So I just say that to you, Mr. Sullivan, because that is a concern that I have, and I think others have as well.

And Northern Ireland is a good example, where maybe now people say, who cares, but it has moved on to a more mature area. But in the era of Brexit, there is likely to be an exacerbation of tensions that we have not seen in a long, long time. And, to be honest, the formation of the new government in Great Britain is dependent upon this alliance with the Northern Ireland party that may or may not square up with the objectives that the United States has been trying to advance over the years.

So I just point that out to you, and I would hope that we might be able to get the sequencing correct.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Thank you very much. Senator Udall?

Senator UDALL. Mr. Chairman, thank you very much.

Thank you, Deputy Secretary Sullivan, for joining us today.

Just this past week, we learned that the State Department spent approximately \$15,000 at a Trump Hotel in Vancouver when the President's daughter stayed there. The Washington Post obtained this information via the Freedom of Information Act.

This use of taxpayer dollars at the Trump Hotel empire reminded me of the many questions in an unanswered letter that I sent to the State Department, along with several other Senators. I am hoping you can help us answer these questions.

There are properties all over the world with the Trump name prominently displayed on them, many in areas that have been targeted by terrorist attacks. On March 8, I wrote to Secretary Tillerson, along with Senators Whitehouse and Blumenthal, asking what, if any, taxpayer resources are being spent to secure Trump organization commercial real estate around the globe.

First, will the State Department respond to this letter soon? It has already been 4 months since we sent a letter.

Mr. SULLIVAN. Yes, Senator. You have my apology that we have not responded already. It is important for us to be responsive to maintain the trust and confidence of this committee.

Senator UDALL. So do you have any timeline on how soon you can respond to this?

Mr. SULLIVAN. This is the first I have heard of it. My apologies. When I return this evening, I will make sure that it is acted on soonest.

Senator UDALL. Good. I know you have discussed with me on several occasions how important you thought it was for you to give us information, because we have a crucial role to play under the Constitution.

Has anyone in the Trump organization or Trump administration requested assistance from State to help secure a Trump organization property?

Mr. SULLIVAN. Not to my knowledge. With respect to the—I have seen the press reports on the hotel in Vancouver. I asked about it. My understanding is that the State Department, as we frequently do, assists other agencies, where we have a consulate, in making hotel bookings. My understanding is that the bookings that you referred to were for the Secret Service. They were not for the State Department.

We just happened—because we have a consulate there—we did not seek out that booking. They were not our people who were staying there. So it was for another government agency.

Senator UDALL. So you do not know whether or not anybody in the Trump organization or administration requested assistance from State to help secure a Trump administration property, but you will look into that and get us an answer?

Mr. SULLIVAN. Yes, indeed.

Senator UDALL. I am sure you understand the thrust of these questions. I mean, I serve on a number of committees. One in addition to this is Appropriations. And I really believe that taxpayers are entitled to know how their money is being spent. Then it is a judgment call for them, really more than anything.

Has the Department of State rented property or purchased additional goods or services from the Trump organization to facilitate State Department missions?

Mr. SULLIVAN. Not to my knowledge, but I will undertake to get a response to that, a definitive response to your question promptly, Senator.

Senator UDALL. Okay. And if so, is there an agreement in place for the Trump organization to reimburse the Federal Government for those costs? I assume you will also get us an answer to that.

Mr. SULLIVAN. Yes, Senator.

Senator UDALL. There are further questions in the letter, but I would like a full written response to these and other questions. Since the administration has not responded to our letter, I will submit all of these questions for the record and hope that you give us a prompt response.

Mr. SULLIVAN. You have my word on it, Senator.

Senator UDALL. A number of recent reports have highlighted a significant morale problem at the State Department, as well as many of the concerns regarding the steep budget cuts being proposed at State. The top leadership at State is reportedly very isolated from the Nation's diplomats.

Do you believe that career Foreign Service and civil service officers serve an important role in our Nation's diplomacy?

Mr. SULLIVAN. Unquestionably.

Senator UDALL. And will you increase efforts to integrate the new political leadership of the department with career staff to best represent America's interests abroad?

Mr. SULLIVAN. I will, and I have. I spoke at the Foreign Service Institute a couple weeks ago to 700 Foreign Service Officers, and I had prepared remarks, and I put them aside. I picked up a microphone and I opened it up for questions and said, hit me with your best shot, whatever you've got, because those men and women are the backbone of the department, and I have, and the Secretary has, an enormous amount of respect for them and their views.

Senator UDALL. Yes. I could not agree with you more.

In my travels around the world meeting the people that are living in the countries, the various professionals and career people are so dedicated to this country and making sure our country gets it right in terms of the country they are serving in, and getting our foreign policy right. And I want to thank you for your talk with them and taking this approach.

Mr. Chairman, I want to stress that any State authorization approved by Congress should include significant oversight language to ensure that the Congress has a final say about any proposed reorganization of the State Department.

The CHAIRMAN. Thank you very much.

Senator Cardin?

Senator CARDIN. Secretary Sullivan, I just really want to underscore our hope about how you and this committee can work together on issues in the State Department.

The Congress appropriates money. Congress passes statutes. The Trump administration, in some cases, has different views than that, as we have seen in some of the actions that have been taken by the Trump administration. Certainly, their fiscal year 2018 budget is different than what Congress did in the fiscal year 2017 budget after we had the President's skinny fiscal year 2018 budget.

So we are a coequal branch of government. We expect the State Department to implement what Congress has done. So when we provide you funds and provide you authority, we expect that to be carried out.

The President has the right to veto. The President can do a lot of things. We recognize that. Ultimately, we want to work together.

So when the administration proposed a freeze, and we saw what was happening through attrition, it was having some really adverse impact. We pointed that out with the Pickering and Rangel Fellows.

And thank you. It was reversed, allowing the fellows to join the A-100 class this year. We are pleased about that.

But as I mentioned in my opening statement, we had a challenge before Mr. Trump was elected President of the United States in diversity in the State Department. It has been a challenge. We have had hearings in Congress on this. We have had numerous opportunities to try to improve diversity because of the importance in the State Department carrying out its mission and its credibly globally for us to show that we do represent the global community.

So can you just give us some assurances, A, that when Congress passes appropriations and authorizations, that it should be carried out? It should not be "should." That it must be carried out by the State Department.

Secondly, on how you deal with the diversity issue with the overriding policies of contraction that is currently the pressure that you are under.

Mr. SULLIVAN. Sure.

First of all, Senator, as Deputy Secretary and as a lawyer, I can affirm to you that we will comply with the law, execute the law, follow the instructions of Congress. We are a Nation of laws, and the department abides by the law.

Senator CARDIN. And I know that you will do everything in your power to carry that out. That is one of the reasons why we were so pleased to support your nomination, and we are pleased that you are there.

I think it is going to be more difficult than just those words, so we wish you well. [Laughter.]

Mr. SULLIVAN. I will seize on that point, Senator, to address your second point. And I said this when I spoke to the Foreign Service Institute students. Actions speak louder than words, and I can offer all the platitudes that one can think of on diversity and how important it is, but actions speak louder than words.

And what I said to the FSI students was that I expect them and you to hold us accountable for what we commit to do. We commit, I commit, to doing all we can to have a diverse State Department. Why? It is the right thing to do as Americans, because equal opportunity is enshrined in our Constitution.

But second, and it is a point you have raised, Senator, it is not merely the face we present to the world, but it is doing our own jobs, getting input from all of the different races, ethnicities, gender. That input makes it easier for us to do our job in interpreting what is going on in foreign countries and interacting with foreign governments. It is important as a policy matter, not just as a moral matter or a legal matter.

So you have my commitment on that.

And if I do not follow through, you can bring me back up here and tell me where I have fallen down on the job.

Senator CARDIN. Thank you, Mr. Secretary. We appreciate the fact that you are there, and we appreciate your commitment to these principles.

The CHAIRMAN. I thank you for being here, too. I know that we are going to keep the record open until the close of business Wednesday. I know there will be a number of questions. To the extent you can answer those promptly, we would appreciate it.

I do want to balance out, to a degree, the special envoy discussion.

The listening tour is complete. I know there was an outside consultant that generated a report from that listening tour. It confirmed what many of us have been hearing for years, and this is not at any particular special envoy that I direct this, but they do more harm than good. They do more harm than good.

I think they hurt the culture of our professional Foreign Service Officers, candidly, because I think they see them, in many cases, as a workaround.

All of us have been in organizational situations where XYZ is in a job. They are not doing the job well, so what do we do? We create a workaround, and it hurts the culture. It hurts, actually, those professionals that are doing their jobs well. And we know that, and they know that. And you all learned this from this listening tour.

So look, it is kind of like base closings. I hear people talk about their special issue. You have a base in your home State. It is the best base ever, obviously, because you have people in your own State employed. But that is what we are hearing a lot of, I am sorry, tonight, is a special thing for a special state or a special interest.

I hope we will do away with all of them that are unnecessary. And I think most of them are unnecessary, okay? And I think the Foreign Service professionals believe they are unnecessary.

We just had one created, unfortunately, for Ukraine. Here we have the Secretary of State says that most of these things are unnecessary, and then he creates one. Well, this person is going to carry out some important policy for our Nation, right? I mean, this Ukraine issue is very important.

If we are going to do that, they ought to at least be confirmed. I mean, if we have somebody carrying out policy relative to Ukraine, which is important, we ought to be able to confirm them.

So, look, these positions are duplicative. They waste money. They have huge staffs. We may end up having some special envoys that are important. But just from this one Senator, I just get one vote like the other 20 people on the committee, I think, mostly, it is a waste of money, a waste of time. It hurts our culture. And I hope you will do everything you can to do away with most of them, if not all of them.

So anyway, I hope that is balancing out some of the other comments that have been made.

I thank you for being here today. I thank you for your great spirit, if you will, in wanting to work with us. I think you are bringing a lot to the department that is needed at this particular time.

So thank you for coming. Please answer our questions promptly. The meeting is adjourned.

[Whereupon, at 6:38 p.m., the hearing was adjourned.]

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## Additional Material Submitted for the Record

### RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD BY MEMBERS OF THE COMMITTEE

#### RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO JOHN J. SULLIVAN BY SENATOR MARCO RUBIO

*Question 1.* There are still open vacancies for the Assistant Secretary of the Bureau of Democracy, Human Rights, and Labor, the Ambassador-at-Large for International Religious Freedom, the Special Envoy to Monitor and Combat Anti-Semitism, the North Korea Human Rights Special Envoy, and the Special Coordinator for Tibetan Issues—all of which are congressionally mandated positions. What is the timeline for filling these vacancies?

Answer. The Department is working closely with the White House to identify qualified candidates for our vacant senior leadership positions. As additional nominees are announced, the Department will work closely with the SFRC and the Senate on the confirmation process.

*Question 2.* Does the Department plan to nominate a Special Envoy to Monitor and Combat Anti-Semitism? I was troubled to see recent reports that as of the first of this month the office is unstaffed. Why has the office been unstaffed?

Answer. We are currently evaluating the utility of the nearly 70 Ambassadors-at-Large, Special Representatives or Special Envoys that exist within the structure of the U.S. Department of State. We want to make sure that the responsibility for each issue is appropriately placed and aligned with the resources needed to achieve its mission. The Special Envoy to Monitor and Combat Anti-Semitism is a statutorily required position that will be maintained within the Department. The administration considers this a crucial position, and hopes to announce an appointment soon. The Department wholeheartedly agrees that the United States must continue to send a clear and strong message that anti-Semitism will not be tolerated.

It is important to note that the Office of International Religious Freedom in the Bureau of Democracy, Human Rights and Labor is staffed with a team of policy experts that currently support efforts to monitor and combat anti-Semitism. The Department is monitoring and reporting our findings on anti-Semitism, just as we are working to combat anti-Semitism, both bilaterally and multilaterally. In addition, we are maintaining regular contact with Jewish community organizations domestically and internationally. In sum, the Department will continue to meet its mandate on foreign policy goals that are currently the charge of the Special Envoy.

*Question 3.* There is currently a Special Advisor for Religious Minorities in the Near East and South/Central Asia, but as originally envisioned in the authorizing legislation, that role was supposed to have the rank of Special Envoy. Is the elevation of that role under consideration?

Answer. Elevation of the Special Advisor to the rank of Special Envoy is not yet under consideration. A decision on this issue will be made after the Department's ongoing review of the utility of the nearly 70 Ambassadors-at-Large, Special Representatives or Special Envoys that exist within the structure of the U.S. Department of State, including the Special Advisor for Religious Minorities in the Near East and South/Central Asia, is completed. The Secretary fully intends to consult with Congressional committees on positions of interest on those mandated by statute to promote maximum effectiveness on behalf of those issues. We want to make sure that the responsibility for each issue is appropriately placed and aligned with the resources needed to achieve its mission.

*Question 4.* In 2015, Senator Cardin and I introduced in the Senate the Foreign Aid Transparency and Accountability Act, which President Obama signed into law last year. I hoped the legislation would help improve the accountability of our foreign assistance. I was troubled to see a State Department Inspector General report released last month sub-titled "Department of State is Still Unable to Accurately Track and Report on Foreign Assistance Funds." What is the Department specifi-

cally doing to improve transparency? Would you provide an update on the implementation of the Foreign Aid Transparency and Accountability Act?

Answer. The Department of State takes seriously its responsibility for making data on foreign assistance financial activities public and continues to make progress on its Foreign Assistance Data Review Initiative (FADR). The Department responded to the OIG report on June 8, 2017. In coordination with Office of U.S. Foreign Assistance Resources, the Bureaus of Administration, Budget and Planning, Comptroller and Global Financial Services, and the Office of Management Policy, Rightsizing and Innovation (as well as other Bureaus with their own assistance tracking systems), the Department identified gaps to fill in how we tracked this information (Phase 1), and developed a data dictionary for each bureau to implement so that we could ensure each unique system was tracking similar information (Phase 2). These two reports were made public in December 2015 and January 2017, respectively. The FADR implementation plan (outlining the steps for Phase 3) has been developed, and will be transmitted to Congress shortly pursuant to Section 7006(a) of the FY 2017 Appropriations Act. The final phase (Phase 4) will implement the changes recommended in the Phase 3 plan according to the established timeline.

With regard to implementation of the Foreign Aid Transparency and Accountability Act of 2016 (FATAA), to date, 18 of the 22 agencies covered by existing foreign assistance transparency guidelines have begun to report data to ForeignAssistance.gov, and have met, at least in part, FATAA transparency provisions. ForeignAssistance.gov is updated on an ongoing basis as information from agencies is received (approximately every two weeks). Agencies provide transaction-level (obligation and disbursement) information, along with award-level information, including the ID, title, description, and benefitting country or region. A clearinghouse to house State's strategies, budget documentation, evaluations and other information including lessons learned is currently being developed. Additionally, the Department has started the process to allow for the unclassified portions of the Integrated Country Strategies (ICS) to be made public.

As for the evaluation component of FATAA, informational sessions have been held with all bureaus to convey the requirements of FATAA and begin compliance activities. The Department's current Evaluation policy has been rated highly by GAO, and the Department is working to expand policy to include steps requiring documentation of program design and logic models, monitoring plans, and regularly reviews of progress. The Department also released the Program Design and Performance Management Toolkit (available publically at <https://www.state.gov/ff/tools/>), and has begun offering four-day classroom training on strategic planning and performance management in addition to ongoing technical assistance provided by the Office of U.S. Foreign Assistance Resources and the Bureau of Budget and Planning.

*Question 5.* One of the recommendations in the State Department Inspector General report released last month was for the Deputy Secretary "to assign a senior Department official to oversee the process of developing and executing a plan with clear milestones and target completion dates to address foreign assistance tracking and reporting requirements." The Department noted that it would assign this position to oversee the process. Has this Department official been assigned? What is the status of the process?

Answer. In the Department's response to the OIG report, we concurred with this recommendation, and a senior Department official will be assigned to oversee this process. We are still in the process of determining who will be selected, and we intend to make a selection prior to the end of the first timeline milestone as written in the report that was sent to the committees on Appropriations, pursuant to section 7006(a) of the FY 2017 State and Foreign Operations Appropriations Act.

*Question 6.* I know that you just completed a Department-wide survey to take the temperature of your workforce. How would you characterize the results of the survey? Based on survey results, is morale low? If so, why, and what do you intend to do to address the situation? Do employees feel like they understand the mission of the Department? Do they feel like the important work they do for our country matters? What results from the survey surprised you? What results concerned you?

Answer. In May, as part of an effort to collect feedback on how we can think creatively about work process design, we invited all Department employees to participate in a survey to shape the future of the Department. Over 35,000 employees completed surveys. Based on the report of this Listening Tour produced by the consulting firm hired to analyze the survey data, the overarching theme identified was the extraordinary dedication and patriotism of the men and women in the Department and their commitment and confidence in this agency. We will conduct a comprehensive review of all the feedback we received so that we can develop strategies

that will address key concerns articulated by the workforce, such as: 1) needing greater clarity about how our mission is defined; 2) reducing duplicative layering of work processes and approvals; and 3) addressing various leadership and management issues. Overall, the feedback we received through the survey was extremely valuable and will help us narrow our focus as we identify and remove obstacles so that our employees can do their jobs more effectively and more efficiently.

The Listening Tour was the first phase of this process. The Department is currently undertaking a redesign, which is an employee-led initiative jointly conducted by State and USAID to examine how we can structure our processes, workforce, and technology to better achieve our mission, from which the vision for the future will emerge. In July, we convened a group of key leaders from State and USAID—across Civil and Foreign Services and from a diverse cross section of regional and functional bureaus, including individuals in overseas and domestic assignments—to articulate core tenets for each organization: Purpose, Mission, and Ambition. We have asked for employee feedback on these draft mission statements, which will help guide and inspire the redesign. We have also launched internal portal websites to continue to engage the workforce and provide all employees the opportunity to submit suggestions to inform the redesign effort. Recently, Deputy Secretary Sullivan conducted a town hall to answer employee questions with respect to the redesign effort.

Our employees are our most valuable resource. Their continued engagement and candid input will be vital to the success of the redesign effort. We want to ensure that the workforce understands that the core values of the State Department have not changed; and that we will continue to lead America's foreign policy and create conditions for a better, more secure, more prosperous United States. We are working on behalf of the American people to carry out the President's foreign policies.

*Question 7.* As you noted at the hearing, the Department is still under a general hiring freeze. I understand that this includes promotions and lateral transfers. I'm concerned that when organizations institute hiring freezes, the result is often that those who can leave do, resulting in a lesser workforce. This would be especially true in a situation where promotions and lateral transfers have been halted as well. Can you explain to me the rationale behind the continued hiring freeze? Why is there a promotion freeze? Are you concerned that you will lose your best employees? When do you expect the promotion and lateral freeze to end?

*Answer.* The President's government-wide hiring freeze was in place from January 23 through April 12 of this year. The Secretary chose to continue the freeze for the Department of State, with exemptions on a case-by-case basis, pending a comprehensive review of the efficiency and effectiveness of the Department, which is currently ongoing.

Continuation of the hiring freeze remains a temporary necessity while we assess, through an employee-led redesign process, the current and future state of the Department's organization structure and its staffing needs. By temporarily halting the movement of people for the short period that the redesign is underway, we can be confident that we are not placing someone into a position that may be affected by these efforts. That said, we also recognize exceptions are occasionally needed. To that end, we have granted nearly 1500 exemptions in order to support the security, safety, and health priorities of the Department and the Secretary continues to receive and review requests for exemptions from throughout the Department.

The importance of these measures has been shared with employees who remain engaged and committed to the Department's mission. We are proud of our employees and are confident in the quality of our workforce now and going forward.

*Question 8.* My office has been a beneficiary of the State Department's legislative fellows programs. I believe that they provide the Department with valuable insight into the legislative process while providing offices like mine additional subject matter expertise. Is the Department considering decreasing the size of its Congressional legislative fellows programs? If so, why?

*Answer.* The professional development of Department employees remains a high priority. As part of the redesign efforts, we have taken a holistic approach to analyzing the various career development programs within which Department employees participate. Due to our continuing efforts with the Department's redesign, we remain committed to the professional growth of our employees and will continue to routinely assess future developmental needs and opportunities. However, with the mandate to Federal agencies to restructure and identify areas for cost savings, along with the budget reductions planned for the Department, we expect there will be a reduction in the number of non-reimbursable detail assignments to other U.S. government agencies and offices, which may include Pearson Fellowships.

*Question 9.* For years, the Department openly ignored violations of the Iran Sanctions Act and issued mandated sanctions reports on the Iran, North Korea, Syria Non-Proliferation Act years late. Do you commit to fully enforcing the Iran Sanctions Act and other laws that impose Iran sanctions? Will you submit the aforementioned reports in a timely manner?

Answer. The Iran Sanctions Act (ISA) is a key piece of the U.S. sanctions regime against Iran. The State Department works to faithfully execute both the letter and the spirit of all sanctions legislation. In order to successfully implement this legislation, the Department of State works with various other Departments, the intelligence community, and our allies to identify and take actions against any individuals or entities found to be violating U.S. sanctions.

The Department of State views the Iran, North Korea, and Syria Nonproliferation Act (INKSNA) as an effective tool for impeding proliferation programs of concern. We recognize that reports have been late but have worked to minimize delays and comply with INKSNA's 6-month reporting cycle as we clear the existing backlog. The Department delivered the latest INKSNA report, covering CY 2014 activity, to the Hill in March 2017. Previously, we delivered additional INKSNA reports to the Hill in June 2016, September 2015 and December 2014. We note that the transmission of three INKSNA reports covering three years of activity within the last 18 months is a strong indicator that the Department is making progress towards delivering reports in a timely fashion. The Department is preparing to obtain feedback from the interagency on the CY 2015 INKSNA report (now that the CY 2014 decisions can be incorporated into this iteration), and has identified the relevant activity for the CY 2016 report.

We also would highlight the fact that the Department uses INKSNA as an effective sanctions mechanism to regularly impose penalties against a large number of entities and individuals for engaging in proliferation activities. For instance, in March 2017 we imposed sanctions against 30 entities and individuals, including 11 for supporting Iran's missile program. In fact, since September 2015, we have sanctioned over 85 entities and individuals under INKSNA, testifying to the Department's robust implementation of this Act as a valuable tool to advance U.S. non-proliferation goals.

*Question 10.* Have you considered moving the Office of Counter Threat Finance and Sanctions from the Bureau of Economic and Business Affairs to a more thematically appropriate bureau?

Answer. Executive Order 13781 of March 13, 2017, calls for each agency to submit a plan, due in September, to improve the efficiency, effectiveness, and accountability of that agency. We are looking at aligning resources, people, and our overarching mission, including restructuring State and USAID's operations, in order to deploy the talent and resources of State and USAID in the most efficient way possible. We have no preconceived outcomes.

Sanctions are a critical tool in supporting and advancing U.S. foreign policy and national security interests. The Department is maintaining vigorous implementation of its sanctions commitments and obligations, both domestic and international. The Division of Counter Threat Finance and Sanctions (TFS) within the Bureau of Economic and Business Affairs (EB) has historically held responsibility in the Department of State for internal management of the vast majority of the United States' economic sanctions programs. TFS plays a significant role in the development of new economic sanctions programs and implementation of existing programs, supporting the Department's efforts to maximize sanctions pressure on targets and minimize unintended consequences. TFS works along with interagency partners (traditionally the Department of the Treasury and the Department of Commerce) and State's geographic and functional bureaus to conduct extensive outreach to both domestic and international business communities—as well as governments—to build multilateral coalitions, discourage, and disrupt behavior and financial flows that support behavior contrary to our interests.

*Question 11.* Have you considered consolidating sanctions enforcement activities across the government, including possibly moving these responsibilities to Treasury, where the bulk of sanctions work is already done?

Answer. Close coordination between the Departments of State and Treasury greatly enhances the effectiveness and global impact of U.S. sanctions regimes covering more than two-dozen countries, conflicts, and/or global phenomena, such as proliferation or terrorism. The promotion of U.S. foreign policy goals through sanctions is a complex effort, necessarily involving a whole-of-government approach, but is and will fundamentally remain a foreign policy issue. For this reason, the State Department's role in sanctions policy and outreach is critical, and is conducted in

close coordination with the Department of the Treasury at every level. This enhances both U.S. sanctions' effectiveness and global impact.

In addition to exercising the independent sanctions authorities maintained by State related to terrorism, international security, and non-proliferation, the State Department handles the bulk of the diplomatic engagement necessary for the enactment and implementation of sanctions programs covered by both Departments. The global reach of the State Department's worldwide missions, our extensive high-level contacts with foreign partners, and the diverse technical skill sets of State personnel on such issues as nonproliferation, export controls, and counterterrorism are critical to successful sanctions implementation. As a result, the State Department remains at the forefront of maintaining the integrity and vitality of U.S. sanctions programs at both the strategic and tactical levels, advancing U.S. foreign policy and national security objectives.

Foreign engagement on sanctions is enabled by well-established, longstanding State Department and Treasury processes for obtaining downgraded intelligence information to share with foreign counterparts to press them to implement sanctions, adopt parallel sanctions measures, and stop sanctionable activities, such as proliferation-related technology transfers, before designations are imposed. This engagement is critical to gaining meaningful support for U.S. and multilateral sanctions. In addition, the State Department is also best-suited to ensure that sanctions designations and related enforcement activities fully support broader foreign policy equities and goals. We understand potential sanctions targets' economic and political vulnerabilities and consult with Treasury to avoid unintended consequences that would unnecessarily harm American interests. In addition, State's Bureau of Economic and Business Affairs routinely develops and conducts outreach, both jointly with Treasury and on its own, to the international business community and with governments to encourage compliance with sanctions.

The Department of the Treasury is also responsible for sanctions administration and enforcement, including specifically involving the technical implementation of the legal and regulatory requirements. Sanctions enforcement may include conducting civil law enforcement investigations against any persons that commit or engage in violations; issuing designations; maintaining the Specially Designated Nationals and Blocked Persons (SDN) List and other sanctions related lists; and engaging with domestic and international constituencies as to the nature, scope, and applicability of sanctions. Cooperation between our Departments is extensive and critical. However, the State Department's policy perspective, expertise, and operational reach cannot be duplicated by Treasury and is essential to the success of U.S. economic and trade sanctions. Sanctions are a tool of diplomacy best guided by those whose sole remit is the conduct of foreign affairs on behalf of the United States.

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RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO  
JOHN J. SULLIVAN BY SENATOR BENJAMIN L. CARDIN

*Consular Affairs and Population, Refugees, and Migration Bureaus*

*Question 1.* One proposal under consideration as part of the administration's efficiency review process is to move the State Department's Consular Affairs and Population, Refugees, and Migration Bureaus to the Department of Homeland Security. I am pleased that Secretary Tillerson opposes this shift and believes this work is "essential to the Department's mission." These diplomatic and humanitarian functions should remain with the State Department, which has the experience, personnel, and regional knowledge needed to carry out consular and refugee affairs. Can you expand on why is it so critical for these functions to remain under State Department leadership?

*Answer.* Decisions on passport and visa operations can have profound implications for foreign and economic policy in addition to security. The Department's cadre of local language trained Foreign Service Officers, Consular Fellows, Civil Servants, and Local Employees bring skills in dealing with foreign governments, along with broad knowledge of regional and local cultures to visa and passport decisions.

Responding to refugee crises requires a combination of efforts to meet refugees' immediate needs, support countries to which refugees have fled, use diplomacy to seek political solutions that will allow refugees to return home, and provide resettlement to those who cannot return home or survive in the location to which they have fled. PRM is a critical component of an efficient system at State that contains the full range of responses to refugee crises: diplomatic, resources, and resettlement. Humanitarian crises are the results of political crises, often in areas of national se-

curity interest to the U.S. (e.g., Syria, Iraq, Ukraine, and South Sudan), and require political solutions. State is best situated to coordinate our diplomatic, assistance, and national security efforts to achieve these solutions.

*Question 2.* There has been a suggestion that as part of the reorganization, Consular Affairs (CA) and the office of Population Refugees and Migration (PRM) be moved wholesale from the State Department to the Department of Homeland Security (DHS). The proposed move of CA and PRM to DHS would effectively kill these important programs. Do you support moving these programs out of the State Department?

*Answer.* We do not support moving these programs out of the State Department. The functions of both the Bureau of Consular Affairs (CA) and the Bureau of Population, Refugees, and Migration (PRM) are vital to the Department's mission to secure our borders and protect the American people. The Secretary believes that the State Department is the rightful home for both bureaus.

U.S. border security depends on a system of "layered defense" for maximum effectiveness, and the current system of vetting and adjudicating visas has built-in checks that strengthen our national security. DHS sets visa policy, CA vets applicants' biometric and biographic data against U.S. law enforcement and intelligence community databases, and consular officers review the vetting results and use their regional and in-country knowledge to interview applicants and determine their eligibility for a visa in accordance with U.S. immigration law. If the intending traveler is found eligible and issued a visa, DHS then vets inbound passengers before they board flights, and at U.S. ports of entry. Visa and passport data is widely shared with law enforcement and intelligence agencies, and all visas are subject to continuous interagency vetting. CA's Visa Office can revoke a visa at any time should information arise suggesting the visa holder may no longer be eligible for the visa. We believe that every adjudication action is a national security decision and utilize our unique corps of language-trained and internationally-experienced staff to make the most accurate decisions.

Responding to refugee crises requires a combination of efforts to meet refugees' immediate needs, support countries to which refugees have fled, use diplomacy to seek political solutions that will allow refugees to return home, and provide resettlement to those who cannot return home or survive in the location to which they have fled. PRM is a critical component of an efficient system at State that contains the full range of responses to refugee crises: diplomatic, resources, and resettlement. Humanitarian crises are the results of political crises, often in areas of national security interest to the U.S. (e.g., Syria, Iraq, Ukraine, and South Sudan), and require political solutions. State is best situated to coordinate our diplomatic, assistance, and national security efforts to achieve these solutions.

*Question 3.* As you consider whether or not it makes sense to fold USAID into the Department of State, what is your understanding of the differences and similarities in the disciplines of development and of diplomacy? Given that these are different undertakings, at least in my view, as an organizational and management issue, how would you reconcile them in one institution and expect success?

*Answer.* Executive Order 13781 of March 13, 2017, calls for each agency to submit a plan, due in September, to improve the efficiency, effectiveness, and accountability of that agency. The Department of State (Department) and U.S. Agency for International Development (USAID) are working to meet this deadline and have begun to discuss goals, priorities and the strategic direction of the organizations to adapt to the changes that we will face over the next twenty years. We are looking at aligning resources, people, and our respective missions, including restructuring the Department and USAID's operations, in order to deploy the talent and resources of the Department and USAID in the most efficient way possible. This review has no preconceived outcomes.

The general intent for this review is to engage the Department and USAID community to design how the agencies will function for the next twenty-plus years. We look forward to keeping the committee and others in Congress informed throughout this process. The recommendations, blueprints, and new vision that emerge from the redesign endeavor will be presented to OMB in September as part of the requested Agency Reform Plan, and will be fully discussed with the committee and others in Congress before implementation begins in FY 2018.

There is no intention or plan to fold USAID into the State Department.

*Question 4.* The "Listening Report" for the State Department and USAID commissioned by Secretary Tillerson found that USAID employees are deeply concerned by proposals that could reduce the agency's autonomy as part of the Department's "efficiency review" process. Are proposals to merge USAID into the State Department or reduce the agency's autonomy under consideration as part of your review? As the

head of this review process, how will you work to address employee concerns regarding the future of USAID?

Answer. Executive Order 13781 of March 13, 2017, calls for each agency to submit a plan, due in September, to improve the efficiency, effectiveness, and accountability of that agency. The Department of State (Department) and U.S. Agency for International Development (USAID) are working to meet this deadline and have begun to discuss goals, priorities and the strategic direction of the organizations to adapt to the changes that we will face over the next twenty years. We are looking at aligning resources, people, and our respective missions, including restructuring the Department and USAID's operations, in order to deploy the talent and resources of the Department and USAID in the most efficient way possible. This review has no preconceived outcomes.

The general intent for this review is to engage the Department and USAID community to design how the agencies will function for the next twenty-plus years. We look forward to keeping the committee and others in Congress informed throughout this process. The recommendations, blueprints, and new vision that emerge from the redesign endeavor will be presented to OMB in September as part of the requested Agency Reform Plan, and will be fully discussed with the committee and others in Congress before implementation begins in FY 2018.

There is no intention or plan to fold USAID into the State Department.

#### *Reorganization Process*

*Question 5.* You are currently leading a massive effort to comply with the President's Executive Order on reorganizing the federal government. So far, this has included soliciting input from Department personnel and hiring outside organizations to make recommendations. Can you talk about this process and the next steps? How are you planning to seek additional input throughout the reorganization/reform process, including from Congress and the stakeholder community? Will you commit to working with this committee to ensure sustainable reforms to the State Department and our foreign assistance agencies?

Answer. We are committed to working with this committee to ensure sustainable reforms, and to keep the committee and others in Congress informed through this redesign process.

The second phase of our efficiency redesign/review started in earnest the week of July 10. I chair an Executive Steering Committee, which provides guidance to five working groups, each of which is jointly chaired by State and USAID and consists of State and USAID employees. The participants consist of career staff at State and USAID, and a mix of Foreign Service and Civil Service, and representation from both the field and Washington. Each workstream also has one non-career employee. The working groups will be calling on subject matter experts as they delve into specific subjects and processes. We will work full speed ahead for the next six weeks and produce a report for OMB in September.

Our goal is to keep our employees, and you, informed as to the process, and to provide an opportunity to solicit input and suggestions.

*Question 6.* The process for consideration of State Department Reorganization inside the Department has appeared—from outside the Department—to be a little chaotic thus far. There has been a listening tour. There has been a workforce survey. Outside consultants have been hired. Several working groups have now been formed. There are the OMB taskers, with the June 30 deadline for the first set of recommendations. It is hard to understand how all these pieces fit together. Can you explain to us your understanding of how all these different elements are going to create a coherent and constructive set of recommendations?

Answer. Executive Order 13781 of March 13, 2017, calls for each agency to submit a plan, due in September, to improve the efficiency, effectiveness, and accountability of that agency. We are looking at aligning resources, people, and our overarching mission, including restructuring State and USAID's operations, in order to deploy the talent and resources of State and USAID in the most efficient way possible. We have no preconceived outcomes.

In the first "listening" phase of this discussion, we engaged Insigniam, a consulting firm that specializes in transformation, to conduct a survey made available to all of our State and USAID colleagues, including employed family members, locally-engaged staff, and contractors. The surveys and listening sessions, all of which occurred in early-mid May, collected information on our organizational processes and culture, including what activities to eliminate, ideas for restructuring the organization, ideas for improving organizational efficiency and effectiveness, and workforce management. We are using the results of Insigniam's report as input to efficiency improvements as part of our larger efforts called for under E.O. 13781.

The second phase of this efficiency review is framing the redesign effort itself, which involves representatives of the State and USAID community to design how the agencies will function for the next twenty-plus years. I chair an Executive Steering Committee, which provides guidance to five workstreams, each of which is jointly chaired by State and USAID and consists of State and USAID employees. The workstreams will build out high-level execution plans consistent with the overall vision of the effort and the objectives of the Executive Steering Committee. The resulting blueprints will identify key activities and milestones for implementation over subsequent months and years, as well as the budget needed to execute the ideas. As the working group teams build out their blueprints, others will begin prototyping the organizational design, which will support the vision of how the work is being performed overseas. The recommendations, blueprints, and new vision for the organizational chart will be provided in the final Agency Reform Plan due to OMB in September.

We will keep the committee and others in Congress informed throughout this redesign process.

#### *Preliminary Reform Plan*

*Question 7.* Given the complexity of the planned reorganization process, it would be extremely helpful to understand the Department's priorities thus far. Under the OMB's April 2017 memo, each agency was required to submit a high-level draft of its reform plan by June 30. Will you provide a copy of that June 30 plan with the committee? You may submit it with your responses or arrange for staff to receive it separately.

*Answer.* We will continue to work with your staff on keeping them apprised of the redesign process.

#### *Reorganization Authorities / Legislative versus Administration Authorities.*

*Question 8.* How do you plan to work with this committee and with Congress more broadly to approach reorganization matters, both for those issues that require legislative approval or action as well as those issues that you can address by administrative fiat—but where I'd suggest that partnership with Congress is a much better and more sustainable approach? Will you submit legislation proposing specific reorganization changes to the Department? What do you think you can do administratively, without legislation?

*Answer.* Our review has no preconceived outcomes. We will submit to OMB in September a final Agency Reform Plan with recommendations, blueprints, and new vision for the organizational chart. We will keep the committee and others in Congress informed throughout the process.

Following discussions with OMB about which reforms to act upon, we will again consult with the committee and with Congress before taking administrative action. We anticipate that some reforms may require legislative action, on which we will work closely with you.

#### *Hiring Freeze Impact*

*Question 9.* Despite the fact that the President and OMB lifted the government-wide hiring freeze in April 2017, the freeze remains in effect for many positions at the State Department. While I understand the Department's desire to engage in a thorough review before making recommendations regarding any reorganization, I am concerned about the impact the freeze may have on the Department's mission and effectiveness, especially as employees in leadership positions leave and critical positions remain unfilled. In addition, I am concerned about the effect that the limits on hiring for Eligible Family Members are having on our ability to fill and retain Foreign Service Officers in critical postings. Can you explain which positions are currently subject to the freeze or limited hiring, and why? In addition, please address any planned changes to the freeze, as well as any exceptions that have been made.

*Answer.* The President's government-wide hiring freeze was in place from January 23 through April 12 of this year. At the end of the government-wide freeze, the Secretary chose to continue the Department freeze, with exemptions on a case-by-case basis, pending the completion of the ongoing comprehensive review of the efficiency and effectiveness of the Department. Through these efforts, he aims to make the Department of State lean, accountable, and more efficient. Continuation of the hiring freeze is a necessary, but temporary part of that effort. We have granted several hiring exemptions in order to support our safety, security, and health responsibilities, and we continue to review hiring freeze exception requests on a case-by-case basis. While we continue to compile the data, we expect that approximately 1,466

hiring freeze exemptions will be approved by August 10. These include Civil Service, Foreign Service, Consular Fellows, Eligible Family Members (EFM), and Locally Employed Staff. Of these exemptions, we expect that approximately 763 will be for EFMs. EFM exemptions are granted on a global basis based on priorities submitted by each Regional Bureau.

*FY 2017 Appropriations Requirements*

*Question 10.* How do you intend to meet the requirements of the FY 2017 appropriations law that requires notice and consultation of the Congress for any office creation, renaming, or shifting of personnel? What does meaningful consultation look like?

Answer. The Department remains committed to working with Congress on the steps we are considering to improve the ability of the Department and USAID to achieve critical foreign policy goals. We have been in regular communication on the redesign process with the Department's committees of jurisdiction. The Department will continue to work with Congress, including your staff, during the redesign process and will notify and report on planned organizational changes as a result of the redesign process consistent with sections 7015 and 7034(l) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2017 (Division J, P.L. 115-31). At the end of this process, our goal is to ensure the State Department and USAID are better equipped to address the foreign policy challenges of the United States.

*Working Groups*

*Question 11.* Secretary Tillerson has tasked you to lead a working group focused on reform in five key areas: overseas operations, foreign assistance programs, technology, staffing, and administration. Could you share some more details on this working group, including its composition and the range of voices that will be represented? Will you commit to briefing this committee on the working group's recommendations?

Answer. The second phase of our efficiency redesign/review began the week of July 10. The Executive Steering Committee, which I chair, meets weekly. There are five working groups: 1) overseas alignment and approach, which will assess key diplomatic activities and identify required platforms, including the balance of work between Washington and the field; 2) foreign assistance, which will analyze current foreign assistance programs at State and USAID to develop a future vision, ensuring alignment with national priorities; 3) human capital planning, which will identify ways to promote an agile and empowered workforce as part of an overarching talent map; 4) IT platform planning, which will focus on improving the employee experience through increased use of cutting-edge technology and streamlining duplicative systems and processes; and 5) management operations, which will identify opportunities to streamline administrative support functions at the bureau and agency levels to ensure front-line effectiveness.

These working groups are jointly chaired by State and USAID. To select the team members, the Department sought out nominations of current and new up-and-coming leaders in the Department. 181 Department employees were nominated by bureaus. This project will engage approximately 60 of those full-time on the working groups and another 40-60 for shorter-term activities. The participants consist of career staff at State and USAID, and a mix of Foreign Service and Civil Service, and representation from both the field and Washington. Each workstream also has one non-career employee. The working groups will be calling on subject matter experts as they delve into specific subjects and processes. We will work full speed ahead for the next six weeks and produce a report for OMB in September.

The working groups' discussions are considered sensitive but unclassified, deliberative and pre-decisional. Thus, while the content will not be shared outside of the participants, our goal is to keep our employees, and you, informed as to the process, and to provide an opportunity to solicit input and suggestions.

*Regional and Functional Bureau Coordination*

*Question 12.* During your nomination hearing before this committee in May, you stated that the reorganization effort should enhance coordination between regional and functional bureaus at the State Department to address transnational threats and new means of communication and technology. Could you share an example of a proposal under consideration to improve coordination between bureaus?

Answer. The second phase of our efficiency redesign/review started in earnest the week of July 10. Our review has no preconceived outcomes. One of the workstreams, overseas alignment and approach, which will assess key diplomatic activities and

identify required platforms, including the balance of work between Washington and the field, as well as the formation and execution of foreign policy in Washington. We anticipate that this workstream will generate ideas to enhance coordination between regional and functional bureaus at the Department.

#### *Information Security*

*Question 13.* My understanding is that one of the five new management reorganization working groups recently established is intended to look at information technology and information security issues. This is an area that has been a constant source of tension for the Department in recent years, where changing technology, the demands of policy, and resource constraints have at times forced the department to seek work-arounds that create, at least at times, risk of information spillage or vulnerabilities that hackers can exploit. What efforts are you undertaking as part of the budget proposal or in the contemplated management reforms to assure that State personnel have the communications equipment that they need in order to be able to function effectively to conduct our nation's diplomacy?

*Answer.* The second phase of our efficiency redesign/review started in earnest the week of July 10. Our review has no preconceived outcomes. One of the workstreams, IT platform planning, will focus on improving the employee experience through increased use of cutting-edge technology and streamlining duplicative systems and processes. We anticipate that this workstream will generate ideas to ensure that State personnel have the communications equipment that they need in order to be able to function effectively to conduct our nation's diplomacy.

#### *Nominations*

*Question 14.* There is mounting concern, both on Capitol Hill and around the world, that the Department of State lacks nominees for a large number of the senior officials critical for the Department's work. Additionally, the lack of nominees to fill Ambassadorial posts for key allies around the world is perplexing. The Senate cannot move to confirm nominees we do not have. There are also press reports that you intend to leave these positions unfilled as you continue to conduct a management review. While I have the utmost respect for the career professionals at the Department, they will also be the first to tell you that there is no substitute for senate-confirmed senior officials. What the logic is for the nominations that the Department has put forth, prioritizing for example the Bahamas over Korea, New Zealand over Mexico or India, and with only one senior management position filled? What are your plans for filling these positions? Do you perceive any damage to the Department's functioning—either its ability to conduct foreign affairs, its ability to participate in the interagency process, or for staff morale and effectiveness—the longer these jobs remain unfilled? Has the department been able to complete the mission Secretary Tillerson has proposed without senior staff providing guidance?

*Answer.* The Department is working closely with the White House to identify qualified candidates for our vacant senior leadership positions. The White House announced or nominated 44 individuals for senior Department leadership positions, both domestic and overseas; 23 of these have been confirmed. We have a deep bench of experienced career professionals serving in key positions that are highly capable and able to help the Secretary lead the Department and advance U.S. interests worldwide.

#### *Pickering and Rangel Fellows*

*Question 15.* Diversity in the Foreign and Civil Service is not only one of the best ways of representing our values abroad it is also a national security imperative. I wanted to thank the State Department for reversing its decision to prevent the Pickering and Rangel Fellows from joining their A-100 class this year. The Fellows should not have been put in this position in the first place and it speaks to unintended consequences of a poorly thought out hiring freeze and budget cut. In addition personnel actions such as hiring and lateral move freezes and blocking of promotions—all of those have an impact on the retention of diverse foreign and civil servants as well. How do you plan on committing to the retention of diverse foreign and civil service employees while at the same time making drastic cuts and changes to personnel policy which are causing the attrition of diverse applicants?

*Answer.* The Department of State is committed to the Pickering and Rangel programs as our premier diversity recruitment programs. The Department has offered eligible Fellows Foreign Service officers spots in the July and September 2017 A-100 classes. We value these talented individuals and the skills they bring into the Department. They also will benefit over the coming months from our redesign effort,

which is focused on improving the way each of us, individually and collectively, deliver on our State Department mission, here and abroad.

The Department's commitment to shape and build a more diverse and inclusive organization is long-standing; it is also a constant process—whatever progress we make, there is still more to do. The Department is committed to ensuring that any reduction in budget and personnel does not negatively affect the Department's diversity, inclusion and retention efforts.

We are determined to preserve the pipeline of our future leadership and to support all employees. The Department will continue to provide mentoring and career development counseling to help employees develop the skills necessary for advancement while strengthening the leadership and adaptive capacity of our workforce. The Office of Civil Rights and the Bureau of Human Resources work closely with employee associations and employee affinity groups to amplify their engagement. The Department's 13 Employee Affinity Groups (EAGs) serve as a link between diverse employee constituencies and the Department's senior management. To increase mid-level opportunities for professional development, the Department partnered with the International Career Advancement Program (ICAP)—a professional leadership development program for highly promising mid-career Civil Service and Foreign Service employees.

Reflecting the diversity of the United States strengthens our ability to confront the array of increasingly complex international challenges and allows for a wide range of ideas and perspectives to find creative solutions. The Department continues to enhance our diversity efforts to better reflect the image of the American population.

*Question 16.* The way in which the Department dealt with the Rangel and Pickering Fellows over the past few weeks, suggests that the administration is not actually looking at functions in a sustained and systematic way, where I think there is a reasonable discussion to be had, but rather has already determined that it wants to get the square peg into a round hole. How do you plan to address the long-term solvency of the Pickering and Rangel Fellow program at the State Department? And furthermore, does your working group, which is focused on the reorganization, have any plans to address the continued issues with a lack of diversity at the State Department?

*Answer.* The Department of State's Redesign effort is focused upon making our Agency more efficient and effective. We have no preconceived ideas about the final result, but rather have established that the cornerstone of the re-design effort is the input and feedback received from the Department's own employees. The redesign effort is being led by a diverse group of employees in five work streams, and draws upon a broad cross-section of the Department's expertise, with participation from Washington and posts overseas.

The Department is committed to Pickering and Rangel fellows as our premier diversity recruitment program. The Department has offered eligible Fellows Foreign Service officers spots in the July and September 2017 A-100 classes. The Pickering and Rangel 2018 cohorts are already moving forward, and thus, will be feeding the Foreign Service with diverse candidates through 2020. We value these talented individuals and the skills they bring into the Department.

The Department has a long-standing and enduring commitment to shape and build a more diverse and inclusive organization. Embracing diversity enhances the development of human capital resources to increase proficiency levels, promote a workplace culture that values the efforts of all members, and enhance the professional experience of our valued employees. Having a diverse set of views and backgrounds increases our effectiveness as it allows us to interpret what's going on in foreign countries and improves our interactions with foreign governments. It's as important as a policy matter as it is a moral and legal matter.

#### *Anti-corruption language in State Authorization Bill*

*Question 17.* Based on the proposed text of the bill do you believe the State Department has all the tools necessary to properly support combatting corruption worldwide? If not what more can the United States do to be a leader on this issue? Have you had a chance to review the proposed text that Senator Corker and I are working on for the State department Authorization bill? What are your views on the approach we are seeking to adopt?

*Answer.* The Department of State is working to fight corruption globally, primarily through the Bureau of International Narcotics and Law Enforcement Affairs (INL), the Bureau of Democracy, Human Rights, and Labor (DRL), and the Bureau of Economic and Business Affairs (EB). The Department recognizes that public corruption adversely affects stability and security around the world by undermining

faith in governments, distorting normal economic market forces, facilitating insurgent/terrorist activities and the trafficking of narcotics, wildlife, and persons, and aiding the ability of criminal organizations to profit from illicit activities.

The Department of State utilizes a variety of tools to meet the global challenges created by public corruption. Specifically, through INL funding and subject matter expertise, we have developed relationships with stakeholders around the world to build partner nation capacity to combat corruption with projects that enhance transparency and accountability in criminal justice institutions. We also support civil society by developing their capacity to act as government watchdogs with access to government officials and the credibility to report on corrupt practices. INL works multilaterally to implement international conventions such as the United Nations Convention against Corruption (UNCAC) and visa and financial sanctions under the Global Magnitsky Act in close coordination with the Department of Treasury's Office of Foreign Assets Control. We will continue to advance multilateral engagements via the Conference of States Parties to the UNCAC, the Open Government Partnership, and the G20 Anti-Corruption Working Group, among others. We will also continue to integrate anti-corruption considerations into economic diplomacy and security sector assistance and look for ways to maximize efficiency, ensure program effectiveness, and maintain flexibility to respond to shifts in the global anti-corruption environment.

The Department of State coordinates internally and across the interagency on anti-corruption matters. We work very closely with the Department of Justice (DOJ) to deconflict potential visa sanctions with on-going DOJ investigations or trials. Domestically, Department Points of Contact (POCs) meet regularly to share information, discuss sanctions options, and exchange best practices in foreign assistance programming. Overseas, POCs report on corruption developments with direct contact with government interlocutors, grantees, and civil society organizations. The strategic deployment of Department of State anticorruption POCs demonstrates the U.S. government's interest in fighting corruption and is in the best interest of the United States and the countries where we work.

Regarding the proposed anti-corruption language included in the Department of State Authorities Act for Fiscal Year 2018, we welcome the reliance on World Bank indicators already in use by the Millennium Challenge Corporation as a means of identifying countries where additional risk monitoring and mitigation is appropriate. However, we believe the draft legislation would place an undue burden on report drafting, which could impact bilateral relations with select countries and even our closest allies. Instead, we propose a greater emphasis on the programming necessary in countries to effect change. Other suggestions in the proposed legislation are more easily accomplished and even already implemented. For example, since 2011, INL has trained over 200 State Department employees through an anticorruption course at the Foreign Service Institute. We are expanding this effort by integrating anticorruption into additional courses and providing the anticorruption course to officers going overseas.

*State Department Consultations on State Authorization*

*Question 18.* As you have heard today, the committee is continuing to move forward on the State Department Reauthorization process. The State Department has provided valuable feedback already on some of the proposed text, do you commit to continuing this practice in the future?

Answer. As in years past, we will continue to work with the committee on pursuing legislative priorities for the Department of State. The Department wants to make the best use of our resources, maximize the use of existing flexible authorities, and seek any others necessary for effective and efficient diplomacy during the review of our structure, our management, and operations.

*Question 19.* There is a growing body of evidence that poor governance—marked by high corruption and lack of government transparency—is a key driver of fragility and political instability in many parts of the world today. Citizens frustrated by government corruption, repression, and a loss of dignity and hope are more likely to tolerate or support violent extremist groups such as Al Qaeda, ISIS and Boko Haram. Obviously, this jeopardizes both the United States and its allies. At your confirmation hearing, you committed to me that you would ensure that anti-corruption initiatives at the State Department receive the funding they deserve. Can you explain to the committee how the administration's budget prioritizes anti-corruption?

Answer. The State Department has long recognized the danger that corruption poses to the national security and economic interests of the United States. Recent events, from the so-called Panama Papers to the Odebrecht cases, illustrate corrup-

tion's continuing global incidence and impact. Aside from these high-profile cases, in many countries, transnational criminal organizations rely on corruption to operate with impunity. Corruption also facilitates other crimes that the United States works hard to combat, including the trafficking of drugs, humans, and wildlife. Corruption undermines the level playing field and sound market conditions that U.S. businesses rely upon to successfully operate abroad. Recognizing the role corruption plays in all these threats, the Department is continuing to tackle the issue through a variety of foreign assistance programs not only focused on anticorruption directly, but also promoting the rule of law, democratic governance, and transparent and accountable governments.

In the FY 2018 Congressional Budget Justification, the State Department requested \$1.6 billion in democracy, human rights, and governance assistance, which includes programs that fight corruption. This builds upon the approximately \$250 million we have dedicated to fighting corruption in FY 2015 and FY 2016. This request reflects a focused approach, supporting a variety of programs designed to build the capacity of foreign governments to create stronger laws and more effective institutions; investigate, prosecute, and secure convictions for corruption offenses; and put in place measures to prevent corruption, foster oversight, and promote government integrity and transparency. Assistance will also support efforts to foster greater cooperation between U.S. law enforcement and their foreign counterparts, engage non-government stakeholders, and build pressure for reform through anticorruption monitoring mechanisms.

The Department will also continue broader programmatic and diplomatic efforts that fight corruption by combating crime and promoting the rule of law. These programs contribute to the goal of promoting the principles of transparency, accountability, and integrity, which are critical to preventing and combating corruption. This assistance will be dedicated to, among other things, increasing citizen participation and oversight, professionalizing law enforcement and judicial officials, supporting a free media, and combating transnational organized crime and other criminal activity that draws upon corruption to advance its goals. Our efforts will also accelerate and scale the work of investigative journalists who excel in uncovering corruption. We will continue to provide targeted support for advocacy efforts at the local, regional, and global level to press for stronger enforcement of existing laws and regulatory changes to strengthen the integrity of financial and legal systems.

As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to make some tough choices about our approaches and programming priorities. We will strategically allocate our resources to our most important policy priorities. It is also important to highlight that resources do not equate to outcomes, nor the entirety of our commitment to these efforts. Overall, our ambassadors and our diplomats will also continue to advance democracy, human rights, and governance objectives globally.

*Economic Support and Development Fund (ESDF)*

*Question 20.* I strongly believe that the goal of U.S. assistance should be to help partner developing countries transition to self-sustaining and prosperous nations. I recognize that the U.S. cannot feed every hungry child, we cannot prevent every mother from dying in childbirth, we cannot help support every human rights defender, and we cannot help every farmer increase her crop yields, but your proposed budget would abruptly cut millions of people off life-changing and life-saving assistance. The administration's budget proposes to eliminate the Development Assistance account at USAID and the Economic Support Fund at State, and instead create a new Economic Support and Development Fund (ESDF). The budget for the new ESDF amounts to a roughly 40 percent cut to the total budgets for ESF and DA for FY 2017, and an even steeper cut to development assistance of roughly 60 percent. What criteria will you use to prioritize funding? How will you engage private sector and other donors to ensure that the reduced U.S. investments are leveraged appropriately to make the maximum possible impact? What is your strategy to ensure that partner countries can transition off U.S. assistance, where applicable?

*Answer.* The Agency will use the FY 2018 President's Budget request to guide prioritization of programs and operations that defend national security, assert U.S. leadership, foster opportunities for U.S. economic interests, and ensure accountability to the U.S. taxpayer.

We will continue to engage the private sector and other donors. USAID Missions will continue to partner with our key allies and host country governments with a focus on protecting Americans and American interests, advance bilateral partnerships, open new markets for U.S. businesses, and promote American interests abroad, in line with the administration's budget priorities.

Per the FY 2016 Department of State, Foreign Operations, and Related Programs Appropriations Act, any bilateral country assistance strategy developed after the enactment of the Act must include a transition plan. In accordance with the law, the Agency continuously evaluates opportunities to transition the nature of its relationship with a partner country as part of its country strategy development process.

*Democracy and Governance*

*Question 21.* Assistance for Democracy, Rights, and Governance pays dividends. In recent years we have witnessed gains in Colombia, Myanmar, Nigeria, Lebanon, Sri Lanka, and Tunisia, among others. How will this administration support these positive trends and support fragile states headed in the right direction?

Answer. Supporting countries in strengthening democracy, human rights, and governance (DRG) is critical for defending national security, fostering economic opportunities for the American people, asserting U.S. leadership and influence, and ensuring effectiveness and accountability to the American taxpayer. It is also fundamental to reducing fragility, which reflects weak governing institutions, and a fragmented society, or broken social compact—or a combination thereof in the relationship between society and the state. As has been the case for many years, DRG programs implemented by both USAID and the State Department seek to build the accountability, transparency, and responsiveness of democratic governing institutions; foster respect for human rights and the rule of law; fight corruption; promote citizen participation and engagement in good governance and rule of law; and strengthen civil society organizations and independent media. These programs are foundational to sustainable development and, coupled with sector-specific programs such as health, economic growth, and food security, help reinforce the positive gains made by countries such as Tunisia, Nigeria, Myanmar, and Colombia.

As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to make some tough choices about our approaches and programming priorities. We will strategically allocate our resources to our most important policy priorities. It is also important to highlight that resources do not equate to outcomes nor the entirety of our commitment to these efforts. Our Ambassadors and our diplomats also advance DRG objectives in country.

*Question 22.* If the goal of our global health programming is to “graduate” countries off of U.S. assistance by helping them develop strong, sustainable health systems, please discuss how a 26 percent reduction in State and USAID global health programs will help us achieve that goal.

Answer. While the United States will continue significant funding for global health programs, other stakeholders and the partner countries must do more to contribute their fair share to global health initiatives. In the aftermath of the Ebola epidemic, for example, many partner countries have made renewed commitments to building resilient health systems. Countries are moving toward strengthening the management capacity needed to develop and sustain essential health institutions and programs.

The FY 2018 budget will continue our efforts to strengthen country health systems, with the goal of graduating countries from U.S. assistance. We are committed to reaching that goal, as we become confident that sufficient health services of requisite quality can be provided by the countries.

*Question 23.* My understanding is that the Department of State is looking to apply some FY 2017 funds to FY 2018 for Embassy Security, under the argument that there are excess funds available for Embassy construction and Embassy Security, with the administration’s budget proposal asserting that the Accountability Review Board (ARB) is fully funded. It is my understanding, however, that the ARB can only be considered fully funded because of funds applied from prior years and that in fact \$300 million in additional funding is required in FY 2018 to meet the next set of ARB recommendations. \$300 million might not be much in the context of a federal budget proposal that double counts \$2 trillion, but that represents a large amount of money for State. Assuring that there are no embassy security vulnerabilities or exposures is a critical priority for me. Can you walk us through how the Department arrived at its budget proposal for Embassy Security, and provide this committee your word that you will fully fund all the ARB recommendations?

Answer. The FY 2018 Request provides \$2.2 billion in total for the Capital Security Cost Sharing (CSCS) and Maintenance Cost Sharing (MCS) program, combining \$337.7 million in new Embassy Security Construction & Maintenance (ESCM) funding, other agency contributions, consular fees retained by the State Department, and resources provided for ESCM in the FY 2017 Security Assistance Appropriations Act (SAAA). The FY 2018 budget request includes language that would clarify that the

Department's FY 2018 CSCS-MCS contribution would include ESCM appropriations provided under the SAAA. If ESCM appropriations provided under the SAAA are not utilized for the Department's FY 2018 CSCS-MCS contribution, the Department would need to identify other available funds to support the FY 2018 CSCS-MCS program at the \$2.2 billion level.

The FY 2018 Request provides \$3.8 billion for Worldwide Security Protection, which fully funds the Bureau of Diplomatic Security and other related security programs.

#### *Foreign Military Financing*

*Question 24.* The President's budget seeks to convert almost all Foreign Military Financing (FMF) to loans. What is State's current estimate of how many of FMF current recipient states will want to take on loan obligations to the United States for what was formally grants, and how many of them will actually qualify for loans?

Answer. The administration submitted its Fiscal Year (FY) 2018 budget request to Congress and has made clear that the budget reflects U.S. fiscal priorities and the need for our partners to share a greater portion of the financial burden with the United States for security around the globe. The request includes bilateral allocations for Israel, Egypt, Jordan, and Pakistan, and a request for \$200 million in global Foreign Military Financing (FMF) that may be available for targeted bilateral allocations or to cover FMF loan subsidies. The administration believes that the partial transition from FMF grants to loans will allow us to both maintain key security partnerships and provide value for American industry and taxpayers.

Not all countries may be appropriate loan partners for the United States due to their limited national budgets or other circumstances that could limit their ability to repay. The Department of State is in the process of conducting loan feasibility reviews on a country-by-country basis; we are considering each country's importance to U.S. national security, national budget, expected ability to fulfill the terms of a loan agreement, and likelihood of interest.

Pending Congressional support for the requested authority in FY 2018, the Department will begin discussions with potential loan recipients and determine requirements and priorities for grants and potential loan subsidy costs.

#### *FMF funding and U.S. Jobs*

*Question 25.* The Commerce Department has estimated that every \$1 Billion of exports supports about 6,000 U.S. jobs. The President's budget seeks to cut \$1 Billion from the FMF account, and FMF funds have to be spent on U.S. defense contractors. Has State done an impact assessment of how many U.S. jobs could be lost by this cut?

Answer. During the development of the President's budget request, the Department conducted analysis, in consultation with the Office of Management and Budget and other agencies, on how best to create savings for the taxpayer and advance America's core interests. The administration has requested the authority to provide up to \$8 billion in FMF loans in FY 2018 as well as \$4.8 billion in FMF funding. The administration feels that the flexibility provided by offering both FMF grants and loans is the most effective way to fulfill our security commitments in a cost effective manner.

#### *Counterterrorism*

*Question 26.* I understand that the Global Engagement Center may be de-emphasizing establishing partnerships with other countries to develop extremism counter-messaging centers. Is this correct? If so, why?

Answer. The Global Engagement Center (GEC) is not de-emphasizing its partnerships with other countries to develop counter-messaging centers. Our partnerships are ongoing, and our engagements with foreign partners have increased in scope and type over the past year. We value these partnerships and are appreciative of our work with foreign countries. The GEC currently works with messaging centers in the United Arab Emirates, the United Kingdom, Malaysia, Djibouti, and Jordan. The GEC has also supported the Center for Dialogue Peace and Understanding, a messaging center in Jeddah, Saudi Arabia that is hosted by the Organization for Islamic Cooperation.

The GEC's ongoing partnerships with these centers take different forms depending on their needs, including financial support, and technical expertise. For example, working with U.S. Embassy Kuala Lumpur, the GEC provided funding and technical support to help the Government of Malaysia establish a Digital Strategic Communications Division. The GEC is planning to provide additional technical training for that division on the best ways to design data-driven, effective messaging

campaigns. This fall, the GEC plans to send two staff members to the Center of Excellence for Preventing and Countering Violent Extremism in Djibouti. They will help support the establishment of a direct messaging operation, as well as help to determine staffing needs, audience analysis, and messaging themes.

Counter messaging centers harness the creativity, expertise, and unique credibility of local actors to generate positive content that challenges the nihilistic vision of ISIS and other international terrorist organizations. As the entity charged with coordinating the U.S. government-wide counterterrorism communications, the GEC plans to maintain and capitalize upon these critical partnerships, and has no intention of de-emphasizing these partnerships.

*Question 27.* As you know, the Russian compounds in New York and Maryland were seized based on the harassment of U.S. personnel in Russia. Since the seizure of these compounds, has the treatment of U.S. personnel in the Russian Federation markedly improved?

*Answer.* We share your concerns over ongoing Russian harassment of personnel and family members at our U.S. Mission to Russia. We are troubled by the way our employees have been treated over the past three years. We have raised our concerns with the Russian government at the highest levels and will continue to raise them as long as the harassment persists. The safety and wellbeing of our personnel abroad, and their accompanying family members, are issues we take very seriously.

*Question 28.* I understand that Tom Shannon met with his Russian counterpart to discuss bilateral issues. I strongly urge the State Department not to return the compounds to Russia at this time. The harassment of our people continues. It is my understanding that Russia has done nothing to deserve the reward of access to these compounds. What is the State Department's current position on this issue?

*Answer.* Under Secretary Thomas A. Shannon, Jr. met his Russian counterpart Sergei Ryabkov on July 17 to continue discussing areas of mutual concern. The conversation was tough, forthright, and deliberate. In response to your question, there was no resolution of the issue of Russian access to the compounds. Therefore, the current status of no access continues to hold.

#### *Sanctions Legislation*

*Question 29.* Finally, the Russia sanctions bill which passed the Senate 98-2 included a provision that could make the return of the MD and NY compounds subject to congressional review. There is clearly very strong support in Congress for vigilance with regards to the Russian government presence in the United States. Does the State Department support these new sanctions and if not what course of action do you suggest we take to confront continued Russian aggression?

*Answer.* This legislation reflects the bipartisan consensus of the U.S. Congress, and it includes tough measures to impose costs on, and to deter aggressive and destabilizing behavior by Russia and others. Our policy with respect to Ukraine has not changed. Russia must fully implement its Minsk commitments in order for sanctions related to Russia's aggressive actions in eastern Ukraine to be lifted. Russia must withdraw from Crimea and return control of the peninsula to the Ukrainian Government for our Crimea-related sanctions to be lifted. This legislation also makes it clear that we will not tolerate interference in our democratic process, and that we will side with our allies and friends against Russian subversion and destabilization.

While the Act is a significant modification of existing U.S. sanctions on Russia, it remains in the U.S. interest to implement sanctions in unity with G-7 and other European partners to the greatest extent possible and we remain committed to coordinating closely with our allies. We will continue to work with our G-7, European allies, and other partners to maintain unity in Russia sanctions implementation.

*Question 30.* Have any State Department funds been used for any purpose other than for providing personal security for the first family? If so, please provide a detailed accounting of any expenditures, even if later reimbursed, the beneficiaries of the services, and the purposes of and justification for any use of funds.

*Answer.* The Bureau of Diplomatic Security does not provide personal security for the first family, which is the mission of the U.S. Secret Service. DS does support the U.S. Secret Service, as we would any other Federal law enforcement organization, when requested. This support is most likely to arise when the President, Vice President, and other designated protectees conduct foreign travel or when the Secretary of State is present at domestic or foreign locations where the Secret Service is performing duties.

*Spending at Trump-Branded Properties*

*Question 31.* Has the State Department ever paid above the U.S. Government per diem rate for a hotel room at a Trump-branded property (regardless of whether the Trump Organization owns or manages the property)? If so, please provide the daily amount paid, the amount above the per diem rate, the number of rooms paid above the per diem rate, the property in question, and the justification for paying above the per diem rate.

Answer. We do not track the providers of goods and services to the State Department based on corporate or individual owner association. The Department rents property and purchases goods and services globally in the performance of its mission and all such transactions are required to be conducted under existing travel and acquisition regulations, including limits on expenditures and the rules for sourcing all such items.

*Policy for Trump-Branded Properties*

*Question 32.* Does the State Department have a policy, written or unwritten, regarding spending State Department funds on Trump-branded properties?

Answer. As stated, Federal regulations requires that the purchase of goods and services globally, in the performance of the Department's mission, be conducted under existing travel and acquisition regulations, including limits on expenditures and the rules for sourcing all such items, including "Trump-branded properties."

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RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO  
JOHN J. SULLIVAN BY SENATOR ROBERT MENEDEZ

*Question 1.* What are you doing to ensure Bureaus are adequately staffed to respond to pressing foreign policy challenges as well as operational functions of the bureau?

Answer. We have a deep bench of experienced career professionals serving in key positions that are highly capable and able to help the Secretary lead the Department and advance U.S. interests worldwide. The Department is organized into bureaus with regional or functional responsibilities—each headed by an Assistant Secretary or equivalent and each Assistant Secretary has a Deputy who is prepared to assume his/her responsibilities on short notice for any length of time necessary.

*Question 2.* What drove the decision to limit lateral movements?

Answer. The suspension of Civil Service transfers and lateral movement is temporary while we assess the current and future state of the Department's organizational structure and its staffing needs. As we complete the work of the redesign effort and evaluate the staffing needs of the Department, both overseas and domestic, we will align all of our staffing programs to strategically recruit, retain, and develop the workforce of the future.

*Question 3.* Are you concerned this will inhibit professional growth opportunities for civil servants, which may ultimately undermine the overall caliber of the workforce of the department?

Answer. The temporary freeze on filling positions through hiring and reassignments will not inhibit professional growth opportunities or undermine the caliber of the Department's workforce. As part of the redesign efforts we have taken a holistic approach to the various career development programs offered in the Department. The professional development of all our employees remains a high priority. This is supported in various ways through trainings offered by the Foreign Service Institute, access to numerous leadership development programs, to our Senior Career Development Counselors, and opportunities to engage through mentoring and coaching.

The Department believes in maximizing access to career and professional development opportunities for all its employees. We are committed to invest in these opportunities for professional growth among our Civil Service workforce. We will continue to encourage all employees to access the services offered by the Department's Career Development Resource Center as a vital resource for the professional growth of employees at all levels of the organization.

State Department employees make a difference as they contribute to a global society and the best interests of our country. We will continue to engage our employees to take advantage of the various programs offered to our Civil Service workforce such as the Excellence in Government, Aspiring and New Leader Programs, just to name a few.

*Question 4.* How do you think this limitation on career growth opportunities will affect morale?

Answer. The temporary freeze on hiring and filling vacancies through reassignments will not limit employee career growth, but we are very sensitive to the fact that any type of freeze or limitation—whether brief or long term, will likely impact morale. By design the Department reform efforts are employee led and we continue hold town halls and conduct other direct communications with Department employees on why we are taking these prudent temporary measures so that the redesign process to move quickly and efficiently. Logically, in order to get a clear picture of the Department's structure and processes it is necessary, for the time being, to limit movements of employees. Once our analysis is complete and we have a plan for restructuring the Department, it will be possible to reconsider the freeze and other limitations to permit employee movement in alignment with the Department's redesign plans.

*Question 5.* Retired foreign services officers often continue to play a critical role in the day-to-day functions of the State Department, bringing welcome experience and service. Why have you decided to stop the "WAE" practice of bringing back retired Foreign Service Offices to backfill critical positions within the department that may be unstaffed for short periods of time between postings?

Answer. We anticipate that the Department's ongoing restructuring and streamlining review will identify certain positions for elimination or consolidation. Pending the final results of this review, we have suspended new WAE hiring until final bureau/office structure and staffing plans are approved and in place.

*Question 6.* How are you determining which positions do not seemingly need to be filled? What will happen if there is a crisis that requires extra personnel, particularly those with relevant experience that could help improve American national security interests?

Answer. The State Department values the dedication, professionalism, and skills sets of all of our employees. The hiring freeze is a temporary measure that allows the Department to assess the current and future state of the Department's organization structure and its staffing needs. We are consulting extensively with our bureau colleagues to assess their priority staffing needs, in conjunction with HR assignment elements and staffing model recommendations. Current Foreign Service intake planning has been developed keeping in mind preservation of Foreign Service flow-through in our most critical Generalist and Specialist skill categories, so that new hires will be available to assume duties at various overseas posts. For the Civil Service, we will focus our hiring efforts on those mission critical occupations (MCOs) that provide important policy development and program support either directly here in Washington or in concert with our colleagues serving overseas.

We remain flexible. We have granted several exemptions in order to support our safety, security, and health and we continue to entertain requests for exemptions from throughout the Department on a case-by-case basis.

*Question 7.* The Department has reportedly stopped the practice of hiring eligible family members EFMs at overseas posts. Why?

Answer. We recognize the vital role that EFMs play at virtually every overseas post. Since we implemented the hiring freeze in January, we have approved exemptions to fill 807 EFM positions globally. Our Department redesign effort goes beyond looking at our operations here in Washington and includes examining what roles and missions we should be performing overseas. Continuation of the hiring freeze remains a temporary necessity pending outcomes of the redesign. EFMs are part of the fabric of our posts abroad and will continue to be in the future.

*Question 8.* Our Foreign Service Officers have chosen to serve their country in a capacity that has significant consequences for their families. Family members often bring language, technical or other skills that benefit the United States' interests. Additionally, family members may not be able to work in a foreign country for a variety of reasons including visa restrictions or security considerations. Why would the Department not seek to facilitate employment opportunities for those eligible family members and support our Foreign Service Officers who may need dual incomes?

Answer. The current agency redesign phase is considering how best to leverage the experience of EFMs for work in our overseas missions. In addition, the Department continues to seek new bilateral work agreements to enable family members seeking employment outside the mission to obtain work permits. The Bureau of Human Resources' Family Liaison Office helps family members advance the portability of their skills and interests during the course of the spouse's Foreign Service career.

*Question 9.* Who do you envision taking these often critical positions?

Answer. The Secretary has authorized 807 exemptions so that family members can be hired to fill the most critical positions? impacting security, safety, and health at our posts overseas.

*Question 10.* Who serves as Chief of Staff for the Deputy Secretary of State? Is this position filled?

Answer. The Deputy Secretary of State's Executive Assistant is Gregory LoGerfo, whose role includes chief of staff over the Deputy's team of Special Assistants.

*Question 11.* Does the administration plan to merge the Deputy Secretary Position with the Under Secretary for Management?

Answer. On June 15, President Trump nominated Eric Ueland to serve as Under Secretary of State for Management. Deputy Secretary Sullivan was confirmed as Deputy Secretary on May 24, 2017. Any other realignments are pending the outcome of the Department's redesign efforts.

*Question 12.* I have been troubled by recent reports that the administration is considering eliminating the Bureau of Population, Refugees, and Migration and shifting its responsibilities to DHS. This bureau at State has had strong bipartisan support over many years. Is the Department considering this move? How would this account for the important role that PRM plays in ensuring that resettlement leverages U.S. foreign policy interests? Do you have any indication of the cost of such a massive reorganization of jurisdiction? How would you foresee DHS, given its lack of foreign policy expertise and capacity, analyzing displacement contexts to leverage resettlement to advance U.S. diplomatic goals such as local integration of refugees in host countries and improving conditions in camps and urban settings?

Answer. The outcome of the organizational review has not been predetermined. As the Secretary has noted, the function of the Bureau of Population, Refugees, and Migration (PRM) is vitally important to our mission at the Department of State; humanitarian work is essential to the Department's efforts to secure our borders and protect the American people.

Responding to refugee and forced displacement crises is fundamentally diplomatic in nature and has always required a combination of meeting immediate needs while seeking longer-term solutions that will support refugees in the countries to which they've fled, get refugees home safely when they want to do so, and provide resettlement to those who cannot return home. PRM is a critical component of the State Department's efforts to achieve these objectives, amidst the world's more urgent humanitarian crises and conflicts. Achieving long-term solutions requires the expertise of many in the inter-agency and the State Department. PRM leads this coordinated effort to ensure all of our diplomatic, assistance, and national security tools are efficiently employed to address the needs of refugees and forcibly displaced people to find solutions to their displacement.

*Question 13.* Many unaccompanied Central American children—boys and girls alike—have been forced to flee their homes by threats of violence or death. Besides dangers at home, they face dangerous journeys with risks from human traffickers and others. The DOS/PRM's Central American Minor program (CAM) was created to help them access protection without having to take the dangerous journey, through refugee or humanitarian parole status. Do you affirm the importance of this program and can you commit that this program will continue? How would you see the administration continuing to operate this lifesaving program to continue saving the lives of these children?

Answer. The U.S. Refugee Admissions Program (USRAP) is continuing to accept applications and process children and eligible family members for eventual refugee resettlement to the United States under the Central American Minors (CAM) program.

The CAM program has facilitated the entry of over 3,030 children and eligible family members to the United States since its inception in December 2014. As of July 17, 1,554 refugees have been resettled in the United States and 1,465 individuals have been paroled into the United States. We have also received close to 13,000 applications.

The CAM program was expanded in November 2016 to allow other eligible family members to request admission or parole into the United States when accompanied by an unmarried, qualifying child under the age of 21. These include siblings, a biological parent, and a caregiver.

The Department of State, in consultation with the Departments of Homeland Security and Health and Human Services, is currently drafting the annual Report to Congress on Proposed Refugee Admissions, which will outline the populations of special humanitarian concern that will be processed in FY 2018.

For any questions specific to the parole component of the CAM program, please contact the Department of Homeland Security.

*Question 14.* Recent reports indicate the Department is considering closing the Office of the Coordinator for Cyber Issues? Can you confirm or deny these reports? Given the growing use of cyberwarfare, including the Russian attack against the United States in the last Presidential election, what drove the decision to close an office dedicated to this issue? What impact will this have on our ability to effectively address cyber threats?

*Answer.* The Department is currently evaluating the utility of the nearly 70 Special Representatives or Special Envoys that exist within the structure of the U.S. Department of State. As part of this review, the Department is evaluating the best way to organize to continue advancing American cyber policy interests around the world. While the stand-alone position of Coordinator for Cyber Issues will be discontinued, the office will not close and its critical work will go on. Ongoing reform efforts will seek to further integrate cyber policy work with related issues in functional and regional bureaus and ensure that cyber challenges get the attention and resources they require. These reforms will ultimately improve the ability of the U.S. Government to effectively address cyber threats and realize the positive vision of an open, interoperable, secure, and reliable internet.

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RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO  
JOHN J. SULLIVAN BY SENATOR CHRISTOPHER A. COONS

*Question 1.* In light of the ongoing hiring freeze, how is the Department working to ensure that Eligible Family Members posted overseas have access to gainful employment?

*Answer.* Nearly 800 hiring exemptions have been approved for EFM positions that support critical security, safety and health responsibilities at overseas posts. In addition to these employment opportunities, the Department continues to seek new bilateral work agreements to enable family members seeking employment outside the mission to obtain work permits. The Bureau of Human Resources' Family Liaison Office also provides programs to help family members advance the portability of their professional skills and interests during the course of the spouse's Foreign Service career.

*Question 2.* Does the Department plan to include Foreign Service Specialists in the July or September A-100 classes?

*Answer.* Forty A-100 colleagues joined the Department in July. In September, classes for 60 Foreign Service Specialists and an additional 31 Generalists will be held.

*Question 3.* What is the anticipated timeline for ending the hiring freeze?

*Answer.* The President's government-wide hiring freeze was in place from January 23 through April 12 of this year. At the end of the freeze, the Secretary chose to continue it for the Department of State, with exemptions on a case-by-case basis, pending a comprehensive review and redesign effort for the Department.

We have granted hundreds of exemptions in order to support our safety, security, and health, and the Secretary and I continue to receive and review requests for exemptions from throughout the Department.

As part of these efforts, we aim to make the Department of State lean, accountable, and more efficient. Continuation of the hiring freeze remains a temporary necessity pending the outcome of the redesign.

*Question 4.* Can you commit to us that the Department will continue the Rangel and Pickering Fellowships and ensure that Fellows are inducted into the Foreign Service?

*Answer.* The Department is committed to the Pickering and Rangel programs as our premier diversity recruitment programs, which were established in order to increase the diversity of the Foreign Service. The Department has offered eligible Fellows spots in the July and September 2017 A-100 entry level Foreign Service Officer classes. We value these talented individuals and the skills they have brought and will continue to bring to the Department.

*Question 5.* I understand that one proposal under consideration as part of the administration's efficiency review process is to move the State Department's Consular Affairs and Population, Refugees, and Migration Bureaus to the Department of

Homeland Security. What is the status of this proposal? Do you believe it is important for these functions to remain under the State Department?

Answer. There is no preconceived notion about the outcome of the organizational review. This proposal remains one of many proposals under consideration. We do not support moving these programs out of the State Department. The functions of the Bureau of Consular Affairs (CA) and the Bureau of Population, Refugees, and Migration (PRM) are vital to the Department's mission to secure our borders and protect the American people.

Decisions on passport and visa operations can have profound implications for foreign and economic policy in addition to security. The Department's cadre of local language trained Foreign Service Officers, Consular Fellows, Civil Servants, and Local Employees bring skills in dealing with foreign governments, along with broad knowledge of regional and local cultures to visa and passport decisions.

Responding to refugee crises requires a combination of efforts to meet refugees' immediate needs, support countries to which refugees have fled, use diplomacy to seek political solutions that will allow refugees to return home, and provide resettlement to those who cannot return home or survive in the location to which they have fled. PRM is a critical component of an efficient system at State that contains the full range of responses to refugee crises: diplomatic, resources, and resettlement. Humanitarian crises are the results of political crises, often in areas of national security interest to the U.S. (e.g., Syria, Iraq, Ukraine, and South Sudan), and require political solutions. State is best situated to coordinate our diplomatic, assistance, and national security efforts to achieve these solutions.

*Question 6.* A number of Delaware businesses that rely on the Summer Work Travel program to meet their seasonal employment needs have reached out to my office expressing concern that the J-1 visa program is in danger. Can you discuss the status of any proposals to eliminate or change the J-1 visa program?

Answer. The Department does not have any plans to eliminate the J-1 visa program or reduce the current levels of participation in any category.

In calendar year 2016, almost 110,000 exchange visitors from nearly 150 countries took part in the SWT program, as did around 26,000 host employers throughout the United States. Approximately 1,660 SWT participants were placed in Delaware that year. Over 700 were located in or near Rehoboth, and nearly 800, at the other beach locales, mostly in small, locally owned businesses (e.g., restaurants, pools, and shops).

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RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO  
JOHN J. SULLIVAN BY SENATOR TOM UDALL

*Question 1.* On March 8, I wrote to Secretary Tillerson, along with Senators Whitehouse and Blumenthal, asking what if any taxpayer resources are being spent to secure Trump organization commercial real estate around the globe.

- Will the State Department respond to this letter soon? It has already been 4 months.
- Has anyone in the Trump organization or Trump administration requested assistance from State to help secure a Trump organization property?
- Has the Department of State rented property or purchased additional goods and or services from the Trump organization to facilitate State department missions? If so, is there an agreement in place for the Trump organization to reimburse the federal government for those costs?
- Properties around the world are prominently branded with the Trump name, including in Istanbul, Dubai, Mumbai, Panama City, and the Philippines. Several buildings in New York City, as well as a hotel blocks from the White House, all display the President's name. Has the Department of State undertaken any assessment of the risks of attack to the Trump organizations privately owned or leased properties? If so, what is the justification for the federal government to assess the risks of privately owned properties?
- What properties owned by or in a lease agreement with the Trump Organization are currently receiving protection and what is the cost of the protection? Is there any agreement in place for the Trump organization to reimburse the federal government for those costs?
- Media reports state that the logistical demands of protecting all of the members of President Trump's family are straining resources of the State Department and other agencies. Does the State Department have sufficient resources to fulfill their missions related to protecting the President and his family and pro-

viding him with logistical support when he travels? If not, what are the plans to address the shortfalls? Do any of your agencies anticipate requesting a supplemental appropriation to fund your missions related to protection services for the First Family or any Trump Organization property or providing logistical support when he stays at his properties?

- Many of the properties owned by the Trump Organization have a private residence for the First Family within a for-profit business, such as Trump Tower in New York and Mar-a-Lago in Florida. In order to protect the First Family at these locations and to provide the President with necessary logistical support for things like secure communications, does the State Department currently, or does State plan to, rent property or purchase goods or services from the Trump Organization to facilitate their missions? What are the costs of these property rentals, goods, and services? Please include any long term leases, as well as room rentals at Trump Organization hotels and clubs. Is there any agreement in place for the Trump Organization to reimburse the federal government for those costs?

Answer. The Department of State, through its Bureau of Diplomatic Security, does not generally conduct threat assessments related to any facilities not owned or operated by the Department, or as to personnel not employed by the Department. If certain senior Department officials are to be present in non-State facilities abroad, in connection with their presence, Diplomatic Security may consider, as part of their protective duties, the general threat levels to those non-State facilities on an episodic and transient basis.

The Secretary of State is authorized by law to provide security for United States Government missions abroad and for Department of State facilities in the United States. No such missions or facilities are located in Trump Organization properties.

The Bureau of Diplomatic Security, through the Overseas Security Advisory Council (OSAC), provides security guidance to and facilitates security information-sharing with U.S. private-sector organizations operating in other countries. All U.S. private-sector organizations are treated equally, and all OSAC services are available to its constituents. OSAC has not provided any security guidance to the Trump Organization or Trump Organization properties.

The Department has not received a request from the Trump Organization or the Trump administration to secure a Trump Organization property, domestically or overseas. The Bureau of Diplomatic Security does support the U.S. Secret Service, as we would any other Federal law enforcement organization, when requested. This support is most likely to arise when the President and Vice President conduct foreign travel or when the Secretary of State is present at domestic or foreign locations where the Secret Service is performing duties. There are no resource concerns with respect to providing such support.

While the Department rents property and purchases goods and services globally in the performance of its mission, all such transactions are conducted under existing travel and acquisition regulations, including limits on expenditures and the rules for sourcing all such items. For White House trips (domestic and overseas) supported by the Department's Presidential Travel Support Office, we work closely with other U.S. government agencies, U.S. embassies, and Bureau experts to minimize costs and adhere to applicable regulations. Subject to those regulations and in the course of carrying out the functions of the Department, the Department has had and may in the future have transactions with hotels or restaurants utilizing the Trump brand and logo.

*Question 2.* The House National Defense Authorization Act just passed last week. During the floor debate, the House voted 234 to 185 to defeat an amendment that sought to block DOD climate change studies. That is a large bipartisan majority, in a Republican controlled body. Unfortunately, President Trump—reportedly against the recommendations of Secretary Tillerson—has started the process to withdraw the U.S. from the Paris Agreement. That process takes a number of years. Can you tell us if the State Department will still be participating in the Paris Agreement during the multi-year withdrawal process, and if so, how?

Answer. The President has made clear that he is open to the possibility of re-engaging in the Paris Agreement under terms that are fair to the United States and its workers. However, we must do so in a way that does not undermine the competitiveness of U.S. businesses, or hamper our broader objective of advancing U.S. economic growth and prosperity. While the administration considers those terms, and given that the United States remains a Party to the Paris Agreement and the U.N. Framework Convention on Climate Change, the State Department will continue to participate in discussions related to the Paris Agreement to protect U.S. interests and preserve all future policy options.

*Question 3.* President Trump announced some unfortunate reversals of our nation's policy toward Cuba. However, some of the progress from the last two years remains in place. Does the administration plan any further policy changes toward Cuba in the near term? What actions is the State Department taking now with regards to Cuba? Any proposals, any meetings, anything?

Answer. The President signed a National Security Presidential Memorandum June 16, "Strengthening the Policy of the United States Toward Cuba," which establishes the principles that will guide our Cuba policy. The new policy gives greater emphasis to advancing human rights and democracy in Cuba, while maintaining bilateral engagement that serves U.S. national interests. The policy also ensures compliance with the statutory ban on tourism to Cuba and seeks to ensure that our engagement benefits the Cuban people rather than the Cuban military, intelligence, or security agencies or personnel. The Departments of Commerce and the Treasury, in coordination with the Department of State, have begun work on the regulations that will implement the policy. How the U.S.-Cuba relationship evolves will depend on the Cuban government's willingness to improve the lives of the Cuban people, including through holding elections, promoting the rule of law, respecting human rights, and taking concrete steps to foster political and economic freedoms.

We plan to reconvene the Bilateral Commission in September to discuss and prioritize our engagement with Cuba going forward. We are also arranging the next round of Migration Talks and the Law Enforcement Dialogue, and we have proposed continuing our Human Rights Dialogue with the Cuban government. Other areas of bilateral engagement include:

- ◆ Encouraging the growth of a Cuban private sector independent of government control;
- ◆ Protecting our national security, public health, and safety, including engagement on criminal cases and working to ensure the return of U.S. fugitives from American justice living in Cuba or being harbored by the Cuban government;
- ◆ Enforcing final orders of removal against Cuban nationals in the United States;
- ◆ Supporting U.S. agriculture and protecting plant and animal health;
- ◆ Advancing the understanding of the United States regarding scientific and environmental challenges; and
- ◆ Facilitating safe civil aviation.

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RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO  
JOHN J. SULLIVAN BY SENATOR TIM KAINE

*Question 1.* I am concerned that the State Department imposed hiring freeze is negatively affecting Foreign Service families, particularly those deploying to our highest threat posts overseas. My Virginia constituents have been particularly alarmed that otherwise well qualified family members who were offered positions at Embassies overseas are now being told those positions are no longer available, threatening family separation and additional hardship to our FSOs on the front lines. What are you doing to address EFM hiring during the freeze and do you anticipate that these positions will be restored after you complete your review?

Answer. The President's government-wide hiring freeze was in place from January 23 through April 12 of this year. At the end of the freeze, the Secretary chose to continue it for the Department of State, with exemptions on a case-by-case basis, pending the completion of a comprehensive review of the efficiency and effectiveness of the Department, which is currently ongoing.

Over 800 hiring exemptions have been approved for Eligible Family Member (EFM) positions that support critical security, safety and health responsibilities at overseas posts. In addition to these exemptions, 19 eligible family members accepted limited non-career appointments as Consular Fellows. The Bureau of Human Resources' Family Liaison Office also provides programs to help family members advance the portability of their professional skills and interests during the course of the spouse's Foreign Service career.

*Department Re-Organization*

*Question 2.* I appreciate your testimony that the Department is seeking to incorporate career officials' views in the re-organization process and not predetermining any outcomes. I am concerned, however, that before Congress has seen any information on the re-org, the Department has already: 1) implemented a hiring freeze; 2) dissolved the offices of the Special Envoys for Af/Pak, Iran Nuclear Implementation, War Crimes, Climate Change, and others; and 3) let go dozens of senior career for-

eign service officers by removing them from their positions. Without a comprehensive strategy, we are already witnessing seismic changes in the Department, some irreversible particularly in the case of retaining personnel. How do you reconcile your determinative process to redesign the State Department and keep Congress apprised while we continue to observe significant changes daily?

Answer. Executive Order 13781 of March 13, 2017, calls for each agency to submit a plan, due in September, to improve the efficiency, effectiveness, and accountability of that agency. We are looking at aligning resources, people, and our overarching mission, including restructuring State and USAID's operations, in order to deploy the talent and resources of State and USAID in the most efficient way possible. To guide how we approach both our work process design as well as our organizational structure, the Department is taking a comprehensive look at how we actually deliver on mission.

To allow the Department to consider an accurate snapshot of our organization, the Secretary decided to maintain the hiring freeze, which was originally implemented by OMB and OPM, pending the outcome of our organizational efficiency review. We are currently evaluating the various special offices within the Department, to make sure that the responsibility for each issue is appropriately placed and aligned with the resources needed to achieve our mission, while continuing to meet our mandate on foreign policy goals.

Senior Foreign Service Officers in the Department are subject to natural rotations, assignments, and appointment processes and it is very common to move from job to job or reach mandatory retirement dates due to the up or out system. We continue to have a deep bench of experienced career professionals serving in key positions that are highly capable and able to help the Secretary lead the Department and advance U.S. interests worldwide.

Our review has no preconceived outcomes. We will submit to OMB in September a final Agency Reform Plan with recommendations, blueprints, and new vision for the organizational chart. We will keep the committee and others in Congress informed throughout that process. Following discussions with OMB about which reforms to act upon, we will consult with the committee and with Congress more deeply before taking any action.

*Question 3.* Afghanistan and Pakistan represent two of our most vexing foreign policy questions. President Trump has called for a build-up of U.S. troops in Afghanistan and delegated authority to DOD for the war in Afghanistan the same week it dissolved the State Department's Special Envoy office for Afghanistan and Pakistan. What steps is the State Department planning to complement that military buildup? What is your strategy to end the conflict through a political solution? Will the military strategy be subordinate to political objectives? Who is leading these diplomatic efforts for the State Department?

Answer. The State Department is participating in a rigorous interagency policy review coordinated by the National Security Council that, once completed, will produce an integrated approach to protecting our vital national interests in Afghanistan, Pakistan, and the region. As part of this review, the President has tasked his national security team to develop options that are realistic, sustainable, and cost effective. It is not a foregone conclusion that our strategy will require a military buildup. The diplomatic and military components of the strategy will complement each other in achieving our core political objectives, which include preventing Afghanistan and the Afghanistan-Pakistan border region from again becoming a safe haven from which terrorists can attack the homeland or U.S. interests abroad.

A negotiated peace accord with the Taliban is critical to ending the conflict and ensuring the long-term preservation of our national security interests. We have signaled to the Afghan government and our NATO allies the priority we attach to launching a peace process, and we regularly request Afghanistan's neighbors to press the Taliban to come to the negotiating table. The broad outlines of an acceptable agreement to end the conflict would require the Taliban to cease violence, break all ties to international terrorists, and accept the Afghan Constitution, including its protections for women and minorities. These end-conditions are necessary to ensure the gains achieved over the last 16 years are protected.

Diplomatic efforts with Afghanistan and Pakistan receive senior attention, including by the Secretary of State, Deputy Secretary, and Under Secretary for Political Affairs. Additionally, Acting Assistant Secretary for the Bureau of South and Central Asia Alice Wells serves as the Acting Special Representative for Afghanistan and Pakistan (SRAP). As Acting SRAP, Ambassador Wells leads day-to-day engagement on these issues along with our chiefs of mission in Islamabad and Kabul. Ambassador Wells contributes to the development and implementation of U.S. policy in

the region, and coordinates international community efforts to seek an end to the conflict in Afghanistan and to enhance regional cooperation and stability.

*Question 4.* What are the Department's plans for bolstering democratic institutions in Europe to defend against Russian aggression? How are you working with Secretary Mattis to support European resilience in political-military, cybersecurity, and other critical spheres?

Answer. Russia continues to violate the sovereignty and territorial integrity of Georgia and Ukraine, as well as to conduct malign influence activities intended to weaken democratic institutions and transatlantic unity. The United States is focused on building resilience in our partners and Allies in Europe by reducing vulnerabilities, strengthening democratic institutions, reducing corruption, building partner defense capabilities, bolstering cybersecurity capabilities, and diversifying energy supplies. In Georgia and Ukraine, our assistance is encouraging reforms, eliminating fraud and abuse, and reorienting economies away from Russian dependence in order to lessen vulnerability to economic pressure. We also are coordinating internally, including with EUCOM, to strengthen cybersecurity defenses in the region.

The European Reassurance Initiative (ERI), for which \$4.8 billion is requested for FY 2018, provides funding to increase U.S. presence across Europe, expand U.S. participation in exercises and training activities with NATO Allies and partners, enhance prepositioning of U.S. military equipment in Europe, improve infrastructure at military installations, and provide assistance to build the capacity of our allies and partners to defend themselves and enable their full participation as operational partners in responding to crises.

*Question 5.* Congress is likely to provide more funding than requested by the President in the "skinny budget" for the Department for FY 2018 given the importance it places on State and USAID. Will you respect Congress's role in the budget process and commit to implement the funds appropriated to you by Congress? Does the State Department plan to unilaterally implement significant budget cuts by refusing to spend the money appropriated?

Answer. The Department of State and USAID will obligate funds appropriated by Congress consistent with applicable law and notification requirements.

*Question 6.* Last year, I proposed an amendment, which passed in the NDAA, to give combatant commanders the flexibility to support State and USAID CVE programs, which would in turn help DoD's mission. I am concerned that more than halfway through FY 2017, we have not been informed of any proposals to use this authority. Congress views this authority as vital to our national security objectives and we provided this authority at the direct request of the combatant commanders. Can you provide an update on your discussions with DoD to use this funding authority? How many proposals have been sent to State or USAID from DoD? Has OMB informed you of any intention to prohibit State from receiving these funds from DoD? Has DoD provided State with policy guidance to use this authority in a timely manner?

Answer. The Department of State and DoD collaborate closely to ensure that we leverage both Departments' tools and resources, include DoD authorities, and advance U.S. foreign policy and national security objectives. This collaboration permits the integration of assistance programming across economic, security, civilian, and military spheres. Collaboration ensures that all of our programs advance a unified foreign policy strategy. To date, the Department of State has not received any proposals from DoD regarding the planned use of its Section 385 authority. The FY 2017 NDAA also includes the Section 1287 authority which enables the Secretary of Defense to transfer funds to the Secretary of State to support the functions of the Global Engagement Center (GEC). The GEC is working closely with senior leadership at the Department of State to advance this effort. We are ready to work with our DoD colleagues on both of these authorities, as we currently do on other authorities, in an effort to synchronize security assistance planning and programming across the two Departments.

RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO  
JOHN J. SULLIVAN BY SENATOR JEFF MERKLEY

*Question 1.* During your July 17 appearance you reiterated two points that Secretary Tillerson made during his June 13 appearance before this committee—that the administration has "no preconceived notions" on the shape of a reorganization, and that the internal redesign of State Department operations remains months away from completion. On June 13, Secretary Tillerson also mentioned that he is planning a four percent reduction to the Foreign Service and a 12 percent reduction

to the civil service work force. How did Secretary Tillerson arrive at these specific figures prior to completing your strategic review of the Department's operations?

Answer. The Department developed a workforce reduction plan consistent with OMB guidance. Foreign and Civil Service intake planning are based on less than full attrition replacement. In both cases, we believe this measured approach to hiring reflects a careful balance of workforce continuity and stability within the overarching context of the Department's ongoing redesign. For the Foreign Service, current intake planning figures were developed to preserve Foreign Service flow-through in our most critical Generalist and Specialist skill categories and ensure that newly hired personnel will be available for critical overseas postings. Civil Service intake focuses hiring on those mission critical occupations that provide important policy development and program support here in Washington and in concert with our colleagues serving overseas. Specific reduction levels among Foreign and Civil Service may be subject to adjustments as the redesign effort is completed.

*Question 2.* Is predetermining staff cuts consistent with a mission-driven—as opposed to budget-driven—review and possible reorganization of the Department? Why or why not?

Answer. In the Secretary's and my view, the limited hiring plans that have been developed are neither exclusively budget nor mission driven. Rather, we believe that our mission, program, staffing, and funding components are closely linked. As such, our measured workforce reduction plan reflects this interrelationship in the President's and the Secretary's near term vision of how U.S. foreign policy mission and program priorities will be established and executed, with the funding and staffing resources aligned to meet those priorities.

As the Secretary noted in his June testimony, one of the primary goals of the Department's efficiency review is to take a hard look at common or overlapping missions shared by various bureaus and other USG agencies. While the Department has no preconceived notions in this regard, this review will consider whether functions and/or programs within the Department are duplicative or very similar in nature. Implicit in any effort to reduce or consolidate functions or processes is a reduced workforce level to carry them out.

*Question 3.* The State Department performs essential work on behalf of the American people. I am concerned that any reorganization that does not enjoy bipartisan support in Congress risks undermining our diplomatic capacity. I am also concerned that a reorganization that does not enjoy bipartisan support could subject our Foreign Service Officers and civil service professionals to partisan debate. Mr. Sullivan, will you pledge to preview any proposed reorganization of the State Department with all of this committee's members, to solicit feedback, and to only proceed with a plan that our Chairman Senator Corker and Ranking Member Senator Cardin—collectively representing the views of the committee's broader membership—can support?

Answer. The Department remains committed to working with Congress on the steps we are considering to improve the ability of the Department and USAID to achieve critical foreign policy goals. We have been in regular communication on the redesign process with the Department's committees of jurisdiction. The Department will continue to work with Congress, including your staff, during the redesign process and notify and report on planned organizational changes consistent with sections 7015 and 7034(l) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2017 (Division J, P.L. 115-31). As the review is still underway, it is possible some of the planned organizational changes might also require statutory changes. We will work with Congress as part of or prior to the FY 2019 budget submission to pursue such statutory changes. At the end of this process, our goal is to ensure the State Department and USAID is better equipped to address the foreign policy challenges of the United States.

*Question 4.* According to the administration's "comprehensive Government-wide Reform Plan," interim agency reports were due to the Office of Management and Budget on June 30. In your testimony, however, you only noted that the Secretary has charged you with leading "Phase II" of the redesign efforts. Did the State Department issue an interim agency report to the Office of Management and Budget by the June 30 deadline? If so, what specific recommendations did you include in the interim agency report you submitted to Office of Management and Budget? If so, will you make your interim agency report available to this committee?

Answer. The Department submitted to OMB its initial draft of the agency reform plan. It is a high-level draft, intended to initiate a conversation and does not yet recommend specific changes or actions. It includes information about our current workforce and progress on our Transformation efforts so far. State and USAID sub-

mitted coordinated reports. We will continue to keep you and your staff apprised of the redesign process.

*Question 5.* According to the Wall Street Journal, the consulting firm that produced your recently-concluded employee survey wrote the following: “People do not speak optimistically about the future. The absence of a clear vision of the future allows room for speculation and rumor about what the future could bring, such as further USAID integration into DOS [Department of State] or the militarization of foreign policy.” When will you articulate a clear vision for the future of the Department? What would you say to your employees—and members of this committee—who are apprehensive about the steep cuts to budgets and staffing you have proposed and the shape of a reorganization? How would you respond to concerns from employees and members of this committee that the administration is militarizing foreign policy? Do you have any additional information to share about the potential integration of USAID into the Department of State?

Answer. Following the employee survey, the second phase of the Department’s efficiency review is framing the redesign effort itself, an employee-led initiative jointly conducted by State and USAID to examine how we can structure our processes, workforce, and technology to better achieve our mission, from which the vision for the future will emerge. We convened a group of key leaders from State and USAID—across Civil and Foreign Services and from a diverse range of bureaus—to draft core tenets for each organization: Purpose, Mission, and Ambition. We are asking for employee feedback on these statements, which will be used as a starting point to help guide and inspire the redesign, and to set clear context and direction decisions.

The redesign initiative will result in a comprehensive plan to transform the Department of State and USAID by aligning resources, people to deploy the talent and resources of the Department in the most efficient way possible.

Our employees are passionate, patriotic, and dedicated to the Department and USAID’s core missions of diplomacy and development. Our employees are our most valuable resource.

There is no intention or plan to fold USAID into the State Department.

*Question 6.* Mr. Sullivan, the proposed State Department Reauthorization Bill for FY 2018 calls for the disestablishment of any special envoy position not required by law within 30 days. There are, however, some critical special envoys, including the Lead Coordinator for Iran Nuclear Implementation, the Special Envoy for Climate Change, the Ambassador at Large for Women’s Issues, and the Special Envoy for Sudan and South Sudan. Which special envoy positions would you recommend be reestablished should the current reauthorization bill pass? Will you inform this committee of which special envoy positions, if any, the Department of State intends to maintain prior to any redesign or reorganization?

Answer. We are currently evaluating the utility of the nearly 70 Ambassadors-at-Large, Special Representatives or Special Envoys that exist within the structure of the U.S. Department of State. We want to make sure that the responsibility for each issue is appropriately placed and aligned with the resources needed to achieve its mission.

The Department will continue to meet its mandate on foreign policy goals that are currently the charge of Special Envoys, Special Representatives, and Ambassadors-at-Large, whether the charge is coming from a Congressional statute or an instruction from the President or Secretary of State.

*Question 7.* I understand some in the White House are considering moving the State Department’s Bureau of Population, Refugees, and Migration (PRM) to the Department of Homeland Security. During a July 18 hearing I co-chaired alongside Senator Young on the “Four Famines” in Northeastern Nigeria, South Sudan, Somalia, and Yemen, a panel of witnesses all agreed that this move could jeopardize the critical work PRM is doing at a time when there are more refugees worldwide than at any point in history. Do you support efforts to move PRM to the Department of Homeland Security? Does Secretary Tillerson support efforts to move PRM to the Department of Homeland Security? What impact would such a move have on the United States’ ability to provide aid and manage the worldwide refugee crisis?

Answer. The outcome of the organizational review has not been predetermined. As the Secretary has noted, the function of the Bureau of Population, Refugees, and Migration (PRM) is vitally important to our mission at the Department of State; humanitarian work is essential to the Department’s efforts to secure our borders and protect the American people.

Responding to refugee and forced displacement crises is fundamentally diplomatic in nature and has always required a combination of meeting immediate needs while

seeking longer-term solutions that will support refugees in the countries to which they've fled, get refugees home safely when they want to do so, and provide resettlement to those who cannot return home. PRM is a critical component of the State Department's efforts to achieve these objectives, amidst the world's more urgent humanitarian crises and conflicts. Achieving long-term solutions requires the expertise of many in the inter-agency and the State Department. PRM leads this coordinated effort to ensure all of our diplomatic, assistance, and national security tools are efficiently employed to address the needs of refugees and forcibly displaced people to find solutions to their displacement.

RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO  
JOHN J. SULLIVAN BY SENATOR CORY A. BOOKER

*Question 1.* Do you believe that the State Department's Office of the Special Envoy to Sudan and South Sudan should be authorized?

Answer. Working to resolve the humanitarian crisis in South Sudan and civil conflicts in both Sudan and South Sudan remain policy priorities for the U.S. government. The Office of the Special Envoy for Sudan and South Sudan, led by a senior Foreign Service officer, continues to be deeply engaged on these issues and in shaping and supporting U.S. policy, in close coordination with the Bureau of African Affairs and our international partners.

We are currently evaluating the utility of the nearly 70 Ambassadors-at-large, special representatives, or special envoys that exist within the structure of the U.S. Department of State. The appointment of a Special Envoy for Sudan and South Sudan is under consideration in the context of this effort.

*Question 2.* What steps are being taken so that the administration is ready to make a determination on Sudan sanctions in three months?

Answer. The U.S. government continues to monitor the actions of the Government of Sudan, and to corroborate and analyze information and reporting as needed to make an informed decision, building upon our assessment prior to our July 12 decision to extend the review period. We are taking such steps to ensure that a comprehensive interagency review of the information informs our decision on October 12, including through a senior-level interagency process designed to take into account the views of the State Department, the Treasury Department, the Office of the Director of National Intelligence, and the U.S. Agency for International Development, among others. We continue to coordinate closely with and consider relevant and credible information from a wide range of sources both inside and outside of the U.S. government—including diplomatic and military reporting, the intelligence community, United Nations peacekeeping forces and international organizations, and non-governmental sources—with the aim of ensuring a credible and comprehensive review of the actions of the Sudanese government in the areas that gave rise to Executive Order 13761.

We are focused on continuing to engage with the Sudanese government and to ensuring it sustains positive actions in the five areas. This includes maintaining a cessation of hostilities, improving humanitarian access, addressing regional conflicts, and countering the threat of terrorism. We will ensure the government understands that the United States expects additional progress during the extended review period, and will hold Sudan to account through robust bilateral engagement and active monitoring.

*Question 3.* One proposal under consideration as part of the administration's efficiency review process is to move the State Department's Consular Affairs and Population, Refugees, and Migration Bureaus to the Department of Homeland Security.

I am pleased that Secretary Tillerson opposes this shift and believes this work is "essential to the Department's mission." These diplomatic and humanitarian functions should remain with the State Department, which has the experience, personnel, and regional knowledge needed to carry out consular and refugee affairs.

Can you expand on why is it so critical for these functions to remain under State Department leadership?

Answer. As the Secretary has noted, the function of the Bureau of Population, Refugees, and Migration (PRM) is vitally important to our mission at the Department of State; humanitarian work is essential to the Department's efforts to secure our borders and protect the American people.

Responding to refugee and forced displacement crises is fundamentally diplomatic in nature and has always required a combination of meeting immediate needs while seeking longer-term solutions that will support refugees in the countries to which they have fled, get refugees home safely when they want to do so, and provide resettlement to those who cannot return home. PRM is a critical component of the State

Department's efforts to achieve these objectives, amidst the world's more urgent humanitarian crises and conflicts. Achieving long-term solutions requires the expertise of many in the inter-agency and the State Department. PRM leads this coordinated effort to ensure all of our diplomatic, assistance, and national security tools are efficiently employed to address the needs of refugees and forcibly displaced people to find solutions to their displacement.

*Question 4.* Will you assure the committee that you will appoint a Coordinator for Sanctions Policy?

*Answer.* We are currently evaluating the utility of the nearly 70 Ambassadors-at-Large, Special Representatives or Special Envoys that exist within the structure of the U.S. Department of State. We want to make sure that the responsibility for each issue is appropriately placed and aligned with the resources needed to achieve its mission.

The Department will continue to meet its mandate on foreign policy goals that are currently the charge of Special Envoys, Special Representatives, and Ambassadors-at-Large, whether the charge is coming from a Congressional statute or an instruction from the President or Secretary of State.

*Question 5.* In your reorganization process, have you taken into account the different skill sets needed for development and diplomacy? How have you done so?

*Answer.* The current phase of our efficiency review is framing the redesign effort itself, which involves representatives of the State and USAID community to design how the agencies will function for the next twenty-plus years. I chair an Executive Steering Committee, which is staffed with senior level leaders from State and USAID, and this committee provides guidance to five workstreams, each of which is jointly chaired by State and USAID and consists of State and USAID employees. With the leadership and involvement of both State and USAID employees—career staff, a mix of Foreign Service and Civil Service, and representation from both the field and Washington—the process takes into account their skill sets in both development and diplomacy.

*Question 6.* What (if any) development strategy or data is driving the reorganization and can you provide the committee with the data or inputs you are using to inform the reorganization process?

*Answer.* The current phase of our efficiency review is framing the redesign effort itself, which involves representatives of the State and USAID community to design how the agencies will function for the next twenty-plus years. There are five employee-led working groups: 1) overseas alignment and approach, which will assess key diplomatic activities and identify required platforms, including the balance of work between Washington and the field; 2) foreign assistance, which will analyze current foreign assistance programs at State and USAID to develop a future vision, ensuring alignment with national priorities; 3) human capital planning, which will identify ways to promote an agile and empowered workforce as part of an overarching talent map; 4) IT platform planning, which will focus on improving the employee experience through increased use of cutting-edge technology and streamlining duplicative systems and processes; and 5) management operations, which will identify opportunities to streamline administrative support functions at the bureau and agency levels to ensure front-line effectiveness.

The working groups' discussions are considered sensitive but unclassified, deliberative and pre-decisional. We are soliciting employee feedback and suggestions. The content will not be shared outside of the participants until it is in the form of recommendations and specific ideas. Nonetheless we will keep you informed as the process progresses.

*Question 7.* What specifically is your process for engaging input and feedback from Congress on reform and reorganization prior to the release of the FY 2019 budget?

*Answer.* The Department remains committed to working with Congress on the steps we are considering to improve the ability of the Department and USAID to achieve critical foreign policy goals. We have been in regular communication on the redesign process with the Department's committees of jurisdiction. The Department will continue to work with Congress, including your staff, during the redesign process and will notify and report on planned organizational changes consistent with sections 7015 and 7034(l) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2017 (Division J, P.L. 115-31). As the review is still underway, it is possible some of the planned changes might also require statutory changes. We will work with Congress as part of or prior to the FY 2019 budget submission to pursue such statutory changes. At the end of this process, our goal is to ensure the State Department and USAID is better equipped to address the foreign policy challenges of the United States.

*Question 8.* Will you share with this committee the reorganization draft proposal that the Department submitted to OMB? Please provide a summary of the proposal.

Answer. The Department submitted to OMB its initial draft of the agency reform plan. It is a high-level draft, intended to initiate a conversation and does not yet recommend specific change or actions. It includes information about our current workforce and progress on our Transformation efforts so far. State and USAID submitted coordinated reports. We will continue to keep you and your staff apprised of the redesign process.

*Question 9.* Why is the State Department temporarily suspending the Diplomacy Fellows Program? How long do you anticipate this suspension to last?

Answer. The State Department has temporarily suspended the Diplomacy Fellows Program while we evaluate staffing levels and hiring programs in preparation for the Department's Re-design Plan.

*Question 10.* How many candidates are currently in the pipeline as Diplomacy Fellows and how will their candidacy be affected by this decision?

Answer. In CY 2016, there were approximately 180 candidates who applied to the Department of State via the Diplomacy Fellows program. All of these candidates were invited to the Oral Assessment and offered the opportunity to schedule an appointment. The suspension did not affect their candidacies.

*Question 11.* Is the State Department considering suspending, temporarily or permanently, any other professional fellowship programs, pathways programs, or other foreign or civil service recruitment programs? If so, please specify which programs and for what length of time.

Answer. The State Department has temporarily suspended hiring new Presidential Management Fellows (PMFs) while we evaluate our current staffing levels in preparation for the Department's Re-design Plan. The State Department continues to have an active PMF community of over 70 PMFs and is very supportive of this prestigious leadership and development program.

The State Department has a number of continuing foreign and civil service recruitment programs. We continue to provide opportunities for current students (enrolled in a qualifying educational program) to gain experience and explore career paths within the Executive Branch of the Government, via both paid and unpaid programs.

The State Department values the work and contributions of our over 200 Pathways Interns, through the Pathways Program.

While we evaluate our current staffing levels in preparation for the State Department's Re-design, the Department has temporarily suspended the conversion of Pathways Interns into the Competitive Service.

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LETTER TO HON. JAMES MATTIS, U.S. SECRETARY OF DEFENSE, AND  
HON. REX TILLERSON, U.S. SECRETARY OF STATE, SUBMITTED FOR  
THE RECORD BY SENATOR TOM UDALL



March 8, 2017

The Honorable James Mattis  
Department of Defense  
1000 Defense Pentagon  
Washington, DC 20301-1000

The Honorable Rex W. Tillerson  
Department of State  
2201 C Street, NW, Room 7226  
Washington, DC 20520

The Honorable John F. Kelly  
Department of Homeland Security  
Washington, DC 20528

Dear Secretaries:

The Trump Organization owns or leases its name to a vast portfolio of real estate throughout the world.<sup>1</sup> This includes many large, high profile buildings that prominently display the name of the President of the United States and are directly associated with him, making them prime targets for a terrorist attack that would guarantee international media coverage. An attack on a Trump Organization property could also cause significant loss of life and lead the country into new conflicts around the globe. However, as privately owned properties, they are not secured by the federal government like other high profile targets, such as the White House, embassies, military bases, and other federal buildings. We write to determine if federal resources are being used to assist the Trump Organization in securing its properties and, if so, what the justification is for doing so.

Over the last four decades, every President of the United States has acted in accordance with conflict of interest laws and the guidance of the Office of Government Ethics. Even though Presidents are exempt from many of those laws, they have held themselves to the same standards as other federal officials and have often sold assets and investments to avoid even the appearance that they were using the nation's highest public office for personal gain.

President Trump has not maintained this tradition of transparency and accountability. Instead, he has retained his ownership of the Trump Organization and merely placed his vast business holdings in a trust in which he is the sole beneficiary and maintains the control to revoke the trust or change the management at any time. Consequently, the success or failure of a Trump Organization property directly impacts the President's net worth and an act of terrorism on one

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<sup>1</sup> <http://www.trump.com/real-estate-portfolio/>

of these properties could potentially lead him to take actions in his official capacity that he would not take if the property were not owned by his organization.

We respectfully ask that each of your agencies respond to the following inquiries:

- Properties around the world are prominently branded with the Trump name, including in Istanbul, Dubai, Mumbai, Panama City, and the Philippines. Several buildings in New York City, as well as a hotel blocks from the White House, all display the President's name. Have the Department of Homeland Security (DHS), Department of Defense (DOD), or Department of State (DOS) undertaken any assessment of the risks of attack to the Trump Organization's privately owned or leased properties? If so, what is the justification for the federal government to assess the risks to privately owned properties?
- Do DHS, DOD, or DOS have any legal or other obligation to protect or secure properties owned by the Trump Organization? If so, what is the expected cost of this security? What factors does the agency use to determine when and where protection of a Trump Organization property is warranted?
- What properties owned by or in a lease agreement with the Trump Organization are currently receiving protection and what is the cost of the protection? Is there any agreement in place for the Trump Organization to reimburse the federal government for those costs?
- Has the Trump Organization or anyone in the Trump administration requested assistance from DHS, DOD, or DOS to secure a Trump Organization property?
- Media reports state that the logistical demands of protecting all of the members of President Trump's family are straining the resources of your agencies.<sup>2</sup> Do your agencies have sufficient resources to fulfill their missions related to protecting the President and his family and providing him with logistical support when he travels? If not, what are the plans to address the shortfalls? Do any of your agencies anticipate requesting a supplemental appropriation to fund your missions related to protection services for the First Family or any Trump Organization property or providing logistical support when he stays at his properties?
- Many of the properties owned by the Trump Organization have a private residence for the First Family within a for-profit business, such as Trump Tower in New York and Mar-a-Lago in Florida. In order to protect the First Family at these locations and to provide the President with necessary logistical support for things like secure communications, do any

<sup>2</sup> [www.washingtonpost.com/business/economy/trump-family-elaborate-lifestyle-a-logistical-nightmare-at-taxpayer-expense/2017/02/16/763cce8e-f2ce-11e6-a9b0-ecee7ce475fc\\_story.html?utm\\_term=.a1fdb878a53a](http://www.washingtonpost.com/business/economy/trump-family-elaborate-lifestyle-a-logistical-nightmare-at-taxpayer-expense/2017/02/16/763cce8e-f2ce-11e6-a9b0-ecee7ce475fc_story.html?utm_term=.a1fdb878a53a)

of your agencies currently, or do they plan to, rent property or purchase goods or services from the Trump Organization to facilitate their missions? What are the costs of these property rentals, goods, and services? Please include any long term leases, as well as room rentals at Trump Organization hotels and clubs. Is there any agreement in place for the Trump Organization to reimburse the federal government for those costs?

Please respond no later than March 29, 2017. Thank you for your assistance in this matter.

Sincerely,



Tom Udall  
United States Senator



Sheldon Whitehouse  
United States Senator



Richard Blumenthal  
United States Senator