

**STATE, FOREIGN OPERATIONS, AND RELATED  
PROGRAMS APPROPRIATIONS FOR FISCAL  
YEAR 2018**

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**TUESDAY, JUNE 13, 2017**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 2:48 p.m., in room SD-192, Dirksen Senate Office Building, Hon. Lindsey Graham (chairman) presiding.

Present: Senators Graham, Leahy, Moran, Shaheen, Boozman, Durbin, Van Hollen, Coons, Daines, and Murphy.

DEPARTMENT OF STATE

**STATEMENT OF THE HON. REX TILLERSON, SECRETARY**

OPENING STATEMENT OF SENATOR LINDSEY GRAHAM

Senator GRAHAM. The subcommittee hearing will come to order. Our hearing today is on the President's fiscal year 2018 budget request and justification for the Department of State. I would like to welcome our witness, Secretary of State Rex Tillerson. After opening statements from myself and the ranking member, we'll hear from the Secretary.

We will accept your written testimony and anything you would like to tell us personally.

This is going to be a little bit longer than normal. This is a very important issue for the country, and a passion of mine.

Number one, Secretary Tillerson, I like the way you represent our country. You have a style that's pretty good for the world as it is today. You're a man of few words, but when you talk people listen. Your view of Qatar, I share. What you're doing in North Korea is beginning to penetrate. I just met with the Chinese. I think they get your message. And I think you're looking for ways for people to get to yes and always leaving backdoors to hard situations. So in terms of your style and your attitude toward the job, I very much appreciate it.

As to the budget, we need to increase defense spending, but once you do that, if you're not going to deal with entitlements, you have to go to non-defense discretionary spending to find the offsets, and this account gets pretty much devastated. I'm not blaming you, I'm not blaming anybody, I just want the country to know this budget request is in many ways radical and reckless when it comes to soft

power, and I look forward to working with you, Mr. Secretary, to find a better budget, but also to find a better State Department.

You've just gotten there, you've been there a few months. A year from now I think you'll have a better understanding of how the State Department can be reformed, and I intend to be your partner and champion for reforming the State Department. Let's give it a good once-over, see what works, what doesn't. How many people do we actually need? All of that is long overdue.

I welcome that kind of analysis, but what we have today is a number basically driven by the requirement to balance the budget, increase defense spending, and this account gets hit pretty hard. I don't think it's a result of the scrutiny of how the State Department works as much budget pressure given from increased military spending.

So the first chart I have is to my right. General Mattis said: "If you don't fund the State Department fully, then I need to buy more ammunition". Sixteen retired four-star generals and admirals submitted testimony for this hearing that "Cutting the International Affairs budget unilaterally will have the effect of disarming our country's capability to stop new conflicts from forming, and will place our interests, values, and the lives of our men and women in uniform at risk".

So here's the point. I believe after 42 trips to Iraq and Afghanistan, we are never going to win this war by killing terrorists alone, that there has to be a soft power connection that the day after you have to hold, and the terrorists offer a glorious death, and we must offer a hopeful life. That's where your people come in, Mr. Secretary, along with the United States Agency for International Development (USAID) to give the capability the day after to form a better life for those who are having to choose between terrorism and modern thought.

I believe, as the generals do—if you don't believe me, listen to the generals—that the State Department's role in the war on terror is very important, to me just as important as any military power we have.

Now, how much do we spend on soft power? We spend 1.4 percent of our gross domestic product (GDP). A lot of people think foreign aid is about 25 percent of what we spend, but compared to hard power, which is about 20 percent of what we spend, we spend a very small amount on soft power, and that 1.4 percent includes things beyond just traditional soft power.

I want the country to know that if you eliminated the State Department, you would not even begin to move the debt needle. The question is if you cripple the State Department, it's not about debt to me, it's about security and American values being impeded.

Let's look at GDP on defense and non-defense. GDP on hard power is about 3 percent of GDP. On soft power, it's a rounding error, and this chart shows you that we're going downward dramatically on soft power and upward on hard power.

A comparison of DoD-State Department workforce. How many people do we have in the hard power world and soft power world? Okay. You see in this chart over here the numbers of State USAID, which is a very small percentage, and we have well over a million people in uniform.

If you believe soft power is important, and the generals tell me you do, look at the balance. Here is what I would suggest. We do need more hard power because sequestration has hurt hard power, but you're going to have a hard time convincing me that soft power can stand a 29 percent cut, and we'll talk about that more. So that's the comparability of the workforce basically.

For the International Affairs Budget historically, look at the big drop in 2018, plus-up in 2017, and the world has gone to hell in a handcart. Now, our response is to increase hard power, which I agree with, but a 29 percent reduction in soft power in 2018 doesn't make a whole lot of sense to me. Just look at that drop and say given the world as we know it, and the role that soft power plays, according to the generals, not Lindsey Graham, is this wise? I really don't think so.

Embassy security funding. We all remember Benghazi. Look at this reduction in funding for security of our embassies. All I can say, given the threats that I see, now is not the time to decrease Embassy security funding unless you're going to close a lot of embassies, and I'm not so sure now is the time to be closing a lot of embassies.

Here's what the Benghazi Accountability Review Board told us. It is imperative for the State Department to be mission-driven rather than resource-constrained. So here's the question: the mission of the State Department in a world falling apart, is it greater or smaller? And if you think it's greater, then the budget should follow the need, not just some artificial number.

All right. Let's go to HIV/AIDS. As a Republican, I am proud of President George W. Bush 43, who came up with a program called the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), supported by almost every Democrat. President Obama continued this. And as you can see, in the return on the dollar for the PEPFAR program has been absolutely astounding. Millions of young Africans are alive today because of the PEPFAR program. Mother-to-child AIDS transmissions has gone down by 75 percent. Every American taxpayer should be pleased that your hard-earned dollars went to a continent being consumed by a vicious disease called AIDS, and we're beginning to turn the corner. We're not there yet, but there are five countries that are going to be self-sufficient, and this budget cuts it by a billion dollars when we're inside the 10-yard line. I could give you the numbers of what it means to the programs, but there are a lot. Hundreds of thousands of people will not be treated because of this budget cut. I think it's penny-wise and pound-foolish.

Humanitarian assistance. There are currently 65.3 million people forcefully displaced worldwide. That's the highest level in modern history. Now, what role does the State Department play in this? Twenty million people are currently at risk of famine. So you have famine and you have manmade wars and disasters. Look what we're doing with assistance. We're cutting it at a time when disaster assistance needs are at an all-time high.

The President's fiscal year 2018 budget cuts international disaster assistance and food aid by \$3.4 billion, 77 percent below the 2017 numbers. The terrorists love this. The terrorists hate the idea that America shows up with some food and education. From a ter-

rorist point of view, this is really a recruiting tool. From an American point of view, we've got to fix this problem because if we cut back, other people will follow, and you're going to pay now or pay later. You're going to deal with these people now while they can still be helped or wind up killing them later when the young people become terrorists. So I've got a real problem with that one.

Georgia, not my neighbor Georgia, the country. For the record, I like the people in Georgia. [Laughter.]

Georgia is fighting in Afghanistan without any caveats. They're one of the few countries that go to Afghanistan to partner with our soldiers and do whatever we ask them to do. They've died in large numbers. They have absolutely no restrictions on their force. They help us win a war in Afghanistan we can't afford to lose. Their neighbor is a pretty bad hombre, the Russians.

I'm not going to bore you with telling you about what Russia has been doing to their friends in the region, particularly Georgia, but it's not good. What signal are we sending to Georgia when we cut their assistance 66 percent at a time when Russia is on the prowl and we need more help in Afghanistan, not less? This is the wrong message to our friends and certainly the wrong message to Russia. I am at a loss of why we would cut aid to Georgia given what Russia is doing in the region now, and I'm at loss of why we would want to send this signal to a people who are sending their troops to Afghanistan without any conditions.

Sri Lanka. Small place. It's within 20 miles of sea lanes that carry over two-thirds of the world's oil shipments and half the world's container cargo. China is a big player there. They just ended a 26-year conflict; democratic progress is in our interest to have a democracy that is close to the world's shipping lanes. China is a competitor. And, unfortunately, we're reducing our assistance to Sri Lanka as China is going all in. Not a wise move.

Now, this is to you, Mr. Secretary. You ran one of the best businesses in the world. You're a really smart guy. But here's what's on your plate that I could think of: ISIS. You're going to beat them militarily, but if you don't have a plan for the day after, we're going to lose again. What do you do with Iraq? What do you do with Mosul? What do you do with Anbar Province? How do you hold it? So defeating ISIS permanently has to have a hold-and-build strategy. That's where USAID and all your really smart people come into play.

Qatar. If you read the op-ed piece today by the United Arab Emirates ambassador, things are not going well. You've got Qatar right from our point of view. We've got 10,000 airmen and soldiers there. We can't let this get out of hand, so you're going to be pretty busy with Qatar.

Russia. Don't have time to talk about what's on your plate with Russia, it's just a lot.

Syria. If we can ever find a way to end the war, it will be in Geneva, and you'll be at the table trying to find a way to put Syria back together to make sure that the war doesn't start again and Lebanon and Jordan don't fall because of endless war. The resources necessary to repair the damage in Syria makes Iraq look like a walk in the park, and part of those resources will be you and

your talented people who will go in there and help the Syrian people deal with the devastation.

North Korea. I like what you're doing in North Korea. I don't think we're out of the woods yet.

So you're going to be a busy guy. Sixty-five million people displaced on your watch. By the way, the war in Afghanistan, we need more soldiers, and I think the President is going to give the generals what they want, but we also need to make sure that the soldiers' sacrifice is not forsaken because you better have a plan to rebuild those areas we've lost from the Taliban once we take it back or we're going to lose them again. So that's where your people come in.

The President said the Iranian nuclear agreement is terrible, and he wants to replace it. If you had nothing else to do but that, that would be a full-time job. Good luck.

Ukraine. It doesn't seem to be getting better to me.

China. I really like what you're doing with China regarding North Korea. I think you're making it real to the Chinese they better change their game because President Trump is not going to allow them to get a missile to hit our homeland, and you've got a pretty good approach, but China is tough.

Twenty million people impacted by famine, and they tell me we're going to start the Mideast peace process all over again.

You're the man. You're going to do all that and cut the budget by 29 percent. Thank you for coming.

Senator Leahy.

#### STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Well, I was going to be tough, but I'll—  
[Laughter.]

I agree with Senator Graham. We've worked together on this subcommittee for a long time, part of the time he's been chairman, part of the time I've been chairman, but usually the bills we've brought out of here have gotten a virtual unanimous vote, Republicans and Democrats, because we care about it.

I want to read a few passages from a May 25 guest column in the "New York Times" by Colin Powell, who served as Chairman of the Joint Chiefs of Staff under President George H.W. Bush and President Clinton, and as Secretary of State under President George W. Bush. He wrote, and I quote, At our best, being a great nation has always been a commitment to building a better, safer world, not just for ourselves, but for our children and our grandchildren. This has meant leading the world and advancing a cause of peace, responding when disease and disaster strike, lifting millions out of poverty, and inspiring those yearning for freedom. This calling is under threat. The administration's proposal to slash approximately 30 percent from the State Department and foreign assistance budget signals an American retreat, leaving a vacuum and making us far less safe, proposing to bring resources for our civilian forces to a third of what we spent at the height of Ronald Reagan's "peace through strength" years. It would be internationally irresponsible, distressing our friends and encouraging our enemies and undermining our own economic and national security interests.

The idea that putting America first requires withdrawal from the world is simply wrongheaded.

And he goes on to speak of his own experience, that many thought that the end of the Cold War would allow us to retreat. Well, it has not. Do we really want to slash the State Department and USAID at such a perilous moment? No.

What we're saying when we talk about making America great, what we're talking about, we're stepping aside, we're letting other countries fill the vacuum, and making the United States less great. I'd like to think our values are the ones that set the example for other countries.

Obviously you disagree with Secretary Powell. Why do you believe that eliminating thousands of personnel positions, cutting billions of dollars from programs administered by the Department of State and USAID is in our best interest? I would ask the chairman to put the Powell article in the record.

Senator GRAHAM. Without objection.

[The information follows:]

[From The New York Times, May 24, 2017]

Opinion | OP-ED CONTRIBUTOR

COLIN POWELL: AMERICAN LEADERSHIP—WE CAN'T DO IT FOR FREE

(By Colin Powell)

At our best, being a great nation has always meant a commitment to building a better, safer world—not just for ourselves, but for our children and grandchildren. This has meant leading the world in advancing the cause of peace, responding when disease and disaster strike, lifting millions out of poverty and inspiring those yearning for freedom.

This calling is under threat.

The administration's proposal, announced Tuesday, to slash approximately 30 percent from the State Department and foreign assistance budget signals an American retreat, leaving a vacuum that would make us far less safe and prosperous. While it may sound penny-wise, it is pound-foolish.

This proposal would bring resources for our civilian forces to a third of what we spent at the height of Ronald Reagan's "peace through strength" years, as a percentage of the gross domestic product. It would be internationally irresponsible, distressing our friends, encouraging our enemies and undermining our own economic and national security interests.

The idea that putting Americans "first" requires a withdrawal from the world is simply wrongheaded, because a retreat would achieve exactly the opposite for our citizens. I learned that lesson the hard way when I became Secretary of State after a decade of budget cuts that hollowed out our civilian foreign policy tools.

Many had assumed the Cold War's end would allow us to retreat from the world, but cuts that may have looked logical at the time came back to haunt us as tensions rose in the Middle East, Africa, the Korean Peninsula and elsewhere. Confronting such challenges requires not just a military that is second to none, but also well-resourced, effective and empowered diplomats and aid workers.

Indeed, we're strongest when the face of America isn't only a soldier carrying a gun but also a diplomat negotiating peace, a Peace Corps volunteer bringing clean water to a village or a relief worker stepping off a cargo plane as floodwaters rise. While I am all for reviewing, reforming and strengthening the State Department and the United States Agency for International Development, proposals to zero out economic and development assistance in more than 35 countries would effectively lower our flag at our outposts around the world and make us far less safe.

Today, the world is witnessing some of the most significant humanitarian crises in living memory. With more than 65 million people displaced, there have never been more people fleeing war and instability since World War II. The famines engulfing families in South Sudan, Yemen, Nigeria and Somalia put more than 20 mil-

lion people at risk of starvation—further destabilizing regions already under threat from the Islamic State, Al Qaeda, Boko Haram and Al-Shabaab.

Do we really want to slash the State Department and the U.S.A.I.D. at such a perilous moment? The American answer has always been no. Yet this budget proposal has forced us to ask what America's role in the world is and what kind of nation we seek to be. The President's budget director, Mick Mulvaney, has described these cuts as "not a reflection of the President's policies regarding an attitude toward State." But how is a 32 percent cut to our civilian programs overseas anything but a clear expression of policy?

True, many in Congress have effectively declared the administration's budget proposal "dead on arrival," but they also acknowledge that it will set the tone for the coming budget debate. That's the wrong conversation. Our diplomacy and development budget is not just about reducing spending and finding efficiencies. We need a frank conversation about what we stand for as that "shining city on a hill." And that conversation begins by acknowledging that we can't do it on the cheap.

Diplomacy and aid aren't the only self-defeating cuts in the administration's proposal. A call to all but eliminate two key export-promotion agencies—the Overseas Private Investment Corporation and the Trade and Development Agency—would harm thousands of American workers and actually add to the deficit. And any cuts to our economic development investments in Africa and elsewhere would undermine our ability to build new customer bases in the world's fastest-growing markets.

With 95 percent of the world's consumers outside our borders, it's not "America first" to surrender the field to an ambitious China rapidly expanding its influence, building highways and railroads across Africa and Asia. China is far from slashing its development budget. Instead, it's growing—by more than 780 percent in Africa alone since 2003.

Since the release of its initial budget request in March, the administration has started to demonstrate a more strategic foreign policy approach. This is welcome, but it will take far more than a strike against Syria, a harder line on Russia, increased pressure on North Korea and deeper engagement with China to steer American foreign policy. It also takes the resources to underwrite it.

America is great when we're the country that the world admires, a beacon of hope and a principled people who are generous, fair and caring. That's the American way. If we're still that nation, then we must continue to devote this small but strategic 1 percent of our Federal budget to this mission.

Throughout my career, I learned plenty about war on the battlefield, but I learned even more about the importance of finding peace. And that is what the State Department and U.S.A.I.D. do: prevent the wars that we can avoid, so that we fight only the ones we must. For our servicemembers and citizens, it's an investment we must make.

Colin Powell was the Secretary of State from 2001 to 2005.

A version of this op-ed appears in print on May 25, 2017, on Page A27 of the New York edition with the headline: Leadership Isn't Free.

Senator LEAHY. Secretary Powell also said that many had assumed the Cold War's end would allow us to withdraw from the world, but cuts that may have looked logical at the time came back to haunt us as tensions rose in the Middle East, Africa, the Korean Peninsula, and elsewhere. Confronting such challenges requires not just a military that's second to none, but also the resources for effective, empowered diplomats and aid workers.

I think what General Powell was saying and others have said, is that much of the world has looked to the United States for leadership. We're walking away from that leadership. We spend a little over 1 percent of our budget on foreign aid, and on a per capita basis a lot of countries spend more. Why would we give up that influence? Does that make us safer? Why do we want to let some of these totalitarian regimes expand their influence versus American influence? Does it make us safer if we allow epidemics to spread around the world? Does it make us safer if we don't do our part to help with the flood of refugees that's overwhelming allies like Jordan? Does it make us any safer if we pretend that we can be

Fortress America? I remember how well that worked in 9/11 when Saudi Arabia sent people to fly airplanes into the Twin Towers.

We can't be Fortress America. We face problems at home, of course. We face problems abroad.

I want you to know that I agree with the chairman, and we have very strong views on this.

Senator GRAHAM. Mr. Secretary, the floor is yours. Thank you for coming.

#### SUMMARY STATEMENT OF HON. REX TILLERSON

Secretary TILLERSON. Thank you, Chairman Graham, Ranking Member Leahy, and distinguished Members of the subcommittee. I appreciate the opportunity to discuss the administration's State Department and USAID budget request for fiscal year 2018.

As we all know, America's global competitive advantages and standing as a leader are under constant challenge. The dedicated men and women of the State Department and USAID carry out the important and often perilous work of advancing America's interest every single day, 24 hours a day, and 365 days a year. That mission is unchanged. However, the State Department and USAID, like many other institutions here at home and around the world, have not evolved in their responsiveness as quickly as new challenges and threats to our national security have changed and are changing. We are challenged to respond to a post-Cold War world that set in motion new global dynamics and a post-9/11 world characterized by historic threats that present themselves in ways never seen before enabled by technological tools that we have been ill-prepared to engage.

The 21st century has already presented many evolving challenges to the U.S. national security and economic prosperity. We must develop proactive responses to protect and advance the interests of the American people. With such a broad array of threats facing the United States, the fiscal year 2018 budget request of \$37.6 billion aligns with the administration's objective of making America's security our top priority. The first responsibility of government is the security of its own citizens, and we will orient our diplomatic efforts toward fulfilling that commitment.

While our mission will also be focused on advancing the economic interests of the American people, the State Department's primary focus will be to protect our citizens at home and abroad.

Our mission is at all times guided by our longstanding values of freedom, democracy, individual liberty, and human dignity. The conviction of our country's founders is enduring, that all men are endowed by their creator with certain unalienable rights. As a Nation, we hold high the aspiration that all will one day experience the freedoms we have known.

In our young administration's foreign policy, we are motivated by the conviction that the more we engage with other nations on issues of security and prosperity, the more we will have opportunities to shape the human rights conditions in those nations. History has shown that the United States leaves a footprint of freedom wherever it goes.

Ensuring the security and prosperity of the American people and advancing our values has necessitated difficult decisions in areas



of our budget. The fiscal year 2018 budget request includes substantial funding for many foreign assistance programs under the auspices of USAID and the State Department, but we have made hard choices to reduce funding for other initiatives. But even with the reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, and humanitarian efforts. If natural disasters or epidemics strike overseas, America will respond with care and support. I am convinced we can maximize the effectiveness of these programs and continue to offer America's helping hand to the world.

This budget request also reflects a commitment to ensure every tax dollar that is spent is aligned with the Department's and USAID's mission-critical objectives. The request focuses the State Department and USAID's efforts on missions which deliver the greatest value and opportunity of success for the American people.

The State Department and USAID budget increased over 60 percent from fiscal year 2007, reaching an all-time high of \$55.6 billion in fiscal year 2017. Recognizing that this rate of increase in funding is not sustainable, the fiscal year 2018 budget request seeks to align the core missions of the State Department with historic funding levels. We believe this budget also represents the interests of the American people, including responsible stewardship of the public's money.

I know there is intense interest in prospective State Department and USAID redesign efforts. We have just completed collecting information on our organizational processes and culture through a survey that was made available to every one of our State and USAID colleagues. Over 35,000 surveys were completed. And we also held in-person listening sessions with approximately 300 individuals to obtain their perspective on what we do and how we do it. I met personally with dozens of team members who spoke candidly about their experiences. From this feedback, we have been able to get a clearer overall view of our organization. We have no preconceived outcomes, and our discussions of the goals, priorities, and direction of the State Department and USAID are not token exercises.

The principles of our listening sessions and subsequent evaluation of our organization are the same as those which I stated in my confirmation hearing for foreign policy. We will see the world for what it is, be honest with ourselves and the American people, follow the facts where they lead us, and hold ourselves and others accountable. We are still analyzing the feedback we received, and we expect to release the findings of the survey soon.

From all of this, one thing is certain, I am listening to what my people tell me are the challenges facing them and how we can produce a more efficient and effective State Department and USAID. And we will work as a team and with the Congress to improve both organizations.

Throughout my career, I have never believed nor have I experienced that the level of funding devoted to a goal is the most important factor in achieving it. Our budget will never determine our ability to be effective, our people will.

My colleagues at the State Department and USAID are a deep source of inspiration, and their patriotism, professionalism, and willingness to make sacrifices for our country are our greatest resource. I am confident the U.S. State Department and USAID will continue to deliver results for the American people.

I thank you for your time and I'm happy to answer your questions.

[The statement follows:]

PREPARED STATEMENT OF HON. REX TILLERSON

Chairman Graham, Ranking Member Leahy, and distinguished Members of the Committee:

Thank you for the opportunity to discuss this administration's State Department and USAID budget request for fiscal year 2018.

As we all know, America's global competitive advantages and standing as a leader are under constant challenge. The dedicated men and women of the State Department and USAID carry out the important and often perilous work of advancing America's interests every single day. That mission is unchanged. However, the State Department and USAID, like many other institutions here and around the world, have not evolved in their responsiveness as quickly as new challenges and threats to our national security have changed and are changing. We are challenged to respond to a post-Cold War world that set in motion new global dynamics, and a post-9/11 world characterized by historic new threats that present themselves in ways never seen before, enabled by technological tools that we have been ill-prepared to engage. The 21st century has already presented many evolving challenges to U.S. national security and economic prosperity. We must develop proactive responses to protect and advance the interests of the American people.

In Syria and Iraq, ISIS has been greatly diminished on the ground, but there is still a substantial fight ahead to complete the job and eliminate it from the region. But the battle to ensure that ISIS and other terrorist organizations do not gain or grow footholds in other countries will continue. The fight against Islamist extremism extends to the digital world. The battle to prevent terrorists' use of the Internet and other digital tools will continue to challenge us from a security and diplomatic perspective.

The regime in Iran continues activities and interventions that destabilize the Middle East: support for the brutal Assad regime, funding militias and foreign fighters in Iraq and Yemen that undermine legitimate governments, and arming terrorist organizations like Hezbollah, which threaten our ally Israel. We and our allies must counter Iran's aspirations of hegemony in the region.

Thoughtful development and implementation of policies to ensure Afghanistan never again becomes a platform for terrorism, Pakistan does not become a proliferator of nuclear weapons, and the region is positioned for stable economic growth.

On our southern border, illegal migration from countries in the Western Hemisphere presents a risk to our security, with criminal cartels exporting drugs and violence into our communities. Almost 20,000 Americans died from overdoses of heroin or synthetic opioids in 2015, and between 90 and 94 percent of all heroin consumed in the United States comes from or passes through Mexico. While we, as Americans, must take responsibility for being the largest demand center in the world for the drug trade, stopping the cross-border flow of drugs is an essential step in protecting American lives from the catastrophic effects of drugs and the violence that follows them.

While we seek a constructive relationship with China, and in many cases are seeing signs of shared interests, their artificial island construction and militarization of facilities on features in international waters is a threat to regional stability and the economic livelihood of the United States and our allies. As a nation dependent on the free flow of commerce across the globe, we, and all other nations, have a legitimate interest in the peaceful use of international waters, and we must assert our lawful right to the use of the South China Sea and other bodies of water.

Both state and non-state actors' malicious cyber capabilities present a threat to U.S. national security, and complicate our diplomatic efforts with a surge of misinformation and interference in sovereign countries' internal governments.

With such a broad array of threats facing the United States, the fiscal year 2018 budget request of \$37.6 billion dollars aligns with the administration's objective of making America's security our top priority. The first responsibility of government

is the security of its own citizens, and we will orient our diplomatic efforts toward fulfilling that commitment. Within the fiscal year 2018 request level, funding for Diplomatic Security operations will increase by approximately 11 percent over fiscal year 2016. While our mission will also be focused on advancing the economic interests of the American people, the State Department's primary focus will be to protect our citizens at home and abroad.

Our mission is at all times guided by our longstanding values of freedom, democracy, individual liberty, and human dignity. The conviction of our country's Founders is enduring, that "all men are endowed by their Creator with certain unalienable rights." As a nation, we hold high the aspiration that all will one day experience the freedoms we have known. In our young administration's foreign policy, we are motivated by the conviction that the more we engage with other nations on issues of security and prosperity, the more we will have opportunities to shape the human rights conditions in those nations. History has shown that the United States leaves a footprint of freedom wherever it goes.

Ensuring the security and prosperity of the American people and advancing our values has necessitated difficult decisions in other areas of our budget. The fiscal year 2018 budget request includes substantial funding for many foreign assistance programs under the auspices of USAID and the State Department, but we have made hard choices to reduce funding for other initiatives. But even with reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, and humanitarian efforts. If natural disasters or epidemics strike overseas, America will respond with care and support. I am convinced we can maximize the effectiveness of these programs and continue to offer America's helping hand to the world. Despite necessary reductions from fiscal year 2017 levels, we are still devoting \$25.3 billion to foreign assistance, which accounts for over 2/3 of the State and USAID budget. This entails \$7.1 billion in security assistance programs, and \$5.6 billion, including our diplomatic engagement, to defeat ISIS and other terrorist organizations. In several other areas where we have chosen to make reductions, we will ask other donors and private sector partners to increase their support.

This budget request also reflects a commitment to ensure every tax dollar spent is aligned with the Department's and USAID's mission-critical objectives. The request focuses the State Department and USAID's efforts on missions which deliver the greatest value and opportunity of success for the American people. The State Department and USAID budget increased over 60 percent from fiscal year 2007, reaching a record high \$55.6 billion in fiscal year 2017. Recognizing that this rate of increase in funding is not sustainable, the fiscal year 2018 budget request seeks to align the core missions of the State Department with historic funding levels. We believe this budget also represents the interests of the American people, including responsible stewardship of the public's money.

I know there is intense interest in prospective State Department and USAID redesign efforts. We have just completed collecting information on our organizational processes and culture through a survey that was made available to every one of our State and USAID colleagues. Over 35,000 surveys were completed, and we also held in-person listening sessions with approximately 300 individuals to obtain their perspective on what we do and how we do it. I met personally with dozens of team members who spoke candidly about their experiences. From this feedback we have been able to get a clearer overall view of our organization. We had no preconceived outcomes, and our discussions of the goals, priorities, and direction of the State Department and USAID were not token exercises. The principles for our listening sessions and subsequent evaluation of our organization are the same as those which I stated in my confirmation hearing for our foreign policy: we will see the world for what it is, be honest with ourselves and the American people, follow facts where they lead us, and hold ourselves and others accountable. We are still analyzing the feedback we have received, and we expect to release the findings of the survey soon. From all of this, one thing is certain: I am listening to what my people tell me are the challenges facing them and how we can produce a more efficient and effective State Department and USAID. And we will work as a team and with Congress to improve both organizations.

Throughout my career, I have never believed, or experienced, that the level of funding devoted to a goal is the most important factor in achieving it. Our budget will never determine our ability to be effective—our people will. My colleagues at the State Department and USAID are a deep source of inspiration, and their patriotism, professionalism, and willingness to make sacrifices for our country are our greatest resources. I am confident that the U.S. State Department and USAID will continue to deliver results for the American people.

I thank you for your time, and I am happy to answer your questions.

## FAMINE ASSISTANCE, SOFT POWER, AND THREAT-BASED BUDGETING

Senator GRAHAM. Thank you. We'll do 7-minute rounds of questions and answers. I look forward to your effort to reform the State Department, get the feedback, come to us, and say, "This is what we can do without. This is what we need more of." I think you've got the right attitude, but we've got to live with this budget until you get there. It's unacceptable for me.

Between 2007 and 2017, would you say the world is more dangerous or less?

Secretary TILLERSON. The world is changing.

Senator GRAHAM. Yes.

Secretary TILLERSON. And it is in a very difficult place today.

Senator GRAHAM. Right. So if we've been spending more in the last 10 years, there is probably a good reason. And I would say that increasing military defense spending by 10 percent is absolutely long overdue. Do you support the President's budget to increase hard power by 10 percent?

Secretary TILLERSON. I do.

Senator GRAHAM. Do you believe, as General Mattis and other generals, that soft power is an integral part of our national security strategy?

Secretary TILLERSON. Without question.

Senator GRAHAM. Okay. So we've got the general construct that soft power and hard power are important. I can understand increasing hard power, given the threats. I don't understand reducing soft power by 29 percent, but we'll work through this, Mr. Secretary.

In terms of addressing famines as they may emerge—let's put the chart back up—there are currently 65.3 forcefully displaced people worldwide, four countries. More than 20 million are currently at risk of famine. Why would we reduce spending in this area given the threats we face?

Secretary TILLERSON. Senator, I think the way we're addressing the challenge in these areas, and talk about why people are displaced, and then why people are in need of relief from famine, and the two are not unrelated because many of the areas of severe famine are related to conflict areas.

What we have done in this budget is put the emphasis of the funds that we do have available on where the problems lie. And so in terms of our resources for the Defeat ISIS campaign and how we put in place zones of stability and restore areas to some level of normalcy, which would allow people who have been forced to leave these areas by the advent of ISIS and by the conflict to find the conditions such that they will want to return home.

Senator GRAHAM. Right.

Secretary TILLERSON. So a lot of our de-ISIS effort is directed at really creating conditions for the return of refugees that have fled.

In areas of famine relief, we do appreciate the significant plus-up in money that the Congress authorized in the food aid programs in 2017. We're delivering that money to where it is needed, or the food, in the most effective and efficient way we can. Places like Yemen, which has severe famine problems, obviously because of the ongoing conflict, that presents significant challenges. So how

we attack the famine need in Yemen is we have to find the solution to Yemen that allows us to deliver the aid to those.

Senator GRAHAM. Yes.

Secretary TILLERSON. So I look at these as an integrated problem, not as simply one item here or one item there.

Senator GRAHAM. And I look at it as threat-based budgeting. I agree that it shouldn't be a number picked out of the air, it should be based on threats we face. I just don't see how, given the displacement of this many people and no end in sight, that 77 percent reduction in disaster assistance is consistent with the threats we face from the disasters that are going on all over the world. We'll just agree to disagree.

#### ASSISTANCE FOR GEORGIA

Georgia. What do we tell our friends in Georgia about reducing their aid by 66 percent given the threats they face and the importance of Georgia's democracy to overall stability and our national security interests?

Secretary TILLERSON. Well, I've had two bilateral meetings with the Georgians already, and the President had an opportunity to meet them as well. When I talk to the Georgians about what they would like for us to do in the way of expanding our relationship, what they'd like to see is more economic trade activity between our countries. They are making significant investments in their country to make it more attractive in terms of deepwater port facilities.

Senator GRAHAM. Do they agree with these reductions?

Secretary TILLERSON. Their concern over these reductions did not come up in our conversations. I think what I would convey to you, Senator, is that at some point, as we have helped these countries get on their feet and become successful, we would expect for their requirements of our aid to be reduced.

And I think Georgia would be the first to tell you they're very proud of how far they have developed their economy and have developed the ability to secure themselves against threats from Russia. Having said that, we're not abandoning them. We're going to focus the aid we have to help them in the areas where they feel it is most useful.

Senator GRAHAM. Well, I've been contacted by the people in Georgia, and they're just absolutely floored. They say, "What more do you want us to do? We're fighting and dying with you in Afghanistan without caveats." And maybe the threats coming from Georgia to Russia justify reductions of 66 percent, but I just don't agree with you. It's the worst signal to send to a good ally, the worst signal to send to the Russians. But, again, we'll work through this.

#### HIV/AIDS ASSISTANCE

HIV/AIDS. Do you agree that PEPFAR has been a very successful program for the American taxpayer?

Secretary TILLERSON. It's a model health program for the world to follow.

Senator GRAHAM. Why are we cutting it by a billion dollars?

Secretary TILLERSON. The program monies that are available are to sustain the HIV/AIDS treatments in 11 countries, to continue to

take those to a conclusion, and as patients roll off of those rolls, new treatments can be made available.

Senator GRAHAM. Right. I agree with you, that there may be five or six countries that could be self-sufficient. I just think the billion dollars cut now affects the countries who are not going to be self-sufficient, and it's just penny-wise and pound-foolish.

The bottom line here is a threat-based budget on the soft power side would not resemble what is being presented in my view. I humbly disagree with you. Just look at what you've got to do here. The money we're reducing to disaster relief is going to show up with more terrorists. Pulling back from Georgia at a time when they're still under siege by the Russians is going to reward Russia and punish allies, it's going to create a perception I don't want to create. The billion dollars coming out of HIV means less treatment for more people at a time when we're actually turning the corner.

So from 2007 to 2017, if we've spent more, it's because the threats to this country require us to spend more. 1.4 percent of the budget is still real money, but at the end of the day, it's a small amount of money given the return. And let's agree with you on this, that the people who work for you are incredibly brave, they serve us as well as anybody in uniform, and I'm a pretty hawkish military kind of guy. The USAID workers and the State Department people out there in the fight, God bless you all. I just really worry about cuts in Embassy security.

I'm not going to beat you up. I know that we can do better than this, and we're constrained by artificial spending numbers that are going to change. So thank you for representing our country and taking this job, leaving a comfortable life to do what's on this board.

Senator Leahy.

#### ASSURANCES ON CONGRESSIONAL RESPONSES

Senator LEAHY. Thank you, Mr. Chairman. We only have a few minutes here, so I think you can assume there will be other questions that will be sent to you in written form. Do we have your assurances they'll be answered?

Secretary TILLERSON. Yes, sir.

Senator LEAHY. Whether they come from Republicans or Democrats.

Secretary TILLERSON. I'm happy to answer any questions of anyone. I'm happy to take a phone call from anyone at any time.

#### DIMINISHMENT OF U.S. INFLUENCE

Senator LEAHY. Thank you. You've sought to—and Senator Graham alluded to this—you have sought to reassure our allies that the U.S. will remain a global leader. With this budget, cutting money for diplomacy and development by an average of 30 percent, China and Russia are expanding in those areas. Does that increase our influence?

Secretary TILLERSON. Well, Senator, I think we have to devise new ways to respond to a rising China and respond to a troubling Russia, and that long list of challenges on that board over there have been around for a while. The level of spending we've been carrying out hasn't solved them. I go back to my view that I don't

think the money we spend is necessarily an indicator of our commitment, I think it's how we go about it. And we've got to take some new approaches to begin to address some of these very daunting challenges.

The aid and the support and what we can bring to the issue is important. I'm not in any way diminishing that, but I think if we equate the budget level to have some level of commitment or some level of expected success, I think we're really undercutting and selling short people's intellectual capacity to bring different approaches to these problems.

Senator LEAHY. Well, I know when Secretary Mattis talks about cutting our budget, your budget, that we should buy him more bullets. That kind of got our attention. You talk about money we've spent. Is every program going to work? Of course not. But I've worked with Presidents of both parties, both Presidents Bush, for example, to increase funding in different parts of the world. Many of those programs have been very successful. We've talked about PEPFAR and others. The War Victims Fund has been very successful.

#### DEPARTMENT OF STATE REDESIGN

You want to eliminate more than 600 positions from the State Department, the buyouts. Reduce more than twice that number through attrition. What are you going to do if suddenly you find that we made a mistake, we're going to need more, not less?

Secretary TILLERSON. Well, that's what the entire redesign exercise is about—understanding better how the work gets done. What we've learned out of this listening exercise is our colleagues in the State Department and USAID can already identify a number of obstacles to them getting their work done efficiently and effectively. If we eliminate some of those obstacles, it's like getting another half a person because they have their time available now to direct it at delivery on mission as opposed to managing some internal process that's not directly delivering on mission. I just use that as an example.

I think when this is all said and done, our objective is to enable the people, our foreign service officers, our civil servants, our people in our missions, foreign nationals, to deliver on mission with greater efficiency and effectiveness, and, in effect, we're going to get an uplift in effort to deliver to mission.

Senator LEAHY. But if you've got 600 people that are gone, they're obviously not going to be there to help. Here it sounds to me almost like you're spending more time figuring out who you can fire than who you're going to have out there doing things.

Secretary TILLERSON. We're not going to have to fire anyone. This is all being done through the hiring freeze, normal attrition, with a very limited, if needed, because we haven't determined whether we'll even need it, a very limited buyout program between the end of this year and next. So there is no firing program planned.

#### CUBA

Senator LEAHY. The President has gone out of his way to praise the leaders of very repressive regimes in Saudi Arabia, Egypt, Rus-

sia, Turkey, the Philippines, but now it seems that the White House wants to change our relations, which have finally begun to improve, with Cuba, this despite the progress we've made that has benefited Cuban entrepreneurs and our businesses. How does this help?

You know, after a recent trip to Saudi Arabia, where women are jailed and flogged for driving a car or leaving the house without permission of a male relative, they get a \$100 billion sale of U.S. weapons, but somehow we have to step on Cuba. Does that make sense?

Secretary TILLERSON. Well, with respect to Cuba, we are evaluating that policy and what our posture should be. I think our view is that the steps that were taken over the past few years to improve relations with Cuba, to open it up to greater economic participation by U.S. companies and American citizens, did not deliver a reciprocal change in policy or behavior by the Cuban government towards human rights. There is still political opposition to the—

Senator LEAHY. You don't think so? You don't think that the people who now have jobs in Cuba and actually have some economic stability, they don't think it's better? As the "Wall Street Journal" pointed out last week, because of our restrictions on trade Cubans are going to Russia to get the parts they need for their trucks and their cars and other things. They spend the money in Russia.

I've gone to Cuba and criticized the repression. I don't just sit here in an easy place and say, "Oh, this is what's happening." I've actually gone there. But, you know, our President goes to Saudi Arabia to do a sword dance, we actually have some Americans that might want to learn to salsa in Cuba. And I don't mean that to be as flip as it might sound. The fact is you and I can go to any country that will let us in, but there is only one country in the world we need permission from our own government to go to, and that's Cuba, right off our shore, as though it's still a threat to us. We can go to Iraq or Iran or anywhere else if they'll let us in, but not Cuba.

We'll talk more about this. My time is up. But good lord, let's deal with reality, not ideology.

Senator GRAHAM. Senator Moran.

I didn't think that was a question, so— [Laughter.]

Senator LEAHY. Well, I don't want to cut the—if the Secretary wants to respond to that, out of fairness, feel free.

Secretary TILLERSON. Well, I think somewhere in there, there was a Cuba question. And as I began to—

Senator LEAHY. Would you roll back what we're doing in Cuba? What would you roll back what we're doing?

Secretary TILLERSON. I think what we are examining in the policy discussion on Cuba is there is existing law that's still in place, Helms-Burton, that says we are not to allow or facilitate people to allow financial support, revenue, to the regime. As the process to open up Cuba has unfolded, it is our view that that is happening.

If Cuban people are able to conduct business activities with Americans and others and there is no revenue directly in terms of ownership in these entities back to the regime, then, you know, we think that's great. But we have a law existing today that we feel has to be respected because that law was intended to put pressure



on the regime to address these oppressive issues that they still have. If the Congress doesn't want that pressure to be continued, then certainly the law can be revisited, but our view is we're looking at, what were the tools that were there to deal with all the four corners of Cuba's behavior and our relationship with them?

There are some things that we and Cuba could do together probably quite productively, and we're interested in engaging with them, but we can't take that just in isolation. And so the policy review is looking at all aspects of this.

Senator GRAHAM. Senator Moran.

Senator MORAN. Thank you, Mr. Chairman.

#### DIPLOMATIC SECURITY

Mr. Secretary, thank you for joining us. Thank you for the conversation that we had earlier this week. I want to focus at least initially on the security of our diplomats and the facilities around the globe in which they work. The budget sees a decrease in worldwide security protection account of about \$562 million from last year. First of all, I would say I heard you in response I think to Senator Leahy indicate that we can't judge our priorities necessarily by the levels of spending.

I think that's an indicator, but I think the point you make is there are other components that determine whether or not we will be successful. I assume that it's—I know it's the shared goal that every person who works for the State Department who represents the United States around the globe has a safe environment, as safe as we can provide to them.

So my question is in this case, what has changed or what will we do different that means that our State Department employees' safety is not diminished?

Secretary TILLERSON. Well, you are correct, Senator, we've made the safety of not just our State Department employees, but Americans broadly, our highest priority, certainly as it relates to our Embassy presence, our consular office presence, and our missions around the world.

If you examine the security elements of the budget, our budget for diplomatic security is actually up 11 percent year-on-year. Where we have reductions has to do with some of the construction, the buildings, part of the budget for embassies and other facilities. Part of that we'll manage with some multiyear commitments across 2017 to 2018, and some of this has to do with just our ability to move projects along promptly.

We are clearly committed to the Benghazi ARB recommendations, and I'm monitoring those carefully. We have some gaps we need to close. The OIG has helped us identify some of those. We're going to stay on top of those. If there were more funds there, we would simply try to step up more activity on some of the building and maintenance issues. So most of the reduction is in building and maintenance efforts, which we believe are manageable at least through fiscal year 2018.

KILLING OF MICHAEL SHARP IN THE DEMOCRATIC REPUBLIC OF THE  
CONGO

Senator MORAN. Mr. Secretary, thank you. An American citizen who was not as safe, whose parents live in Kansas, Michael Sharp, was killed along with another U.N. investigator, in the Democratic Republic of the Congo. Last week, Ambassador Haley called on the U.N. to investigate the murders of those two individuals. Would you find it appropriate to join Ambassador Haley in insisting that the perpetrators be determined, the facts be discovered, and we do everything we can to see that justice is met?

Secretary TILLERSON. We have already done that through our diplomatic mission in the Democratic Republic of Congo, and have called for a full investigation. To the extent we are able to gain information in their investigation, we certainly will make that available to you. But, yes, we have called for that as well.

Senator MORAN. And what's the response of the government? Have they cooperated? Is there results that—

Secretary TILLERSON. My understanding is investigations are underway. What an investigation in the Democratic Republic of Congo may entail versus the way we carry out law enforcement is something we're trying to at least monitor and make sure we're asking all of the right questions.

Senator MORAN. The investigatory role is being carried on by the Democratic Republic of Congo. This is not by anyone representing the United States.

Secretary TILLERSON. We have not, I would say, been able to put in place independent investigatory authority there with the Democratic Republic of Congo at this time. We're working with them.

DIMINISHMENT OF U.S. INFLUENCE

Senator MORAN. One of the concerns I have with this budget is that we don't operate in a vacuum. As I talk to our military leaders, certainly terrorism is on their list of worries. Senator Graham gave you a long list, but our military officers often tell me that Russia may be our—is our most—is our greatest challenge. Others, certainly all of them will include China on the list of concerns for our country's role in the world. And investment in the State Department's programs, when they're reduced, gives other countries the opportunity to advance their causes if we leave any gap unfilled.

And so I would ask you, with this budget, what would you expect to occur in regard to particularly China, but also Russia, and their ability to increase their influence around the globe, which in my view is to the detriment of the United States and its well-being. China just last month pledged \$124 billion for a new global infrastructure program. We are reducing USAID missions and eliminating economic development assistance to 37 countries around the globe, and the issue, in addition to me, in addition to the humanitarian, the rightness of the cause, is that others will take advantage of our absence.

Secretary TILLERSON. Well, we are already seeing that happening particularly in Southeast Asia, but in parts of Africa and elsewhere, particularly as to the rise of China. And I think our chal-

lenge is in China's case, it is a centrally command control economy, so when they come with not just loans, assistance, but also companies to carry out infrastructure projects, they get the whole package.

And so countries that enter into these arrangements—and we are talking to these countries and cautioning them about what they're getting themselves into in terms of getting themselves overburdened with loan commitments to China, that when China offers to build a railroad, build a road, build a port, they don't do it with local employment, they bring Chinese employment in, and then those Chinese employees never go home. We see this happening. We're working with partners in the region. This was a subject of discussion when Secretary Mattis and I attended AUSMIN, our 2+2 Ministerial, last week in Australia as well as in our conversations with New Zealand, Singapore, and others.

One of the approaches we are exploring is whether we can get the World Bank to also bring its mission to Southeast Asia, bring more private equity, private sector, investment dollars to the region and bring more counsel and advice to countries and give them another alternative around how to finance these projects, get more private sector involvement there.

What's required to get the private sector to engage is some of these countries have to continue to improve their investment climate, like Vietnam, the Philippines, and others. We're working with them on what's necessary. And in our meetings with the ASEAN countries, they see this threat, they see it, they feel it. And so we do have to be there with an alternative, to your point. You're exactly right.

We have to come with an alternative, but our alternative can't be solely achieved through the funding available through State or USAID. We really have to mobilize a much broader effort, and that's how we're responding.

Senator MORAN. Thank you, Mr. Secretary.

Senator GRAHAM. Senator Shaheen.

Senator SHAHEEN. Mr. Chairman, I'll defer to my colleague Senator Durbin because he was kind enough to open the door for me, which was why I got here before he did. So he was really here at the same time.

Senator GRAHAM. No, no, no, absolutely not. Senator Durbin.

Senator DURBIN. Go ahead.

Senator GRAHAM. Senator Durbin. No, Senator.

Senator DURBIN. Your turn.

Senator GRAHAM. Senator.

Senator SHAHEEN. No good deed goes unpunished, as we've said.

Senator GRAHAM. Have you all decided?

Senator DURBIN. A Good Samaritan never goes unpunished.

Senator SHAHEEN. Secretary Tillerson, thank you for being here. I'm sorry that I missed you this morning at the Foreign Relations Committee because I was at another appropriations subcommittee hearing.

#### RUSSIA

But I wanted to ask you about recent news reports that have described a proposed trip to St. Petersburg by Under Secretary Tom

Shannon that's going to happen on June 23. And as news reports have suggested that the purpose of the trip is to try and discuss with the Russians how we might be able to work together against ISIS and Syria. And last week, a State Department spokesperson admitted that one of the things that will be part of the conversation are the two dachas that were seized last year in response to Russia's interference in our elections. And I have a picture of those there, and we can see that they are quite substantial. It's my understanding that one of the intelligence reports suggested that these were used for collecting intelligence by the Russians.

And I wonder if you can share with us, given Russia's continued behavior, why we would even consider the return of those two dachas as part of any discussions that we're having with them.

Secretary TILLERSON. Let me describe to you the nature of our current dialogues with Russia because they're occurring at a couple of levels. What I would call the strategic big issues, like, "Can we work together in Syria? How are we going to resolve the Ukraine? How are we going to deal with sovereign interference?", those are being today conducted at my level with my counterpart, the Foreign Minister, and on occasion with access to the Kremlin.

What we have agreed to do, there is a long list of what the Russians call "irritants," we call them "the smalls" on our side, a long list of things that have been problematic between both of us for some time, and in some cases, they're just getting worse.

You recall when I made my trip to Moscow to see my counterpart, Foreign Minister Lavrov, and had a 2-hour meeting with President Putin, I came out of those meetings and I said our relationship is at the lowest level it's been since the Cold War, and it is spiraling down. And I said the two greatest nuclear powers in the world cannot have this kind of a relationship. We have to stabilize it and we have to start finding a way back.

So we segmented the big issues from this list of the irritants. The dachas are on that list. We have things on the list such as trying to get the permits for our consular office in St. Petersburg. We've got issues with harassment of our Embassy employees in Moscow. We have a list of things. They have a list of things. I don't want to suggest to you this is some kind of a bartering deal—it's more let's start working on some of the smalls and see if we can solve them.

As to the dachas, these two properties have been in ownership of the Russians dating back to the Soviet Union, 1971. They've owned these properties and have used these properties for a very long time. They were transferred to the Russian Federation Government for one dollar at the breakup of the Soviet Union. We have continued to allow them to use these properties. And they have used these properties continuously for all that time.

President Obama, in response to the interference with the election, expelled the 35 Russian diplomats and seized these two properties.

Senator SHAHEEN. Right. I understand that.

Secretary TILLERSON. What we're working through with them in this conversation is, under what terms and conditions would we allow them to access the properties again for recreational purpose? We have not taken the properties from them, they still belong to

them, so we're not going to seize properties that are theirs and remove their—but we are talking about, “Under what conditions would we allow you to use them for recreational purposes?” which is what they have asked.

We have things on our side that we're discussing terms and conditions with them as well. So this is part of, how do we take some of the irritants out of the relationship and stabilize things?

Senator SHAHEEN. Sure. I understand that. And I don't mean to interrupt, but my time is running. And I wonder if you could tell me if the properties are returned, how we would ensure that they would not be used for intelligence-gathering purposes.

Secretary TILLERSON. That's part of the terms and conditions we're discussing with them because we've been pretty clear to them, “We know what you were doing there. We're not going to allow you to continue to do that.”

#### FAMILY PLANNING AND REPRODUCTIVE HEALTH

Senator SHAHEEN. Thank you. As Chair Graham pointed out, the 2018 budget proposal would reduce a billion dollars from the PEPFAR program. And there are other policy decisions that the State Department is making that will have an impact on PEPFAR in addition to the funding reduction. As you know, the State Department in May released guidelines for the implementation of the Mexico City Policy, or the Global Gag Rule, which for the first time ever will apply to all global health assistance programs, including PEPFAR.

Now, study after study has shown that integrating reproductive health and HIV treatment and prevention services into basic primary care services leads to better health outcomes and significant cost savings of foreign dollars, and yet the State Department in this budget proposes eliminating all funds for family planning.

So how will the State Department continue to move towards integrating HIV and reproductive health and family planning in light of the drastic cuts that are being proposed to reproductive health funding and the restrictions that you're imposing by the Global Gag Rule?

Secretary TILLERSON. Well, first, just to be clear, the reduction to PEPFAR is \$1 billion, as was pointed out earlier.

Senator SHAHEEN. No, I understood that. It's the money for the family planning also has been cut.

Secretary TILLERSON. The extension of the Mexico City Policy to all areas of health delivery was directed under presidential executive order. And so the State Department, when we received the executive order, began immediately to work with all of the delivery services, including all of those in PEPFAR and a number of the other NGO organizations and important partners in the health delivery networks across the world.

Our assessment, we believe, is that the impact on those service providers is going to be minimal. That is what we believe. We're hearing from them. But to monitor that carefully, I have said that we will have a report to me after 6 months of, how is this working? What has been the impact? And we've been directly engaged with a number of the major private donors, like the Gates Foundation and others, clearly working with them to say, “Let us know how

this is impeding your ability to deliver on the other parts of the health mandate that we still strongly support.”

So we're obligated to implement the Presidential executive order. We think we found a way to do that, achieve his directive, but do it in a way that has minimal impact on our ability to deliver and minimal impact on our ability to deliver funding to PEPFAR and other related programs. And we will see how that works after about 6 months of operation.

Senator SHAHEEN. And if I could just follow up, Mr. Chairman, how do you define minimum impact? Because based on information that I've seen from other international sources, losing access to family planning services will result in 2 million more unsafe abortions, 12,000 maternal deaths, and 6 million more unintended pregnancies. So will you factor that in as you're looking at the impact of this policy on the PEPFAR program?

Secretary TILLERSON. We will factor in those elements that are covered by the President's executive order to ensure that we are implementing the order and we are understanding whether it's impacting parts of our health programs that we did not intend by the executive order to impact.

Senator SHAHEEN. So you're comfortable with it impacting women's health in the way I've just defined? That's a question.

Secretary TILLERSON. We will carry it out consistent with the President's executive order. So if certain activities and programs are excluded because of the order, we have to exclude those.

Senator SHAHEEN. Well, Mr. Chairman, I'm certainly not comfortable with that kind of impact on women's health worldwide.

Senator GRAHAM. Thank you. Duly noted.

Senator BOOZMAN.

Senator BOOZMAN. Thank you, Mr. Chairman.

#### CUBA

And thank you, Mr. Secretary, for being here. We do appreciate your service. When I was first elected to Congress, a fellow Congressman, somebody who was a great coach, Tom Osborne, from Nebraska, one day said, "John, if we run the same play 50 times in a row and we don't get good results, we probably need to do something different." And what he was referring to was Cuba. And we have been doing things a little bit differently lately, and I think getting some results.

I'm a little bit disappointed as we hear that you all are about to reach a decision that perhaps we're going to push back on some of the reforms that we've made and some of the opportunities. I believe that you change the world through relationships. And also you have to be consistent. I know that we do business with lots of people that are certainly as bad on the human rights fronts as the Cubans, and I could list a whole bunch of them, I don't think we need to do that, but I think you would agree with that.

Can you talk to me a little bit about kind of where we're at with that and how you feel about the path going forward?

Secretary TILLERSON. Well, again, as I indicated earlier, the Cuban policy is under review. In fact, there's an interagency review that's been underway today. I've been up here, so my Deputy Secretary has been participating in that for me. So I don't want to get

ahead of the interagency process or tell you I know what the final policy outcomes are going to be. What I described earlier are some of the elements that I know are under discussion within the inter-agency process.

And, again, our situation in Cuba, yes, there are many other places around the world that have similar human rights issues that are problematic to us and challenges to others. Cuba has a very long history of statutory obligations placed around it from Libertad all the way up through the most recent, I think there are four laws that govern a higher relationship with Cuba. As we are examining the situation, we believe it is important that we are not advancing or advocating policies that would put individuals or companies in violation of those laws.

If it is the view of the United States that we want to change and redefine that relationship by removing some of the statutory requirements, I think that's a conversation that should happen.

I agree that one of the best ways to improve relationships with Cuba and with other countries is through economic activity. It's the strongest way to tie our people together. It delivers value to people in the country, they improve their quality of life. All of that is good. We agree with every bit of it. What we are concerned about is not continuing to support in any way financially a regime which, as best we can tell, has made no change to its posture or its behavior.

Senator BOOZMAN. I think a recent study said that there is \$6 billion worth of economic activity, 12,000 jobs. So it is important. I think there is tremendous potential there. But the only place I would disagree is I think you get there by engagement. And so—

Secretary TILLERSON. And just so you know, there is no disagreement between us on that.

Senator BOOZMAN. Yes, sir. And I think it's fair that you brought up that you don't want to violate any laws that are on the books now. But hopefully we can look at and work through and continue the engagement that we've got.

#### FULBRIGHT PROGRAM

As an Arkansan and someone who believes, again, as we talked about, you change the world through engagement, the Fulbright Program has been something that we're proud of in the State of Arkansas. We're talking about a 47 percent overall cut there. I wish that would be something that you would look at, too.

I was in Israel and visiting with I think he was the Finance Minister from Palestine. This was several years ago. And it turned out that he had been to summer school at the University of Arkansas, went on and finished up at the University of Texas. So we could laugh about that, the Arkansas-Texas—he knew all that stuff. But those things are so, so very valuable.

Secretary TILLERSON. Well, we see the Fulbright Program as extremely valuable as well. I've had conversations with former Senator Kerry, who is very engaged. Our reduction in the budget, as you know, the Fulbright Program also receives private donations. So our 45 percent cut translates I think into about a third reduction for them. We understand it will have an impact. What we want to do is to the extent we can help in attracting more private donations to support the program and perhaps begin to attract do-

nations from countries who have benefited from the Fulbright Program as well. So it is not in any way an indication of our view of the value of that program.

Senator BOOZMAN. I think Mark Green is an excellent choice for USAID, and I congratulate you on your choice there.

Secretary TILLERSON. Thank you.

DEPARTMENT OF STATE REDESIGN

Senator BOOZMAN. Can you talk just for a second about the reorganization process that you're going through and commit to working with the subcommittee to make sure that the changes that you're in the process of doing, that they're sustainable as we go forward?

Secretary TILLERSON. Well, as I indicated, we have just completed what I think is—having done this in the private sector once or twice and in a big nonprofit once, there's a process that I know has delivered for me in the past. So we just concluded this listening effort, which will inform us and shape how we feel we need to now attack the redesign and the way forward. I've interviewed a couple of individuals to come in and help me lead that effort. I think we will finalize the listening report here in the next few weeks, and we're going to make that available so people can see that.

Out of that report, though, there were about 13 themes that emerged, and these were extremely valuable to begin to help us focus on where are the greatest opportunities to remove obstacles for people. Because that's really what this is about, is, how do we allow people to get their work done more effectively and more efficiently? And we will be going after the redesign.

Some of this is internal processes, some of it is structural, some of it are constraints that quite frankly Congress puts on us through some of the appropriations structures, and I understand all well intended to ensure accountability and oversight, but it ends up adding a lot of layers. So we're going to be getting at that.

We hope to have the way forward, the next step, framed here in the kind of August timeframe so that we can then begin the redesign process itself, September. I'm hoping we can have all of that concluded by the end of the calendar year. And then 2018 will be a year of, how do we implement this now? How do we effect the change and begin to get that into place?

Senator BOOZMAN. Thank you, Mr. Secretary.

Senator GRAHAM. Senator Durbin.

Senator DURBIN. Thank you, Mr. Chairman.

Let me associate myself with the chairman's opening remarks. I thought it was a brilliant presentation that puts in perspective why we're here today.

Senator GRAHAM. Say that again.

Senator DURBIN. Mr. Secretary, let me—

I've already said it on the record once, and that's the only time I'm ever going to say it. [Laughter.]

No, seriously, I do respect what you said earlier.

Mr. Secretary, I come into this same room and I sit down as ranking member on the Defense Committee. I listened to your explanation of how a 30 percent cut is not that bad, that money isn't the solution to the problem, you just need creative people and inno-



vative thinking. I never hear that when we're talking about the defense budget. They always need more money, more and more and more. And yet when it comes to a world that is plagued by famine and the problems that we face, we're just saying we really don't need money to solve problems.

It turns out my experience in life is you don't solve a problem by throwing money at it unless the problem is lack of money. And when it comes to the poorest people on Earth, it's lack of money, lack of investments in these people and in their lives.

And I take a look at some of the things that are being suggested here. I am embarrassed. I am embarrassed at the policy of this country now when it comes to accepting refugees in the world. Since World War II, we've led the world in accepting refugees from all over. Cuba. Three of our four Hispanic Senators are from Cuban refugee families. I mean, you go through all of the people that we've absorbed as refugees into this country—and we know the policy of the Trump administration opposes acceptance of refugees.

JORDAN

Thank goodness there are heroes in this world like the King of Jordan. Currently, Jordan has absorbed 3 or 4 million refugees in a nation of 7 million people. It is an incredible act of kindness and charity on their part, and bravery when you consider the political risk.

So what does this budget do to Jordan? This budget cuts by 18 percent migration and refugee assistance to countries like Jordan. We're not accepting refugees, and we're saying to the countries that are, "We're going to cut your funding." Think of a more creative way to feed those refugees, 1.4 million Syrian refugees.

It just doesn't work, Mr. Secretary, for us to walk away from our global responsibility and then to hurt those who are accepting much more than others. How would you respond to the King of Jordan and explain why we would cut funds to him at this moment in history?

Secretary TILLERSON. Well, I would take exception to the comment that we're walking away from our responsibilities in that region with all of the men and women in uniform we have fighting and the State Department diplomatic resources we have to get at the reason the refugees are in Jordan. And I would tell you, in working in the region, they all understand. Turkey, Jordan, others understand, we'd like the refugees to stay close to their home so they can go back. Having them come all the way to the United States doesn't—may not achieve that.

So our approach on the significant problem of refugee migration locally is to solve the problem that allows people to go home. We have already seen some success in the liberation of Mosul and other cities. We hope to replicate that kind of success in Syria, where we have come behind the military quickly when they liberate an area, create a secure zone, restore power and water, restore hospitals, restore schools. We have close to 40,000 children back in school in east Mosul already. People will come back if we create the conditions.

So we really want the refugees to return. It's not the objective to have Jordan have to house those refugees now and forever more.

Senator DURBIN. Of course it's not, Mr. Secretary, but thank goodness for the King of Jordan, and I hope you feel that way about him, too.

Secretary TILLERSON. I certainly do.

#### PROPOSED BUDGET AND PROGRAM REDUCTIONS

Senator DURBIN. While we're trying to solve the problem in Syria, and I know Americans are risking their lives in that effort, while we're trying to solve it, this man is trying to make sure that the people, the Syrian refugees, have something to eat, to make sure that they have a—he told me their biggest problem is water, they don't have enough water to accommodate all these refugees. And we're going to cut the funding?

Let me tell you another situation, which I'm sure you're aware of. As you go into the poorest places on Earth, what you find sadly is a gross mistreatment of little girls and women. It happens over and over again.

And so a fellow by the name of George McGovern, who used to sit in this body and was a great leader in our nation before he passed, came up with an idea. He came up with an idea of a school lunch program. And you know who joined him in that idea? Bob Dole. An old alliance and partnership was revived. And here's the idea they had: if we offer a free lunch to kids in the poorest places on Earth, we think parents will send their little girls to school. Just basic. That's what they did. The McGovern-Dole school feeding program. And then they add another element to it, they gave the kids a little bag of grain to take home from school. So the parents couldn't wait to get the little girl off to school.

What's the difference in the poorest places in the world between an educated and an uneducated little girl? I can tell you what it is. The uneducated little girl will be a slave, probably married off at an early age, probably bearing children long before she should, and maybe those children will survive and maybe they won't, and then we'll have overpopulation problems. But if they finish school, the opposite is the case. And so what did your budget decide to do to this McGovern-Dole school feeding program? You eliminated it. Now, is that going to make for a better world and a safer world?

Secretary TILLERSON. Senator, what we are attempting to do is to marshal forces of others. We are talking to other countries and asking them to do more, to step in to fill in some of the needs that Jordan has in the refugee camps, the same in Turkey. So we are using higher convening authority to bring to bear other resources as well.

These are some of the very difficult choices we made in achieving a budget level that we have put forth in this budget. None of these choices are easy, none of them. There's not a one of them that was not difficult to make. And so I do not take exception to anything you've said at all, and would agree. So what we are going to attempt to do is see if we can bring other resources to bear to either fill in, mitigate, or perhaps grow out interest of others to address these same issues.

Senator DURBIN. So our message to the world is, "We're stepping back. America is first and stepping back now. We're stepping back by 30 percent in our expenditures. We're eliminating these pro-

grams, and you are welcome to fill in," to the rest of the world? That is our message, the America First message?

Secretary TILLERSON. Our message is we're leaning in and asking all of you, all of you, to step up and do more.

Senator DURBIN. I think we're leaning on, we're not leaning in, and we're leaning on the poorest people on Earth.

Senator GRAHAM. Senator Van Hollen.

Senator VAN HOLLEN. Thank you. Thank you, Mr. Chairman.

And welcome, Mr. Secretary. Good to have you here. And I, too, want to associate myself with the remarks by the chairman and the ranking member regarding the State Department budget. I do believe that cuts of this magnitude diminish our influence overseas. It will diminish our capacity to accomplish some of our goals. I'm all for creative reforms where the goal is a better operating department rather than trying to hit an arbitrary budget number that was provided to the State Department by OMB and others. There's a big difference between those two things.

#### RUSSIA

I want to talk to you a little bit about Russia and legislation the Senate will soon take up regarding Russian sanctions. I know that you've previously stated what every intelligence agency has concluded, that there was Russian interference in our elections. Is that the case?

Secretary TILLERSON. Yes.

Senator VAN HOLLEN. Yes. And I'm not here to debate whether it was a decisive intervention or not, but they interfered. And you would also agree, would you not, that they are attempting to interfere in the elections of many of our NATO allies, as in the Netherlands or France.

Secretary TILLERSON. It certainly appears that way.

Senator VAN HOLLEN. It does. And so would you also agree that Russia would prefer a weaker NATO to a stronger NATO?

Secretary TILLERSON. In all likelihood, they would.

Senator VAN HOLLEN. I think so, too. So I guess my question, Mr. Secretary, is, do you agree with Senator Graham and Senator McCain, and I think probably a majority of us on this subcommittee on a bipartisan basis, that it's important to take additional actions and sanction Russia to let them know that you cannot interfere in our elections and just get away with it, that the United States is not going to walk away from that kind of attack on our democracy? Isn't that important?

Secretary TILLERSON. It certainly is important, Senator, and I think, you know, one of the challenges is how to structure these sanctions to achieve the desired result. In the case of the current sanctions, as you know, that are in place, were in response to Russia's invasion of Ukraine, taking of Crimea. So Russia understands what has to be done to achieve sanctions relief on the current sanctions.

The issue and the outrageous response they should receive for their cyber meddling around elections so we can put sanctions in place, is what do we want from the Russians in order for them to earn sanctions relief? I'm not suggesting we shouldn't do it, I'm just pointing out from a diplomat's perspective, some of the challenges.

I do think, and I've read the amendment to the Iran sanctions bill, which is where the Russian sanctions are being considered, and I think there are a few problematic areas within those that I would hope would allow the diplomatic efforts to attempt to make some progress. If we cannot make progress, and I have told others in the Senate when we've talked, I've had conversations with them, I may very well be calling you and saying the time has come now to do this in order to motivate some movement on their part.

So I understand and am supportive of having that kind of ability. I think the question is, given where we are—and we don't know yet whether these efforts we have in place are going to bear fruit. Ultimately, it's going to take a little time, but as I said earlier, I think it is important that we address the situation and the relationship we have today, which I do not believe is in the interest of the United States nor the interest of stability in the world, and we can either deteriorate it further or we can try to stabilize and improve it, and right now, this is an effort that is in progress.

Senator VAN HOLLEN. No, I understand, Mr. Secretary, and I think all of us would like to see the Russians take the actions that indicate to us that they want to be a constructive international player, but as you know, the first challenge when you're tackling a problem is to get the other side to admit that they've engaged in this kind of activity. Have they indicated to you in any of these conversations, have they admitted they interfered in our elections in any of your conversations?

Secretary TILLERSON. I think their position and their explanation of it is pretty public, and I've heard nothing any different.

Senator VAN HOLLEN. Well, that's right. I mean, now we're in a position where they haven't even admitted it, right? You've got Vladimir Putin talking about maybe some private citizens in Russia, you know, played hanky-panky. We know that's not true. We know it was a concerted effort. We've seen it not only in the United States, but with our NATO allies. So to even be talking about providing them access to the compound on the Eastern Shore of Maryland, my State, or others, instead of leaning forward and saying, "Here is what we're going to do unless, number one, you admit what you did; and number two, you're going to provide us verifiable assurances that it won't happen again," it seems to me we've got to lean in on that issue.

#### IRAN

Let me ask you a budget-related question with respect to the verification of the Iran agreement. We're also going to be discussing legislation related to that agreement because on April 18, the administration certified to the Congress that Iran was in fact in compliance of the current agreement, isn't that right?

Secretary TILLERSON. That's correct.

Senator VAN HOLLEN. And you would agree, would you not, that it's in our national security interest to make sure we have in place the ability to verify Iranian compliance with the agreement?

Secretary TILLERSON. Yes, it is, but I will also tell you under that agreement, it's a pretty low bar.

Senator VAN HOLLEN. Well, I would beg to differ, but I think what we should agree on, Mr. Secretary, is that the IAEA, which

monitors that agreement, should have the resources to do it. Would you agree with that?

Secretary TILLERSON. Certainly.

INTERNATIONAL ATOMIC ENERGY AGENCY

Senator VAN HOLLEN. Okay. Well, part of your budget calls for a 27 percent reduction to the contributions to international organizations, and those mandatory contributions, many of them go to fund the IAEA, which has indicated that they need those resources to verify Iranian compliance with the nuclear agreement. So can you tell us today that the United States will ensure that we provide our share of the funds necessary to make sure that they can verify compliance with that agreement?

Secretary TILLERSON. Yes. The cuts to the international organization's budget, which, as you mentioned, touches on a number of organizations, U.N., World Health, IAEA, how we would distribute those is under continued discussion with the bureaus and those agencies so that we have as best an understanding as we have as to how that would affect them, but it is our intention that the IAEA have all the resources it needs to carry out its responsibilities on the compliance side of the JCPOA.

Senator VAN HOLLEN. I appreciate that commitment, Mr. Secretary. I think that's important to all of us.

Senator GRAHAM. Senator Coons.

Senator COONS. Thank you, Chairman Graham.

Thank you, Secretary Tillerson, for your service and the chance to be with you again today. I'm struck at the list that the chairman put up and the detailed and thorough presentation he made about the unsettled, dangerous and difficult world in which we currently operate and the gap with your written and spoken presentation.

RUSSIA

I see here Russian aggression and conflict in Ukraine relatively prominent, and I did not see that in your written testimony or your spoken testimony. And I'm concerned about that gap in the context of an era when we know that Russia, from the very highest levels, intentionally interfered in our last presidential elections, and in my view, that's only going to stop when we stop it.

I understand we may have a difference in approach to how to engage Vladimir Putin in Russia, but I have a concern about the message we're sending to our vital allies. I am haunted by a question asked of me by an Eastern European diplomat at the Halifax Security Forum not long after the inauguration where he said, "How can we count on you to defend our democracy when we don't see you defending your own democracy?"

In your confirmation hearing, you acknowledged Russia's ongoing efforts to divide Europe from the United States and to divide NATO and the EU within. And we discussed how you would lead the resources of the State Department to counter Russian propaganda through tools like Radio Free Europe, and how you would invest in strengthening our vital allies in the region, whether NATO or, as has been mentioned, countries like Georgia or Ukraine that are not NATO members.

If I understand this right, your fiscal year 2018 request for Europe and Eurasia is nearly cut in half from fiscal year 2016 by about \$450 million. What is the strategy behind decreasing support for our partners and allies in the region in the face of a clear and growing Russian threat to their democracies and ours?

Secretary TILLERSON. Well, first let me position the situation with Russia for you so that you understand what I am hearing from allies, partners, large and small, and this is without exception. I have yet to have a bilateral, a one-on-one, a pull-aside, with a single counterpart in any country in Europe, the Middle East, even Southeast Asia that has not said to me, "Please address your relationship with Russia. It has to be improved." They believe worsening this relationship will ultimately worsen their situation.

So we have been—people have been imploring me to engage and try to improve the situation. Now, that was our approach anyway, but I would just tell you the feedback I'm getting is, "Please engage and see if you can improve the situation."

With respect to the tools available to us, we do maintain a particular emphasis on the countries that we see in Europe that are most at risk of Russian interference in Eastern Europe. We would like to do more in the Baltics and in the Balkans. If we had a little more, we would do a little more there, but we have not walked away from those.

We do want to continue to perfect more sophisticated approaches as to how to push messages into Russian society, obviously through social media, through broadcasts, through all of the tools available to us, and we are going to continue to maintain that effort to ensure we are in the conversation among young people and others inside of Russia.

But this—I understand other countries are concerned about Russia, they should be. And I hear about it when I talk to them about how they feel the direct threat, whether they're in the Baltics, whether they're in the Balkans, whether they're in Georgia, or whether they're in other parts of the world as well. So they express that to me, but then when we talk about what should be done, they want us to solve it through engagement. They do not want it to get worse because if it gets worse, they fear it will be worse for them.

Senator COONS. Well, Mr. Secretary, I appreciate hearing that perspective, and we have many of the same conversations, just with a different endpoint. In Southeast Asia, in Eastern Europe, in the North Atlantic Alliance, I hear grave concerns that the signals we are sending are signals of retreat and of disengagement. Partly this is from countries, as was mentioned by the chairman, like Jordan that critically depend on us for support as they bear the burden and costs of a great number of refugees. In other places, it's where either China is being ascendant or aggressive in the South China Sea, or in the face of North Korea, or in Eastern Europe, as you mentioned.

I just—in terms of an overall budget that is trying to defend American interests and advance American values, I don't see how it makes sense in an increasingly difficult and contested world to unilaterally withdraw support from vital allies who have chosen us and our values and our side in a contest of ideas with Russia, China, and others.

## AFRICA

Let me mention two other things before I run out of time. As has been mentioned by others, we have people-to-people programs like the Fulbright Scholarships that have had a big positive impact and that elevate the reputation we enjoy in the world. Africa is a very young continent, a very large continent, where China is omnipresent. The Young African Leaders Initiative is a relatively modest-in-scope program that has had a big impact. I thought it was, again, not the choice I would have made to cut all the educational and cultural exchange programs in half, and YALI would be one of them. I hope you will reconsider that because I think these are powerful programs that connect us to parts of the world where we benefit from a positive relationship and from, as you said, that next generation of leaders.

Power Africa is also something that we, on a bipartisan basis, authorized through the Electrify Africa Act. It is a way for us to bring the deployment of private sector capital and American expertise to Sub-Saharan Africa. Your budget proposal allocates an 84 percent cut from the fiscal year 2016 enacted level for this. There are a dozen other programs I could talk about that I think improve the visibility and the scope and the reach of our investment through diplomacy and development. Those are two I just wanted to elevate in our conversation today.

Let me close just by quoting an editorial that I thought made an important point. A Senator said in this editorial, “To view foreign policy as simply transactional is more dangerous than its proponents realize. Depriving the oppressed of a beacon of hope could lose us the world we have built and thrived in.” This is, of course, by Senator McCain. It was written on May 8. I would ask for unanimous consent it be submitted for the record.

Senator GRAHAM. Without objection.  
[The information follows:]

[From The New York Times, May 8, 2017]

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Opinion | OP-ED CONTRIBUTOR

JOHN MCCAIN: WHY WE MUST SUPPORT HUMAN RIGHTS

(By John McCain)

WASHINGTON, DC.—SOME years ago, I heard Natan Sharansky, the human rights icon, recount how he and his fellow refuseniks in the Soviet Union took renewed courage from statements made on their behalf by President Ronald Reagan. Word had reached the gulag that the leader of the most powerful nation on earth had spoken in defense of their right to self-determination. America, personified by its President, gave them hope, and hope is a powerful defense against oppression.

As I listened to Mr. Sharansky, I was reminded how much it had meant to my fellow P.O.W.s and me when we heard from new additions to our ranks that Mr. Reagan, then the Governor of California, had often defended our cause, demanded our humane treatment and encouraged Americans not to forget us.

In their continuous efforts to infect us with despair and dissolve our attachment to our country, our North Vietnamese captors insisted the American Government and people had forgotten us. We were on our own, they taunted, and at their mercy. We clung to evidence to the contrary, and let it nourish our hope that we would go home one day with our honor intact.

That hope was the mainstay of our resistance. Many, maybe most of us, might have given in to despair, and ransomed our honor for relief from abuse, had we truly believed we had been forgotten by our government and countrymen.

In a recent address to State Department employees, Secretary of State Rex Tillerson said conditioning our foreign policy too heavily on values creates obstacles to advance our national interests. With those words, Secretary Tillerson sent a message to oppressed people everywhere: Don't look to the United States for hope. Our values make us sympathetic to your plight, and, when it's convenient, we might officially express that sympathy. But we make policy to serve our interests, which are not related to our values. So, if you happen to be in the way of our forging relationships with your oppressors that could serve our security and economic interests, good luck to you. You're on your own.

There are those who will credit Mr. Tillerson's point of view as a straightforward if graceless elucidation of a foreign policy based on realism. If by realism they mean policy that is rooted in the world as it is, not as we wish it to be, they couldn't be more wrong.

I consider myself a realist. I have certainly seen my share of the world as it really is and not how I wish it would be. What I've learned is that it is foolish to view realism and idealism as incompatible or to consider our power and wealth as encumbered by the demands of justice, morality and conscience.

In the real world, as lived and experienced by real people, the demand for human rights and dignity, the longing for liberty and justice and opportunity, the hatred of oppression and corruption and cruelty is reality. By denying this experience, we deny the aspirations of billions of people, and invite their enduring resentment.

America didn't invent human rights. Those rights are common to all people: nations, cultures and religions cannot choose to simply opt out of them.

Human rights exist above the state and beyond history. They cannot be rescinded by one government any more than they can be granted by another. They inhabit the human heart, and from there, though they may be abridged, they can never be extinguished.

We are a country with a conscience. We have long believed moral concerns must be an essential part of our foreign policy, not a departure from it. We are the chief architect and defender of an international order governed by rules derived from our political and economic values. We have grown vastly wealthier and more powerful under those rules. More of humanity than ever before lives in freedom and out of poverty because of those rules.

Our values are our strength and greatest treasure. We are distinguished from other countries because we are not made from a land or tribe or particular race or creed, but from an ideal that liberty is the inalienable right of mankind and in accord with nature and nature's Creator.

To view foreign policy as simply transactional is more dangerous than its proponents realize. Depriving the oppressed of a beacon of hope could lose us the world we have built and thrived in. It could cost our reputation in history as the nation distinct from all others in our achievements, our identity and our enduring influence on mankind. Our values are central to all three.

Were they not, we would be one great power among the others of history. We would acquire wealth and power for a time, before receding into the disputed past. But we are a more exceptional country than that.

We saw the world as it was and we made it better.

John McCain (@SenJohnMcCain) is a Republican Senator from Arizona.

*Follow The New York Times Opinion section on Facebook and Twitter (@NYTopinion), and sign up for the Opinion Today newsletter.*

A version of this op-ed appears in print on May 8, 2017, on Page A21 of the New York edition with the headline: We Must Support Human Rights.

Senator COONS. I am concerned that in a world that is increasingly unstable and where there is a clear contest between authoritarian capitalism and real capitalism, as a democracy that is a capitalist society, we need to step up our game. And I agree with increasing our defense investment, but I think to do it without also sustaining or increasing our investment in diplomacy and development is ill-considered, and I really hope that we will work together to advance human rights, to advance diplomacy, and to advance development through this budget.



Thank you, Mr. Chairman.

Senator GRAHAM. Thank you.

Senator Daines.

Senator DAINES. Thank you, Mr. Chairman.

Secretary Tillerson, thank you for your service to our country. Thank you for coming before this subcommittee today.

#### NORTH KOREA

Two months ago I led a bicameral congressional delegation to China and Japan. In fact, it was just after President Xi was in Florida. I was heading over to China I think that Sunday. And we were underscoring our concerns about the threat posed by North Korea, noting that the U.S., and I quote, year of strategic patience is over, as was articulated by Vice President Pence, who came there the week after we were there in terms of in the region.

Despite international efforts to pressure Pyongyang, it continues to conduct missile tests, nearly a dozen already this year. While some of these tests have failed, I am concerned that North Korea is learning from these failures. There's an old saying, when you attend college, you learn a lot more from the tests you fail versus the tests you ace. Meanwhile, South Korea has delayed implementing part of THAAD, the missile defense system.

My question is, how have the latest developments impacted the State Department's engagement with South Korea, Japan, and China to protect against North Korean aggression?

Secretary TILLERSON. Well, as you know, the new South Korean Government is being put into place. They have not named all of their cabinet positions yet, but we have been in conversations with some of their representatives, who came to Washington, as well as maintaining a very close dialogue with our Japanese counterparts.

So our intention—and I know the South Koreans are committed as well to the strong trilateral partnership that we have that confronts North Korea first and foremost, and then ultimately at some point, at the appropriate point, engage with others. But the pressure campaign that we've had underway now for a few weeks, which involves obviously a requirement that China in particular participate and participate in a meaningful way, we believe is beginning to have some effect. It is difficult obviously to judge precisely because we do not have great transparency and visibility inside the regime in North Korea, but this is a campaign that has a forward map as to how we continue to implement and increase that pressure on the North Koreans until we receive a clear signal that they now are ready to engage with a different mindset about the way forward.

You could interpret the level of missile testing obviously is quite disturbing to us. Whether that's a sign they're trying to give to us that it's not working, whether it's a sign that it is working, is difficult to tell, but we are monitoring all of those tests carefully, and particularly in terms of what is the nature of the test. And we have good alignment between ourselves and the government of China regarding, first, the objective, a denuclearization of the peninsula, but also we have a good understanding between us of what actions if North Korea went too far, what actions would cause us to be completely aligned?

So we have further high level dialogue with the Chinese coming up this next week, Secretary Mattis and myself, because we want to work this both at the diplomatic level but also at the mil-to-mil level. It's important that we manage the risk of this quite carefully with full and open channels of communication with the Chinese.

Senator DAINES. Secretary Tillerson, I want to commend you and the administration in the leadership that I've been seeing in Asia. I lived in China for 6 years working for Procter & Gamble. I was there when Kim Un Jong's grandpa signed the deal back in 1994, and we've seen what's happened since then.

I was struck by, as you just mentioned, the change in the engagement approach the Chinese now have. We met with Premier Li Keqiang as well as Chairman Zhang Dejiang as they are, I think, as you stated, changing their engagement strategy with North Korea, and I want to thank you for your leadership in that regard in this very important issue.

Similarly, I had feedback from the leadership in Japan with Prime Minister Abe and his team, that our relationship with Japan has never been better in some time. And the media doesn't report this kind of news, but I saw it firsthand, and I want to thank you for your steady hand of leadership in this important area of the world.

#### RUSSIAN TRADE WITH NORTH KOREA

Last week, there was a press report that indicated that Russian trade with North Korea increased by more than 70 percent in the first 2 months of this year. Can you provide additional details on this development? And what impact does this have on our North Korea strategy?

Secretary TILLERSON. We do need Russia's cooperation and participation. We have spoken directly to them. I spoke directly to President Putin on the need for them to join us and China in the pressure campaign on North Korea. We do see and monitor Russian movements of fuel, petroleum products. They are opening a new ferry transport system between Vladivostok and North Korea, which is troubling.

So we're continuing the dialogue with them. I think we're making some progress. If you noticed in the U.N. Security Council resolution that was passed, it was passed with unanimous approval. The Russians supported that resolution, which imposed more sanctions on individuals and entities. In years past, we would never have hoped that they would vote for it. They might have abstained.

So I think the Russians, too, are beginning to understand the threat that North Korea poses to them because if there is a problem regionally, they will feel the effects of that. So I think they are also beginning to recalculate their posture towards North Korea.

#### ENERGY SECURITY IN EUROPE

Senator DAINES. So speaking of Russian threat, I'm going to go to the other side of the world. A few weeks ago, I visited Norway. In fact, we were at Hammerfest, Norway. I was with Chairman Murkowski, of the Energy Committee, as well as Secretary Zinke, and Senator Cornyn, Senator Barrasso, Senator Heitkamp.

While I was there, I toured one of the world's most efficient liquefied natural gas facilities. They also have onsite carbon capture capability. Many European countries still depend on LNG from Russia. I was struck by the fact there are actually 13 European countries that rely on Russia for over 75 percent of their annual LNG imports.

So the facility that we saw such as the one in Norway, the only one in Europe, combined with U.S. LNG exports, can be important to reduce Russia's ability to use its energy policy to intimidate Europe.

The question is, what's the State Department doing and what more can we do as part of a whole-of-government approach to help Europe become less dependent on Russia for their energy needs?

Secretary TILLERSON. Well, just to clarify, Europe receives 70 percent of its natural gas supply, but it comes by way of pipeline to Europe, because there are extensive historic pipelines that have been there for decades. And Russia is now pursuing the expansion of a second pipeline called Nord Stream 2 that would connect to Germany.

We have encouraged European countries and the EU to at least subject that pipeline to the full rigors of their regulatory process and have suggested to them it's not in their long-term energy security interest to become more dependent on Russian natural gas, and have pointed out that the U.S. has an abundance of natural gas and facilities now to ship LNG to Europe.

So we are promoting the notion that Europe needs to really think about its total energy balance and its energy security, and recognize how dependent they remain on Russia. So we are having those kinds of dialogue with them.

Senator DAINES. All right. Thank you, Secretary Tillerson.

Senator GRAHAM. Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman. I know it's been a very long day.

#### YEMEN

Mr. Secretary, thank you for sticking with us in both committee processes. We had a vote on the floor of the Senate earlier today on a small portion of the proposed arms sales to Saudi Arabia. It was a close vote, close in part because I think there is a worry that while there is clearly a military strategy to assist the Saudis in their bombing campaign inside Yemen, that there is not a political component to the strategy. I think you answered a question that Senator Young posed earlier today about putting pressure on the Saudis to allow humanitarian resources to flow more freely into the country, a country that is ravaged by famine and cholera today.

But I wonder if you might speak a little bit more in depth about the lack of a political process. Secretary Kerry was very deeply personally engaged in trying to bring the Iranian-backed Houthis together with the Saudi-backed regime. He was unsuccessful, but he got very close. And the sense is that this administration and your Department of State has not engaged in that political process, is not actively trying to get the two sides to sit at the table. And part of our worry is that the strategy now is to escalate the military conflict as a means of trying to bring the Houthis to the table

under circumstances in which they are weaker, which might exacerbate the military conflict.

So just explain to me, or I would love for you to talk to the subcommittee about your views on how the U.S. reengages the political process inside Yemen.

Secretary TILLERSON. Well, thank you, Senator. And you are right on the issue. Let me dispel the notion that we're not engaged. I lived in Yemen for 2½ years, and so I know a number of the people pretty well. We are engaged with really it's the Emiratis, the Saudis, and ourselves with the Omanis participating as well, and the U.N. We've had two or three meetings now to talk about the way forward, including discussions with the U.N. representative in this.

We are pursuing the political solution. But this involves more than just the Saudis and the Houthis. It's a little more complicated than that, and I think that's why past efforts may have failed, there was not a recognition of all of the equities that were involved inside of Yemen.

I want to be careful about going too far because some of this is at a very sensitive stage and we are not talking about it publicly yet, but we are working diligently with those parties to put together a way forward to begin to advance a political solution.

The focus on the Port of Hodeidah is critical because it is the port of entry where we could begin to deliver massive amounts of humanitarian assistance. It is controlled today by the Houthis. The aid that has been sent in through that port we know has—most of it has not made it to the people it was supposed to make it to. We've been working with the U.N. Secretary-General. We're working with both the Emiratis and the Saudis to gain agreement over how we might gain control of that port.

We believe we can gain control of the port under some other third authority's control. And then the next step is we've got to put in place a safe passage for the aid to go to make it all the way to Sana'a and other parts of the country where the sufferings are greatest, and it's that safe passage piece that we're working on right now.

If we can stabilize the humanitarian situation and if we can disrupt the elements of the conflict itself, then we think, with some other steps that are yet—that are underway, but are not yet taken, we think we can create conditions for a political process to begin.

Senator MURPHY. Just to clarify, are you talking about—when you say retake that port, you're talking about a military campaign to retake the port?

Secretary TILLERSON. No. The Houthis would voluntarily turn that port over to a third authority, not the Saudis, not the Emiratis, and then we would gain access. Then the next step is, how do we create the safe passage to connect the aid to the people that need it?

Senator MURPHY. How do you gain a political reconciliation there if you're not talking to the Iranians?

Secretary TILLERSON. The Iranians are part of the problem. And again I want to be a little cautious about how far I go given the sensitive nature of what we're trying to put together quietly. I would just say that they are not directly at the table because we

do not believe they have earned a seat at that table. We would like for the Iranians to end their flow of weapons to the Houthis, in particular, flow of sophisticated missiles to the Houthis. We need for them to stop supplying that. And we're working with others as to how we could get their agreement to do that.

This is extraordinarily difficult, it's more complicated than the two or three countries people think are involved, and it is a very difficult country in which to reach even a political settlement, having been through two civil wars now. So we want to take this in a manner that will be durable if we can take it to that place.

Senator MURPHY. I guess part of the struggle is figuring out who earns a seat at the table and who doesn't. So the Russians have earned a seat at the table with respect to the future of Syria despite the slaughter that they have allowed to happen, but the Iranians don't earn a seat at the table inside Yemen.

It seems as if you have to talk to people that we disagree with, the people that are often our adversaries, if you want to make peace in places like that. How do we distinguish in that way as to why the Iranians don't get a seat at the table, but we give the Russians a seat at the table?

Secretary TILLERSON. It's the role they're willing to play from this point forward in working with us to stabilize, create conditions for ceasefires, and create conditions for political discussions. In the case of Syria, we have a discussion and we have a process underway with the Russians to achieve some stability and create conditions for the political process to unfold in Geneva where, quite frankly, neither Russia nor we have a seat at the table in the Geneva process, but we can be there to influence.

In the case of Yemen, we do not have any construct today that suggests the Iranians have any interest whatsoever in deescalating the conflict in Yemen.

Senator MURPHY. You know, I hope you'll talk to the folks, I'm sure you have, who were subject to the negotiations last year. They were very close to an agreement. I don't think you can ever categorize the Iranians as being constructive, but we were not far away. I think it's worthwhile to engage in direct negotiation. I don't think there's any way around it if you ultimately want to bring political resolution to that place.

Secretary TILLERSON. I understand people had their own assessments at the time.

Senator GRAHAM. Thank you, Senator Murphy.

Well, we made it. I think you acquitted yourself very well, Mr. Secretary. I appreciate you coming to the subcommittee.

We have some requests pending to the State Department. If you could respond to those requests reasonably soon, we'd appreciate it.

The following items will be made part of the hearing record:

Outside witness testimony from the American Academy of Diplomacy, the American Foreign Service Association, InterAction, CARE USA, International Rescue Committee, Catholic Relief Services, World Vision, Oxfam America, 16 former four-star generals and admirals, the U.S. Global Leadership Coalition, the Institute of International Education, and the Modernizing Foreign Assistance Network;

A letter from the U.S. Government Accountability Office (GAO) to Secretary Tillerson regarding the implementation of GAO recommendations regarding Security of Overseas Personnel and Facilities, Security Assistance, Cost Savings, Humanitarian Assistance, and Information Technology;

Letters in support of foreign assistance from the family and friends of Anita Datar (killed by terrorists in Mali in 2015), 225 business leaders, and 24 faith-based organizations;

A June 12, 2017 oped in Politico by Admiral Mike Mullen (Ret) and General Jim Jones (Ret) entitled "Why Foreign Aid is Critical to U.S. National Security";

A June 1, 2017 letter from the Sri Lankan Ambassador who is deeply concerned with the proposed cuts to assistance for Sri Lanka;

A June 12, 2017 letter from the Tunisian Ambassador who is similarly concerned with the budget request for assistance for Tunisia; and

A July 6, 2017 prepared statement of the Council of International Development Companies.

Senator GRAHAM. I'll just wrap it up. You've been very generous with your time. I'm excited about your review of the State Department, your listening and taking action to make it a more efficient place. You're right, just throwing money at a problem is never going to solve it.

Your business background is unique here, but also your engagement in the world. You know a lot of these countries because you lived there and you've done business. So I think you're going to be a good representative for us, and I'm excited about that.

This budget is just driven by an arbitrary number. It comes out of OMB, but it basically is a result of increasing military spending, and can't deal with entitlements, so you've got to do what you've got to do. It's more of a shoot-and-aim budget. I'm looking forward to your review. Then we can make more sense of it rather than just shooting and aiming later.

Threat-based budgeting is the way to go, you're dead right. It's just not about the money we spend, but a threat-based budget. And reform is absolutely essential.

On the defense side, we've reformed retirement, and that was tough. It's prospective, but it's going to save money and it's going to be fair to the soldiers and military members, but it's a real reform. We're going to cost-plus contracts have been replaced by fixed-price contracts. That's been a hell of a fight, but it's going to save money. We're taking people out of the headquarters units and putting them out in the field because we got too top-heavy.

We've done all that and still going to increase the defense budget by 10 percent because after you do all those reforms, the world is so dangerous, and the military has been hurt for the last few years through sequestration, that even after all those reforms, you just need more soldiers out there in the fight. They need better equipment, they need more modern equipment, they need to deter war, and they need to win the wars that we're in.

Soft power. As I understand the need for increased hard power, I do not understand how you can cut soft power by 29 percent. I'm looking forward to reform the State Department, but I just don't

believe a 29 percent reduction is ever going to make sense given the threats we face.

I think this budget will cost influence, we're going to lose influence, it's going to put lives at risk, and it will be seen as a retreat, so that's why I can't support it. But I will support you and your efforts to bring about a new, modern State Department, listen to how we can do better with our allies.

I don't mind asking people for more money, I really don't. Count me in, in filling those gaps. But given our role in the world, I think the cuts that we're talking about here, we're sacrificing influence at a time we need more. We're turning back programs that have worked pretty well at a time when a little more will get us over the finish line. And I don't want to retreat from the world right now.

The last 8 years before you got in town was pretty tough. Nobody trusted us. Everybody thought we were taking a backseat and good luck. Leading from behind did not work. I want to compliment you and the President for getting out and about. Increase in military spending. You've got a hands-on approach to almost every conflict in the world, and I left out Yemen.

Any Secretary of State having to deal with three or four of these problems would have a load. Here's my goal, is to lighten your load. It's to try to find out a way to save money, but also achieve the purpose of soft power, which is protect America. And I look forward to working with you.

You will find no better friend than this subcommittee to reform the State Department. But we cannot sit on the sidelines and watch the State Department be seen as retreating at a time when we need more soft power, not less.

#### ADDITIONAL COMMITTEE QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

#### QUESTIONS SUBMITTED TO HON. REX TILLERSON

##### QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

*Question.* Please describe this administration's foreign policy. How is this foreign policy similar to, or different from, that of previous Republican administrations?

*Answer.* The President campaigned on the phrase America First, and that characterizes our foreign policy. The chief goal of American foreign policy is to ensure the security and economic prosperity of our people. We are also dedicated to advancing American values. We are confident that as we continue to establish and grow relationships, we will have opportunities to persuade other nations on issues such as human rights, good governance, and rule of law.

America First does not mean America alone. We will continue to maintain alliances and build new ones along the lines of shared interest. We seek to grow our international partners' responsibility for security and stability at regional and international levels. For example, we have consistently asked other nations with no historic interest in de-nuclearizing North Korea to join our peaceful pressure campaign and apply new economic and diplomatic sanctions.

*Question.* Is it the intention of the fiscal year 2018 Function 150 budget request to reorient the United States away from its position as the world's sole superpower?

How does the fiscal year 2018 Function 150 budget request ensure that American remains the sole global superpower?

*Answer.* The fiscal year 2018 Function 150 budget request will allow America to remain the sole global superpower as it supports the President's priorities to defend

national security, assert U.S. leadership, and foster opportunities for U.S. economic interests. Even with the reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, and humanitarian efforts. As part of our efforts, we will continue to partner with key allies to protect Americans and American interests, advance bilateral partnerships, open new markets for U.S. businesses, and promote American interests abroad, in a manner that puts America first. Focusing our efforts will allow us to advance our most important policy goals and national security interests, while ensuring that other countries contribute their fair share toward meeting global challenges.

*Question.* Are diplomacy and development essential components to our national security framework?

*Answer.* Yes. Diplomacy is always the administration's preferred option for resolving conflict and advancing our interests. We are seeing the fruits of diplomacy right now as many nations have, at our urging, undertaken a new responsibility for solving the North Korea issue by imposing and intensifying diplomatic and economic sanctions. Development programs will remain an important component of our foreign policy; they play a key role in mitigating socio-economic circumstances in which instability and violence often emerge and thrive.

*Question.* If so, how is this reflected in the Function 150 budget request?

*Answer.* Diplomacy and development are essential components to our national security framework. The fiscal year 2018 Function 150 budget request for the State Department and USAID defends our national security interests, addresses the challenges to American leadership abroad, bolsters U.S. national security, and secures our borders. It acknowledges that U.S. assistance must be more effective, while continuing to advance our foreign policy and economic interests.

As I mentioned in my testimony, the fiscal year 2018 budget request includes substantial funding for many foreign assistance and development programs under the auspices of USAID and the State Department.

As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some tough choices. Even with reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, as well as humanitarian efforts.

*Question.* What is the administration's foreign assistance strategy?

*Answer.* The Joint Strategic Plan (JSP) is the overarching strategy document for the Department and USAID. Our foreign assistance strategy has been, and will continue to be, a completely integrated component of the JSP. The fiscal year 2018–2022 JSP is currently under development in accordance with the process, timeline and requirements laid out by OMB and in the Government Performance Results Act—Modernization Act of 2010 (GPRA—MA).

*Question.* Who is responsible for the development and implementation of such strategy?

*Answer.* The Secretary and USAID Administrator provide the overall policy guidance. The Bureau of Budget and Planning (BP) and the Office of U.S. Foreign Assistance Resources (F), together with USAID's Management Bureau (M) and Bureau for Policy, Planning and Learning (PPL), share responsibility for managing the JSP process. The Secretary's Policy Planning Staff's (S/P) provides additional policy guidance and prioritization among the full range of foreign policy issues, and how those policy priorities should be articulated in the JSP's strategic goal and objective framework. The Secretary will approve and publish the fiscal year 2018–2022 Joint Strategic Plan by February 2018, concurrent with the fiscal year 2019 President's budget.

*Question.* Once confirmed, what will be the relationship between the USAID Administrator and the Secretary of State?

*Answer.* According to authorities identified in the Foreign Affairs Reform and Restructuring Act of 1998, the USAID Administrator reports to and is under the direct authority and policy guidance of the Secretary of State.

*Question.* What role (bilaterally and multilaterally) does the Function 150 budget request envision for diplomacy and development in the relief and reconstruction in ISIS-liberated areas of Iraq and Syria?

Will the Secretary of State lead in such relief and reconstruction efforts within the U.S. Government and international community?

*Answer.* The President's fiscal year 2018 budget requests \$5.6 billion for efforts to defeat ISIS and other terrorist organizations worldwide, including \$2.0 billion in Diplomatic Engagement funding and \$3.6 billion in Foreign Assistance funding. Within that total, the budget requests \$1.5 billion for Iraq and Syria. This funding will allow the United States to support critical diplomatic efforts as well as sta-



bilization, demining, and reconciliation programs in Iraq and Syria to build on and cement military gains against ISIS.

In March 2017, Secretary Tillerson hosted a Ministerial meeting for the Global Coalition to Defeat ISIS at which he announced that the Coalition had pledged over \$2 billion in humanitarian, stabilization, and demining funding in 2017 for areas in Iraq and Syria liberated from ISIS. With Secretary Tillerson leading within the U.S. Government, the United States will continue to play a leading role in the Coalition's efforts to help local partners stabilize liberated areas in Iraq and Syria and set those areas on the path to recovery.

*Question.* Please clarify your views on the role of American values, including support for democracy and human rights, in U.S. foreign policy.

*Answer.* The United States is the only global superpower with the means and the moral compass capable of shaping the world for good. Our foreign policy actions should be guided at all times by our core values of freedom, democracy, individual liberty, and human dignity. Promoting U.S. values—such as the pursuit of democratic governance and commitment to human rights and the freedom of religion, press, and speech—contributes to the long-term U.S. strategy of strengthening the international order. An example of one of the many ways we promote our values is through our annual reports on International Religious Freedom and Trafficking in Persons—two recently released reports in which we both publicly highlight countries that have made progress and expose those that continue to commit abuses.

*Question.* What arguments did the Secretary of State put forward to the Office of Management of Budget (OMB) in support of additional resources when responding to OMB's initial topline allocation for the Function 150 budget request?

What explanation did OMB provide the Secretary of State for denying this request?

How was OMB's initial topline allocation for the Function 150 budget request developed?

Was the Department of State or USAID an integral part of that process?

*Answer.* The Function 150 budget request prioritizes the well-being of Americans, bolsters U.S. national security, secures our borders, and advances U.S. economic interests. Executive branch communications between agencies and OMB regarding budget planning are deliberative and pre-decisional in nature, but the Department and USAID work closely with OMB on all budgetary matters.

*Question.* Please describe the process by which the Office of U.S. Foreign Assistance Resources (F) established initial country-level allocations.

What consultations occurred between F and embassies and USAID missions abroad in the development of the initial country-level allocations? Please describe the process and input by embassies and USAID missions abroad into the initial country-level allocations. If none occurred, please explain why.

When F consulted with embassies and USAID missions after initial country-level allocations had been established, how many days were posts given to appeal these allocations?

What were the specific criteria F used to determine whether any appeals were justified, and were posts given reasons for acceptance or rejection of appeals?

Did the Department of State and USAID consult with foreign governments and implementers in developing final country-level allocations?

When and how were foreign governments and implementers informed of final country-level allocations?

How were CDCSs, RDCSs, and other strategic planning documents used in the development of initial and final country-level allocations?

If such documents were not used, why not?

*Answer.* Every fiscal year, the Office of U.S. Foreign Assistance Resources (F) leads the development of the Department of State and USAID foreign assistance budget request over a year-long process which begins in early January of each calendar year, when each mission is given the opportunity to submit a budget request aligned with their strategic plans, known as the Mission Resource Request (MRR). Following these inputs, bureaus make adjustments to the mission-level requests in their Bureau Resource Requests (BRRs), based on regional and/or global priorities. Department and USAID leadership then review the MRRs and BRRs, make adjustments, and the Secretary submits a final budget request to the Office of Management and Budget (OMB). While all of those steps took place during the development of the fiscal year 2018 budget request, because of this year's Presidential Transition, the latter stages of the process had to be modified to account for the directional shifts in policy between the current and prior administrations, and the limited time-frame available to develop and finalize the budget.

The initial fiscal year 2018 foreign assistance allocation process was informed by the topline funding levels provided to the Department and USAID by the Office of

Management and Budget (OMB), as well as administration policies and priorities as laid out in the President's Fiscal Year 2018 Budget Blueprint. In aligning available resources, funding was prioritized based on a series of criteria including: countries and programs most critical for defending U.S. national security objectives and interests, asserting U.S. leadership and influence, and fostering opportunities for U.S. economic interests; where the assistance could be most effective or could have a transformative impact; and where the Department or USAID assistance has a comparative advantage.

F, in consultation with Department and USAID leadership, developed an initial set of allocations using a variety of data and sources for analysis, including, but not limited to functional, regional, and country development strategies (i.e., Joint Regional Strategies (JRS), Functional Bureau Strategies (FBS), Integrated Country Strategies (ICS), Country Development Cooperation Strategies (CDCS)); MRRs; BRRs; bureau consultations; and prior year budget and performance documents. Department and USAID bureau leadership, along with their constituent missions, were given approximately one week to review the proposed bureau and country allocation levels and offer any adjustments, including proposals to shift funding across Operating Units (OUs) within a bureau, or request additional funding for specific countries, accounts, and/or programs. Their inputs were reviewed and considered against the criteria outlined above and allocation adjustments were made in consultation with Department and USAID leadership. Bureaus were informed of the adjustments that were made and the rationale behind them. Once bureau, country, and account levels were finalized, bureaus and their constituent missions finalized the distribution of funding by the Standardized Program Structure, including by sector, for inclusion in the Congressional Budget Justification.

Once the President's fiscal year 2018 budget request was submitted to Congress and made available to the public, the Department and USAID began engaging with partners and foreign governments on the details of the request.

*Question.* What guidance has been given to embassies and USAID missions on engagement with respective foreign governments on final country-level allocations? When was such guidance issued?

*Answer.* Once the President's fiscal year 2018 budget request was submitted to Congress and made available to the public, the Department and USAID began engaging with partners and foreign governments on the details of the request, including final country-level allocations.

*Question.* What communications guidance has the Department of State provided to embassies and USAID missions on proposed assistance levels to ensure that China and Russia do not shape America's national security narrative?

*Answer.* Our U.S. embassies and USAID missions regularly receive guidance on assistance levels, and throughout the preparation and release of the State/USAID budget. This enables our embassies and missions to engage foreign audiences, assert American leadership, and project our national security narrative.

The Department informs foreign and domestic media about our assistance programs, and educates journalists and editors on our policies, programs and initiatives. We use digital technologies and social media to reach a wider group of emerging influencers, including youth leaders, public intellectuals, NGOs, and others now playing a significant role in development and humanitarian response, along with politics and commerce. We have invested in digital marketing and analytics, IT infrastructure, and web services in recent years, and as a result, we are reaching more people around the world on more platforms than ever before in ways that reinforce core American values of openness, transparency and innovation.

*Question.* Given that many foreign governments and populations first learned of proposed cuts through local press and social media (once the details of the budget were released), how does the Department of State intend to control the narrative on U.S. foreign policy?

*Answer.* The Department of State has a critical role in crafting America's foreign policy narrative. The decisions regarding our budget have indeed received much press attention. America's policies have often been the center of international attention and the Department has been highly effective in presenting our vision to foreign audiences, and engaging and influencing key target groups. Now, as in the past, our intention is to use the broad spectrum of Department talent, platforms and programs to engage friends and allies, as well as those who are not positively disposed towards us, to project a vision of America foreign policy that is committed to retain our leadership role, but at a lower cost.

By engaging foreign and domestic media, we aim to educate journalists and editors on our policies, programs and initiatives. And we use digital technologies and social media to reach a wider group of emerging influencers, including youth leaders, public intellectuals, NGOs, and others now playing a significant role in politics

and commerce. We've invested in digital marketing and analytics, IT infrastructure, and web services in recent years, and as a result, we're reaching more people around the world on more platforms than ever before in ways that reinforce core American values of openness, transparency and innovation.

*Question.* How does the fiscal year 2018 Function 150 budget request and the manner in which the cuts were made public through local press and social media not cede U.S. influence and narratives on foreign policy to the People's Republic of China and Russia?

*Answer.* The fiscal year 2018 budget request of \$37.6 billion is consistent with the administration's top priority—America's security. The budget includes programs that will target threats to U.S. security, such as the Islamic State in Iraq and Syria (ISIS), and strengthen the homeland. In addition to targeting new threats, the fiscal year 2018 budget request allows for the State Department and U.S. Agency for International Development (USAID) to conduct their mission more efficiently and effectively by streamlining efforts and saving U.S. taxpayer dollars. Despite the reductions in funding, we will continue to lead globally on international development and humanitarian assistance, and the budget request includes funding for many foreign assistance programs.

We are committed to retaining our leadership role, but at a lower cost. I am convinced that the highly skilled and knowledgeable people of my Department will deliver the value that the American people deserve, but more effectively and efficiently. They will get the job done, and we will continue to lead the world. The redesign effort that I have initiated aims to help accomplish this goal.

*Question.* In many countries targeted for significant assistance cuts, other U.S. Government agencies, particularly the Department of Defense, are not similarly planning for operational or program reductions in fiscal year 2018. How was the Function 150 budget request coordinated with other such agencies?

*Answer.* As in the past, the Office of Management and Budget (OMB) is formally charged with ensuring a coordinated approach to the administration's budget request that reflects the President's priorities. OMB played that important role with the fiscal year 2018 budget request. Additionally, the Department continued its practice of coordinating directly with DoD and other agencies during the budget development. Moving forward, Secretary Mattis and I have committed our departments to work more closely together on how we prioritize and align our respective security sector assistance (SSA) resources in fiscal year 2018 and beyond. We have established a new State-DoD SSA Steering Committee that is working to ensure a coordinated approach to our respective assistance programs. The goal is to focus on a joint approach that determines how best to leverage resources and authorities to advance national security priorities and partnerships in the most cost-effective method. Together, we are in constant communication regarding how we can best target U.S. assistance to advance the administration's top policy priorities, such as defeating ISIS. We are also taking steps to ensure that we can continue to closely coordinate the development of our budget requests in the future.

*Question.* Did the National Security Council provide any input into the development of the fiscal year 2018 Function 150 budget request?

*Answer.* The Office of Management and Budget (OMB) is formally charged with ensuring a coordinated approach to the President's budget request within the Executive Office of the President as well as other Federal agencies. OMB played this important role in the development of the fiscal year 2018 budget request and is best positioned to comment on any coordination with the NSC on development of the Function 150 budget request.

*Question.* Please provide the Committee any analysis prepared by the Department of State, USAID, the NSC, OMB, or any other U.S. Government agencies that demonstrates other international donors will increase financial contributions for any decreases in U.S. assistance proposed in the fiscal year 2018 Function 150 budget request.

*Answer.* Once the President's fiscal year 2018 budget request was submitted to Congress and made available to the public, the Department and USAID began engaging with partners and foreign governments on the details of the request. As part of our efforts, we will work to ensure that other donor countries contribute their fair share toward meeting global challenges. We will continue to partner with key allies to protect Americans and American interests, advance bilateral partnerships, and promote American interests abroad. Focusing our efforts will allow us to advance our most important policy goals and national security interests.

*Question.* Does the Department of State and USAID intend to obligate and expend all funds made available to such agencies in fiscal years 2017 and 2018?

*Answer.* The Department of State and USAID will obligate funds appropriated by Congress consistent with applicable law, including the Impoundment Control Act.

*Question.* Are such agencies familiar with the Impoundment Act and the requirements of both the administration and Congress under that Act?

*Answer.* The Department and USAID will obligate funding appropriated by Congress consistent with applicable law, including the Congressional Budget and Impoundment Control Act of 1974.

*Question.* What relationship does the Department of State and USAID seek with the Senate Appropriations Committee?

*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 will be 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, Public Law 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 fiscal year 2019 budget submission to pursue such statutory changes. 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.

*Question.* Do such agencies intend to respond to requests for information from the Ranking Member and Minority in a timely manner, consistent with past practices of prior Republican and Democrat administration?

*Answer.* The Department and USAID continue their long-standing practice of responding appropriately to correspondence from Members of Congress, regardless of political affiliation.

*Question.* How did the administration factor in Congressional priorities in the Function 150 budget request, such as the Global Food Security Act?

*Answer.* The fiscal year 2018 budget reflects the President's "America First" agenda that prioritizes the well-being of Americans, bolsters U.S. national security, secures our borders, and highlights U.S. economic interests. It also reflects the President's commitment to rebuild our Nation's military within fiscal constraints, while working on behalf of the American people to advance our national security objectives and foreign policy goals.

The fiscal year 2018 request includes nearly \$500 million to support agriculture programs and implementation of the Global Food Security Act. While working to ensure food security is an important foreign policy goal, the request does reflect a reduction from past years. We acknowledge that we had to prioritize and make some tough choices. The request prioritizes the most critical U.S. national security interests and foreign policy priorities.

*Question.* Did the Department of State coordinate any of recent personnel actions—including hiring freezes and limitation on employment of eligible family members—with other U.S. Government agencies located in embassies and consulates?

*Answer.* The Department of State elected to maintain the Federal hiring freeze while it undergoes a redesign effort, which will inform staffing requirements. EFM hiring by other U.S. Government agencies in overseas missions is determined by each individual agency's hiring policies. Each agency has the ability to make its own EFM hiring decisions.

*Question.* Is the Secretary of State aware of any detrimental impacts of the hiring freeze on the requirements of those agencies? (Other U.S. Government agencies located in embassies and consulates)

*Answer.* As with any hiring freeze, there was an expectation that overseas operations could not continue "business as usual" and would require prioritization of mission-critical operations that support the Department's security, safety, and health responsibilities. The Secretary has approved some hiring exemptions to mitigate the impact on national security, public safety, and public health. The Department of State has a well-established strategy for succession planning based on an analysis of past attrition trends, and, for the Foreign Service, based upon the flow through of Foreign Service Generalists and Specialists up through the ranks. To the degree that attrition increases with possible personnel reductions, we will adjust our models to account for the changes and ensure that necessary functions are maintained. Our newest hires 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.

*Question.* Operations and Personnel: Will the Secretary of State approved the July entry class for new Foreign Service officers? Why or why not?

*Answer.* The Department plans to offer new Foreign Service officers placements in two A-100 classes: July 24 and September 18, 2017. We value these talented individuals and the skills they will 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.

*Question.* Does the administration intend to significantly change the organization or mission of USAID?

*Answer.* We are reviewing options to ensure the efficiency, effectiveness, and accountability of the United States' diplomatic and development operations, and we have no preconceived outcomes for a potential reorganization.

The State Department and USAID recently completed collecting information on our organizational processes and culture through a survey that was made available to everyone in State and USAID. Over 35,000 surveys were completed, and we also held in-person listening sessions with approximately 300 individuals to obtain detailed perspectives on what we do and how we do it. From this feedback the consultants heard a prevailing theme that "Central to the hearts and minds of the people of USAID is the critical mission they see their organization playing in the world. There is a clarity about, and focus on, the mission." These insights and others will help the Department and USAID make informed decisions on how we can produce a more efficient, effective State Department and USAID that maximize the expertise of staff and continue to deliver results for the American people.

*Question.* Are there any plans to transfer functions of USAID to the Department of State?

*Answer.* There are no current plans. We are reviewing options to ensure the efficiency, effectiveness, and accountability of the United States' diplomatic and development operations, and we have no preconceived outcomes or plans for a potential reorganization. The State Department and USAID recently completed collecting information on our organizational processes and culture through a survey that was made available to everyone in State and USAID. From this feedback, we have been able to get a clearer overall view of our organizations and will be able to make informed decisions on how we can produce a more efficient, effective State Department and USAID that maximize the expertise of staff and continue to deliver results for the American people.

*Question.* Are there any plans to transfer functions of the Department of State to 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 overarching mission, 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 20-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 fiscal year 2018.

*Question.* On what basis has the administration determined to cut the workforces of the Department of State by 8 percent (2,000 positions) and USAID by 16 percent (570 positions), in advance of the Secretary of State's listening tour and planned reorganization task force?

*Answer.* The Secretary recently received the results of the listening survey he commissioned. The Department is now in the process of analyzing the conclusions of the survey and is engaged in a redesign study. As mentioned in the Secretary's recent 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 as well as with other USG agencies. The Secretary has stated he has no preconceived notions in this regard, and this review will consider whether functions and/or programs within the Department are duplicative or very similar in nature. The results of this critical phase of the review will inform deliberations regarding functional consolidations or elimination. Implicit in any effort to reduce or consolidate functions or processes is a reduced workforce level to carry them out. Given

the timing of this review, final, long-term decisions should subsequently be reflected in the Department's fiscal year 2019 CBJ.

The Department remains committed to ensuring effectiveness of U.S. taxpayer dollars; driving efficiencies; working hand and hand with DoD and other agencies across the government to identify duplication of efforts; meeting objectives within fiscal constraints; and working on behalf of the American people to advance national security objectives and foreign policy goals. The Department looks forward to sharing its plans with the Congress and working together to create a more efficient, streamlined State Department and USAID.

*Question.* How many political appointees remain to be identified and employed at the Department of State and USAID?

*Answer.* We have identified and or employed approximately 60 percent of the Presidential appointments that require the advice and consent of the U.S. Senate.

*Question.* Given the zeroing out of assistance to a number of countries, how many USAID missions are anticipated to close under this request?

*Answer.* The budget request prioritizes and focuses foreign assistance in regions and on programs that most advance our national interest and the administration's foreign policy priorities. The budget reorients our foreign assistance to the most critical priorities, which means revisiting where and at what level we provide assistance. If no bilateral funding is requested for a particular country, in some cases we are leveraging prior-year funds to continue some support. In other cases we may utilize funds from a regional line to support activities in a particular country. Planning related to specific USAID Mission close-outs will be addressed separately as part of the implementation of the Presidential Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch and other associated processes.

*Question.* What criteria is the Department of State and/or USAID developing to guide the closure of USAID missions?

*Answer.* The budget request prioritizes and focuses foreign assistance in regions and on programs that most advance our national interest and the administration's foreign policy priorities. The budget reorients our foreign assistance to the most critical priorities, which means revisiting where and at what level we provide assistance. If no bilateral funding is requested for a particular country, in some cases we are leveraging prior-year funds to continue some support. In other cases we may utilize funds from a regional line to support activities in a particular country. Planning related to specific USAID Mission close-outs will be addressed separately as part of the implementation of the Presidential Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch and other associated processes.

*Question.* In the Secretary of State's testimony the Secretary asserts that the Department of State and USAID "have not evolved in their responsiveness as quickly as new challenges and threats to our national security have changed and are changing." Please provide detailed and specific evidence to justify this assertion, including a description of "new challenges and threats to our national security".

*Answer.* Several events in recent years illustrate the State Department's need to embrace a new level of responsiveness.

As noted in the Benghazi Accountability Review Board, communication, cooperation, and coordination functioned collegially at the working-level but were constrained by a lack of transparency, responsiveness, and leadership at the senior levels. There appeared to be very real confusion over who, ultimately, was responsible and empowered to make decisions based on both policy and security considerations. While we have made changes since the 2012 attacks, we must continue to be better organized and prepared to respond to rapidly-developing attacks perpetrated by non-state actors such as the terrorists who perpetrated the attack.

The evolving terrorist threat continues to challenge governments around the world to find new ways to counter an increasingly diffuse threat. The strategy, organization, and tactics of terrorist actors are diverse and subject to rapid change. The Department of State and USAID must adapt to this threat in ways that challenge traditional bureaucratic paradigms.

Equally as dangerous is the threat of nuclear-armed rogue states. North Korea's accelerated program to develop nuclear weapons, as well as Iran's documented nuclear aspirations partnered with their rapidly expanding proxy armies in the Middle East, demand a re-evaluation of whether the State Department is agile enough to respond to the unpredictable character of these regimes.

The accelerating proliferation of digital technologies in the 21st century presents opportunities for American leadership and prosperity as well as first-order challenges to our national security. The Department of State and USAID must be agile in advancing an open, interoperable, secure, and reliable Internet; sustaining American preeminence in the global digital economy; and developing the international ar-

chitecture to deter and counter malicious threats from adversarial states, criminals, and terrorists.

These are just a few of the issues that necessitate a constant re-evaluation of our ability to confront multiple challenges and, to an ever-increasing degree, expand our engagement with non-governmental and private sector partners.

*Question.* How does a significant reduction in funding, assistance and personnel, allow the Department of State and USAID to respond any more quickly to such challenges and threats?

*Answer.* The fiscal year 2018 budget request acknowledges that our operations must become more efficient, that our assistance must be more effective, and that our primary mission must always be advocating for the national interests of our country. By focusing our efforts, I believe we will be able to more quickly and effectively address the most pressing challenges and threats posed to our national security while ensuring that other donor countries contribute their fair share toward meeting global challenges.

As I noted in my testimony, I have never believed, nor have I experienced, that the level of funding devoted to the goal is the most important factor in achieving it. With such a broad array of threats facing the United States, the fiscal year 2018 budget request begins the necessary work of focusing State Department and USAID efforts in order to allow us to advance our most important foreign policy goals.

*Question.* To what extent, if at all, does the hiring freeze at the Department of State affect current or future Diplomatic Security operations?

*Answer.* The Department is evaluating exceptions to its hiring freeze for specific types of positions, one of which is for those that provide security functions. Therefore, exceptions are being evaluated for Diplomatic Security personnel including Foreign Service special agents —covering the full spectrum of criminal investigations (both domestic and overseas), threat analysis, foreign service national vetting, leadership and oversight, program administration, financial management, anti-terrorism training, and management of the Department's security clearance and background investigation process. With the exception of Foreign Service special agent positions, DS is currently working to meet these personnel requirements by re-allocating current positions and existing vacancies.

*Question.* What impact, if any, will that (the hiring freeze) have on the Department of State's diplomatic presence in high-threat, high-risk locations?

*Answer.* The High Threat Programs Directorate (DS/HTP) in the Bureau of Diplomatic Security (DS) is tasked with the direct responsibility of protecting our people, facilities, and classified information in the posts designated as high-threat, high-risk (HTHR), and for which the Department has evaluated continued presence as vital through the Vital Presence Validation Process. DS carries out this mission with a cadre of employees through multiple hiring types stationed domestically and overseas. These positions are critical positions that provide the necessary support, experience, and skill sets required to carry out DS' mission. DS is and will continue to realign resources to ensure the most critical security functions continue without interruption.

*Question.* In the opinion of the Secretary of State, what is the right balance between the security of our diplomats and effective engagement overseas?

*Answer.* Increasingly, our people are called upon to live and work in difficult and dangerous environments. We operate in these environments out of necessity, because that is where we must be to serve our Nation's interests. The Department continues to develop tools and mechanisms to ensure that risk is mitigated to the greatest extent possible and the foreign affairs community has a safe and secure environment in which they can conduct U.S. foreign policy. The Department is constantly responding to changes in the international security environment and assessing the safety of our Foreign Service personnel in response to new information.

Following the Benghazi attack in 2012, the Department instituted the Vital Presence Validation Process (VP2), which is a mechanism to balance the risk versus the value of our presence in some of the most dangerous overseas operating environments. VP2 is an institutionalized, repeatable, and transparent process that facilitates risk-management decisions, including whether to begin, restart, continue, modify, or cease operations at posts identified on the high-threat, high-risk (HTHR) list.

All posts, even those that are not on the HTHR list manage risk through the Emergency Action Committee (EAC) and their use of Decision Points to assess potential risks to a mission and its personnel. Decision Points are comprised of Operating Assumptions, Risk Indicators, and Consolidated Actions to Consider. The EAC reviews potential changes in risk that might impact the health, safety, and security of a mission and identifies ways to mitigate those risks. Decision points reflect events, threats, or changes in circumstances that require a discussion by the EAC

to evaluate: the possibility of increased risk to the health, safety, and security of the mission, private U.S. citizens, and other U.S. Government interests; and, if/how the post should take action to respond to those changes.

The Committee on Overseas Risk Evaluation (CORE) reviews reports of met and adjusted decision points by all posts worldwide. The CORE ensures decision-makers are fully briefed on operational overseas updates, and appropriate action is taken in response to posts' requests. The CORE is comprised of members from the appropriate regional bureau; regional bureaus' executive office; Diplomatic Security; Consular Affairs; principals' staff; the bureaus of Political Military Affairs, Intelligence and Research, and Public Affairs; the Operations Center's Crisis Management Support Office; the Office of Medical Services; and other offices and bureaus as appropriate. The office of Crisis Management & Strategy in the Operations Center of the Executive Secretariat chairs the CORE and is responsible for its operations and records.

*Question.* What steps has the Secretary of State taken to ensure that the Department of State is appropriately protecting U.S. personnel outside of official facilities?

*Answer.* The danger from terrorists and criminals operating outside of our facilities is best countered by well-informed individuals who conscientiously follow established personal security practices. The Department makes every effort to facilitate employees' knowledge, including contractors, of best security practices through training, constant communication, and various off-compound security measures.

The Foreign Affairs Counter Threat (FACT) course is currently a requirement for select posts and will be required for all personnel assigned under Chief of Mission (COM) authority worldwide by the end of 2019. This course provides employees with practical skills to recognize, avoid, and respond to potential security threats. Personnel assigned to posts on the High Threat High Risk list, whether permanently assigned or on temporary duty, fulfill additional training requirements designed to provide participants with threat and situational awareness training against criminal and terrorist attacks. Additional training initiatives include the Active Shooter Awareness Course and technical security education and training to protect U.S. personnel on their work and personal computer systems.

In addition to providing training prior to arrival at post, all employees receive briefings on specific security regulations, procedures, and techniques in order to maintain a high level of employee security awareness. Additionally, Regional Security Officers (RSOs) issue, with the approval of the COM, security directives that give detailed written instructions and reminders of security policies and procedures. These directives include the Post's Travel Notification and Transportation Policies. The policies ensure that: COM personnel are aware of the potential security risks they may encounter while moving about the country and, where travel notifications are required, the RSO is aware of the whereabouts of COM personnel.

The Department also has dedicated programs to ensure the safety of the family members for Foreign Service personnel. For example, the Residential Security program outlines the prescribed standards for the residences of U.S. citizen direct-hire employees and their eligible family members. The Soft Target Program aims to improve the physical security of schools with students in the Kindergarten through the 12th grade levels that face heightened threats, are assessed as especially vulnerable, or are deemed to be potentially at risk.

*Question.* As noted in the 2015 cost-benefit analysis for the Bureau of Diplomatic Security's Foreign Affairs Security Training Center (FASTC), only five venues at the Interim Training Facility (ITF) at Summit Point, WV, were deemed operational, and only two of the five (ranges) are government-owned real property. The remainder of government-owned real property and structures were categorized as necessary to newly construct or improve for continued use—both at significant cost to the government. With that in mind, and recognizing previously stated congressional mandate to mitigate job losses at Summit Point, please provide a detailed plan and timeline for fair and reasonable disposition of the real property structures at the ITF (question submitted on behalf of Senator Shelley Moore Capito).

*Answer.* The Department of State has accepted a proposal from Bill Scott Raceway (BSR), the lessor of the ITF, for the disposition of most government-funded and/or government-owned real property structures at the ITF, at the conclusion of the current contract and any extensions or bridges required to complete our training and transition to FASTC in Blackstone, VA. The Department must take a final look at FASTC requirements and needs to further define with BSR what Container Express (CONEX) Structures will remain behind. The Department also needs to discuss the Quick Range, the Tactical Training Operations Center, and miscellaneous structures in the Urban and Rural Practical Exercise Areas before agreeing to a final disposition of these particular items. A more detailed list and schedule will be provided as BSR and the Department finalize disposition.



*Question.* Does the Department of State intend to consult with the Senate Appropriations Committee in a timely and comprehensive manner on proposals that seek to significantly change the organization, role, or function of the Department of State and USAID?

*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, Public Law 115-31). As the review is still underway, it is possible some of the planned changes might also warrant additional legislation. We will work with Congress as part of or prior to the fiscal year 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.* Given that proposed fiscal year 2018 funding levels were pre-determined by OMB prior to conducting any studies on reorganization, are the Department of State's efforts to gather opinions through the Insigniam contract and planned task force on reorganization simply window-dressing?

*Answer.* The State Department and USAID's fiscal year 2018 budget request acknowledges that operations must become more efficient, that assistance must be more effective, and that the primary mission must always be advocating for the national interests of the United States. To produce a more efficient, effective State and USAID, I commissioned an external listening tour and study of the Department to look for ways to ensure effectiveness of U.S. taxpayer dollars; drive efficiencies; work hand in hand with DoD and other agencies across the government to identify duplication of efforts; meet objectives within fiscal constraints; and work on behalf of the American people to advance national security objectives and foreign policy goals. I have stated publicly that I have no preconceived outcomes and plan to follow the facts where they lead me; any reorganization plans will be developed accordingly. The Department looks forward to sharing its plans with the Congress and working together to create a more efficient State and USAID.

*Question.* Did any of the individuals from Insigniam who conducted site visits and interviews with Department of State personnel in Colombia, Haiti, Rwanda, Austria, Thailand, Pakistan and the Philippines have a security clearance?

*Answer.* Security clearances or public trust certifications were granted to Insigniam team members, as needed, based on the level of access to information required by each member. Members of the Insigniam team who traveled without security clearances or public trust certifications were escorted by appropriately cleared employees at all times.

*Question.* Did any such individuals [those from Insigniam who conducted site visits] meet with officials from other U.S. Government agencies to understand more fully what the mission and functions of an Embassy are?

*Answer.* Yes, each of the Insigniam consultants who conducted interviews overseas met with officials from other U.S. Government agencies to understand more fully what the mission and functions of an Embassy are, including the needs of the interagency as they relate to the Department of State as a service provider.

*Question.* Proposed operations and assistance cuts in the 1990s adversely impacted the ability of the U.S. to respond to post-September 11, 2001 diplomacy and development requirements. Given that the past is prologue, how is the Department of State and USAID factoring in lessons-learned from historical cuts—including those in the 1990s—in configurations of what the personnel requirements should be?

*Answer.* I recently received the results of the listening survey I commissioned. The Department is in the process of analyzing the conclusions of the survey and determining a way forward. As part of that process, the Department's Office of the Historian is conducting research into past reorganizations and reform initiatives. USAID has also conducted an internal study of past reductions in staff and in-country presence, including those of the 1990s, and their long-term impacts. In addition, the Department has developed staffing models in order to conduct staffing studies based on program requirements at any given time. The staffing models are adjusted and refined as needed.

*Question.* What is the purpose of the EFM program, and who has responsibility for the management of the EFM program at embassies?

*Answer.* The Department relies on a mix of employment options to carry out its core responsibilities at our missions abroad, including hiring qualified eligible family members (EFMs) to fill essential security, health, and safety positions. The EFM

employment program is administered by Human Resources Offices at missions abroad. However, worldwide policies governing the EFM employment program are created, maintained and managed by the Office of Overseas Employment in the Bureau of Human Resources in the Department of State in Washington, DC.

*Question.* What is the justification for suspending the EFM program?

*Answer.* The Department elected to maintain the Federal hiring freeze through the agency-wide listening tour and subsequent agency redesign phase. Since EFMs who are employed by the Department of State at our missions abroad are almost always hired via appointments, which are subject to the hiring freeze, EFMs cannot currently be hired by the Department in our missions abroad without an exemption from the Secretary of State. However, EFMs may continue to be hired by non-State agencies at our missions abroad who have elected to lift the hiring freeze.

*Question.* Was any analysis performed on the impact EFM program suspension may have on operations at embassies, including for other U.S. Government agencies? If so, please provide to the subcommittee in a timely fashion. If no was analysis was conducted, why not?

*Answer.* No formal analysis was conducted in advance of the Federal hiring freeze which was announced on January 23, 2017. As with any hiring freeze, there was an expectation that overseas operations could not continue as "business as usual" and would require prioritization of mission critical operations that support the Department's security, safety and health responsibilities.

*Question.* Is it the intention of the Department of State to increase the costs of operations at posts abroad by canceling the EFM program?

*Answer.* The Department did not cancel the EFM program. However, the Department did elect to maintain the Federal hiring freeze through the agency-wide listening tour and subsequent agency redesign phase. The current agency redesign phase will consider how best to leverage the knowledge, skills and abilities of our talented, qualified and available EFMs as a cost effective component of the workforce.

*Question.* Does it make sense to have an RSO or ARSO issue badges at posts, rather than an EFM? Please provide a cost comparison for this specific scenario.

*Answer.* Most Regional Security Offices have a U.S. direct-hire Office Management Specialist (OMS); however, when that is not possible, cleared Eligible Family Members (EFMs) are able to perform the essential administrative services including but not limited to printing badges, reviewing visitor access requests, and organizing law enforcement liaison events. This allows for RSOs and ARSOs to focus on managing key security services, ensuring adequate oversight over high-value items such as local guard contracts and special protective equipment, while maintaining effective liaison with host country security counterparts to receive timely threat information and security assistance. Administrative support, whether performed by a Foreign Service (FS) OMS or cleared EFM, is prudent because it permits regional security offices appropriate time to manage and provide oversight over all security programs at overseas posts to include important life safety, emergency preparedness, and information security. Besides the adverse distraction from an agent's core mission, the salary of a DSS Special Agent is significantly higher than that of a cleared EFM.

*Question.* Is the Secretary of State the only individual empowered to issue waivers for the EFM program?

*Answer.* Yes, the Secretary of State is currently the only individual who has the authority to grant exemptions to the 2017 hiring freeze which would allow EFMs to be hired abroad by the Department. Some exemptions have been approved by the Secretary, which allowed several missions to hire EFMs into positions that support critical security, safety and health responsibilities at posts abroad.

*Question.* Is this the most pressing and productive use of the Secretary's time?

*Answer.* The Secretary has a deep interest in all personnel categories and is therefore the proper oversight authority for actions that impact the Department.

*Question.* What is the justification for the proposed Economic Support and Development Fund (ESDF), and how will the creation of this account make more efficient and effective U.S. assistance?

*Answer.* The fiscal year 2018 budget request reflects a commitment to ensure every tax dollar spent is aligned with the State Department's and USAID's mission-critical objectives. The Economic Support and Development Fund (ESDF) requested in the fiscal year 2018 budget is an effort to streamline accounts and ensure the most effective use of foreign assistance funding. The ESDF account will continue to support select programs and activities previously requested under the Economic Support Fund and Development Assistance accounts, allowing the Department and USAID to better assess, prioritize, and target development-related activities in the context of broader U.S. foreign policy objectives and partnerships around the world.

*Question.* How does the Department of State square zeroing out assistance to certain countries with the assertion in the Secretary of State's letter accompanying the Function 150 budget request that "An optimally functioning State Department and USAID will deploy funding that restores the leadership of the American people and allies depend on for stability, security, and prosperity"?

Specifically, how does zeroing out assistance restore the leadership of the American people?

*Answer.* The fiscal year 2018 request for the State Department and USAID will allow America to continue to assert U.S. leadership, defend national security, and foster opportunities for U.S. economic interests. Even with the reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, and humanitarian efforts. As part of our efforts, we will continue to partner with key allies to protect Americans and American interests, advance bilateral partnerships, open new markets for U.S. businesses, and promote American interests abroad, in a manner that puts America first. Focusing our efforts will allow us to advance our most important policy goals and national security interests, while ensuring that other donor countries contribute their fair share toward meeting global challenges.

*Question.* Should the Committee endorse the proposed cuts, does the Function 150 budget request include plans for, and funding to implement, a glide path or transition plan for impacted countries?

If no such plans were prepared by OMB, did the Department of State and USAID prepare plans for a glide path or transition prior to the submission of the budget?

What are the estimated costs for such glide paths or transition plans?

*Answer.* Since 2016, guidance for Integrated Country Strategies has required a section on Transition Planning for Foreign Assistance. As these strategies are updated every 3 years, about a third of Embassies have strategies that contain this planning to date. USAID Missions with a Country Development Cooperation Strategy (CDCS) have also begun to incorporate a transition plan into their CDCS development process that addresses USAID-managed programming. The goal of these transition planning efforts is to explore opportunities to decrease country dependency on U.S. foreign assistance and to encourage self-sufficiency through programs to strengthen economic development, security, and stability. The fiscal year 2018 budget request focuses our funds on the most critical priorities, and these transition planning efforts will help inform foreign assistance programming moving forward.

*Question.* The budget request for Foreign Military Financing Program (FMF) includes a proposal to transition from grants to loans. Which countries have been identified for such transitions?

Has the Department of State considered that such transitions may result in increased arms sales to countries by the People's Republic of China and Russia?

What analysis was prepared prior to this proposal being included in the President's budget request?

*Answer.* The Department of State is planning for a partial transition from FMF grants to loans, which we believe 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 is in the process of conducting loan feasibility reviews on a country-by-country basis, 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.

To the extent that past grant FMF recipients are willing and able to continue expanding or sustaining their U.S.-origin defense capabilities through FMF loans instead of grants, the United States will be able to reduce the amount of foreign assistance needed for these purposes.

The Department recognizes that, in some circumstances, past FMF recipients may also choose to seek loans or assistance from other international suppliers, such as China or Russia. However, these possibilities are mitigated by the fact that some of the largest recipients will continue to be funded with FMF grant funds at significant levels, and by the high quality of defense articles and services produced by the United States compared to other possible suppliers.

During the development of the President's budget request, analysis was conducted by the Department, 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 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.

*Question.* Given the administration's apparent de-emphasis on democracy and human rights promotion, how do you see programming for Department of State and USAID changing in this area over the next 4 years?

*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. As has been the case for many years, Democracy, Human Rights and Governance (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 governance and rule of law; and strengthen civil society organizations and independent media.

Some of our most pressing national security threats at their core stem from other countries' poor governance and the absence of the rule of law. DRG investments are critical to addressing the societal conditions that lead to violent extremism, radicalization, migration, instability, and organized crime. In fiscal year 2018, DRG programs will be targeted to promote effective, accountable, and democratic institutions and a vibrant civil society, which create the conditions for long-term security and stability.

*Question.* How is the administration incorporating values into U.S. foreign policy toward Egypt?

*Answer.* We consistently incorporate our values into our relationship with Egypt by registering our concerns with Egypt's lack of progress on democracy and human rights. We continue to object to Egypt's lack of fair trial guarantees, excessive use of preventative custody and pretrial detention, trials involving hundreds of defendants, and the use of military courts to try civilians. Moreover, we continue to fund assistance programs that promote democratic principles and the improvement of electoral participation by all segments of Egyptian society, and advance principles of minority equality and transparency in all of our activities.

We were extremely disappointed by President Sisi's signature of the NGO law and the government's recent obstruction of access to more than a hundred websites—including those of some of the best known news and human rights organizations—which may close the space for civil society groups to operate. In response, we have raised—and will continue to raise at senior levels—our serious concerns about Egypt's policies that challenge democratic governance, and stress the fundamental importance of the respect for human rights, civil liberties, and the need for a robust civil society.

*Question.* Egyptian President el-Sisi recently ratified a new NGO law which would make it virtually impossible for independent civil society organizations to operate in Egypt through restrictive registration and funding processes. Should the repeal of this NGO law should be a prerequisite for continued economic U.S. assistance for Egypt? If not, why?

*Answer.* We were extremely disappointed by President Sisi's signature of the NGO law. From the time parliament proposed this legislation last November, until President Sisi approved it, we clearly and repeatedly communicated our concerns about the law and urged the Government of Egypt to not adopt it. We have stressed that a strategic relationship is a two-way street that requires trust and credibility.

The State Department is evaluating how to respond. Egypt remains a key regional actor, and none of the options come without downsides. Our support of Egypt's stability through assistance promotes U.S. interests in a volatile region. We have seen some progress over the last few months: the release of Aya Hijazy, and important wins for U.S. businesses.

We are considering all available options as we continue to press the Egyptians at the highest levels to ensure that U.S. assistance programs and civil society have the necessary space to operate.

*Question.* The Memorandum of Understanding (MOU) with Jordan expires in fiscal year 2018, yet the budget request presupposes a funding level of \$1 billion—consistent with the existing MOU funding level. Does the budget request purposefully undercut the ability of Jordan to engage the Department of State to discuss assistance needs in fiscal year 2018 and beyond?

*Answer.* The President's request for Jordan in fiscal year 2018 is consistent with our prior-year requests. Protecting this robust level for Jordan's foreign assistance in the context of the reduction to the State and USAID budget signals a strong commitment to the U.S.-Jordan partnership. We are committed to supporting the stability and security of Jordan, a critical partner in the region, on a range of U.S. national security priorities. Assistance is one of the many tools we can use in Jordan to help support the country. We remain in close touch with the Jordanian govern-

ment to discuss the numerous challenges the country faces to ensure we properly calibrate our levels of support.

*Question.* Given the myriad burdens Jordan bears, are increased assistance levels justified in the renewed MOU?

*Answer.* Jordan is one of our oldest and closest regional allies, and we are committed to supporting Jordanian stability and security as it faces a number of difficult and complex regional challenges. We remain in close touch with the Jordanian government to ensure we can properly calibrate our levels of support.

*Question.* How do you explain the administration's retreat from multilateral organizations and fora?

*Answer.* The administration is committed to both an effective United Nations and to U.S. leadership on a multilateral stage. We believe that with focused U.S. leadership, the United Nations can better serve the interests of peace, security, and prosperity. The United Nations represents an important tool through which the United States can assert its influence and seek action that might otherwise be difficult and more expensive for the United States to pursue. However, the United States cannot continue to bear a disproportionate share of the burden of paying for solutions to the world's problems. Other member states must do more to support international organizations, and the organizations themselves must be reformed to improve their effectiveness, efficiency, and transparency.

*Question.* Will such a retreat result in the loss of leadership and leverage in implementing reforms?

*Answer.* The administration is committed to both an effective United Nations and to U.S. leadership on a multilateral stage. That leadership has been on frequent display at the U.N. Security Council and elsewhere on crucial issues such as Syria, Iran, DPRK, and peacekeeping reform. However, the President's budget proposal makes clear that the United States cannot continue to bear a disproportionate share of the U.N. budget, and that other member states need to offer greater financial support and political muscle to propel urgently needed reforms.

*Question.* What premium does the Department of State place on countering the influence of the People's Republic of China and Russia abroad—or to put it another way, what premium does the Department place on maintaining U.S. influence globally?

*Answer.* Russian and Chinese attempts to exert influence on U.S. allies and partners are a serious concern. These two countries seek to negatively impact U.S. interests, including by influencing foreign populations and sowing doubts about the United States.

The Department of State works consistently to counter foreign influence operations that undermine our national security, including those conducted by China and Russia. From the Secretary of State to Foreign Service Officers and career employees, the Department is focused daily on broadening and strengthening ties between the United States, national governments, intergovernmental organizations, nongovernmental organizations, and individuals. The Department strives to project and maintain U.S. influence globally.

*Question.* In the Secretary of State's testimony, the Secretary asserts that ". . . even with reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, and humanitarian efforts." As the budget request eliminates funding for democracy and good governance in Cambodia and Sri Lanka, how does the Secretary intend to lead on these issues, particularly when democratic elements within both countries seek to consolidate democratic gains?

*Answer.* We are committed to fostering democracy and good governance in Cambodia, Sri Lanka, and beyond.

In Cambodia, support for human rights and democratic reforms remains a long-standing U.S. priority. Working with other like-minded countries, we have expressed concerns both publicly and privately over a range of human rights and democracy issues, including the harassment of civil society activists and organizations and recent amendments to Cambodia's Law on Political Parties. Recent positive developments in Cambodia include the release from pre-trial detention of five current or former employees of the human rights NGO ADHOC and the peaceful, well-executed Cambodian local council elections in June despite threats of intimidation by the ruling party. The opposition won nearly 500 communes and approximately 43 percent of the popular vote. Embassy Phnom Penh will monitor preparations for national elections in July 2018, which will offer Cambodia an important opportunity to demonstrate its commitment to democratic norms. We will also continue to monitor the trials and cases in the Extraordinary Chambers of the Courts of Cambodia (ECCC) and encourage accountability for the atrocities committed during the Khmer Rouge regime.

We worked closely with Sri Lanka to pass the 2015 Human Rights Council (HRC) Resolution 30/1 outlining reform commitments to promote reconciliation, accountability, and human rights in Sri Lanka in the wake of the 2008–2009 conclusion of its civil war. We continue to engage Sri Lanka, civil society and our partners in the international community on these reforms under the 2017 consensus HRC Resolution 34/1, co-sponsored by Sri Lanka, which extended until March 2019 the timeline and oversight for the reforms agreed upon in Resolution 30/1. We continue to push Sri Lanka to return to private owners the land its military occupied; it has returned nearly 5,000 of the 13,000 acres seized in the north and east to date. We consulted with the government on its Office of Missing Persons bill, and we continue to consult on the draft Counterterrorism Act to replace the draconian Prevention of Terrorism Act. We supported the Consultative Task Force process, which provides a basis for reforms moving forward, and will continue to encourage the government and our partners to fully implement all commitments agreed to in HRC Resolution 30/1, including establishing a credible judicial mechanism to try alleged war crimes.

In both countries, we will continue our open dialogue with governmental and civil society leaders, and with third countries and multilateral partners. We will support the emerging leadership of the two countries and encourage them to be more active in advancing democratic values and good governance. We will also continue to hold them accountable to their obligations under universal human rights norms and instruments. Finally, we will sustain our multilateral work within the U.N. system and through regional mechanisms to strengthen human rights monitoring and enforcement mechanisms in Cambodia and Sri Lanka to ensure democratic progress.

*Question.* In fiscal year 2016 and fiscal year 2017, USAID engaged academic and commercial expertise to develop innovative vector control technologies to address vector-borne pathogens transmissions and avert the spread of future infectious disease outbreaks. What type of funding would be available in fiscal year 2018 to support vector control programs?

*Answer.* USAID invests in the Innovative Vector Control Consortium (IVCC) to support the research and development of novel insecticides and insecticide-based tools for use in public health vector control programs. This is an effort to directly address the emerging insecticide resistance and to make new vector control tools available for malaria prevention. USAID's support to IVCC leverages contributions from the Bill & Melinda Gates Foundation, DfID and others, and is in direct partnership with private sector companies.

While the United States will continue significant funding for global health programs, including programs to combat infectious diseases, other stakeholders and partner countries must increase their financial investments in global health programs.

*Question.* Given the incredible success of PEPFAR since its creation by President Bush, and how close international donors are to epidemic control in Africa, what is the justification for a proposed \$1 billion cut to PEPFAR?

*Answer.* With the President's fiscal year 2018 budget, the U.S. Government will continue to prioritize smart investments that save lives and advance progress toward controlling the HIV/AIDS, tuberculosis, and malaria pandemics.

Specifically, PEPFAR, in collaboration with host governments, will accelerate efforts toward achieving epidemic control in 13 high impact epidemic control countries by expanding the most impactful HIV services among the highest-HIV-burden locations and populations. PEPFAR will also focus on increasing partner performance and identifying and leveraging efficiency gains through the collection and use of more granular data (disaggregated by age, sex, and at the site level).

Outside of these 13 high impact epidemic control countries, PEPFAR will maintain its current level of antiretroviral treatment through direct service delivery and expand both HIV prevention and treatment services, where possible, through increased performance and efficiency gains. PEPFAR will also work with partner governments, the Global Fund, and others to determine how HIV prevention and treatment services can be expanded in cases where PEPFAR is not the primary funder and/or service delivery provider.

The \$1.125 billion requested for the U.S. contribution to the Global Fund keeps the U.S. on track to meet its commitment to match \$1 for every \$2 provided by other donors for the Global Fund's most recent 5th Replenishment period.

*Question.* What is the rationale for zeroing out \$330 million in HIV/AIDS funding for USAID in the budget request?

*Answer.* The President's budget consolidates all U.S. assistance for global HIV/AIDS efforts within the State Department to simplify the management and coordination of these investments. It is important to note that in the budget, USAID will remain one of the two (along with CDC) primary implementing agencies for

PEPFAR, and will continue to implement a significant share of U.S. global HIV/AIDS assistance in this capacity.

*Question.* Can the Department of State ensure the Committee that the U.S. will meet our 33 percent contribution to the Global Fund?

*Answer.* The President's budget includes \$1.125 billion for the U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which keeps the U.S. on track to meet its commitment to match \$1 for every \$2 provided by other donors for the Global Fund's most recent 5th Replenishment period.

*Question.* The fiscal year 2018 budget request proposes to cut federally-funded exchange programs by more than half—justifying this by asserting that the private sector will pick up the slack and that there's no harm to U.S. interests. Yet, the administration has at various times expressed that it might cut back the J-1 visa Summer Work Travel exchange program—a private-sector program that costs no taxpayer money. Please fully explain the rationale to cut and curtail our engagement with emerging leaders from around the world via exchange programs.

*Answer.* Educational and cultural exchange programs are undeniably an important part of the State Department's diplomatic mission. One of our key exchange initiatives is the Summer Work Travel program, which is a privately-funded Exchange Visitor Program that places foreign students in a U.S. business or organization for a short period of time, typically during the summer months. We will continue to support the private and State Department-funded exchanges in ways that best accord with the law, advance America's foreign policy priorities, and serve the needs of the American people.

*Question.* Given limited size of the J-1 Visa program, its role in promoting cultural exchange, and the short duration of the visas, what is the justification of including this program in the review under the Hire American Executive Order?

*Answer.* The portfolio of the Exchange Visitor Program includes 13 different categories of private sector exchange. These programs are educational and cultural in focus and fall under Fulbright-Hays authority or other Congressional legislation that brings them under the Exchange Visitor Program. Such programs are regulated as educational and cultural exchanges under 22 CFR 62. They are not intended to be labor programs, although some exchange activities may involve a work component. Around 300,000 exchange visitors begin programs each year in the 13 different categories of private sector exchange. Often these exchange programs last for 3 to 4 months, as is the case with Summer Work Travel or Camp Counselor, although they may last a number of years, such as for College and University Students and Alien Physicians.

*Question.* Will the Department of State commit to continuing to support both federally-funded and private sector exchange programs as key elements of America's diplomatic engagement with the world?

*Answer.* Both federally funded and private sector exchange programs have proven themselves to be very important tools in our diplomatic engagement and we will continue to support their use worldwide.

*Question.* Regarding the currently pending sale of F-16s to Bahrain, it is the committee's understanding that the Department of State was sent congressional questions requiring a response. What is the current status of the Department's response? What is the current status of the sale?

*Answer.* As you know, our security relationship with Bahrain is extremely important, and we share many of the concerns raised by Members of Congress. The operational and logistical support that Bahrain provides our military is essential to the success of our campaign against ISIS.

We will continue to stand with Bahrain in fighting terrorism, even as we encourage the government to differentiate its approach against violent militia groups from its response to peaceful political opposition. We agree that promoting human rights in Bahrain and enhancing regional stability in the Gulf are mutually reinforcing interests, and we are committed to pursuing both efforts.

We continue to strongly encourage the Government of Bahrain to take steps toward political reconciliation and to advance reform efforts for the benefit of Bahrain's long-term security and our mutual interests in regional stability. We welcome discussing the matter with you further in an appropriate setting.

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QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

*Question.* The National Defense Authorization Act for fiscal year 2017 included major reforms to how the Department of Defense administers foreign military assistance, which now totals about \$10 billion annually. That law reaffirmed the State Department's foreign policy lead in relation to these assistance programs and re-

quires concurrence by your department for all DoD-funded aid programs. What steps are you taking, beyond establishing coordinating committees, to ensure that the State Department can take on this oversight role and effectively plan, administer, and evaluate the foreign policy impact of all U.S. military and police assistance? What additional staff or other resources will be needed to carry out this responsibility?

*Answer.* The Department has longstanding mechanisms for planning, coordinating, and evaluating security assistance, including processes such as: the development of the Integrated Country Strategy, which details each Mission's three year goals and objectives and provides a framework to organize and prioritize in-country activities; the development of the Mission Resource Request, which reflects each Mission's annual funding request for all Department assistance accounts; various interagency planning forums throughout the budget cycle; and program-specific proposal review processes. In addition, the Department adheres to evaluation policy and the Foreign Aid Transparency and Accountability Act of 2016, which requires U.S. Government agencies to closely monitor, evaluate, and report on U.S. foreign assistance programs.

In light of DoD's expanded assistance authorities, the Department is working with DoD to develop processes that synchronize security assistance planning and programming across the two agencies. This is in addition to, as you note, a new State Department-DoD Security Sector Assistance Steering Committee that Secretary Mattis and I have established, which is accountable for ensuring the joint approach is fully embraced.

I have designated the Assistant Secretary for Political-Military Affairs as the lead coordinator for the Department in the joint planning, development, and implementation of programs under DoD's new Section 333 authority, which incorporates and expands on several legacy DoD authorities that were repealed in the fiscal year 2017 NDAA.

*Question.* Mr. Secretary, as long as you are Secretary of State can we count on the Department to respond in a timely manner to written questions and other requests for information from Republicans and Democrats on this Committee?

*Answer.* The Department continues its long-standing practice of responding appropriately to correspondence from Members of Congress, regardless of political affiliation.

*Question.* Can we count on you to consult with this Committee regarding any proposed State Department reorganization that would have policy, budgetary, or personnel implications, prior to initiating such reorganization?

*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 will be 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, Public Law 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 fiscal year 2019 budget submission to pursue such statutory changes. 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.

*Question.* The proposed cuts in the fiscal year 2018 budget request would have real consequences for the security of our diplomats, for the conduct of our foreign policy, for the lives of people who depend on our assistance, and for our friends and allies. Your budget implies that we have been throwing money away on things that don't matter. Where is the data and the analysis to support these cuts? What facts do you have to demonstrate that this will make Americans better off and the world a safer place?

*Answer.* The fiscal year 2018 budget request includes substantial funding for many foreign assistance programs under the State Department and USAID, but the first responsibility of the government is the security of American citizens, and the Department is orienting diplomatic efforts toward fulfilling that commitment. While State's mission will also be focused on advancing the economic interests of the American people, the primary focus will be to protect U.S. citizens at home and abroad, and therefore the Department is making hard choices to reduce funding for other initiatives. Even with reductions in assistance and development funding, the United States will continue to be the leader in international development, global health, democracy and good governance initiatives, as well as humanitarian efforts. The Department is confident the fiscal year 2018 budget request will allow the De-



partment to support the President's priorities to defend national security, assert U.S. leadership, foster opportunities for U.S. economic interests, and ensure accountability to the U.S. taxpayer.

*Question.* Secretary Mattis' quote about needing more ammunition if the State Department doesn't get the money it needs is so relevant that it has become somewhat of a cliché. You referenced the quote in your confirmation hearing, and stated that "ensuring the resources are available to advance our foreign policy and diplomacy goals are important and elevated to a level that even the nominee of the Secretary of Defense has recognized." Did the importance of maintaining at least current levels of appropriations for U.S. foreign policy change? Or did you determine between January and March that Congress has been wasting billions of dollars on frivolous operations and programs?

*Answer.* The State Department and USAID budget increased over 60 percent from fiscal year 2007, reaching a record-high \$55.6 billion in fiscal year 2017. Recognizing this rate of increase in funding is not sustainable, the fiscal year 2018 budget request reflects an effort to ensure every tax dollar is aligned with the Department's critical diplomatic and development mission, and that other nations should take on a greater responsibility for meeting shared international commitments. Operations must become more efficient, assistance must be more effective, and the primary mission must always be advocating for the national interests of the United States. The Department and USAID acknowledges that we had to make some tough choices, but focusing our efforts will allow the Department to advance the most important foreign policy goals and national security interests, while ensuring that other donor countries contribute their fair share toward meeting global challenges.

*Question.* The administration has emphasized the need for other countries to "step up" their efforts to address today's global challenges and contribute their "fair share". How will cutting our contributions convince others to do more, and what evidence do you have that others have the ability, or the inclination, to fill the gap in funding caused by your budget cuts?

*Answer.* The Department of State and USAID must advance our efforts to engage other countries to address global challenges. As part of our efforts, we will work to ensure that other donor countries contribute their fair share. We will continue to engage diplomatically with allies and partners to advance shared policy priorities and bilateral partnerships. Even with reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, as well as humanitarian efforts. The budget clearly communicates that American taxpayers can no longer be expected to shoulder a disproportionate share of these efforts. As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some tough choices. Focusing our efforts will allow us to advance our most important policy goals and national security interests.

*Question.* You have testified that the U.S. has been doing more than its fair share to promote global peace and security. Does that mean that you believe 1.4 percent of the Federal budget is unfair and too much for the world's only superpower?

*Answer.* The first responsibility of government is the security of its own citizens, and this budget request highlights that priority. The fiscal year 2018 budget request prioritizes the well-being of Americans, bolsters U.S. national security, secures our borders, and highlights U.S. economic interests. As we work to ensure the efficiency and effectiveness of U.S. taxpayer dollars, we will have to prioritize and make some tough choices. Focusing our efforts will allow us to advance our most important policy goals and national security interests, while ensuring that other donor countries contribute their fair share toward meeting global challenges. Even with reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, as well as humanitarian efforts.

*Question.* In your testimony you stated that "We are challenged to respond to . . . new global dynamics, and a post-9/11 world characterized by historic new threats that present themselves in ways never seen before, enabled by technological tools that we have been ill-prepared to engage." Can you reconcile that statement with your belief that the growth of the State Department and USAID budgets are not sustainable and should be reduced? Why can we not afford 1.4 percent of the Federal budget to support U.S. foreign policy in an increasingly complex and challenging world?

*Answer.* The State Department and USAID budget increased over 60 percent from fiscal year 2007, reaching a record-high \$55.6 billion in fiscal year 2017. Recognizing this rate of increase in funding is not sustainable, the fiscal year 2018 budget request reflects an effort to ensure every tax dollar spent is aligned with the Department's critical diplomatic and development mission, and that other nations should take on greater responsibility for meeting shared international commitments. The

Department and USAID's fiscal year 2018 budget request acknowledges that our operations must become more efficient, that our assistance must be more effective, and that our primary mission must always be advocating for the national interests of our country. By focusing our efforts, we will be able to more quickly and effectively address the most pressing challenges and threats posed to our national security while increasing the cost-effectiveness of our operations for the American taxpayer.

*Question.* In your testimony you state that "The first responsibility of government is the security of its own citizens, and we will orient our diplomatic efforts toward fulfilling that commitment . . . the State Department's primary focus will be to protect our citizens at home and abroad." I agree that the security of U.S. citizens and American personnel and facilities at home and around the world must be a priority, but I disagree that the best way to do so is by ceding U.S. leadership and influence abroad. What about this budget makes Americans safer, and when can we expect to see the results?

*Answer.* The fiscal year 2018 request for the State Department and USAID will allow America to continue to assert U.S. leadership, defend national security, and foster opportunities for U.S. economic interests. Even with the reductions in funding, we will continue to be the leader in international development, global health, democracy and good governance initiatives, and humanitarian efforts. As part of our efforts, we will continue to partner with key allies to protect Americans and American interests, advance bilateral partnerships, open new markets for U.S. businesses, and promote American interests abroad, in a manner that puts America first. This budget also sustains our responsibilities for border security and protecting Federal employees who serve under Chief of Mission authority overseas. Focusing our efforts will allow us to advance our most important policy goals and national security interests, while ensuring that other donor countries contribute their fair share toward meeting global challenges.

*Question.* In your testimony you state that "I have never believed, or experienced, that the level of funding devoted to a goal is the most important factor in achieving it. Our budget will never determine our ability to be effective—our people will." I agree. Increased funding does not necessarily equal increased effectiveness. And certainly neither does decreased funding. You have proposed to reduce State Department staffing by roughly 2,000 positions, and the budget eliminates development and economic programs in 37 countries. What is more effective about this approach, and how did you arrive at these numbers?

*Answer.* With such a broad array of threats facing the United States, the fiscal year 2018 budget request begins the necessary work of focusing State Department and USAID efforts in order to allow us to advance our most important foreign policy goals. The State Department and USAID's fiscal year 2018 budget request acknowledges that our operations must become more efficient, that our assistance must be more effective, and that our primary mission must always be advocating for the national interests of our country. By focusing our efforts, we will be able to more quickly and effectively address the most pressing challenges and threats posed to our national security while increasing the cost-effectiveness of our operations for the American taxpayer.

*Question.* Can we count on the State Department and USAID to obligate and expend the funds appropriated by Congress for fiscal year 2017, and fiscal year 16 funds set to expire on October 1, 2017, in the manner prescribed?

*Answer.* The Department of State and USAID will obligate funds appropriated by Congress consistent with applicable law, including the Impoundment Control Act.

*Question.* You have embarked on a restructuring of the State Department to improve efficiency and effectiveness. Over the past 3 months, we have heard testimony from U.S. combatant commanders around the world, from the Chairman of the Joint Chiefs of Staff, and from the Secretary of Defense expressing "unqualified support" for the budgets of the State Department and USAID. Yet, in addition to the 30 percent cut for diplomacy and development, you are proposing to use millions of dollars that was appropriated for other purposes to eliminate more than 600 positions from the State Department through buyouts, and to reduce more than twice that number through attrition:

What if you determine that given the increasingly complex and dangerous threats we face around the world, the State Department and USAID need more resources, including personnel, not less? Will you then request the additional resources? Wouldn't it make more sense to first determine how many people and how much funding the Department actually needs, before cutting the budget?

*Answer.* We can build a State Department that is more effective as well as more efficient within the President's budget request. The Department remains committed to ensuring effectiveness of U.S. taxpayer dollars; driving efficiencies; working hand in hand with DoD and other agencies across the government to identify duplication

of efforts; meeting objectives within fiscal constraints; and working on behalf of the American people to advance our national security objectives and foreign policy goals. As we move forward, the Department looks forward to sharing its plans with the Congress and working together to create a more efficient, streamlined State Department and USAID.

*Question.* What mechanisms are in place, or do you intend to put in place, to ensure that reductions to personnel through attrition do not adversely impact the ability of bureaus and offices to effectively carry out their missions? What is the process for a bureau or office to request authority to hire additional staff, and under what circumstances do you intend to permit hiring?

*Answer.* The Department of State has a well-established strategy for succession planning based analysis of attrition and, for the Foreign Service, flow through of Foreign Service Generalists and Specialists up through the ranks. To the degree that attrition increases with possible personnel reductions, we will adjust our models to account for the changes and ensure that necessary functions are maintained.

We do not foresee involuntary actions such as a general reduction in force. Rather, we are targeting voluntary incentives for early retirement or separation to ensure that any reduction does not impact our ability to meet the requirements of our mission.

Although the Department is currently maintaining a Department-wide hiring freeze, there is an established process for requesting exemptions to the hiring freeze. Senior officials (Assistant Secretary or equivalent) may seek an exemption for positions deemed critical to the execution of functions that support the Department's security, health and safety responsibilities.

*Question.* What is the justification for, and impact of, suspending the incoming class of Foreign Service Officers?

*Answer.* As of June 13, the Department is unable to offer this year's cadre of Fellows a spot in an A-100 class at this time, as has been customary.

*Question.* What is the justification for, and impact of, freezing the hiring of Eligible Family Members?

*Answer.* I have elected to continue the OMB/OPM hiring freeze Department-wide while we undergo our review of aligning resources, people, and our overarching mission, in order to deploy the talent and resources of the Department in the most efficient way possible. Specific hiring exemptions have been approved for EFM positions that support critical security, safety and health responsibilities at overseas posts.

*Question.* In your testimony you commit that the United States will continue to respond to disasters and epidemics overseas. Yet the budget reduces funding for programs intended to prevent and mitigate the impact of such disasters, and programs intended to build food security against the threat of famine and strengthen local health systems. What about cutting these programs will enable you to respond more efficiently and effectively, and when can we expect to see the results?

*Answer.* The United States is a leader in global humanitarian response and conflict prevention efforts. The U.S. Government is actively engaging with partners to reduce fragility and promote stability in conflict-affected states. This includes enhancing the ability of fragile countries to mitigate shocks and prevent conflict, and advancing the stabilization of conflict-affected areas so that they can transition to long-term political, economic and social stability.

The United States is committed to doing our fair share to respond to humanitarian crises. With our fiscal year 2018 budget request, we will remain a leading contributor of humanitarian assistance. We are also asking our international partners to step up their efforts and contribute more. We continue to respond robustly to the famine or threat of famine in South Sudan, Somalia, Yemen and Nigeria, providing nearly \$1.2 billion in fiscal year 2017 to date for these crises. At the same time, we must focus on addressing the fundamental conditions that give rise to these crises and work to prevent new ones from emerging. This requires aggressive diplomacy and targeted assistance to resolve conflicts, promote good governance, and promote stabilization. Our budget request in fiscal year 2018 includes dedicated resources to support conflict mitigation, stabilization, and human rights and governance programming in Afghanistan, Iraq, Nigeria, Somalia, Syria, Yemen, and elsewhere.

*Question.* At the Defense appropriations subcommittee's fiscal year 2018 budget hearing, I asked Secretary Mattis about his views on the proposed cuts to foreign assistance. He answered by acknowledging that DoD may have to fill some of the gaps left by State and USAID, and that he was willing to do so if needed. However, DoD has a dismal track record of implementing development and economic assistance, including in Afghanistan and Iraq since 9/11. Why does it make sense to have DoD fill gaps in foreign assistance rather than provide the necessary resources to State and USAID which are far better suited to the job?

*Answer.* The Department of State and USAID have indispensable roles to play in a whole-of-government effort to address national security challenges, working with the Department of Defense (DoD) and other U.S. Government agencies. I am committed to fulfilling our important mission, and I believe our fiscal year 2018 request provides us with the necessary resources in that regard. As I stressed in my opening remarks, I believe it is our people first and foremost—not the level of resources—that will determine our ability to succeed in meeting these important objectives. By being more selective and targeted with our foreign assistance resources, I believe we can have a greater impact and increase cost-effectiveness for the American taxpayer.

Secretary Mattis and I have committed our departments to work more closely together on security sector assistance (SSA) efforts and foreign assistance more broadly. We have established a new State-DoD SSA Steering Committee that is working to ensure a coordinated approach to our respective assistance programs. We are not seeking to transfer responsibility for programs historically funded by State to DoD; rather, the goal is to focus on a joint approach that determines how best to leverage resources and authorities to advance national security priorities and partnerships in the most cost-effective method. Together, we are also reviewing how we can best target our assistance to advance our top policy priorities, such as defeating ISIS.

*Question.* In your testimony you note that the administration is “motivated by the conviction that the more we engage with other nations on issues of security and prosperity, the more we will have opportunities to shape the human rights conditions in those nations.” I agree that engagement is important. How do you reconcile that statement with rolling back engagement with Cuba; with significant cuts to international financial institutions, the U.N. and other international organizations; and with reductions to bilateral assistance programs across the world, including the elimination of development and economic programs in 37 countries?

*Answer.* The Department of State and USAID must advance our efforts to engage other countries to address global challenges. As part of our efforts, we will continue to partner with key allies to protect Americans and American interests, advance bilateral partnerships, and open new markets for U.S. businesses. Even with the reductions in funding, we will continue to be the leader in democracy and good governance initiatives, international development, global health, and humanitarian efforts. As I noted in my testimony, I have never believed, nor have I experienced, that the level of funding devoted to the goal is the most important factor in achieving it. Our budget will never determine our ability to be effective—our people will. By focusing our efforts, we will be able to more quickly and effectively address the most pressing challenges and threats posed to our national security while increasing the cost-effectiveness of our operations for the American taxpayer.

*Question.* Do you plan to solicit feedback from the broader international development community, including our implementing partners and beneficiaries of U.S. assistance, regarding any proposed reorganization?

*Answer.* Yes, State and USAID are planning on hosting a broad stakeholder engagement and listening session, which will include partners from the development community, in the coming weeks.

*Question.* The mission of the World Health Organization is of vital importance to the health and safety of Americans and people everywhere. Compared to a deadly air borne virus, the Ebola epidemic was relatively easy to contain, and yet it claimed the lives of thousands of people and cost billions of dollars. WHO has been badly underfunded for years. How much are you requesting for a U.S. contribution to WHO in fiscal year 2018, compared to the U.S. contribution in fiscal year 2017?

*Answer.* The fiscal year 2017 assessed contributions will total approximately \$112 million. An aggregate total contribution will be determined once the fiscal year 2017 voluntary contributions are finalized. In addition to the State Department and USAID, the Centers for Disease Control, Food and Drug Administration, Environmental Protection Agency, National Institutes of Health, and the Department of Health and Human Services all contribute funds to WHO. The President’s fiscal year 2018 Congressional Budget Request did not specify amounts of funding for contributions to WHO. While the contributions to the International Organizations account face a significant cut in the President’s request, we have not yet determined funding levels for individual organizations. The organization could receive fiscal year 2018 foreign assistance funds as an implementing partner for programs and activities funded through accounts such as global health programs.

*Question.* International basic education assistance works. When Exxon Mobil sets up operations around the world, it needs local employees with the basic skills, particularly in math and science, to be an effective part of the workforce. This means youth and children starting out with a quality education, and that particularly girls and women also have a chance to compete in their societies. Critical thinking also

counters violent extremism. The fiscal year 2018 budget request would cut funding for basic education by 53 percent. What is the justification for this reduction, and what impact do you expect such a cut to have?

*Answer.* The fiscal year 2018 request for education is still robust, at more than a half billion dollars—\$377.9 million alone for basic education. Our effort to streamline resources is in keeping with the administration's priority of ensuring effectiveness and accountability to the U.S. taxpayer. This does require some tough decisions. However, we deeply recognize that investments in basic education creates pathways not only for learning, but also for greater economic growth, improved health outcomes, democratic governance, and more resilient societies.

For that reason, USAID basic education programs are targeted on supporting countries' achievement of specific, measurable results: children reading and children and youth—particularly girls—accessing safe, quality education in crisis and conflict. From 2011 to 2015, USAID supported 151 basic education programs in 46 countries, directly benefiting more than 41.6 million children and youth. Forty-nine percent of basic education beneficiaries, or 20.2 million individuals, were girls.

USAID basic education programs also invest in countries where additional donor resources can be leveraged, another priority of the new administration. For instance, USAID works in partnership with the Global Partnership for Education (GPE) to strengthen country-level cooperation of education programming. In 2015 alone, U.S. support to GPE contributed to the construction or rehabilitation of 5,700 classrooms, provision of 12.8 million textbooks and learning materials, and training of 147,000 teachers.

Moving forward, USAID's education strategy will continue to focus on partnerships and initiatives with the strongest potential to improve the lives of the children and youth.

*Question.* Your budget proposes to cut the Fulbright Program by half, and to eliminate many other international exchange programs which have strong, bipartisan support in Congress. Some of the most effective foreign advocates for American values are graduates of Fulbright and other U.S. cultural and educational exchange programs. I have met many of them. Do you believe these programs are failing to produce good results? At a time when misinformation and hostility toward the United States is growing, why would we not increase funding for these cost-effective programs?

*Answer.* The proposed cuts in Educational and Cultural Exchanges account contained in the fiscal year 2018 State Department budget request are part of a government-wide and Department-wide effort to reduce costs and to prioritize our resources where they have the greatest benefit to the American public. The State Department recognizes the important contribution of exchange programs, such as Fulbright, to advancing our foreign policy priorities, and the proven effectiveness of these programs. We will make every effort to leverage these programs and the efforts of the private sector to achieve U.S. national goals for people-to-people engagement.

*Question.* In your testimony, you stated that one third of the Fulbright budget is contributed by other governments. I am concerned that foreign governments will reduce their contributions if the U.S. cuts its contribution, and there is no realistic scenario in which foreign and private contributions make up the difference of U.S. cuts so the program is maintained at the current level, as you suggested. In addition, your proposed cuts to the Economic Support Fund would likely result in USAID missions in Pakistan, Afghanistan and Egypt cutting back the amounts they allocate to Fulbright. What evidence do you have that if the Congress does what the President proposes, total funding for Fulbright from all sources will not decrease.

*Answer.* We are looking holistically at how U.S. Government funded efforts and the efforts of other stakeholders, including foreign governments and the private sector, are helping to achieve our common objectives. To sustain high priority cultural and exchange programs like Fulbright at lower U.S. Government funding levels, we will need to determine priority areas and countries of activity after close consultations with the Department's regional bureaus and taking into account the strategic interests of the U.S. Government and our foreign policy goals. The extent to which U.S. Government funds are leveraged with contributions from other stakeholders will also be considered. Every effort will be made to keep exchange programs overall as robust and cost effective as possible, in service to the American people.

*Question.* A January 2016 report by the State Department Inspector General found that the Department routinely takes over 500 days to respond to Freedom of Information Act (FOIA) requests. Citizen groups cite cases in which FOIA requests to State can go unfulfilled for years. What progress has State made to resolve its

FOIA backlog and reduce the time for responding to FOIA requests, and what do you plan to do about this in fiscal year 2018 and beyond?

*Answer.* The Department takes its FOIA responsibilities seriously and has taken a series of concerted actions to improve the program. These efforts have reduced the backlog by over 30 percent since October 1, 2015; the current backlog is approximately 15,600 cases.

The Department is developing a new process to eliminate its current FOIA backlog on an accelerated timeframe. Concurrently, the Department is in the process of acquiring new technical tools that will help facilitate both resolving the Department's FOIA backlog and providing more timely responses to requesters and the public.

Further, to ensure greater public access to Department records, the Department is adding released records to our foia.state.gov website every month, an effort that started in 2016. There are now over 162,000 documents available on-line for public review, which is a 40 percent increase over last year.

Additional FOIA training is being offered to both employees who process FOIA requests and those who generate records being requested. There are monthly briefings on FOIA available to all Department employees located in Washington, DC, and new remote training tools are being created for all Department employees.

Finally, the Department has established a new internal FOIA working group to address process and policy issues, including how to improve from the previous year's performance.

*Question.* You have spoken of the importance of the United States' work with Mexico to combat the criminal organizations responsible for trafficking drugs to the United States and widespread violence in Mexico. Improving security in Mexico and combatting organized crime requires a judicial system that effectively investigates and prosecutes crimes and corrupt-free civilian police forces that citizens trust. According to your fiscal year 2018 budget request, assistance for Mexico would drop by 45 percent in 2018 as compared to 2016. Why does this make sense, and how do you plan to sustain our collaboration with Mexican authorities to combat organized crime and strengthen Mexico's criminal justice institutions?

*Answer.* We remain committed to supporting the Government of Mexico in combatting organized crime and the movement of drugs and other illicit goods throughout the hemisphere. The fiscal year 2018 budget request reflects the administration's focused approach to foreign assistance. The request for Mexico prioritizes issues that directly impact the safety and security of the United States, by strengthening border security and undermining the transnational criminal organizations that traffic drugs, including heroin and fentanyl, which are exacerbating the U.S. opioid epidemic.

The Bureau of International Narcotics and Law Enforcement Affairs (INL) continues to build the capacity of Mexican civilian security and justice sector institutions to strengthen borders and ports; disrupt the activities of transnational criminal organizations; interdict illegal drugs, including heroin, fentanyl, and methamphetamines; and disrupt illicit financial networks. Assistance will improve Mexico's ability to bring offenders to justice by increasing the effectiveness and professionalism of judicial institutions under Mexico's new accusatory justice system. In support of the May 2017 U.S.-Mexico Strategic Dialogue on Disrupting Transnational Criminal Organizations, INL is working with the Government of Mexico to identify new opportunities to combat transnational criminal organizations, including disrupting their business models. We are exploring new ways to strengthen criminal investigations of money laundering, build Mexico's capacity to criminally prosecute and sanction financial crimes, and work jointly on detecting and interdicting bulk cash shipments from the United States to Mexico. The funding requested in fiscal year 2018 is in addition to the \$1.9 billion in International Narcotics Control and Law Enforcement funds allocated since fiscal year 2008.

In addition, Economic Support and Development Fund assistance will promote human rights by building the capacity of Federal and State authorities to abide by and implement Mexico's National Human Rights Program and the government's obligations under international human rights treaties. Assistance at a local level will improve access to community-level justice and victims' services. This is complemented by assistance to civil society organizations to help promote crime and violence prevention, rule of law, and human rights.

*Question.* In light of the important role of U.S. support for police professionalization, strengthening the rule of law, and advancing judicial reform in Mexico, what areas of assistance will you prioritize for the State Department's future engagement with Mexico?

*Answer.* We continue to prioritize support for Mexico's transition to an accusatorial criminal justice system as an integral component of our strategy to

combat transnational organized crime. A transparent, efficient, and effective criminal justice system is essential to our goal of dismantling transnational criminal organizations to combat the production and trafficking of heroin and fentanyl fueling the opioid epidemic in the United States. Disrupting criminal organizations that traffic heroin and other drugs requires strong law enforcement and justice institutions that can investigate, arrest, prosecute, convict, and imprison criminals. Our support also strengthens the rule of law by protecting due process, promoting assistance to crime victims, and strengthening human rights.

U.S. funding supports the Government of Mexico's own priorities to promote accountability, professionalism, integrity, and adherence to due process among the country's 350,000 Federal, State, and municipal law enforcement officials. As Mexico has embarked on an essential set of reforms to its justice sector, the United States, through our security partnership with Mexico, has provided essential support by targeting every facet of the criminal justice system. This continues to include training for judges, prosecutors, and curriculum support for law schools, as well as supporting accreditation of Federal and State forensic laboratories and certification of their personnel. The United States also continues to provide training, technical assistance, and equipment in support of Mexico's efforts to reform Federal and State penitentiary systems.

The United States and Mexico have forged a multi-faceted partnership to combat organized crime and drug trafficking and to support Mexico's efforts to strengthen its security institutions, enhance rule of law, build public confidence in the justice sector, improve border security, and promote respect for human rights. Through the Merida initiative, we will continue to direct funding to key priorities identified jointly by our governments to complement Mexico's investment in its own security.

*Question.* It is one thing for a Communist government to restrict travel by its citizens. We might expect that. But do you believe it is right for the government of the world's oldest democracy to tell its citizens where they can travel and for what purposes, and to do so only for one country which is just 90 miles away?

*Answer.* The Executive branch enforces U.S. law. U.S. law has prohibited certain financial transactions and trade with Cuba for over 50 years, including travel-related transactions. Consistent with the Cuban Assets Control Regulations promulgated by the Department of Treasury, certain travel-related transactions may be authorized either by a general license or on a case-by-case basis by a specific license for travel related to 12 specified categories of activities. These categories include educational, religious, and journalistic activities, family visits, support for the Cuban people, humanitarian projects, government business, public performances and competitions, activities of private foundations or research or educational institutes, professional purposes, export, import, or transmission of information materials, and certain export transactions. These categories could be subject to modification pursuant to the National Security Presidential Memorandum issued on Cuba on June 16.

*Question.* Do you believe the Cuban military or other security services pose a threat to the United States or to regional peace and security? Have any other Western Hemisphere governments indicated that they believe that they do?

*Answer.* The Cuban military poses no significant direct threat to the United States and its regional partners. However, Cuba's security services have previously worked contrary to U.S. interests in the region, and the Government of Cuba provides support to Venezuelan security services.

The countries of the region agreed to invite Cuba to the 2016 Conference of Defense Ministers of the Americas (CDMA), a decision that was reached in April 2016 at a preparatory conference in Port of Spain, Trinidad and Tobago. While Cuba did not attend the conference, the decision suggests the region's willingness to cooperate with Cuba on issues of security.

*Question.* The White House says President Trump's reinstatement of restrictions on travel to and trade with Cuba by Americans will help bring freedom to Cuba, for which the Cuban people will credit President Trump. What human rights improvements do you expect to occur as a result of President Trump's actions, and by when do you expect to see them?

*Answer.* The National Security Presidential Memorandum (NSPM) issued June 16 seeks to advance human rights in Cuba. The Trump administration's policy is designed to encourage the Cuban government to address ongoing human rights abuses, including infringement of fundamental freedoms, and violence and intimidation against dissidents. By restricting certain types of travel and financial transactions, the administration's policy increases the pressure on the Cuban government to address these human rights abuses. U.S. policy will be shaped by how the Cuban government chooses to act toward its own people. As the NSPM states, the White House will continue to evaluate its policies to promote improved human rights con-

ditions for the Cuban people, and the United States will continue to engage with the Cuban government on areas of national interest.

*Question.* You have blamed Helms-Burton and other laws for the President’s reinstatement of restrictions on travel to and trade with Cuba by Americans—contrary to U.S. policy everywhere else in the world. You have also strongly endorsed engagement with governments we disagree with in order to obtain improvements in human rights. Is that just a talking point, or would you support a repeal or modifications of Helms-Burton in order to facilitate that engagement? If the latter, what modifications of Helms-Burton would you recommend to facilitate U.S. engagement with Cuba?

*Answer.* The National Security Presidential Memorandum (NSPM), Strengthening the Policy of the United States toward Cuba, outlines the policy of the executive branch towards Cuba. The new policy ensures engagement with Cuba is consistent with U.S. national interests, including advancing Cuban human rights and encouraging the growth of a Cuban private sector independent of government control. The new policy also reaffirms the executive branch’s commitment to Helms Burton.

*Question.* What improvements in the standard of living of the Cuban people do you expect to occur as a result of President Trump’s reinstatement of restrictions on travel to and trade with Cuba by Americans, and by when do you expect to see them?

*Answer.* As stated in the National Security Presidential Memorandum, issued June 16, the new Cuba policy aims to ensure engagement advances the interests of the Cuban people and encourages the growth of a Cuban private sector independent of government control. It does this by directing Federal agencies to undertake various actions, including making regulatory changes to restrict certain financial transactions and travel. The effect of these changes will be felt over time and constitute part of our continued engagement to improve human rights, encourage the rule of law, foster free markets and free enterprise, and promote democracy in Cuba.

*Question.* How will you assess—with what criteria and over what period of time—whether the reinstatement of restrictions on travel to and trade with Cuba by Americans is helping to bring freedom to the Cuba?

*Answer.* Cuban civil society, international non-governmental organizations, and global media paint a bleak picture of repressive conditions in Cuba. As outlined in the National Security Presidential Memorandum, issued June 16, the President’s policy is designed to advance human rights and democracy in Cuba, while maintaining engagement that serves U.S. national interests. The United States will engage with Cuba to promote greater freedoms for the Cuban people, who for decades have lived with persistent harassment, violence, and arrest for exercising fundamental freedoms of speech and assembly.

The Department receives regular and detailed reporting from the U.S. Embassy in Havana regarding conditions on the island. In addition, the Department maintains close and frequent contact with Cuban civil society and international non-governmental organizations, and closely follows reports from NGOs, academics, and international media. We will rely heavily on all these sources to monitor human rights conditions in Cuba.

*Question.* What if any other improvements in Cuba do you expect to occur as a result of this policy, and by when do you expect to see them?

*Answer.* The National Security Presidential Memorandum (NSPM), Strengthening the Policy of the United States toward Cuba, outlines the policy of the executive branch toward Cuba consistent with U.S. interests. The new policy gives greater emphasis to advancing human rights and democracy in Cuba, while maintaining engagement that serves U.S. national interests.

The policy maintains U.S. diplomatic relations with Cuba; ensures compliance with the statutory ban on tourism to Cuba; confirms support for the economic embargo of Cuba; requires a report on whether conditions of a transition government are present; amplifies efforts to support the Cuban people through expansion of Internet services, free press, free enterprise, free association, and lawful travel; and reaffirms the end of the “Wet Foot, Dry Foot” policy. The policy also ensures U.S. engagement benefits the Cuban people and private enterprise—not the military and security services—by directing Federal agencies to adjust current regulations to prohibit certain direct financial transactions with listed Cuban military, intelligence, or security services.

This continued engagement furthers national security and foreign policy interests of the United States. While we cannot predict a specific date by which we can expect to see such improvements in Cuba, we will continue to craft U.S. policy to improve human rights, encourage the rule of law, foster free markets and free enterprise, and promote democracy.



*Question.* How many, if any, additional State and Treasury Department personnel, and at what cost in fiscal year 2018 and fiscal year 2019, will be required to implement and enforce the President's restrictions on travel to and trade with Cuba by Americans?

*Answer.* The State Department is analyzing the resource requirements necessary to implement the National Security Presidential Memorandum (NSPM) on Strengthening the Policy of the United States toward Cuba in coordination with our colleagues at Treasury.

*Question.* What if any evidence do you have that President Trump's policy toward Cuba will help bring freedom to Cuba or otherwise improve the lives of the Cuban people?

*Answer.* As President Trump's Cuba policy makes clear, the administration is committed to supporting the Cuban people by advancing human rights and democracy in Cuba, while maintaining engagement that serves the national security and foreign policy interests of the United States. To that end, the Department of State continues to pursue diplomatic engagement, supporting and working with human rights and democracy activists in Cuba and regional partners.

Specifically, the new Cuba policy describes the administration's intent to support the Cuban people through the expansion of Internet services, free press, free enterprise, free association, and lawful travel. The President's National Security Memorandum on Cuba policy lays out several specific steps the Department of State and other agencies will undertake to assess the current state of U.S. Government engagement and programming in Cuba and help further these goals. Additionally, the Department of State is already holding preliminary meetings to inform the work of the Internet task force we will convene to examine the technological environment for expanding Internet access in Cuba.

*Question.* The Cuban government is repressive. No one disputes that. I have condemned Cuba's violations of human rights and I have met with Cuban dissidents. But if Cuba were a democracy and its police were summarily executing thousands of people suspected of drug abuse, without any legal process, like the police in the Philippines are today, would you recommend millions of dollars in aid for Cuba as you are for the Philippines?

*Answer.* The United States supports strengthening human rights and democratic governance, and the programs and assistance we provide worldwide reflect that mission. We are working with the Philippines on addressing the shared objective of preventing illicit drug trafficking, as well as providing assistance to promote the rule of law and human rights. We have serious concerns when those involved in the drug war reportedly operate outside the rule of law, and we have discussed our human rights concerns at the highest levels of the Philippine government on multiple occasions, and raised the issue at the May 8 Universal Periodic Review at the Human Rights Council.

In order to encourage Cuba to meet the requirements set forth in the Libertad Act, U.S. Government programs in Cuba support the Cuban people's desire for human rights and democratic governance. Our programs train independent journalists to provide an alternative voice to State-run media, equip human rights defenders to better document human rights abuses and present reports to international fora, and send crucial humanitarian assistance to victims of political repression and their families.

*Question.* Would you support the following legislation, and if not why not?

"Notwithstanding any other provision of law, regulation, or policy, travel to and transactions incident to such travel in Cuba by American citizens and legal residents shall not be subject to limitations that are more or less restrictive than for such travel to and transactions in Iran, Syria, Russia, North Korea, China, or Vietnam."

*Answer.* We do not agree with the general approach. A "one-size fits all" approach that combines Cuba with disparate other countries would not be helpful. Different circumstances call for different approaches. We often face dynamic situations and ever-shifting landscapes when formulating our foreign policy. The administration must have the flexibility to tailor its responses to the reality on the ground, which can vary considerably both by country and over time.

*Question.* Do you support, and would you recommend, similar restrictions on travel to and trade by Americans with any other country besides Cuba, and if so which countries and for what reasons, and if not why not? What about Venezuela and Russia, Cuba's strongest supporters?

*Answer.* The safety and security of U.S. Citizens abroad, and the development of a strong, prosperous American economy are top priorities of the Department of State. As such, the Department continually evaluates potential travel and trade-related measures. Due to the serious and mounting risk of arrest and long-term deten-

tion of U.S. citizens, restrictions on the use of U.S. passports to travel into, in, or through North Korea have been in effect since September 1, 2017, in accordance with C.F.R. 51.63. Persons who wish to travel to North Korea on a U.S. passport must obtain a special passport validation under 22 C.F.R. 51.64, and such validations will be granted only under very limited circumstances. Currently, there are no decisions to implement additional restrictions on travel to other countries.

*Question.* In 2018, Temporary Protected Status (TPS) for over 300,000 citizens of El Salvador and Honduras is set to expire. If TPS is not renewed, what would be the effect on economic and security conditions in these countries—whose combined population is 14.5 million—of a sudden influx of 300,000 unemployed people (increasing the population by 2 percent)?

*Answer.* The Salvadoran and Honduran governments have been cooperative partners in receiving their deported citizens. Each country receives roughly 50,000 deportees a year from the United States and Mexico.

The United States Agency for International Development (USAID) partners with the International Organization for Migration (IOM) to improve the capacity of the Northern Triangle governments of El Salvador, Guatemala, and Honduras to receive and assist deported migrants. Since 2014, USAID has provided three program contribution grants totaling \$26.8 million to IOM to help the Northern Triangle governments improve their capacity to receive and reintegrate unaccompanied children, families, and adults returned from the United States and Mexico and to rebuild and renovate four repatriation centers.

Despite ongoing efforts by the Salvadoran and Honduran governments and current and requested U.S. assistance for the region, any increase in deportation, would likely strain government services and hinder the governments' ability to address serious economic problems, further delaying job creation and successful reintegration of deported citizens.

*Question.* The fiscal year 2018 request includes a 39 percent cut in assistance to the three countries of Central America's "Northern Triangle," El Salvador, Guatemala, and Honduras. Currently, aid to those countries supports the "U.S. Strategy for Engagement in Central America," a plan begun in fiscal year 2016 to address the root causes of migration. If we cut these violence-prevention, economic development, workforce development, community policing, and criminal justice reform efforts, what is the risk that violence and insecurity will worsen and drive another wave of migrants toward the United States?

*Answer.* Through U.S. assistance and engagement in Central America, our aim is to secure the U.S. border and protect American citizens by addressing the economic, security, and governance drivers of illegal immigration and illicit trafficking. The President's fiscal year 2018 budget request of \$460 million for Central America emphasizes continued U.S. commitment to reducing insecurity and violence, enhancing the business climate, and promoting improved governance in the region, all of which is essential to supporting the safety, security, and prosperity of Americans. This is in addition to the almost \$2 billion provided by Congress in fiscal year 2015–fiscal year 2017.

Fiscal year 2018 funding will enable us to focus efforts in areas that will have the greatest potential for transformative impact on U.S. national security. The Department and USAID will implement an integrated approach to crime and violence prevention through programs that reduce gang violence and the influence of organized crime across borders; promote good governance, anti-corruption, and fiscal management; and foster prosperity.

*Question.* The Inspectors General for the Departments of State and Justice released a report recently that State and DEA employees were involved in a cover up of a 2012 incident where a drug raid in Honduras went wrong and four innocent civilians were killed and others injured. The report finds that State Department employees "failed to comply with, and undermined, the Ambassador's Chief of Mission authority" and "provided inaccurate and incomplete information to Congress and the public." How is State holding accountable the employees cited in the IGs' report? What changes to policies and procedures has State implemented to ensure that this type of non-cooperation with investigators is not repeated, especially in cases involving loss of life and personal injury? What specific compensation has been provided, or is contemplated, by whom, for the Honduran victims of the Ahuas incident?

*Answer.* The Department of State (DOS) has very serious concerns with the joint report produced by the Inspectors General of the Departments of State and Justice (OIGs), "A Special Joint Review of Post-Incident Responses by the Department of State and Drug Enforcement Administration to Three Deadly Force Incidents in Honduras." These concerns were raised by the Bureau of International Narcotics and Law Enforcement Affairs (INL) in their January 17, 2017 official comments on the draft joint report. Additionally, during the course of the joint investigation, DOS

officials asked the OIGs to address concerns over the root cause of the interagency conflict concerning appropriate protocols for disclosing law enforcement investigative information, including internal agency reviews. None of these concerns were addressed during the joint OIG investigation, nor are they reflected in the final joint report. As a result, the lengthy and complex report remains incomplete and factually misleading. In our view, this has resulted in the adoption of conclusions regarding INL and Bureau of Western Hemisphere Affairs (WHA) personnel that are erroneous and not supported by the evidence.

Because the Department concluded that DOS employees did not engage in misconduct, they were not referred for formal disciplinary action. DOS concluded the employees did not willfully provide incomplete or inaccurate information to Members of Congress or the public. Coordination before and after the incidents discussed in the joint report suffered from limited legal provisions regarding the presence of U.S. law enforcement in foreign police operations. The Foreign Assistance Act contemplates defensive use of force by U.S. law enforcement personnel and the need to secure Chief of Mission approval for their presence at foreign police operations and for carrying firearms in country, but does not address responsibilities for post-incident responses. Conflicting agency policies related to the disclosure of information contributed to misunderstandings between the participating law enforcement entities pertaining to their obligations. This prevented the Chief of Mission from receiving information that she had every right to receive and can be avoided in the future by clearly delineating responsibilities in advance, particularly among law enforcement entities. Additionally, transparency in accountability reporting and protocols for overseas incident reporting and investigations should be agreed upon. Unfortunately, this context was not addressed in the joint investigation or the resulting report. The Department earnestly believes that State employees acted in good faith in a chaotic environment and accurately reported information as it was made available to them at the time.

INL appreciates the report's identification of weaknesses and has taken measures to address them. The State Department has not provided air support to Honduran law enforcement operations since July 2012 and all assets have been reallocated to another country program. The State Department has provided regular and systematic reporting to Congress on Honduras programs since 2012. There has been excellent coordination between Federal law enforcement and the U.S. Chief of Mission since 2014.

Regarding compensation for the Honduran victims of the Ahuas incident, the Government of Honduras provided a \$200,000 grant to INGWAIA, an indigenous NGO, to assist the families affected by the 2012 incident. INGWAIA confirms that it has disbursed all funds in support of the following:

- Medical support for eight members of beneficiary families;
- Assessment of the current condition of all beneficiary families' homes and purchase of materials needed for renovations;
- Delivery of food assistance and school supplies to five of the beneficiary families;
- Support to the establishment of a bakery run by 30 women, including beneficiary families;
- Distribution of rice seeds to 25 male heads of household in the village, including one beneficiary household that has a rice farm and benefited from assistance in producing and selling rice; and
- Assistance to two beneficiary families on establishing legal title to their properties.

*Question.* In a January 2017 response to a Senate QFR, you said that you "would also seek to review the details of Colombia's recent peace agreement, and determine the extent to which the United States should continue to support it." Now that details of the agreement have been reviewed, what is the administration's position?

*Answer.* The President stated in his May 18 meeting with Colombian President Juan Manuel Santos that the United States strongly supports Colombia's efforts to secure a just and lasting peace. We will continue to work with the Colombian government to support its implementation of the peace accord.

*Question.* Colombia is in the first months following a peace accord with the hemisphere's largest guerrilla group. The early post-conflict phase is fragile, and there is much to do to consolidate territorial control, reduce coca cultivation, and ensure that violence doesn't worsen. Why does the fiscal year 2018 budget request include a 44 percent cut in assistance to Colombia from the fiscal year 2017 level?

*Answer.* As the President stated in his May 18 meeting with Colombian President Juan Manuel Santos, Colombia is a strategic U.S. partner, and the United States strongly supports Colombia's efforts to secure a just and lasting peace. We have a vital national interest in Colombia's success. Colombia at peace will be an even

stronger partner for us on countering drug-trafficking, organized crime, terrorism, and illegal immigration.

Our budget request reflects the administration's more targeted approach to foreign assistance. Building on prior year programs, U.S. assistance will help the Colombian government implement the peace agreement and focus on special U.S. capabilities and technical expertise to catalyze and enhance Colombia's own peace accord implementation and counternarcotics efforts.

Our programming focuses U.S. assistance on: (1) security, including the government's counternarcotics efforts and reintegration of ex-combatants; (2) the expansion of state institutions and presence in former rebel areas, including rural economic development, justice services, the military's civil engineering units, and humanitarian demining; and (3) justice and other support for victims.

*Question.* How much does State plan to spend in fiscal year 2017 and fiscal year 2018 to support Colombia's efforts to reduce coca cultivation, whether through forced eradication or through voluntary eradication/crop substitution? Is it your position that the Colombian police should resume aerial eradication, notwithstanding the ruling of Colombia's constitutional court?

*Answer.* We remain deeply committed to supporting Colombian efforts to combat drug trafficking and roll back recent increases in coca cultivation and cocaine production. Congress directed \$391 million for U.S. assistance to Colombia in fiscal year 2017, with a particular focus on counternarcotics.

Our fiscal year 2018 budget request reflects the administration's focused approach to foreign assistance. We prioritized programs that address the coca cultivation increase. The administration's fiscal year 2018 request includes an 8 percent increase from the fiscal year 2016 Actual levels for Department of State and USAID counternarcotics programs. The fiscal year 2018 Request for International Narcotics Control and Law Enforcement (INCLE) funds for Colombia counternarcotics activities is \$90.5 million, a slight increase over the fiscal year 2016 Actual level. Additionally, the fiscal year 2018 Request includes \$57.4 million in Economic Support and Development Funds (ESDF) for USAID counternarcotics programming, a 16 percent increase above fiscal year 2016 Actual levels. The Department will concentrate these resources on the high priority supply reduction efforts such as interdiction and eradication, as well as rural development programs to improve the conditions necessary for inclusive, licit economic growth.

The choice between the various eradication methodologies is a sovereign decision of the Government of Colombia. It is a State Department priority to determine the most effective way to advance shared U.S.-Colombia counternarcotics goals. We believe the best approach to reducing narcotics production in Colombia is eradication combined with well-coordinated, whole-of-government efforts to provide licit economic opportunities in strategic areas of concern.

*Question. Leahy Law:* During your confirmation hearing you indicated that you support the Leahy Law, which provides that if the Secretary of State has credible information that a unit of a foreign security force has committed a gross violation of human rights, it is no longer eligible for U.S. assistance unless the individuals responsible are being brought to justice. For fiscal year 2017, Congress provided \$9 million to implement the law, which is labor intensive and involves vetting tens of thousands of foreign individuals and units for U.S. training, equipment, and other assistance. Can you assure me that you will not reduce funding for this critical requirement? Will you permit DRL to hire staff to replace attrition in support of this requirement? If not, why not?

*Answer.* The Department will ensure that our Leahy vetting remains timely and efficient. Vetting delays would erode our efforts to train and equip partner security forces and thus erode our security. The Department intends to honor use of the \$9 million provided in fiscal year 2017 to support Leahy Law objectives, including Leahy vetting staffing requirements and information technology improvements. As with all programs within the Department, the Department is currently examining ways to improve performance and to carry out the mission of the Department in the most efficient and effective manner possible to assure the best uses of resources made available to the Department.

*Question.* Do you agree that the Department of State should not license for export articles or services for a unit of a foreign security force if there is credible information that such unit has committed a gross violation of human rights until effective steps are taken to bring the individuals responsible to justice?

*Answer.* The protection and promotion of human rights remains a key goal of U.S. defense trade licensing, by longstanding policy and consistent with foreign military sales provisions in the Arms Export Control Act (22 U.S.C. § 2751 et seq.) and grant assistance provisions in the Foreign Assistance Act of 1961 (22 U.S.C. § 2151 et seq.).

The U.S. Conventional Arms Transfer Policy specifies “The United States will not authorize any transfer if it has actual knowledge at the time of authorization that the transferred arms will be used to commit: genocide; crimes against humanity; grave breaches of the Geneva Conventions of 1949; serious violations of Common Article 3 of the Geneva Conventions of 1949; attacks directed against civilian objects or civilians who are legally protected from attack or other war crimes as defined in 18 U.S.C. 2441.” More broadly, the Policy requires that arms sales take into consideration, among other factors, “The likelihood that the recipient would use the arms to commit human rights abuses or serious violations of international humanitarian law, retransfer the arms to those who would commit human rights abuses or serious violations of international humanitarian law, or identify the United States with human rights abuses or serious violations of international humanitarian law.” In pursuit of these objectives, we consider seriously whether there is credible information that a proposed recipient unit has committed a gross violation of human rights and whether effective steps are being taken to bring individuals responsible for such violations to justice.

*Question.* How do you plan to apply the Leahy Law for purposes of military assistance for Israel, Egypt, and Pakistan, and for other cases that include equipment provided above the unit level?

*Answer.* The Department will continue to implement Leahy vetting in accordance with the State implementation guidance. Recipients of U.S. assistance, whether individuals or units, are entered into the Department’s International Vetting and Security Tracking (INVEST) system, then checked against internal Embassy databases for potentially derogatory information, including—but not limited to—allegations of gross violations of human rights (GVHR). If no disqualifying derogatory information is found during internal Embassy vetting, the cases are forwarded through the INVEST system to Washington, where the Bureau of Democracy, Human Rights, and Labor (DRL) and the relevant regional bureau conducts additional GVHR-related vetting. Nominees found to have credible GVHR allegations against them are reported to the host government and rendered ineligible for all U.S. assistance. Until the host government takes effective steps towards bringing such units or individuals to justice, no assistance, including training or material support, is furnished to rejected nominees. Because the requirements of the Leahy Law are so well understood at our embassies, units or individuals known in connection with a GVHR are pre-screened for eligibility well before entering the formal vetting system.

The Department understands that in some cases it may be difficult to determine which specific units will receive assistance, as is the case when assistance is used to provide items commonly used across multiple units through a centrally managed logistics facility (e.g., ammunition, fuel, or boots disbursed through a central warehouse or depot). In such situations, the Department will provide a list of units that are ineligible for assistance under the Leahy law.

*Question.* How do you plan to apply the Leahy Law for purposes of assistance for Iraqi security forces, and for militia forces allied with the Iraqi military?

*Answer.* The United States provides weapons and other defense articles and services to the Iraqi government to support its campaign to defeat ISIS, as well as to help build a strong and effective Iraqi military. We continue to work with the Iraqi government to ensure that weapons provided to Iraq are used only by those for whom the weapons were originally intended and to support investigations into any human rights violations that are alleged to have occurred. We have informed the Government of Iraq that we expect to ensure its armed forces fully comply with the Law of Armed Conflict. We vet all assistance provided to Iraqi Security Forces (ISF) as we would any other country, in accordance with the Department of State’s guidelines on Leahy law implementation. Iraqi recipients of U.S. assistance, whether individuals or units, are checked against internal Embassy databases, as well as open source and classified databases in Washington, for potentially derogatory information, including—but not limited to—gross violations of human rights (GVHRs). Nominees found to have credible GVHR allegations against them are reported to the host government and rendered ineligible for all U.S. assistance. Until the Government of Iraq takes effective steps towards bringing any such units or individuals to justice, no assistance—including training or material support—is furnished to rejected nominees.

The United States supports Tribal Mobilization Forces (TMF) in Anbar and Ninewa; for these forces, the Embassy vets the commanders and units. The Embassy also takes the extra step of vetting TMF units’ tribal or political sponsors, as applicable. The United States has not provided any assistance to the Shia Popular Mobilization Forces (PMF), as many are linked to Iran and have numerous credible allegations of human rights abuses. The Coalition does not provide support to

groups or forces that are designated terrorist organizations, responsible for GVHRs, or that do not fall under the control of the Government of Iraq.

*Question.* You have complained about the rate of growth of U.S. foreign assistance programs. But the amount appropriated for international family planning/reproductive health programs has fallen over \$40 million—more than 6%—since fiscal year 2010. Currently, an estimated 303,000 women in developing countries die needlessly each year from pregnancy-related causes, and unsafe abortion continues to be a major cause of unacceptably high maternal mortality rates. Yet, your budget proposes to eliminate funding for USAID's voluntary family planning programs, which the evidence conclusively shows prevent unwanted pregnancies, reduce abortion, reduce child mortality, and prevent pregnancy related deaths. Republican administrations and Republican majorities in Congress have long supported these programs. I recall Senator Hatfield, who once chaired the Appropriations Committee. He was staunchly pro-life, but he was a passionate advocate for family planning, for all the reasons I mentioned. Was he wrong? What is the justification for eliminating this funding?

*Answer.* Preventing child and maternal deaths is a priority for USAID's global health programs. As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some difficult choices. By focusing our efforts on global health programs in maternal and child health, nutrition, and malaria, we will continue to save the lives of women and children. While the United States will continue significant funding for global health programs, other stakeholders and partner countries must do more to contribute their fair share to global health initiatives.

*Question.* You have said that the U.S. is paying more than its fair share of foreign assistance. In other words, apparently, that others should pay more than they are and that the U.S. should pay less. But when it comes to public health, experts estimate that it would cost approximately \$9.4 billion to address the unmet need for modern contraceptive services for 225 million women in the developing world. This number assumes that one-third of the financial resources necessary to provide reproductive healthcare should be furnished by donor countries and two-thirds by developing nations themselves. By applying the U.S. percentage share of total gross national income (GNI) of the developed world to its assigned one-third contribution to the total funding required to address the unmet need for contraception, the U.S. share of the cost, based on relative wealth, equals \$1.193 billion. That is twice the amount appropriated for these purposes in fiscal year 2017, and for fiscal year 2018 your budget request includes zero. How to do reconcile that with your statements about the U.S. paying its fair share?

*Answer.* The United States is by far the largest global health donor. As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some difficult choices. By focusing our efforts on global health programs in maternal and child health, nutrition, and malaria, we will continue to save the lives of women and children.

*Question.* You propose to cut funding for assistance for refugees by \$313 million at a time when the number of refugees and internally displaced persons is the highest it has been since World War II. The President has also cut the number of refugees for resettlement from 100,000 to 50,000. This not only contradicts the President's claim that the U.S. will remain a global leader, it is un-American.

*Answer.* The proposed proportion of the fiscal year 2018 State/USAID foreign assistance budget requested for humanitarian assistance remains the same as in fiscal year 2016, roughly 22 percent, and the relative priority of these interventions has not diminished.

We remain committed to providing lifesaving assistance to those who need it most. This request, in concert with fiscal year 2017 resources, will enable the U.S. Government to respond to the major humanitarian emergencies around the globe, including Syria, Iraq, Yemen, Somalia, Nigeria, and South Sudan.

We will continue to ensure that we are using funds as efficiently and effectively as possible in order to meet current and unforeseen needs. Other donors will need to do more to assist in responding to humanitarian crises around the world.

*Question.* The administration's justification is that other donors should contribute more. Of course we want others to do more to help refugees, but no country has the means to fill our shoes. What makes you think that will happen, and when can we expect to see the results?

*Answer.* The administration remains committed to addressing the global refugee crisis. The United States is the largest provider of humanitarian assistance worldwide, more than \$7 billion in fiscal year 2016, which provided protection, food, shelter, healthcare services, access to clean water, and other urgent provisions to millions of people. The present refugee crisis is global in nature, and thus calls for a

global response by governments, non-governmental organizations (NGOs), and the private sector. Collective action is critical to alleviating the plight of the over 65 million forcibly displaced people worldwide. We have seen this dynamic at work with respect to both public and private aid.

*Question.* Can you explain the rationale for eliminating the Emergency Refugee and Migration (ERMA) account, as the fiscal year 2018 request would do? The budget justification claims that these functions can be carried out under the Migration and Refugee Assistance (MRA) account, and yet that account would also be cut by 10 percent. What is the rationale for eliminating ERMA?

*Answer.* We remain committed to providing lifesaving assistance to those who need it most. The MRA request, in concert with fiscal year 2017 resources, will enable the U.S. Government to respond to the major humanitarian emergencies around the globe. For several years, the MRA account has supported emergency refugee needs. The fiscal year 2018 budget request still includes support for emergency refugee and migration needs within the MRA account, but eliminates duplication and streamlines support for refugee and migration needs into one account.

We will continue to ensure that we are using funds as efficiently and effectively as possible in order to meet current and unforeseen needs. Other donors will need to do more to assist in responding to humanitarian crises around the world.

*Question.* How many refugees does the President plan to admit this next fiscal year, and how does this compare to the historical average since the 1980 Refugee Act?

*Answer.* Each year, the President makes an annual determination, in consultation with Congress, regarding the refugee admissions ceiling for the following fiscal year. That determination is expected to be made prior to the end of fiscal year 2017.

*Question.* I have refugee constituents in my state who are waiting to be reunited with their families through the U.S. Refugee Admission Program. What can you assure me about the future of this program and the prospects that my constituents will be reunited with their family members?

*Answer.* Family reunification has long been a priority of the U.S. Refugee Admissions Program. Currently, the Priority 3 (P-3) category affords USRAP access to the parents, spouse, and unmarried sons and daughters under 21 of individuals of designated nationalities who initially entered the United States as refugees or were granted asylum. In addition, within 2 years of arrival, a principal refugee admitted to the United States may file an I-730 petition to request following-to-join benefits for his or her spouse and/or unmarried children under the age of 21 who were not previously granted refugee status. These beneficiaries are not required to establish past persecution or a well-founded fear of persecution, as they derive their status from the refugee relative in the United States who filed the petition. Beneficiaries of I-730 petitions may be processed within their country of origin or in other locations.

*Question.* I understand that the administration is writing a report on the fiscal impacts of refugee resettlement. Are you also factoring in the positive economic and social contributions of refugees in your analysis?

*Answer.* The Department of State, in consultation with representatives from the Department of Health and Human Services, Department of Homeland Security, and the Office of Management and Budget, is working to quickly and fully implement the President's directives in Sections 4(b) and (c) of "The Presidential Memorandum on Implementing Immediate Heightened Screening and Vetting of Applications for Visas and Other Immigration Benefits." Section 4(b) of the Presidential Memorandum requests a report detailing the estimated long-term costs of the United States Refugee Admissions Program at the Federal, State, and local levels, along with recommendations on how to curtail those costs. The Department of State is working diligently with partner agencies to prepare a report that responds to the President's request.

*Question.* More than 50,000 Iraqis who have close affiliations with the U.S. Government in Iraq and who have faced risks as a result are waiting for interviews in USRAP. How do the administration's plans for refugee resettlement ensure that these Iraqi allies continue to have a path to safety?

*Answer.* The Department of State, in coordination with the Department of Homeland Security, implements a Priority Two (P-2) Direct Access Program (DAP) for U.S.-affiliated Iraqis, which allows certain categories of Iraqis to apply directly to the USRAP without the need for a referral by the United Nations High Commissioner for Refugees. These categories include those Iraqis who worked for the U.S. Government, U.S. military, U.S.-funded organizations closely associated with the U.S. mission in Iraq, U.S.-based media organizations or nongovernmental organizations, and their immediate family members.

Since fiscal year 2007, over 47,000 Iraqis have been resettled in the United States under the P-2 DAP. The administration is committed to ensuring the successful continuation of this priority program for Iraqis who risked their lives and those of their families to support U.S. efforts in Iraq.

*Question.* Executive Order 13769 required you to conduct a 120-day review of the U.S. Refugee Admissions Program “application and adjudication process to determine what additional procedures should be taken to ensure that those approved for refugee admission do not pose a threat to the security and welfare of the United States, and shall implement such additional procedures.” What is the status of the review, and what are the results?

*Answer.* On March 6, 2017, the President revoked Executive Order 13769 and replaced it with Executive Order 13780. Executive Order 13780 also requires the Secretary of State, in conjunction with the Secretary of Homeland Security and in consultation with the Director of National Intelligence, to conduct a 120-day review of the refugee admissions process and identify additional procedures to ensure that refugees seeking resettlement in the United States do not pose a threat to the United States. On March 15, 2017, the United States District Court for the District of Hawaii issued a nationwide injunction prohibiting the Department of State from enforcing or implementing sections 2 and 6 of Executive Order 13780. Section 6(a) of Executive Order 13780 relates to the 120-day review of the refugee admissions process. Because this 120-day review is enjoined by the Hawaii District Court decision, the Department of State is not proceeding with the review at this time and does not have any results to report.

*Question.* Despite the fact that the two executive orders to stop the refugee resettlement program for 4 months were halted by a series of court injunctions, it appears that the USCIS Refugee Corps interviews of refugee applicants have slowed down, and delays in the processing of security checks for refugee applicants have resulted in clearances expiring at different times. Since each step in the security check process is time limited, this has created setbacks and delays for refugees in the pipeline. How is this in keeping with the court injunctions on the refugee executive orders, as well as the congressional intent, made clear in the fiscal year 2017 Omnibus, that funding for resettlement is to be maintained?

*Answer.* It is important to note that the Department of State is only one of the Federal agencies that implements the U.S. Refugee Admissions Program. The budgets and operational capacity of the State Department and all of our interagency partners affect the pace of refugee admissions. The Department of State defers to the Department of Homeland Security regarding questions about the pace of U.S. Citizenship and Immigration Services Refugee Corps interviews and defers to our law enforcement and intelligence agency partners regarding questions related to security check processing.

The Consolidated Appropriations Act, signed by the President on May 5, provided full year funding for the Bureau of Population, Refugees, and Migration, including for the Refugee Admissions Program. Previous limits on the number of refugees who could travel to the United States had been put in place to operate within the budget allocated under the Continuing Resolution. After the Consolidated Appropriations Act was signed, the Department of State instructed its overseas partners to schedule refugees for travel without any numerical restrictions after they have completed the highly rigorous and necessary security vetting and other processing. This instruction was given in conformity with Department of Justice guidance regarding the Hawaii Court’s injunction, in consultation with our interagency partners, and consistent with our operational capacity.

*Question.* Has the Department of State formally requested that the Government of Turkey waive diplomatic immunity for the foreign diplomats or security personnel involved in the May 16 assault against peaceful protesters?

*Answer.* No, the Department has not asked for a waiver of immunity from the Republic of Turkey. The Department of State is working with the Department of Justice to examine the findings of the investigation and is weighing what additional steps might be appropriate in this context. Each case will be considered individually and our actions will be responsive and proportional to the charges.

*Question.* What is the status of the administration’s discussions with the Turkish Government about the return of U.S. taxpayer-funded equipment to the appropriate end users, or to the U.S. Government, after Turkish security personnel confiscated the equipment in April?

*Answer.* The Department of State and other international donors engaged with Turkish officials at various levels about the equipment seized by individuals thought to be associated with a Turkish backed police force in the northern Aleppo countryside. To date, we have been unsuccessful in our efforts to retrieve the equipment.



We, along with our European partners, will continue to engage the Government of Turkey on this issue.

*Question.* Has President Erdogan apologized or expressed any regret for the conduct of his bodyguards?

*Answer.* The Department of State has no knowledge of President Erdogan apologizing or expressing regret for the May 16 assault.

*Question.* President Trump announced that the U.S. will withdraw from the Paris Climate Agreement. Polls show that a majority of Americans disagree with that decision. American scientists overwhelmingly support the agreement. Hundreds of major U.S. business also support the agreement, including ExxonMobil. The U.S. military regards climate change as a growing threat to national security. Nobody thinks the other parties to the agreement will renegotiate it to accommodate the U.S. Now China is seen as the global leader on climate change—which would have been unthinkable a few years ago. The renewable energy sector offers huge opportunities for U.S. industry and U.S. jobs. You stated in testimony that you preferred for the U.S. to remain in the Paris Climate Agreement to have a seat at the table. Now that President Trump has announced the withdrawal of the U.S., we are not only no longer at the table, but your elimination of funding under the Global Climate Change Initiative guarantees that the U.S. will cede leadership on the issue of climate change, which practically every country in the world recognizes as a grave threat: What is the justification for these cuts, and what funding remains in your budget request for biodiversity, sustainable landscapes, and adaptation and mitigation programs?

*Answer.* The United States will remain engaged on the issue of climate change. The President has, however, expressed concern that financial pledges of the previous administration were not in the best interest of American taxpayers. The President's budget proposal eliminates the Global Climate Change Initiative and U.S. funding for the Green Climate Fund in fiscal year 2018. We anticipate supporting biodiversity and other programs that may achieve sustainable landscapes, adaptation, and mitigation objectives while advancing broader U.S. national security interests and fostering U.S. economic opportunities.

*Question.* Your budget proposes to fund only half of our assessed contributions to international peacekeeping missions. The total amount we provide to the United Nations for these missions pales compared to what it would cost the U.S. military to do the job. An investigation by the GAO found that U.N. peacekeeping missions are eight times less expensive for American taxpayers than fielding a comparable U.S. force. Condoleezza Rice once noted in testimony before Congress that U.N. peacekeeping "is much more cost-effective than using American forces. And of course, America doesn't have the forces to do all of these peacekeeping missions, but somebody has to do them."

Do you agree with Secretary Rice? Which peacekeeping missions would you urge the U.N. Security Council to cancel, and how much would it save the U.S. Treasury?

*Answer.* U.N. peacekeeping is a powerful tool to address global challenges to international peace and security. There is no question that dollar for dollar, deploying one U.N. blue helmet is cheaper than deploying one American soldier—though, to be fair, the level of readiness of the majority of U.N. peacekeepers is not comparable to that of American soldiers, nor is the level of investment in their training or equipment. However, we are grateful that so many countries are prepared to participate in U.N. peacekeeping operations and we continue to invest in training and capacity building to improve readiness levels from troop-contributing countries.

Nevertheless, we believe that peacekeeping operations can be made more efficient and effective at fulfilling their often multi-faceted mandates. We have invited U.N. Security Council members to join us in evaluating each U.N. peacekeeping mission as its mandate comes up for renewal to ensure it is appropriate to the situation in the country and that it is advancing the Security Council's objectives.

To help guide us moving forward, we have developed five principles peacekeeping missions should be held to: (1) missions must support political solutions; (2) host country strategic consent is critical; (3) mandates must be realistic and achievable; (4) clear sequencing and exit strategies are required at all stages; and (5) missions and mandates must be adjusted where Security Council objectives are not achieved.

*Question.* If you have not yet determined which peacekeeping missions the administration supports, and which it wants to cut, how did you decide to request funding for only half of our assessed share?

*Answer.* The President's budget request sets the expectation that the United Nations will rein in costs and that the funding burden will be shared more equitably among members; including a cap for the United States to contribute no more than 25 percent for U.N. peacekeeping costs.

*Question.* The U.S. has been and continues to be a leader on child health issues, both domestically and abroad. For example, in developing countries, the U.S. partners closely with UNICEF to ensure that children receive the support, education, and healthcare they need. UNICEF also provides aid in crisis or conflict situations, such as in Syria today, responding to both the immediate and long-term needs of children. To what extent do you think the U.S. should continue to contribute to the work that UNICEF is doing to protect the health and welfare of children?

*Answer.* The President's request does not include funding for UNICEF from the International Organizations and Programs (IO&P) account. However, the State Department and USAID may still contribute to U.N. organizations such as UNICEF, if they are selected as implementing partners to execute specific foreign assistance projects.

We are committed to supporting the critical work UNICEF does in education and healthcare for children in developing countries and in crisis situations through our membership on the UNICEF Executive Board. But we must share the funding responsibility with our partners and allies, and it is time for other countries to increase voluntary contributions to enable UNICEF to continue its important work.

*Question.* What specific steps do you plan to take to protect the rights of whistleblowers at the United Nations?

*Answer.* The Department takes seriously the need for robust whistleblower protections at the United Nations and at other international organizations. Even one whistleblower experiencing retaliation is one too many. The Department is committed to ensuring that staff can speak up without being afraid of retaliation at the United Nations and other international organizations. The United Nations continues to make progress. U.N. Secretary-General Guterres issued a revised whistleblower protection policy as one of his first administrative actions. The whistleblower advocacy community welcomed the revisions as a step in the right direction. While improvements to policy are good, effective whistleblower protection requires that the United Nations and other international organizations consistently implement and enforce their whistleblower protections policies.

The U.S. Missions to the United Nations and its agencies, funds, and programs are working to promote more effective whistleblower protections including by extending protections to contractors and consultants, as well as ensuring that whistleblowers have appropriate avenues to recourse.

*Question.* This administration argues that the U.S. assessment rate for U.N. peacekeeping activities—which is currently just over 28.4%—is too high. This focus on the U.S. assessment rate ignores the significant personnel contributions made by other countries to U.N. peacekeeping operations, including 1,100 U.N. peacekeepers who have died in the field. Do you think personnel contributions should be taken into account when considering the appropriate level of U.S. financial support for peacekeeping?

*Answer.* Personnel contributions are an essential component of making peacekeeping effective and an important part of burden-sharing in U.N. peacekeeping. We also recognize that peacekeeping can be quite dangerous and every year there are peacekeepers that make the ultimate sacrifice. We honor their service and their sacrifice. The threat to civilians and to U.N. personnel and equipment are considered when the Security Council considers what troop and police ceilings to authorize.

The President's budget request reflects the administration's commitment to reducing the United Nations' over-dependence on a single large contributor to finance U.N. peacekeeping operations. The request is designed to promote greater burden sharing by other countries and is based on a U.S. contribution rate at or below 25 percent.

*Question.* In December 2015, the General Assembly approved the U.N. Regular Budget, which was about \$400 million less than the prior biennial budget, and moved to reassess staff compensation in order to save the organization more money. In addition, the U.N. has implemented a strategy to improve the cost-efficiency of peacekeeping missions, helping to reduce the cost per peacekeeper by 18 percent and reduce the number of support personnel in the field by 3,000. These reforms came as a result of the U.S. being fully engaged at the U.N. Currently, Ambassador Haley and U.N. Secretary-General Guterres are working closely together to push forward on further reforms to the institution, particularly with regards to its peacekeeping missions. How do the President's proposed cuts to U.N. funding fit into that overall strategy? Aren't we undermining our own negotiating position by pushing for deep cuts before Ambassador Haley's reform push has even fully gotten off the ground? Why would any other U.N. member states, to say nothing of our allies, support any U.S.-backed reform proposals with the knowledge that the U.S. just plans to unilaterally reduce its financial contributions anyways?

*Answer.* The President's budget proposal for fiscal year 2018 reflects the U.S. commitment to remain engaged with the United Nations, even as we seek to spur long-needed reforms and more equitable burden-sharing among U.N. member states. By demanding fiscal discipline, the United States is leading the effort to rethink the way that the United Nations and other international organizations operate. The President's budget request reinforces the expectation that the United Nations and other international organization must become more efficient and effective, and that Member States must agree to distribute the costs of collective action more equitably.

*Question.* U.N. humanitarian agencies like the World Food Program (WFP), U.N. Refugee Agency (UNHCR), and U.N. Children's Fund (UNICEF) provide life-sustaining aid, including food, medical care, shelter, educational support, and other forms of assistance to tens of millions of people around the world affected by war and natural disasters every year. Unfortunately, the international humanitarian system is under extreme stress at the current moment. With more than 65 million people having fled their homes to escape conflict or persecution, the world is in the grips of the largest forced displacement crisis since the end of World War II. In addition, more than 20 million people in four countries (South Sudan, Yemen, Somalia, and northeastern Nigeria) are either currently facing famine or the risk of famine. According to Stephen O'Brien, U.N. Under-Secretary-General for Humanitarian Affairs, this represents the largest humanitarian crisis since the beginning of the U.N. Given this dire situation, why is the administration proposing deep cuts to our international disaster and food aid programs, and what evidence do you have that others will fill the gaps caused by such cuts?

*Answer.* The United States remains committed to its role as the world's leading humanitarian actor. Time and again, the American people, through the actions of Congress, have exhibited a generosity and humanitarian spirit second to none.

While the United States will continue as a global leader in addressing humanitarian crises, we cannot do it alone. Other countries must provide increased, predictable funding. We can only truly meet the needs of the world's most vulnerable people if the international community comes together to provide this support.

*Question.* Famine has been declared in parts of South Sudan, and Yemen, Somalia, and northeastern Nigeria, with millions of people at risk from starvation and disease. The main cause of food insecurity in these countries is armed conflict. The U.N. peacekeeping mission in South Sudan (UNMISS) is currently working to protect tens of thousands of civilians who have been uprooted by the civil war since 2013. In Somalia, an African Union-led peacekeeping force (AMISOM) supported by the U.N. is working to help extend the authority of the Somali government and fight back against al-Shabaab militants. Have you determined what the impact would be on missions like these if the U.S. fails to pay its full dues? If so, what is it and why is it in our interest to reduce our payments?

*Answer.* Our goal is to achieve better, smarter peacekeeping operations that are able to more effectively and efficiently address conflicts, support political solutions, and achieve the objectives identified by the Security Council. We have invited U.N. Security Council members to join us in evaluating each U.N. peacekeeping mission as its mandate comes up for renewal to ensure it is appropriate to the situation in the country, and that the mission is advancing its mandated objectives.

AMISOM's mandate expires in August 2017; UNMISS' mandate expires in December 2017. We will conduct a comprehensive review of both missions to ensure they are properly aligned with the current security and political situation on the ground and able to achieve Security Council mandates. We recognize that the continued presence of AMISOM and the U.N. Support Office in Somalia are critical to stabilizing Somalia after more than two decades of clan-fueled civil war and, more recently, the rise of a murderous terrorist group, Al Shabaab. By providing security and stability, AMISOM helps create the conditions under which the Federal Government of Somalia can extend its reach and better protect its own citizens. Security in Somalia is critical to avoiding greater refugee flows to Kenya and Ethiopia, two countries already struggling to house large Somali refugee populations. We are convinced that AMISOM can improve its effectiveness and its efficiency.

Likewise, UNMISS has been instrumental in protecting more than 200,000 vulnerable civilians on its bases—one of the first ever successful operations of this safe-haven nature. This has certainly not been without some major challenges, including peacekeepers' failure to keep armed South Sudanese elements from attacking a protection of civilians site. As UNMISS continues to improve, we will assess whether the scope and scale of the mission is appropriately configured to the current situation in South Sudan.

*Question.* Some have argued that the U.S. should withdraw from the U.N. Human Rights Council. Over the past 6 years though, we have seen a number of positive outcomes from U.S. engagement. The Council voted to dispatch a team to inves-

tigate human rights violations committed by ISIS in Iraq; continues to scrutinize and bring attention to the dire human rights situation in Iran; authorized a groundbreaking investigation into human rights violations in North Korea; created a mechanism to push for the prevention and elimination of child and forced marriage, and saw a dramatic reduction in the number of special sessions on Israel. This record of success is markedly different than when the U.S. was not involved in the Council from 2007–2009. While the Council still has its flaws, the overwhelming view of human rights organizations is the U.S. should continue to engage with it. Do you agree?

*Answer.* At the 35th Session of the United Nations Human Rights Council (HRC) in June 6–23, U.S. leadership proved critical to shaping the international response to urgent human rights situations in Venezuela, the DRC, Syria, Ukraine, Belarus, Cote D'Ivoire, and Eritrea. U.S. Permanent Representative to the U.N. Ambassador Haley attended the opening, affirmed the U.S. commitment to human rights, and reinvigorated discussions on reform of the HRC. In a series of engagements, she highlighted the need for the HRC to be more effective and accountable, including by eliminating the biased agenda item focused solely on Israel. She underscored the need for the HRC to focus international attention and action on the worst human rights violators, including through reforms to the Council's membership, and the need for members to show leadership in cooperating with U.N. human rights mechanisms. The United States joined 47 other states in signing a Dutch-led joint statement proposing measures to improve the Council's membership and strengthen its credibility.

At its best, the HRC calls out human rights violators and encourages positive action. However, all too frequently, it fails to address critical situations for political reasons—and undermines its own credibility. Countries with poor human rights records are routinely elected to the Council, where they use their position to shield themselves from criticism and frustrate efforts to safeguard human rights and fundamental freedoms. The HRC maintains a clear anti-Israel bias, as evidenced by the existence of Agenda Item 7.

We are calling on member states to join together in the months ahead to develop and enact changes to the Council's election procedures, accountability measures for members, standing agenda, and operations to help ensure that the world's most critical human rights situations—regardless of where they take place—are addressed fully and effectively.

*Question.* Press reports suggest that Israeli President Netanyahu supports ending support for UNRWA and turning its responsibilities over to the U.N. High Commissioner for Human Rights. What do you think of this idea, and is it supported by the Israeli armed forces?

*Answer.* The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established by U.N. General Assembly resolution in 1949, before the creation of the UNHCR or the adoption of the 1951 Refugee Convention, to carry out direct relief and works programs for Palestinian refugees. UNRWA operates under a General Assembly mandate, and General Assembly action would be required to terminate UNRWA's mandate or transfer its responsibilities to the United Nations High Commissioner for Refugees (UNHCR).

The enduring nature of the Palestinian refugee issue—and of UNRWA—is a result of a lack of a negotiated settlement between Israel and the Palestinians. The status of Palestinian refugees is one of the most sensitive final status issues facing the two parties. Efforts to dismantle UNRWA could be viewed as an attempt to whittle away at the refugee issue outside the context of bilateral political negotiations and risk damaging our ability to engage credibly with both sides in advancing peace negotiations. UNRWA's humanitarian programs, which include providing education for over half a million Palestinian refugee children as well as life-saving assistance for refugees affected by conflict in Syria, make the Agency a critical partner to key allies in the region. Without UNRWA, these services would fall to already overburdened host governments, notably Jordan, or could create a vacuum that would be exploited by terrorist organizations such as Hamas or Hizballah.

*Question.* Israel reportedly agreed recently to the Palestinian Authority's request to reduce electricity to Gaza, and the water shortage there gets worse there every day. What conversations are you having, if any, with the Israelis about the worsening humanitarian situation in Gaza and the potential for further civil unrest and violence?

*Answer.* The humanitarian situation in Gaza is a direct result of Hamas's illegal rule. Over the last 10 years, we've seen Hamas persistently dedicate resources to terror tunnels and military installations over projects to support the civilian population. This includes Hamas' refusal to fully pay for the electricity delivered to Gaza, which helped precipitate the current crisis.

Despite the problems caused by Hamas, the United States remains a staunch supporter of Gaza's recovery. Our assistance to Gaza, which supports the civilian population through humanitarian assistance, the development of water distribution networks, investments in civil society and healthcare, and other essential programs, is supported by the Government of Israel, which called for increased levels of donor support to Gaza earlier this year. We are also working with the Palestinian Authority and the Government of Israel, which share our concerns about the humanitarian situation, to find new ways to support the civilian population in Gaza without empowering Hamas.

*Question.* Diplomacy and development go hand in hand, but they are fundamentally different, just as diplomats and aid workers have very different training. In order to make our foreign aid more effective, efficient, and accountable, I believe USAID needs autonomy, and it should be empowered and funded appropriately to conduct its own policy, planning, budgeting, and analysis. You have stated that the budget proposal and the reorganization plan does not prejudice any outcomes for USAID, but the consolidation of the Economic Support Fund and Development Assistance accounts would likely significantly impact USAID's management of funds. Do you disagree, and if so, how would USAID's autonomy be preserved if the accounts were consolidated as proposed? Do agree with me, and many others, about the importance of preserving USAID's autonomy?

*Answer.* The fiscal year 2018 budget request reflects a commitment to ensure every tax dollar spent is aligned with the State Department's and USAID's mission-critical objectives. In an effort to streamline accounts and ensure the most effective use of taxpayer dollars, the fiscal year 2018 budget requests economic and development assistance through a new, consolidated Economic Support and Development Fund (ESDF). The streamlining of the Economic Support Fund and Development Assistance accounts does not mean that development programs are entirely eliminated, or that development is no longer important to the United States. Instead, it allows the State Department and USAID to better assess, prioritize, and target development-related activities in the context of broader U.S. strategic objectives and partnerships.

As our redesign effort moves into its next phase, we will take the feedback of over 35,000 employee surveys and 300 individual interviews into consideration as we work to ensure that our funding is aligned to our objectives. There are no predetermined outcomes.

*Question.* USAID's Global Development Lab (Lab) is slated for elimination in your fiscal year 2018 budget. The Lab is designed to bring new ideas, new partners, and new ways of thinking into government. It ascribes to the theory that not all of the best ideas come from within government. What is the justification for eliminating this office?

*Answer.* The fiscal year 2018 request includes \$15.5 million for the Lab. The Lab will continue to deliver on its two part mission to produce breakthrough innovations and transform the development enterprise but in a more focused way. The Lab will focus on working with Missions to take advantage of advancements in science, technology, innovation and partnership to achieve development objectives more cost-effectively, and to institutionalize the use of these tools, approaches, and technologies. USAID, through the Lab and the broader network of USAID innovation teams emerging in Bureaus and Missions, continues to build an adaptable organization that is focused on bringing new partners and the best ideas to the Agency to provide USAID with a critical future-forward advantage by not only being ready for the changing development landscape, but by helping USAID lead that change. The tools and approaches the Lab brings to USAID remain critical for delivering on the broader mission. In a tight budget climate, what the Lab does is even more important, including finding transformative solutions to accelerate development results, engaging new actors, and taking advantage of advancements in science and technology.

*Question.* Congress appropriated \$990 million to address the urgent needs of countries stricken by famine or under threat of famine. Why haven't these funds been apportioned to USAID, and when will they be?

*Answer.* USAID greatly appreciates the additional \$990 million in International Disaster Assistance funds provided in the fiscal year 2017 Omnibus. We anticipate the full \$990 million will be apportioned to USAID by June 20, 2017.

USAID is committed to responding to these crises. Already this fiscal year, the U.S. Government has provided more than \$1.8 billion toward the humanitarian needs of affected people in Somalia, Yemen, Nigeria and South Sudan—more than the previous year. Of this \$1.8 billion in humanitarian assistance, \$1.48 billion is from USAID.

*Question.* The fiscal year 2018 budget request would eliminate funding for the Food for Peace program and the McGovern Dole Food for Education program that

have proven their ability to improve food and nutrition security and help lift communities out of poverty. Additionally, it would cut funding for International Disaster Assistance, and the Emergency Food Security Program, which can be used to respond to emergencies with vouchers or to purchase local food where available. What analysis has the State Department done on the impact of these cuts in terms of lives lost and long-term costs associated with providing humanitarian assistance where food insecurity, which could have been mitigated through the Food for Peace program, needs to be addressed?

*Answer.* USAID is committed to assisting as many people as possible who are in need, maximizing current resources and working to leverage assistance from other donors.

Every year, much of USAID's work involves making tough decisions and trade-offs, and trying to determine how best to use resources, especially in the face of ever escalating humanitarian needs. Humanitarian funding decisions are based on need, as assessed by international and non-government organizations, and U.S. Government field teams, in close coordination with local governments and implementing partners.

For example, in 2016, USAID faced a tough decision on whether to spend food assistance funds in Syria or to address the results of El Niño. When Germany provided an unprecedented \$600 million contribution to the U.N. World Food Program for the Syria crisis, USAID was able to reduce the United States' food assistance contribution to Syria and use that funding to address the drought in southern Africa.

The fiscal year 2018 request includes significant funding for humanitarian assistance, including food assistance, disaster and refugee program funding. In fiscal year 2018, as in previous fiscal years, USAID will have to prioritize and undertake a process to make choices to determine how and where to allocate emergency food assistance, based on the latest or ongoing crises where food insecurity is highest.

The State Department and USAID continually work to support populations with the greatest humanitarian need, and to assess whether implementing partners have the operational capacity and access to the people in need. Other donors will also need to do more to assist in responding to humanitarian crises around the world. Making these difficult choices must also be based on evidence and the results of evaluations and studies pertaining to the assistance provided. It is true that an ounce of prevention is worth a pound of cure. A study in Kenya and Ethiopia by the United Kingdom's Department for International Development estimates that, over the long-term, every \$1 invested in resilience will result in \$2.90 in reduced humanitarian spending and avoided losses as well as improved poverty, hunger, and malnutrition outcomes. That is why USAID, across its programming, has made significant investments to build resilience to recurrent crises.

We refer you to the U.S. Department of Agriculture regarding the McGovern Dole Food for Education program, as they manage this program.

*Question.* Poor maternal and child nutrition in the first 1,000 days has irreversible physical and economic impacts for the rest of a child's life. Poor nutrition can hold entire national economies back. For example, annual GDP losses from poor nutrition average 11 percent in Asia and Africa. This is greater than the loss experienced during the 2008–2010 financial crisis. We know that for an additional \$10 per child per year, we can accelerate progress toward ending malnutrition, which will have measurable, concrete benefits on health, economies, and well-being of entire communities and nations. But funding for nutrition under the Global Health Programs account was requested at \$78.5 million for fiscal year 2018—a decrease of almost \$50 million from recent years. And the amount specified for maternal and child nutrition from all accounts was \$120 million—a decrease of \$136 million in the total budget for nutrition in the State Department and USAID from last year:

What is the justification for cutting funding for maternal and child nutrition programs? How do you plan to maintain current U.S. commitments to global nutrition (USAID Multi-Sectoral Nutrition Strategy, U.S. Government Global Nutrition Coordination Plan, U.S. Government Global Food Security Strategy, Global Nutrition Targets 2025, 2030 Agenda)?

*Answer.* We have reviewed our programs and are strategically focusing our investments within a reduced overall budget. Funds will support evidence-based approaches to nutrition and innovations that will improve outcomes for the most vulnerable populations. We are also looking to our development partners and host country partners to increase their efforts to help improve maternal and child nutrition. While the United States will continue significant funding for global health programs, other stakeholders must do more to contribute their fair share to global health initiatives.

We are confident that this budget request will allow us to support U.S. commitments and priorities. The United States is committed to helping achieve global nutrition targets, and we have been a large funder of global nutrition programs for many years. Our commitments are made together with the commitments of other development partners and countries, and we expect these partners to increase their efforts to help meet these global targets.

*Question.* Thanks in part to support from the United States, child and maternal death rates have been halved since 1990. The United States has committed to saving 15 million children's lives and 600,000 mothers' lives by 2020 as a milestone on the road to ending preventable child and maternal deaths within a generation. Given the reductions your budget proposes for USAID's child and maternal health programs, will the U.S. still be able to meet this commitment?

*Answer.* Preventing child and maternal deaths is a priority for USAID and relies on investment in and linkages across health programs. USAID is committed to averting the deaths of 15 million children and 600,000 women by 2020, by working with other partners, including most importantly countries themselves, to mobilize additional resources and political will to focus efforts on the most effective and efficient interventions to prevent child and maternal deaths.

The fiscal year 2018 request includes \$1.5 billion to prevent child and maternal deaths. While the composition of USAID funding across health programs varies year-to-year, our efforts have always relied upon partnership with country governments and other donors, and continued success is linked to sustained involvement by all.

*Question.* What specific plans do you have for supporting Power Africa in fiscal year 2018 and beyond?

*Answer.* The role that Power Africa plays in addressing Africa's needs is as clear today as when I stated in my confirmation hearing, "Nothing lifts people out of poverty quicker than electricity." Access to modern, reliable, and affordable electricity services is a cornerstone of economic development. It enables critical gains in healthcare and education, powers business and expands employment opportunities, and enhances public safety.

Through diplomacy, and, where appropriate, through assistance, the State Department and USAID through the Power Africa Coordinator's Office, will continue to promote policy reforms that will encourage private sector investment in the African power sectors.

The fiscal year 2018 budget includes a planned level of \$45.45 million for Power Africa under the USAID Africa Regional Operating Unit to support transaction assistance, on-grid and beyond the grid connections, and enabling environment reforms critical to the development and sustainability of the power sector.

*Question.* USAID plays a critical and distinct role in global health research and development, supporting late-stage and implementation research to advance new drugs, vaccines, diagnostics, and other health tools intended for use in remote and low-resource settings. Since 2000, the agency has supported development of 21 new health technologies with demonstrated track records of saving lives and cutting program costs. USAID's research investments are also critical for the health of Americans, and allow health technologies to be tested in regions of the world with the highest disease burdens, which in turn ensures Americans have access to the most effective, high-performing vaccines and medicines. Despite these returns, your fiscal year 2018 budget request cuts USAID funding for global health R&D, and zeros out USAID investments in HIV/AIDS research. This work is unique, and not duplicative of research happening at other Federal agencies:

Why does this make sense for global health or the health of Americans, especially at a time when infectious disease epidemics are on the rise?

*Answer.* The fiscal year 2018 budget consolidates all U.S. assistance for global HIV/AIDS efforts within the State Department to simplify the management and coordination of these investments. USAID will continue to remain one of the primary implementing agencies for PEPFAR, and will continue to implement a significant share of U.S. global HIV/AIDS assistance in this capacity.

With regard to global health research, USAID intends to increase its efforts to leverage partners' expertise and resources, strengthen country capacity to conduct their own research and development (R&D), and strategically utilize market shaping and innovative financing tools to incentivize private companies to invest in R&D.

*Question.* Congress worked with the George W. Bush administration to pass the Water for the Poor Act in 2005. This law made it an explicit part of U.S. foreign policy to provide clean drinking water and adequate sanitation to the world's poorest people. In 2014, Congress reauthorized that law in a bipartisan manner with the passage of the Water for the World Act. In 2012, U.S. intelligence agencies released an Intelligence Community Assessment on Global Water Security, which

states that “during the next 10 years, many countries important to the U.S. will experience water problems—shortages, poor water quality—that will risk instability and state failure, increase regional tensions, and distract them from working with the U.S. on important policy objectives”.

How will you ensure that USAID upholds its commitments to developing and implementing a Global Water Strategy (as required by the 2014 Water for the World Act) that addresses how the U.S. will increase access to safe drinking water and sanitation and hygiene services, improve the management of watersheds and water resources, and mitigate or resolve water-related conflicts?

*Answer.* The Department of State and the U.S. Agency for International Development, in collaboration with interagency partners, are leading the development of a U.S. Government-wide Global Water Strategy focused on increasing access to safe drinking water and sanitation, improving the management of water resources, promoting cooperation on shared waters, and strengthening water sector governance and financing both within countries and globally. The U.S. Government will advance these goals in targeted countries and regions by providing technical assistance, investing in infrastructure, improving scientific and technical capacity, mobilizing resources, engaging diplomatically, and supporting intergovernmental organizations. The Global Water Strategy will emphasize building public-private partnerships, recognizing that the U.S. cannot meet this challenge alone.

*Question.* If the Economic Support Fund and Development Assistance accounts are merged into an Economic Support and Development Fund, how would you ensure that funds for water and sanitation will be equitably disbursed to developing countries that meet the metrics of greatest need in accordance with the Water for the World Act?

*Answer.* The priority country designation processes put in place under the Water for the World Act of 2014 for fiscal year 2015, fiscal year 2016, and fiscal year 2017 will continue, per Section 5(h) of the Act. The Act requires that the designation of a high-priority country be based on a set of criteria laid out in the Act (Section 5 f (1)). These fall into four areas: (1) the level of need; (2) the opportunity to leverage U.S. Government efforts; (3) the level of country commitment; and (4) the likelihood of making significant improvements on a per capita basis on the health and educational opportunities available to women and girls. Need is assessed using global datasets on the number and proportion of people with access to safe drinking water and sanitation, and the rates of under-five child mortality due to diarrheal disease. The merging of Development Assistance (DA) and Economic Support Fund (ESF) accounts into the Economic Support and Development Fund (ESDF) will not have an impact on the allocation of funds for water, sanitation, and hygiene (WASH).

*Question.* What are you doing to address the problem of arbitrary arrest, imprisonment and mistreatment of political opposition leaders in Ethiopia, a recipient of U.S. economic and security assistance?

*Answer.* Ethiopian Prime Minister Hailemariam and I spoke on March 1, and we discussed a range of issues concerning the relationship between the United States and Ethiopia, including those related to human rights and governance. The Department of State and the U.S. Embassy in Ethiopia advocate for human rights by attending the trials of arrested journalists, bloggers, and opposition party officials; by raising issues pertaining to these detentions, including the government’s use of the Anti-Terrorism Proclamation and its continued state of emergency to silence dissent and limit basic rights and freedoms; by advocating for rule of law and assisting legal defense clinics; by supporting unhindered access to social media and sponsoring events through our visiting speaker program; by applying Leahy vetting to all applicable bilateral assistance programs; and by calling publicly and privately for evidence-based investigations and prosecutions that are free from political motivation. Embassy Addis Ababa’s Resident Legal Advisor arrived at the beginning of June and is engaging with Ethiopian prosecutors to advance work on increased visibility and openness of their investigations and prosecutorial decisions to improve accountability and ethics in the justice sector.

*Question.* “What are your plans for the Special Envoy for Sudan and South Sudan? What do you believe are the ultimate goals and proper roles of the U.S. in each country, and how do you plan to achieve them?”

*Answer.* Working to resolve the humanitarian crisis in South Sudan and civil conflicts in both Sudan and South Sudan remain policy priorities for the administration. 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 leadership of the Bureau of African Affairs. The appointment of a Special Envoy for Sudan and South Sudan, or alternatively an Africa Bureau-based Special Representative, is under consideration by the Department in the context of State’s ongoing organizational redesign.



In recent months, we have, along with Troika partners (Norway and the United Kingdom), encouraged the AU, the U.N., and the Intergovernmental Authority on Development (IGAD) to play a more active role in convincing all parties in South Sudan to implement a cessation of hostilities in conjunction with the resumption of an inclusive political process.

In Sudan, our primary diplomatic objectives include establishing a permanent ceasefire between the Government of Sudan and armed opposition groups, leading to an inclusive political dialogue, durable peace, and an end to Sudan's internal conflicts in Darfur and the Two Areas (South Kordofan and Blue Nile states). We are also working to build cooperation to counter international terrorism as well as regional threats, and to expand access for humanitarian assistance to civilians in Sudan's conflict areas and throughout the country. We continue to press the Government of Sudan to institutionalize protection of human rights and religious freedoms, and have intensified our efforts to ensure full compliance by Sudan with U.N. Security Council Resolutions regarding North Korea. The United States also remains deeply engaged in supporting the African Union-mediated peace talks, working directly with all parties to the conflicts and with international partners to advance effort for sustainable peace.

In mid-2016, following years of limited bilateral engagement with the Government of Sudan due to U.N. and domestic sanctions, the United States launched a Five-Track Engagement Plan offering the promise of sanctions relief if Sudan made sustained progress in five critical areas of engagement: (1) counterterrorism; (2) countering the Lord's Resistance Army (c-LRA); (3) implementing a cessation of hostilities (COH) in Darfur and in the Two Areas (South Kordofan and Blue Nile states); (4) ending negative involvement in South Sudan; and (5) improving humanitarian access. Since then, Sudan has increased counterterrorism cooperation with us; granted access for African Union or U.S. c-LRA operations; initiated and largely respected a unilateral COH in its conflict areas; stopped, according to our assessment, provision of support to armed groups in South Sudan; and is working with us to improve humanitarian access. Executive Order (E.O.) 13761, issued in January 2017, agreed to revoke certain pre-existing sanctions if the administration determined that Sudan sustained positive actions in these areas over a 6-month period.

The United States retains substantial leverage to encourage Sudan's continued cooperation in addressing U.S. priorities. Sudan is motivated by the credible prospect of sanctions revocation and has signaled its interest in further bilateral normalization. Sudan remains on the U.S. State Sponsor of Terrorism List, which leaves in place restrictions on U.S. foreign assistance, defense exports and sales, certain controls over exports of dual-use items, and other restrictions. Several other restrictions on Sudan remain in place, including the restrictions prescribed by Sudan's current designation as a Country of Particular Concern for religious freedom and sanctions imposed by E.O. 13400 on persons connected with the conflict in Darfur. These restrictions offer additional leverage in our efforts to encourage the Government of Sudan to rejoin the international community and meet all international standards in protecting the rights of its citizens.

*Question. Footprint of Freedom:* In your testimony, you state that "[h]istory has shown that the United States leaves a footprint of freedom wherever it goes." That sounds good, but how would you reconcile that statement with our actions, for example, in Vietnam during the 1960s and 70s; in Guatemala during the 1980s; in Chile during the 1970s; in the Philippines and Indonesia during the 1960s, 70s and 80s; in Zaire during the 1980s and 90s; in Iran during the 1970s; or in Ethiopia, Egypt, Uganda, and Saudi Arabia today?

*Answer.* The specifics of U.S. foreign policy are always challenging and complex—you've highlighted some of those challenges across different administrations and over 60 years of diplomacy.

We are the only global superpower, and one with the means and moral compass capable of shaping the world for good. Knowing your interest in the promotion of human rights, I'm sure you will agree that our mission should be guided at all times by our core values of freedom, democracy, individual liberty, and human dignity.

*Question.* If the Saudi, Venezuelan, or Chinese governments were behaving like the Castro government, e.g. refusing to hold free and fair elections and arresting their critics, would the administration recommend similar restrictions on travel and trade by Americans with Saudi Arabia, Venezuela, and China, and if not why not? What if the same were true for the Russian, Kazakhstan, or Uzbekistan governments? Is the administration considering recommending similar restrictions on travel and trade by Americans with any other country, and if not why not?

*Answer.* The United States engages with various governments, including Saudi Arabia, Venezuela, China, Russia, Kazakhstan and Uzbekistan on a range of issues, including democracy and human rights. The Department has found that there is no

“one size fits all” solution to democracy, governance and human rights questions. As the Department constructs its policy approach, it considers the whole of a relationship between the United States and the other country and works to craft the most effective approach to advance human rights and democracy under the specific circumstances.

*Question.* Does your fiscal year 2018 budget request propose to reduce funding for programs to address the needs and protect the rights of women and girls in Afghanistan, including education programs, family planning and reproductive health programs, police training programs, and women’s leadership programs? If not, why not?

*Answer.* The fiscal year 2018 budget request continues to prioritize the needs and protect the rights of women and girls in Afghanistan. The Department of State and USAID will allocate funds for specific programs in accordance with our policy priorities and the budgetary requirements of those programs. The human rights of Afghan women and girls, including access to education, health, and leadership opportunities, remain a priority in our overall efforts to stabilize Afghanistan and protect the development gains of the last 15 years.

Since the fiscal year 2018 request for the Economic Support and Development Fund (ESDF) is consistent with the fiscal year 2016 actual level, we do not foresee any significant changes in ESDF programming that would support Afghan women and girls. For International Narcotics Control and Law Enforcement programming, the fiscal year 2018 request will allow us to continue supporting women and girls through our ongoing work with drug treatment centers, social service programs for drug prevention, corrections programs for incarcerated women and female prison officials, and women’s shelters. The fiscal year 2018 request level will require us to scale back and be more targeted with select programs, but we will also look to transition these efforts to Afghan institutions where possible and leverage the support of other donors to help ensure the goals of these programs are continued.

*Question.* According to Freedom House, freedom in the world has been in decline over the last decade. Meanwhile, actual spending for Democracy, Rights and Governance (DRG) programming has fallen from \$3.27 billion in 2010 to \$2.27 billion in 2016. Your fiscal year 2018 budget proposes further cuts to \$1.59 billion. Why does this make sense, especially as non-democratic regimes such as Russia and China continue to expand their influence and destabilize regions?

*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. As has been the case for many years, Democracy, Human Rights and Governance (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 governance and rule of law; and strengthen civil society organizations and independent media.

In fiscal year 2018, DRG programs will be targeted to promote effective, accountable and democratic institutions and a vibrant civil society, which creates the conditions for long-term security and stability

As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some tough choices about our approaches and programming. We have requested DRG funds where these programs help to advance our most important policy priorities. It is also important to highlight that resources do not equate to outcomes or the entirety of our commitment to these efforts, as our ambassadors and diplomats also advance DRG objectives in country.

*Question.* Strengthening civil society is critical to both humanitarian and development assistance, especially in supporting societies to hold their governments accountable. How will funding be provided to support civil society in fiscal year 2018, compared to fiscal year 2017?

*Answer.* An independent civil society is not only critical to the delivery of development and humanitarian assistance, it is also an important bulwark against state fragility and the political radicalization that is linked to extremism. Despite the critical role that Civil Society Organizations (CSOs) play in a country’s development process, CSOs have faced a mounting backlash and closing of the political space in which they operate in many parts of the world. In 2017, Freedom House reported the eleventh consecutive year of global decline in civil liberties and political rights.

In response, the Department of State and USAID’s fiscal year 2018 budget request includes \$1.6 billion for Democracy, Human Rights and Governance (DRG) programs, of which, \$261.6 million is dedicated to civil society. [Please note that final allocations have not been finalized for fiscal year 2017.] This level supports

CSOs working in closing and closed spaces by building their capacity to galvanize citizen participation, foster a positive shift in government responsiveness to citizen demands, improve freedom of information, and support civic participation and CSO engagement with governments for improved accountability.

*Question.* In a June 5th press statement entitled “Pulling U.S. from U.N. Human Rights Council Could Endanger Lives around the Globe”, HRC Global Director Ty Cobb argued that: “U.S. foreign policy must protect and promote human rights. Turning away from the Council would signal to brutal regimes—and all those they oppress—that the U.S. is looking the other way. Without U.S. leadership, despotic leaders will be emboldened to control the agenda and push their own goals.” How do you respond, and do you really believe the U.S. can more effectively advocate for human rights in a new human rights body comprised solely of like-minded governments, as you and Ambassador Haley have reportedly suggested?

*Answer.* Reforms are urgently needed to strengthen the U.N. Human Rights Council’s (HRC) membership and revise its agenda. We are calling on member states to join together in the months ahead to develop and implement reforms to ensure that the world’s most critical human rights situations are addressed fully and effectively.

While we are concerned by the anti-Israel behavior of a number of U.N. bodies, none is in need of reform more profoundly than the HRC. The HRC must address its anti-Israel bias, which delegitimizes its broader mission. Agenda Item 7 is the only perpetual agenda item that consistently targets a single nation. At the same time, human rights violators like Cuba and Venezuela sit on the council itself. As a member of the HRC, the United States at times casts the only no vote against resolutions targeting Israel. Prior to the U.S. joining the HRC in 2009, nearly half of the country-specific resolutions adopted concerned Israel. Since reduced to less than a quarter of adopted resolutions, the number of resolutions targeting Israel is still far too many. Much more needs to be done.

Whether as a member of the HRC or not, the United States will remain steadfast in its commitment to the protection and promotion of human rights of all persons.

*Question.* How is the administration, through diplomatic or other means, encouraging President Duterte to stop the extrajudicial executions (EJEs) of individuals suspected of drug abuse, and to prosecute and punish those who have committed EJEs?

*Answer.* The United States and the Philippines have a longstanding alliance and relationship built on shared sacrifices, common values, and people-to-people ties. The United States works with the Philippines to address the shared objective of combatting drug trafficking, and supports programs that target the transnational shipment of narcotics, strengthen the rule of law, and encourage holistic drug demand reduction efforts.

We have serious concerns when those involved in the drug war reportedly operate outside the rule of law. We have discussed our human rights concerns at the highest levels with the Philippine government on multiple occasions, and raised the issue at the May 8 Universal Periodic Review at the Human Rights Council. We vet all security assistance to the Philippines to ensure that funding is not provided to individuals who have committed gross human rights violations, and encourage our Philippine partners to conduct thorough and transparent investigations into reports of arbitrary and unlawful killings. We will continue to work with the Philippines on this and other issues as we advance shared objectives in our multidimensional relationship.

*Question.* During the Vietnam War, the U.S. dropped millions of tons of bombs that failed to explode. They continue to kill and maim innocent civilians today. We also used Agent Orange and other herbicides, which left areas contaminated with dioxin, a deadly chemical. This subcommittee has been funding programs to get rid of the unexploded landmines and bombs, and to clean up the areas most severely contaminated with dioxin. This has been supported by Democratic and Republican administrations, and it has contributed to better relations with Vietnam and Laos. How much is included in the fiscal year 2018 for these programs in Vietnam and Laos, and will you continue to support these programs beyond fiscal year 2018?

*Answer.* The President’s fiscal year 2018 budget request supports war legacy programs in Vietnam and Laos. Addressing legacies from the Vietnam War is critical to advancing cooperation with both countries. The budget request includes up to \$15 million for Agent Orange/dioxin cleanup and \$7 million for clearance of unexploded ordnance (UXO) efforts in Vietnam and \$10 million for UXO efforts in Laos.

*Question.* The State Department’s fiscal year 2018 budget justification says “The fiscal year 2018 request will allow partners to continue to meet the basic needs of the Tibetan communities in Nepal and India, including protection and reception services for those transiting across Nepal to India.” For over two decades, there has

been bipartisan support in the Congress for Tibet-related programs and we want them to continue. Do your support funding for these programs, that have shown concrete benefit to the Tibetan people in the preservation and promotion of their religious, linguistic, and cultural identity, at not less than the fiscal year 2017 levels?

*Answer.* The United States respects China's territorial integrity, and considers Tibet to be part of China. Consistent with the Tibetan Policy Act, the U.S. Government remains committed to seeking to protect the distinct religious, cultural, and linguistic identity of Tibetans; improving the humanitarian and economic conditions of Tibetans; improving respect for the human rights of Tibetans, including religious freedom; and encouraging the Government of China to enter into dialogue with the Dalai Lama or his representatives leading to a negotiated agreement on Tibet.

While we do not have a specific funding request for Tibetan-related programs, the administration's fiscal year 2018 budget request includes humanitarian assistance resources that may be used by partners to continue to meet the basic needs of Tibetan communities in Nepal and India, including protection and reception services for those transiting across Nepal to India. It includes funding for exchange programs that increase engagement and mutual understanding between Tibetans and the people of the United States. It also contains resources for programs to advance human rights and democracy in China, which includes support for religious and ethnic minorities. Final funding allocations will be determined during the year of appropriation and will depend on factors such as humanitarian appeals received and needs identified at that time.

*Question.* The fiscal year 2018 budget request says "Through the Bureau of Population, Refugees, and Migration (PRM)'s global programs, the U.S. Government seeks to protect and assist the world's most vulnerable people including refugees. . . ." Further, it says "that funds will address threats to fundamental rights on a global scale, particularly in closed or closing political spaces where these rights and vulnerable populations are threatened." In the case of Tibetan refugees, the Dalai Lama has been striving to find a solution to their situation through dialogue with the Chinese leadership. The Tibetan Policy Act mandates that the State Department have a Special Coordinator for Tibetan Issues whose "central objective" is "to promote substantive dialogue between the Government of the People's Republic of China and the Dalai Lama or his representatives."

Will you commit to allocating adequate funding for programs that will encourage dialogue and a peaceful political solution to the Tibetan issue?

*Answer.* Consistent with the Tibetan Policy Act, the U.S. Government remains committed to encouraging the Government of China to enter into dialogue with the Dalai Lama or his representatives leading to a negotiated agreement on Tibet; seeking to protect the distinct religious, cultural, and linguistic identity of Tibetans; improving the humanitarian and economic conditions of Tibetans; and improving respect for the human rights of Tibetans, including religious freedom.

While we do not have a specific funding request for Tibetan-related programs, the administration's fiscal year 2018 budget request includes humanitarian assistance resources that may be used by partners to continue to meet the basic needs of Tibetan communities in Nepal and India, including protection and reception services for those transiting across Nepal to India. It includes funding for exchange programs that increase engagement and mutual understanding between Tibetans and the people of the United States. It also contains resources for programs to advance human rights and democracy in China, which includes support for religious and ethnic minorities. Final funding allocations will be determined during the year of appropriation and will depend on factors such as humanitarian appeals received and needs identified at that time.

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QUESTION SUBMITTED BY SENATOR PATRICK J. LEAHY FOR SENATOR PATTY MURRAY

*Question.* Nearly 3 years after the Northwest reached a regional consensus to modernize the Columbia River Treaty, the U.S. notified Canada of our intent to begin formal negotiations on the Treaty. Since October 2016, we have been waiting for Canada to come to the table.

Secretary Tillerson, I urge you to proactively raise the Columbia River Treaty at every opportunity with your Canadian counterparts. Do I have your commitment to do that?

*Answer.* Yes. The Department continues to press the Canadian government at all levels to begin negotiations on the Columbia River Treaty regime. I recently raised the issue directly with Canadian Foreign Minister Chrystia Freeland at the ASEAN meetings in Manila on August 7, Under Secretary Shannon raised the issue during a March 10 call with Deputy Foreign Minister Ian Shugart, and Acting Assistant

Secretary Palmieri raised it on the margins of the high-level policy dialogue on June 1 in Ottawa. The Canadians responsible for the treaty are fully aware of the U.S. view of the urgent need to begin negotiations and tell us they are awaiting a negotiating mandate from their Cabinet. Department officials are ready to begin talks with Canada's negotiators at any time.

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QUESTION SUBMITTED BY SENATOR JAMES LANKFORD

*Question.* Mr. Secretary, on May 31st, you met with Vietnamese Prime Minister Nguyen Xuan Phuc to discuss the economic relationship between the United States and Vietnam. The related press release noted in part: "President Trump is prioritizing engagement with Vietnam, an important trading partner of the United States." The U.S. Commission on International Religious Freedom's (USCIRF) 2017 report recommended that Vietnam be designated as a country of particular concern (CPC), which is a country that engages in or tolerates particularly severe religious freedom violations that are systematic, ongoing, and egregious.

As part of the Trade Promotion Authority, I included an amendment that required religious freedom to be part of trade negotiations. Have you discussed the religious freedom and human rights violations in Vietnam as part of your discussions with the Prime Minister? What actions will the State Department take in response to USCIRF's 2017 recommendation on Vietnam as a CPC?

*Answer.* As we did during the Prime Minister's visit, we continue to press the Government of Vietnam for progress on religious freedom and other human rights, which we emphasize are critical to our bilateral relationship. While we have seen some progress over the past few years, we are troubled by the recent trend of arrests and convictions of peaceful activists, along with the continuing detention of religious leaders, which threatens to overshadow Vietnam's overall evolution on human rights, including religious freedom.

Our most recent assessment was that Vietnam's actions with respect to religious freedom, while of great concern, fell short of the criteria for designation as a Country of Particular Concern under the International Religious Freedom Act. We will continue to monitor the situation vigilantly and urge the government to allow all members of religious groups, including those groups not registered with the government, the freedom to practice their religion. We will urge the government to ensure its laws and actions are consistent with the human rights provisions of its own constitution, as well as with its international human rights commitments and obligations.

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QUESTIONS SUBMITTED BY SENATOR STEVE DAINES

*Question.* What is the State Department doing to work with countries, such as Ethiopia or the DRC, to increase transparency and ensure that families following all relevant laws are able to bring adopted children home in a timely manner?

*Answer.* Since Ethiopia's April 2017 suspension of intercountry adoptions, State Department officials have vigorously engaged with the Ethiopian government to strongly advocate for a way forward for cases in process, noting that legal adoptions or official matches have taken place in many of those cases. On June 1, an official from the Ministry of Woman and Children's Affairs (MOWA) told the Embassy that MOWA would resume issuing Vital Signature letters for cases with Federal First Instance Court (FFIC) approval, which is a legal adoption.

Since June 1, MOWA has issued documents allowing more than 30 adopted children with FFIC approval to obtain Ethiopian passports and initiate their U.S. immigration processes. MOWA continues to process cases in all stages of the adoption process. Officials have informed the Embassy that MOWA will devise a plan allowing remaining cases to continue to be processed. The Department continues to advocate for the resolution of pending cases.

In 2013, the DRC suspended issuance of exit permits for adopted children. Beginning in February 2016, the DRC convened an Interministerial Commission, now disbanded, to review individual adoption cases and pre-approve them for issuance of exit permits once U.S. immigrant visas were approved. Embassy Kinshasa worked closely with the Interministerial Commission and with the DRC's Direction Générale de Migration (DGM) to ensure the pre-approval review of more than 400 adoptive children. The Embassy continues to facilitate DGM issuance of exit permits on an ad hoc basis.

To date, only seven U.S. adoption cases from the DRC remain outstanding. The Department continues to strongly recommend against initiating intercountry adoptions in the DRC until such time as long-awaited family-law legislation is passed

into law and intercountry adoptions can be processed on a firm legal basis with regularized procedures.

The Department seeks to ensure that intercountry adoption involving children or adoptive parents in the United States take place in the best interests of the child. We also support efforts by foreign governments to implement safeguards that protect a child's best interests. We believe such measures can help to protect all those involved in an intercountry adoption. We encourage countries like Ethiopia and the DRC to communicate with us any concerns they have about the adoption process so that we can work together to address them without disrupting lawful adoptions in process. In some cases, however, countries act unilaterally to halt adoption processing for any number of reasons. In the case of Ethiopia, to date the Ethiopian government has not issued an official statement or policy regarding the reasons for the suspension or how it will be implemented in the future.

*Question.* On May 24th, the guided-missile destroyer USS *Dewey* sailed within 12 nautical miles of the Chinese-occupied Mischief Reef, according to press reports. While it was a U.S. Navy ship that conducted the operation, the State Department serves an important role in the overall Freedom of Navigation Program.

To what extent do you see Freedom of Navigation operations as advancing U.S. diplomatic interests in the region?

*Answer.* Since 1979, the U.S. Freedom of Navigation program has demonstrated non-acquiescence to excessive maritime claims by coastal States all around the world. The program includes both consultations and representations by U.S. diplomats and operational activities by U.S. military forces. In fiscal year 2016, we conducted FONOPs challenging excessive maritime claims of 22 coastal States, including allies and partners. These operations are designed to protect the rights, freedoms, and lawful uses of the sea and airspace guaranteed to all countries. U.S. forces operate in the Asia-Pacific region on a daily basis, including in the South China Sea, and all operations are conducted in accordance with international law.

Conducting regular FONOPs, including in the South China Sea, reinforces our commitment to support the rights accorded to all nations under international law. These operations also complement our diplomatic efforts urging claimant states to refrain from reclamation, construction, and/or militarization of features in the South China Sea and to resolve territorial and maritime disputes peacefully in accordance with international law, without the use or threat of force or coercion.

*Question.* How is your department helping other countries to counter propaganda?

*Answer.* It is critical for the United States to continue supporting partner countries to counter terrorist propaganda. This includes partnering voluntarily with multiple stakeholders, including private technology companies, to counter terrorist narratives—particularly online.

The Global Engagement Center (GEC) operates as an interagency coordinating body within the Department charged with enhancing the capacity of the whole-of-government approach to recognize, understand, expose, and counter foreign state and non-state propaganda and disinformation. The GEC's role is focused on counter-messaging and related capacity building for foreign partners from grassroots organizations to national governments. Additionally, the GEC has an in-house analytics capacity which complements the products and efforts of the rest of the Department and interagency.

The Department is engaged in a range of efforts with key partners, including voluntary collaborative efforts with private technology companies, civil society and non-governmental partners, to empower credible voices overseas. These collaborative efforts include empowering youth through "hackathons," TechCamp workshops, and university programs to develop counter-messaging campaigns, digital literacy, and critical thinking skills.

For example, the Bureau of International Information and Programs (IIP) supports Tech Camps throughout the world, including in the Middle East, creating interactive workshops leveraging private sector partnerships to build digital skills and technical capacity among key foreign influencers in civil society to counter ISIS and other terrorist propaganda, as well as the Speakers Program that brings American experts for short visits to share their expertise.

IIP's U.S. Speaker Program provides opportunities for U.S. experts to engage key interlocutors in person or through virtual platforms. The Bureau of Educational and Cultural Affairs (ECA) supports programs that engage journalists and media makers, government officials, civil society and religious leaders, as well as their institutions. ECA programs build international networks that advance successful and peaceful societies, and appreciation for American values. For example, International Visitor Leadership Programs (IVLPs), bring U.S. CVE practitioners from around the world to build U.S. and overseas capacities to counter anti-American narratives, and share good and accurate information.

Building on these kinds of activities, the Bureau of Counterterrorism and Countering Violent Extremism (CT) supports longer-term capacity building for local messengers—including via the Hedayah Center, the Abu Dhabi-based international CVE center.

*Question.* How is your department helping other countries deal with the threat posed by foreign fighters returning home from the battlefield?

*Answer.* The Department has helped other countries deal with the threat posed by foreign terrorist fighters (FTFs) returning home from the battlefield in a number of ways. We have worked with partners to increase terrorist identity information sharing, strengthen border controls and threat-based security and traveler screening, update legal frameworks regarding FTFs, bolster investigative and prosecutorial capacity and develop rehabilitation and reintegration efforts. Our work to improve border security abroad also aims to stop terrorists from reaching our shores. We have built a layered visa and border security screening system and we continue to refine this effort, including working closely with our foreign partners.

Through the implementation of U.N. Security Council Resolution 2178, our international partners have expanded the tools they use to detect, disrupt, and prosecute returning FTFs. For example, the United States now has information-sharing agreements with 64 international partners to identify and track the travel of suspected terrorists. More than 60 countries have laws in place to prosecute and penalize FTF activities. At least 65 countries have prosecuted or arrested FTFs or their facilitators and at least 31 countries use enhanced traveler screening measures.

More than 60 countries, including the United States, have provided INTERPOL information on approximately 14,000 individuals, a thousand fold increase over the past 4 years. We are now helping countries in Southeast Asia strengthen their connectivity with INTERPOL to take greater advantage of INTERPOL's FTF database and its Stolen and Lost Travel Documents system, among other mechanisms, to counter the flow of FTFs to conflict zones and identify them in transit or upon return. We hope to begin sharing more of our FTF information with certain international partners through INTERPOL in the near future.

Separately, the Department of State, in partnership with the National Counterterrorism Center and the Department of Justice, is also sponsoring regional workshops to address the challenges of ISIS's external operations and returning FTFs from Iraq and Syria. Regional workshops have been held in the Balkans and North Africa, and future workshops are being planned for the Middle East and Southeast Asia. In these workshops, regional governments collaborate on ways we can better assess the risk posed by returnees, share strategies for disrupting attacks directed or enabled by ISIS, and identify opportunities for increased cooperation and capacity building to ensure we have the tools, including rehabilitation and reintegration efforts, in place to address the threat over the near and long term.

In addition, we work with our international partners on reducing opportunities for recruitment and radicalization to violence by returning FTFs who are incarcerated. The United States supports a range of programs aimed at helping prison officials develop and implement programs and policies geared towards the management and rehabilitation of returning FTFs.

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#### QUESTIONS SUBMITTED BY SENATOR MARCO RUBIO

*Question.* How does the State Department plan to promote human rights and democracy in Cuba and Venezuela when it proposes to zero out funds in foreign assistance for the promotion of human rights and democracy in both countries?

*Answer.* We are committed to working with our partners in the region to advance a shared vision for strengthening prosperity, security, democracy, and the protection of human rights throughout the hemisphere. The U.S. Government wants the people of both Cuba and Venezuela to thrive under representative democracy. To that end, the Department of State continues to support and engage with human rights and democracy activists in both countries. President Trump's Cuba policy makes clear the administration's intent to support the Cuban people by advancing human rights and democracy in Cuba. We also will work with partners in the region to promote peaceful solutions in Venezuela.

As the Department of State and USAID work to ensure efficiency and effectiveness of U.S. taxpayer dollars, we made difficult choices in our budget request. The fiscal year 2017 appropriation provided support for democracy in Venezuela, consistent with current USAID programs. These funds will allow us to continue our programming for the near future.

*Question.* How is your budget helping to improve governance and decrease violence in Central America, especially in the Northern Triangle countries?

*Answer.* The Department's fiscal year 2018 budget request of \$460 million for Central America would fund programs that promote prosperity, security, and governance. U.S. programs complement the Plan of the Alliance for Prosperity, the reform initiative of the Northern Triangle countries of El Salvador, Guatemala, and Honduras.

To improve governance, U.S. programs and diplomatic engagement seek to strengthen the rule of law, promote strong institutions and government accountability, reduce impunity, support anti-corruption efforts, improve budget management, and increase fiscal transparency. U.S. assistance will enhance the voice of civil society in the policymaking process and strengthen anti-corruption mechanisms such as the United Nations International Commission Against Impunity in Guatemala in Guatemala (CICIG) and the Organization for American States Mission to Support the Fight Against Corruption and Impunity in Honduras (MACCIH).

To decrease violence in Central America, U.S. programs and diplomatic engagement seek to combat transnational criminal organizations, stem drug trafficking, enhance citizen security, reduce gang violence, strengthen borders, and deter human smuggling and trafficking through programs focused on capacity building, information sharing, and professionalizing police and military institutions.

*Question.* In your view, are the countries of the Northern Triangle committing sufficient resources to the initiative? To what extent have these governments' public pronouncements and legal reforms produced real changes on the ground?

*Answer.* U.S. programs complement the Plan of the Alliance for Prosperity, the reform initiative developed by the Northern Triangle countries of El Salvador, Guatemala, and Honduras in 2014. The Alliance for Prosperity targets four main lines of action: stimulate the productive sector, develop opportunities for their people, improve public safety and enhance access to the legal system, and strengthen institutions. The Northern Triangle governments committed \$2.8 billion in 2016 to the Alliance for Prosperity, and committed an additional \$2.6 billion in 2017. In 2016 and 2017, the annual Northern Triangle investment is approximately four times the combined fiscal year 2016 and fiscal year 2017 U.S. investment in all of Central America using fiscal year 2016 and fiscal year 2017 funds.

Through the Alliance for Prosperity and Plan El Salvador Seguro, the Salvadoran government reports it reclaimed 1,600 unsafe public spaces, upgraded 81 public spaces and 115 schools, and trained 21,419 teachers from January 2015 to September 2016. From June 2015 to September 2016, it provided 23,278 computers to primary and secondary school students.

The Guatemalan government reports it provided 1,953 computers to promote greater connectivity in the school system and trained 8,000 youth in its Digital Talent program from January 2015 to September 2016. It dismantled 30 criminal organizations and arrested 72 gang members for extortion as a result of joint efforts by the Public Prosecutor's office, the Ministry of Interior, the National Police, and the United Nations International Commission to Combat Impunity in Guatemala during this same time period. Guatemalan authorities restructured the tax collection agency, which added \$200 million of revenue in 2016. The Asset Forfeiture Unit of the National Police seized \$10 million in cash from drug traffickers in 2016.

From January 2015 to September 2016, the Honduran government reports it trained 1,426 police officers at the Police Technical Institute and 34,588 individuals benefited from the first year of the Solidarity Bank, a program to improve key business sectors. The Honduran Anti-Extortion Task Force also captured 226 people during this time period.

*Question.* The Castro regime's support for the Maduro government's subversion of democracy in Venezuela through repression is widely known. Yet the previous administration gave the Cuban regime a pass for these activities:

Do you believe the Cuban regime should be held accountable for the subversion of democracy in Venezuela? If so, how?

*Answer.* The Venezuelan government is responsible for the undermining of democratic institutions in its country. We understand that thousands of Cuban doctors, teachers, and security personnel work in Venezuela at the invitation of the Venezuelan government. All countries, including Cuba, should urge the Government of Venezuela to seek a peaceful, democratic solution to the country's crisis, instead of supporting internal repression and authoritarianism. The United States joins with governments across the hemisphere to call on the Government of Venezuela to fulfill the commitments it made during the fall 2016 dialogue process in order to establish a positive and constructive environment in which negotiations and mediation among all parties can take place.

*Question.* Free access to information is vital to independent political thought in nations where speech and other freedoms are limited. In our own hemisphere, there is no country where basic political freedoms are more curtailed than Cuba:



Are the requested funds sufficient to implement the goals of the State Department's Bureau of Information Resource Management in countries where technology is censored?

*Answer.* Promoting Internet freedom is an essential part of our approach to protecting and promoting human rights in the 21st century. The Bureau of Democracy, Human Rights and Labor leads the State Department's efforts to promote Internet freedom globally through a variety of bilateral and multilateral engagements as well as through foreign assistance programming. Many governments have taken steps to censor and restrict Internet access at the expense of their own economic and social development. As a result, more than two-thirds of the world's population now lives in Internet repressive countries.

Since 2012, Congress has appropriated \$25–\$35 million annually to the State Department to support global Internet freedom programs. These resources have enabled the Internet freedom program, including support for anti-censorship and secure communication technologies, digital safety training, policy advocacy initiatives, and applied research to ensure that human rights defenders and ordinary citizens around the world are able to safely access the global Internet. The State Department's Internet freedom portfolio constitutes the most comprehensive support for Internet freedom of any funder.

*Question.* In the President's fiscal year 2018 budget request, I am concerned that, given the long lead-time for State Department budgeting, the State Department wouldn't be able to react programmatically to a collapse of the Maduro government. Where would the funds come from and what form would they take?

*Answer.* The United States continues to be engaged in the situation in Venezuela and to work with others, including the Organization of American States (OAS), to support peaceful solutions to the political and economic crisis in the country. The Department of State and U.S. Agency for International Development (USAID) have a long history of responding rapidly to changing circumstances in countries around the world and will engage with our partners and the OAS to address changes to the situation in Venezuela.

The Department and USAID have authorities and funding, subject to availability, to provide initial support as necessary to address immediate needs that may arise in Venezuela, including humanitarian assistance, stabilization assistance, and democracy and human rights programming, as appropriate.

*Question.* Is this budget sowing the seeds of more violence, drugs, and migrants on America's streets by leaving empty spaces and weak governments in Central America and South America to do the heavy lifting?

*Answer.* U.S. assistance and engagement in Central America aims to secure U.S. borders, protect American citizens, and improve U.S. prosperity by addressing the economic, security, and governance drivers of illegal immigration and illicit trafficking. Our engagement in the region aims to dismantle transnational criminal organizations, combat drug trafficking, halt illegal immigration, improve opportunities for U.S. firms, and promote sustainable economic growth by addressing the underlying causes of insecurity, impunity, and lack of economic opportunity.

The fiscal year 2018 request level will enable us to focus our efforts in areas that will have the greatest potential for transformative impact. With the request, the Department and USAID will implement an integrated approach to crime and violence prevention through programs that reduce gang violence and the influence of organized crime across borders. The Department and USAID will promote good governance, anti-corruption, and fiscal management, and implement policies that improve economic and educational opportunities, foster economic growth, and create sustainable livelihoods for citizens of the region.

*Question.* Are their [Central America and South America] unique needs factored into the administration's rebuilding and reintegration plans?

*Answer.* The unique needs of the Central America and South America regions, as well as the unique needs of other regions in the world, will be considered as we move forward to implement Executive Order 13781 of March 13, 2017, which calls for each agency to submit a plan in September to improve the efficiency, effectiveness, and accountability of that agency. The Department of State (State) 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 20 years. 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. This review has no preconceived outcomes.

*Question.* Do you intend to provide elevated levels of U.S. assistance to Central America throughout the entire 5-year plan?

*Answer.* During the June 15–16, 2017 Conference on Prosperity and Security in Central America, the U.S. Government reaffirmed its commitment to continued collaboration with the region and support for programs that complement the Northern Triangle governments’ 5-year plan, the Alliance for Prosperity (2015–2019). The President’s fiscal year 2018 request of \$460 million for Central America emphasizes continued U.S. commitment to reducing insecurity and violence, enhancing the business climate, and promoting improved governance in the region, all of which is essential to supporting the safety, security, and prosperity of Americans. This is in addition to the almost \$2 billion provided by Congress in fiscal year 2015–fiscal year 2017, putting the U.S. Government on a path to providing significant assistance throughout the period of collaboration with the Northern Triangle governments on their 5-year plan.

*Question.* In your view, is 5 years a sufficient period of time to implement the Alliance for Prosperity? What results do you expect to see by the end of the 5-year period? Do you foresee the Northern Triangle countries requiring significant levels of external support beyond the 5-year timeline?

*Answer.* The Northern Triangle governments continue to make progress implementing the reforms necessary to improve the business climate, increase tax revenues, facilitate trade, expand energy integration, strengthen the public-private sector dialogue, combat organized crime, improve information sharing, cooperate on migration flows, strengthen border security, and reduce youth violence.

However, significant systemic and long-term problems remain in the Northern Triangle, which require sustained efforts and support by the U.S. Government, host country partners, the private sector, international organizations, civil society, and the broader international community to ensure continued progress. The U.S. Government works closely with Northern Triangle governments and the governments of the other Central American countries to align U.S. assistance with the benchmarks and timelines of programs and priorities of each government. Each country presents unique economic development and security challenges. In some areas, particularly in the realm of governance, sustained efforts over a generation will be necessary to fully implement reforms, improve transparency, and establish rule of law in the region.

*Question.* In a QFR from our Committee during your confirmation process that asked “Do you believe it should be a national security priority of the United States to support Tunisia’s transition to democracy? What specifically should the United States do?”, you answered: “Yes, I do believe Tunisia is a strategically important country for the United States and an important partner for us in bringing stability to the region. I believe we should broadly engage with Tunisia on security, economic, governance, and civil society development.” The State Department’s fiscal year 2018 budget request, however, zeroes out the \$65 million in FMF provided to Tunisia in fiscal year 2017, and cuts ESF [Economic Support Fund] in half to just \$40 million:

If Tunisia is a strategically important country, and an important partner to bringing regional stability, shouldn’t the United States be fully committed to investing in its success and maintain bilateral assistance at the previous fiscal year’s level of \$165.4 million?

*Answer.* Tunisia is an important partner, and the United States is fully committed to investing in its success. However, as we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some tough choices.

The Department is shifting our approach to the funding and provision of military assistance globally. The Department’s budget request includes \$200.7 million in global Foreign Military Financing (FMF) resources, which could support targeted FMF grants or loans to partners such as Tunisia. Shifting some foreign military financing from grants to loans will better leverage U.S. taxpayer dollars and still allow qualifying partners to purchase more American-made equipment.

The fiscal year 2018 ESF level for Tunisia takes into account the fact that the Tunisian American Enterprise Fund will have hit its total capitalization target of \$100 million, with the last \$20 million contribution provided by the United States in fiscal year 2017. Finally, the fiscal year 2018 request also includes \$14.6 million in INCLE, NADR, and IMET funds to support our continued partnership with Tunisia on shared security and counterterrorism priorities.

*Question.* This budget requests \$75 million in economic assistance to Egypt, which includes money for democracy and development programs. Egyptian President el-Sisi recently ratified a draconian new NGO law which would make it virtually impossible for independent civil society to operate in Egypt through restrictive registration and funding processes. According to the Project on Middle East Democracy, Egypt’s new NGO law will also require international NGOs to obtain “prior approval

from the National Authority to operate in Egypt. They have to purchase a \$20,000 permit; this fee would increase by 20 percent every 5 years." A longstanding provision of U.S. law known as the "Brownback Amendment" asserts that "with respect to the provision of democracy, human rights, and governance activities, the organizations implementing such assistance, the specific nature of that assistance, and the participants in such programs shall not be subject to the prior approval by the government of any foreign country." In your view, does Egypt's new NGO law violate the Brownback Amendment by giving the Egyptian government veto power over U.S.-funded democracy programs? More broadly, with this new law in place, what kind of economic, development, or democracy programming is even possible for U.S. assistance to support in Egypt? Do you believe that repeal of this NGO law should be a pre-requirement to the United States providing continued economic aid to Egypt?

*Answer.* I am disappointed by President Sisi's signature of the NGO law. From the time parliament proposed this legislation until President al-Sisi approved it, we clearly and repeatedly communicated our concerns about the law and urged the GOE to revise it. We have stressed that a strategic relationship is a two-way street that requires trust and credibility.

We are actively considering options on how best to address this deeply problematic legislation, and we are watching closely development of implementing regulations. We are moreover examining the implications of the law for the implementation of U.S. assistance programs, and we will continue to press the Egyptians to enable U.S. assistance programs and civil society the necessary freedom to operate.

The Department of State and USAID implement programs consistent with the Brownback Amendment. Many of the practical implications of Egypt's new NGO law remain unclear, and we are trying better to understand the law and how it might impact our programs and implementing partners. In the meantime, we continue to make clear to the Egyptian government that a vibrant civil society is critical for Egypt's stability and prosperity.

*Question.* The fiscal year 2016 Omnibus requires you to certify and report to Congress that the Egyptian government has met a number of benchmarks on democracy, human rights, and the rule of law before releasing 15 percent of Egypt's military aid:

Can you tell us if the Egyptian government has released political prisoners?

*Answer.* The Egyptian government periodically grants pardons and releases prisoners. However, few political prisoners benefit from this process. Some notable exceptions are religious dissident Islam el-Beheiry, who received a pardon in November 2016, and Aya Hijazi, her husband, and their colleagues, whom a court acquitted in April 2017. Thousands of individuals remain detained on charges of violating Egypt's Demonstrations Law, and we consistently raise our concerns about human rights to the Egyptians at senior levels.

*Question.* The fiscal year 2016 Omnibus requires you to certify and report to Congress that the Egyptian government has met a number of benchmarks on democracy, human rights, and the rule of law before releasing 15 percent of Egypt's military aid: Is implementing laws or policies to govern democratically?

*Answer.* We have not been satisfied with Egypt's progress on democracy and human rights and will need to take any relevant developments into account when we consider whether to proceed with the certification or to exercise a national security waiver. Egypt is a key regional partner and represents an important bilateral relationship, but we are committed to ensuring that our partnership delivers on U.S. interests and advances U.S. national security goals.

*Question.* After President el-Sisi signed a draconian new law restricting civil society and reports of an escalated crackdown against civil society organizations in Egypt, do you believe the Egyptian government is implementing reforms that protect "the ability of civil society organizations and the media to function without interference"? What examples, if any, can you provide as evidence of those actions by the Egyptian government? What examples, if any, can you provide as evidence of the Egyptian government violating those principles?

*Answer.* I was extremely disappointed by President Sisi's signature of the NGO law, which we believe further undermines the ability of civil society to operate independently. The law as written would impose burdensome NGO registration and other invasive administrative requirements. We continue to raise our concerns with the Egyptian government at the highest levels about this law and we are actively considering options on how best to address it.

We also remain concerned that the government subjects civil society activists to asset freezes, travel restrictions, and arrests. Egypt also recently blocked access to more than a hundred websites including some of the best known news and human rights-oriented organizations, and the government continues to arrest activ-

ists for their social media posts. Finally, we are discussing but have yet to reach a resolution to the “foreign funding case” involving convictions against U.S. citizens and Egyptian employees of U.S. registered NGOs.

I have raised our concerns about the deteriorating human rights situation in my meetings with Egyptian officials in Washington and in Cairo, and our Embassy in Cairo continually engages on these issues. We have stressed and will continue to underscore to the Egyptians that progress on human rights is important to Egyptian stability and to our relations.

*Question.* This proposed budget would eliminate Foreign Military Financing grants for every country in the world except for four, including \$1.3 billion for Egypt. A May 2016 report from the GAO indicated that a lack of cooperation from Egyptian authorities “limited U.S. efforts to verify the use and security of certain equipment.” Since that time, a disturbing video from April 2017 shows members of the Egyptian military shooting unarmed detainees to death at point-blank range in the Sinai Peninsula and staging the killings to look as if they had happened in combat. Egyptian authorities continue to deny access to U.S. officials seeking to verify that such equipment is not being used to commit gross human rights violations, in accordance with the Leahy Law:

Have your Egyptian counterparts assured you that U.S. officials will have full access to the Sinai to make such verification? In your view, is the Egyptian military currently in compliance with the Leahy Law?

*Answer.* Egypt is struggling to defeat Islamic State-Sinai (IS-Sinai), an ISIS affiliate, in northeast Sinai, despite a significant increase in Egyptian military personnel there over the past year. IS-Sinai continues to target Egyptian military, security, and government personnel and increasingly civilians in the Sinai. We are also seeing an increase in ISIS attacks in the Nile Valley, including the Palm Sunday bombing of churches in the Nile Delta cities of Tanta and Alexandria.

The Egyptian government continues to limit outside access to the conflict area in northern Sinai, apart from official travel to Multinational Force and Observers (MFO) facilities. The government has given limited access to U.S. officials to tour development projects in the Sinai near the Suez Canal and the Egyptian 2nd Field Army Headquarters on the Sinai side of Ismailia. However, at senior levels, the Departments of State and Defense continue to press the Egyptian government for greater access to northern Sinai to gain better visibility on the security challenges the Egyptians face.

The Department is deeply concerned over the video allegedly showing extra judicial killings. Senior Department officials have conveyed these concerns directly to the Egyptian government and urged the Egyptians to conduct a thorough and transparent investigation, and hold responsible individuals to account. The Department will continue to follow developments closely from both Washington and Cairo, as well as continue to express U.S. concerns at senior levels of the Egyptian government.

*Question.* As the fiscal year 2018 budget request is still fairly topline, would you please address whether the administration intends to prioritize funding for programs assisting religious minorities, including Christians, Yezidis and others, who were targeted for genocide by the Islamic State?

*Answer.* Looking forward to fiscal year 2018, we will continue to provide assistance to vulnerable populations in Iraq and Syria, including by supporting efforts to document violations and abuses. Our Economic Support Fund request for Iraq will include reconciliation and accountability programming, and a point of emphasis in our proposal review process will remain the provision of assistance to, protection of, and advocacy for Iraq’s most vulnerable populations, including youth, women, and members of ethnic and religious minorities.

Assistance to vulnerable populations also includes helping to create conditions for displaced individuals to safely and voluntarily return home, and in Iraq, our support for Government of Iraq-led stabilization and accountability efforts will continue to benefit these populations. To date, FFS has funded \$22 million of projects for the Yazidi communities of Sinjar, Sinuni, and Rabia and \$34 million of projects for the mainly Christian communities of the Ninewa Plains.

*Question.* What justice mechanisms is the administration willing to support for those victims of genocide?

*Answer.* As with the ongoing fight of our Coalition partners to defeat ISIS in Iraq, the administration will work by, with, and through the Iraqi government to help the families of victims and survivors of ISIS atrocities obtain accountability in Iraq. Many of these victims are members of vulnerable religious and ethnic communities who have lived on their ancestral homelands on the Ninewa Plains for millennia.

To that end, we support the documentation of atrocities committed by ISIS. Our Transitional Justice Global Initiative, for example, enables Iraqi civil society to doc-

ument human rights abuses; establishes protocols and a repository that collects, organizes, preserves, and analyzes evidence gathered to serve a wide range of future transitional justice purposes; and connects documentation efforts with national and local accountability efforts. Over 600 narratives have been gathered from victims and witnesses of atrocities committed in Iraq. Narratives gathered by international civil society organizations (such as those by the Knights of Columbus and U.S. Holocaust Memorial Museum) may be used to augment these efforts. The program is also implementing community workshops and supporting advocacy campaigns to promote and raise awareness of transitional justice processes, including reconciliation, reparations, and truth-seeking, among other efforts.

We have provided technical assistance to the Iraqi government on mass grave identification, preservation and excavation and forensic identification of the remains contained within those mass graves. We have also provided support for legal services to survivors of conflict-related violence.

As another example, the United States is contributing to the global effort to empower women and girls as leaders in the fight against ISIS. We are helping survivors who have been freed or escaped ISIS captivity through the Gender-Based Violence Emergency Response and Protection Initiative, which provides funds for medical, psychological, and social support.

Ultimately, the Government of Iraq will be responsible for holding perpetrators of atrocities criminally accountable in domestic justice processes. To that end, Iraq has requested additional assistance to support domestic capacity in pursuing accountability. The United States supports the U.K. proposal for the creation of an investigative body that would work with the Government of Iraq to formulate mechanisms to investigate, document, and gather evidence of atrocities perpetrated by ISIS and other terrorist groups in Iraq.

*Question.* Is [Egypt] taking consistent steps to protect and advance the rights of women and religious minorities, and is [Egypt] providing detainees with due process of law?

*Answer.* Egypt has taken some steps to advance the rights of women and religious minorities. This includes the new Church Construction Law, an important first step in ensuring the equal treatment of the Coptic Christian population. The government also finished rebuilding 78 churches burned by mob violence in 2013. Egypt has also passed legislation restricting female genital mutilation.

Religious dissident Islam el-Beheiry was pardoned by President Sisi in November 2016 and released. Aya Hijazi, her husband, and their colleagues were all acquitted and released in April 2017. We are glad to see her back in the United States. However, thousands of detainees remain in custody and have faced violations of fair trial guarantees. Perpetrators of violence against the Christian community regularly escape justice through the use of extra-judicial “reconciliation sessions.”

However, the overall human rights situation remains troubling. As noted in the Department’s 2016 Human Rights Report, the most significant human rights problems in Egypt were excessive use of force by security forces, deficiencies in due process, and the suppression of civil liberties. Lack of fair trial guarantees, excessive use of preventative custody and pretrial detention, trials involving hundreds of defendants without individual presentation of evidence, and the use of military courts to try civilians remain serious problems.

*Question.* What was the rationale for zeroing out the \$330 million in HIV and AIDS funding for USAID? Can you ensure that the United States will meet our contribution to the Global Fund?

*Answer.* The President’s budget consolidates all U.S. assistance for global HIV/AIDS efforts within the State Department to simplify the management and coordination of these investments. It is important to note that in the budget, USAID will remain one of the two (along with CDC) primary implementing agencies for PEPFAR, and will continue to implement a significant share of U.S. global HIV/AIDS assistance in this capacity.

The President’s budget includes \$1.125 billion for the U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which keeps the U.S. on track to meet its commitment to match \$1 for every \$2 provided by other donors for the Global Fund’s most recent 5th Replenishment period.

*Question.* With the large proposed cuts to global health programs, how will the U.S. keep infectious diseases—such as airborne, drug-resistant tuberculosis and mosquito-spread Zika—under control?

*Answer.* The fiscal year 2018 request continues to support Global Health Security by requesting to use \$72.5 million in remaining fiscal year 2015 Ebola emergency funds, which would maintain a straight-line of support for global health security in development programs at the fiscal year 2016 levels. The remaining balances from the Ebola response are an appropriate source of funding for programs with an objec-

tive to prevent and contain future outbreaks of existing or new diseases, including Zika. Programming these funds will enable the U.S. Government, in partnership with other nations, international organizations, and public and private stakeholders, to prevent avoidable epidemics that could spread to the United States, detect threats early, and respond rapidly and effectively to disease outbreaks in an effort to prevent them from becoming global pandemics.

While the United States will continue significant funding for global health programs, as well as infectious diseases including tuberculosis, other stakeholders and partner countries must do more to contribute their fair share to global health initiatives.

*Question.* In your Senate confirmation hearing, you committed to maintain U.S. leadership on combating trafficking in persons around the world. However, the fiscal year 2018 President's budget requests only \$17,000,000 for Trafficking in Persons from the International Narcotics Control and Law Enforcement Account (INCLE), a cut of almost 60 percent from the fiscal year 2017 Omnibus, and does not include a request for Programs to End Modern Slavery, which received \$25,000,000 in the fiscal year 2017 and fiscal year 2016 Omnibus.

How do you expect the U.S. Government to maintain its leadership on this vital human rights issue with such dramatic cuts to the Trafficking in Persons Office, which leads the United States' global engagement to combat human trafficking?

*Answer.* The reduction in our fiscal year 2018 request for anti-trafficking assistance largely reflects the administration's broader reduction in economic, development, and law enforcement assistance. In a constrained budget environment, difficult trade-off decisions must be made, however the request continues support for targeted bilateral and regional anti-trafficking programs as well as \$17 million in centrally-managed INCLE funds for the Office to Monitor and Combat Trafficking in Persons (J/TIP) to strengthen the ability of partner governments and civil society to prosecute traffickers, protect victims, and prevent human trafficking. The administration has reaffirmed its commitment to counter trafficking in persons as part of the Presidential Executive Order on Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking.

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QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

*Question.* The potential ramifications of a reorganization or consolidation of the State Department and USAID are huge and would reverberate across the entire U.S. Government policy-making apparatus. I'm disappointed that to date this Committee has not received any information about the Department's internal thinking on a potential reorganization with Congress:

In light of Congress' established role in making U.S. foreign policy, will you commit to engaging with Congress in a real and consultative manner, before undertaking any substantial reorganization of the State Department or USAID?

*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 committee 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, Public Law 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.

*Question.* I'm concerned that the large cuts to USAID and the State Department your administration's budget proposes appear to be the result of indiscriminate slashing of the structure or form, without consideration of the function our people and institutions play overseas. Was there a concerted process of determining what functions our foreign policy apparatus should have—and what the form of the apparatus should be to execute those functions—based on strategic foreign policy objectives before arriving at these significantly decreased top line budget figures? If so, can you share this underlying analysis with this Committee?

*Answer.* The President's fiscal year 2018 budget request prioritizes the well-being of Americans, bolsters U.S. national security, secures our borders, and advances U.S. economic interests. The first responsibility of our government is the security of American citizens, and we will orient our diplomatic efforts toward fulfilling that commitment. While our mission will also be focused on advancing the economic in-

terests of the American people, the State Department's primary focus will be to protect our citizens at home and abroad.

Ensuring the security and prosperity of the American people and advancing our values has necessitated difficult decisions in other areas of our budget. The State Department and USAID's fiscal year 2018 budget request acknowledges that our operations must become more efficient, that our assistance must be more effective, and that our primary mission must always be advocating for the national interests of our country. Global challenges cannot be met by governments alone, and cannot rely too greatly on the United States. The fiscal year 2018 request expects greater leveraging of U.S. dollars, along with increased efficiency and effectiveness of each dollar. In addition, the request expects that the private sector and countries themselves make better use of their own investments for development.

The budget reorients our foreign assistance to the most critical priorities, which means revisiting where and at what level we provide assistance. If no bilateral funding is requested for a particular country, in some cases we are leveraging prior-year funds to continue some support. In other cases we may utilize funds from a regional line to support activities in a particular country.

We acknowledge that we had to make some tough choices, but focusing our efforts will allow us to advance our most important policy goals and national security interests.

*Question.* Secretary Tillerson, when you appeared before the Senate Foreign Relations Committee for your confirmation hearing, you stated that you would continue to support international family planning programs, and that current funding of \$607.5 million for these programs "seemed appropriate." I am therefore appalled to see that the budget request for fiscal year 2018 includes a complete elimination of funding for international family planning and reproductive health programs. As you know from your time at ExxonMobil, empowering women to choose the timing and spacing of their births dramatically reduces maternal and newborn deaths. Cutting off this approximately \$600 million in funds will result in nearly 27 million women and couples losing access to contraceptive supplies, nearly 6 million more unintended pregnancies, 2 million more unsafe abortions and 12,000 maternal deaths. In addition to saving lives, family planning is critical to achieving our goals through programs focused on women's economic empowerment, HIV/AIDS, education and counter-terrorism:

Can you explain why the administration has determined providing family planning is not essential to our global health programs and how you plan to address the potential lives lost by eliminating this funding? What impact will eliminating funding for international family planning have on U.S. development goals of ending preventable maternal and child deaths, achieving an AIDS-free generation, and supporting adolescent girls to continue their education?

*Answer.* Preventing child and maternal deaths is a priority for USAID's global health programs. As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some difficult choices. By focusing our efforts on global health programs in maternal and child health, nutrition, and malaria, we will continue to save the lives of women and children. We will also continue prioritizing smart investments that save lives and continue progress toward controlling the HIV/AIDS pandemic through PEPFAR.

While the United States will continue significant funding for global health programs, other stakeholders and partner countries must do more to contribute their fair share to global health initiatives.

*Question.* Nearly 300,000 women die of complications related to pregnancy and childbirth every year, and 225 million women in developing countries want to avoid pregnancy but are not using an effective contraceptive method. Evidence shows that fully meeting the need for both contraceptive and family planning services is one of the most effective and cost-effective tools we have in saving mothers' and newborn lives. Yet this administration proposes eliminating this funding entirely. Why is this administration proposing a more expensive, inefficient and ineffective way to reduce maternal and newborn deaths?

*Answer.* The United States is by far the largest global health donor. Preventing child and maternal deaths is a priority for USAID's global health programs. As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some difficult choices. By focusing our efforts on global health programs in maternal and child health, nutrition, and malaria we will continue to save the lives of women and children. While the United States will continue significant funding for global health programs, other stakeholders and partner countries must do more to contribute their fair share to global health initiatives.

*Question.* On May 15, the State Department released guidelines for implementation of the Mexico City Policy, also known as the Global Gag rule, which for the first time ever will apply to all global health assistance programs, currently a total of \$8.8 billion. Studies have shown that when this policy was last in place under the George W. Bush administration, which curtailed the work of organizations that are most qualified to provide modern contraceptives, abortion rates rose by 20 percent.

How will the State Department monitor the impact of this policy on women's access to healthcare, including family planning services, rates of unsafe abortion and maternal mortality?

*Answer.* The State Department is working with affected agencies and departments to collect information on the impact of the expanded Mexico City Policy, now known as "Protecting Life in Global Health Assistance" (PLGHA), on our global health programs. Interagency representatives continue to meet regularly to assess progress and challenges related to implementing the PLGHA policy, and USAID, HHS, DoD, and the State Department have begun notifying implementing partners and other stakeholders about the expanded policy. Affected departments and agencies are also preparing for a review of the PLGHA's effect on programs, which will provide an opportunity to recommend any changes to the policy's implementation or scope, should they be needed to address unintended consequences.

*Question.* Building off the last question, over the past 8 years, we have continued to forge new partnerships with other foreign aid organizations and assisted in building a robust aid infrastructure. Unfortunately, the reimplementing and vast expansion of the Global Gag rule will end these relationships and contribute to an aid infrastructure that will be cobbled together by other organizations who have to step in where the U.S. has withdrawn. Study after study has proven undeniably that integrating reproductive health and HIV treatment and prevention services into basic primary care services, at the same provider, leads to better health outcomes and significant cost savings of foreign aid dollars. The proposed elimination of funding for reproductive health and family planning will compound the harm caused by proposed funding cuts to HIV/AIDS services and undermine prevention and treatment initiatives. Make no mistake, your administration's proposed budget will have serious effects across global health programs and will contribute to country instability:

Secretary Tillerson, how will the State Department continue to move toward integrating HIV and reproductive health/family planning services in light of the drastic cuts to family planning and reproductive health funding, as well as the restrictions imposed by the Global Gag Rule?

*Answer.* The fiscal year 2018 budget request will allow PEPFAR to continue prioritizing smart investments that save lives and continue progress toward controlling the HIV/AIDS pandemic, maintain its current level of antiretroviral treatment through direct service delivery globally, and expand both HIV prevention and treatment services through increased performance and efficiency gains.

PEPFAR will continue to work with USAID to assist women with HIV-related pregnancy complications, reduce maternal deaths (including those related to HIV), prevent new pediatric HIV infections, and treat pediatric HIV. PEPFAR will also continue to monitor data related to HIV services at the site level, including the impact of any new policies.

No one country alone can end the AIDS epidemic. It will take all partners doing their part to reach this goal. The budget request once again demonstrates that the U.S. Government continues to lead the way thanks to the generosity of the American people. But in order to control the HIV/AIDS pandemic, other countries and partners must step up to contribute their fair share.

*Question.* Consistent with this year's budget, the administration's budget request for fiscal year 2018 recognizes "countering Russian aggression and malign influence" as one of three goals of U.S. assistance in Europe and Eurasia (together with regional security and stability and advancing European integration). Despite that recognition, the administration's proposed budget would slash over 60 percent of the funding for the Assistance for Europe, Eurasia and Central Asia (AEECA) account, which serves to protect what limited assistance the U.S. provides in post-Soviet countries. These proposed cuts are particularly puzzling—and worrisome—in light of Russia's sustained and growing aggression and malign interference in its neighborhood. Secretary Tillerson, how will the State Department approach its work in post-Soviet states in an environment of enhanced Russian threats with significantly fewer resources? What do you imagine the impact of these cuts would be on USAID's work in this region?

*Answer.* As we work to streamline efforts to advance the security and prosperity of the American people and ensure efficiency and effectiveness of U.S. taxpayer dollars, we have had to prioritize and make some tough choices.



Russia does not accept the post-Cold War settlement in Europe, and is pushing back against it. With the President's fiscal year 2018 request for Europe and Eurasia, we will target our assistance to areas where we see the greatest risk from Russian pressure and the greatest opportunity to achieve success, retaining focus on our highest priorities, engaging other countries to advance our shared interests, and leveraging our funds with other donors wherever we can. U.S. foreign assistance programs will seek to counter Russia's covert and overt campaign by improving democracy and good governance; expanding civic engagement and independent media; increasing defense capabilities; strengthening rule of law and anti-corruption measures; and promoting European integration, trade diversification and energy security. This includes continuing support for a strong, independent Ukraine, an economically and politically resilient Georgia, and Balkan countries that are able to resist external and internal pressures that result in democratic backsliding. USAID will continue to play a prominent role in foreign assistance programming throughout the region.

*Question.* As you know, I am very concerned that despite Federal court rulings against the President's Executive Orders, the State Department has substantially reduced the number of refugee arrivals over the past several months. I appreciate your agency's response to my letter inquiring about the current operating status of the U.S. Refugee Admissions Program, which acknowledges that "we are in the midst of one of the largest refugee crises in modern history." In the State Department's response to my letter, your agency indicated multiple times that the recent lower numbers of refugee arrivals have been an unfortunate result of "budget constraints" and the Department's effort to make do with "available funding." I would like some clarification on this point, because Congress has made no cuts to refugee funding this fiscal year and in fact included a \$300 million increase to the State Department for Migration and Refugee Assistance in the fiscal year 2017 Continuing Resolution:

Could you please clarify what budget constraints or restrictions on available funding the Department has faced this year?

*Answer.* It is important to note that the Department of State is only one of the Federal agencies that implements the U.S. Refugee Admissions Program. The budgets and operational capacity of the State Department and all of our interagency partners affect the pace of refugee admissions. The Consolidated Appropriations Act, signed by the President on May 5, provided full year funding for the Bureau of Population, Refugees, and Migration, including for the Refugee Admissions Program. Previous limits on the number of refugees who could travel to the United States had been put in place to operate within the budget allocated under the Continuing Resolution. After the Consolidated Appropriations Act was signed, the Department of State instructed its overseas partners to schedule refugees for travel without any numerical restrictions after they have completed the highly rigorous and necessary security vetting and other processing. This instruction was given in conformity with Department of Justice guidance regarding the Hawaii Court's injunction, in consultation with our interagency partners, and consistent with our operational capacity.

*Question.* In fiscal year 2016, the U.S. resettled 85,000 refugees. I'm concerned that the State Department is currently on track to resettle thousands fewer refugees with the same amount of funding this year. Why has the Department thus far resettled so many fewer refugees with the same amount of funding?

*Answer.* As noted in the response to the previous question, the Department of State is only one of the Federal agencies that implements the U.S. Refugee Admissions Program. The budgets and operational capacity of the State Department and all of our interagency partners affect the pace of refugee admissions. Before May 5, limits on the number of refugees who could travel to the United States were put in place to operate within the budget allocated under the Continuing Resolution. After the Consolidated Appropriations Act was signed on May 5, these limits were lifted. The September 2016 Presidential Determination states that up to 110,000 refugees may be admitted to the United States in fiscal year 2017. This language represents a ceiling on refugee admissions—it is not a mandatory target. We are not in a position to speculate as to the final number of refugees that will be admitted by the end of this fiscal year.

*Question.* More than 60,000 Iraqis have applied for U.S. resettlement and are currently awaiting interviews and other processing steps. These are brave individuals who have close affiliations with the U.S. Government and who have risked their lives and their families to assist us. How do the administration's plans for refugee resettlement ensure that these Iraqi allies continue to have a path to safety?

*Answer.* The Department of State, in coordination with the Department of Homeland Security, implements a Priority Two (P-2) Direct Access Program (DAP) for

U.S.-affiliated Iraqis, which allows certain categories of Iraqis to apply directly to the USRAP without the need for a referral by the United Nations High Commissioner for Refugees. These categories include those Iraqis who worked for the U.S. Government, U.S. military, U.S.-funded organizations closely associated with the U.S. mission in Iraq, U.S.-based media organizations or nongovernmental organizations, and their immediate family members.

Since fiscal year 2007, over 47,000 Iraqis have been resettled in the United States under the P-2 DAP. The administration is committed to ensuring the successful continuation of this priority program for Iraqis who risked their lives and those of their families to support U.S. efforts in Iraq.

*Question.* President Trump's decision to withdraw the United States from the Paris Climate Accord deals a devastating blow to America's global leadership with grave implications for our nation and future generations. This action exacerbates the growing threat that climate change poses to America's environment, economy and national security, and undermines our relationships with key allies by sending the message that the United States cannot be trusted to honor our international agreements:

Secretary Tillerson, can you please describe your involvement in advising the President on whether the United States should withdraw from the Paris Climate Agreement?

*Answer.* I gave the President my best counsel, and I think it's important to remember the United States continues to lead the world in reducing greenhouse gas emissions.

*Question.* In your capacity, what steps are you taking to reassure our diplomatic allies that the United States can be trusted to uphold its international commitments to reduce greenhouse gas emissions and mitigate the impacts of climate change?

*Answer.* While the United States has signaled its intent to withdraw from the Paris Agreement, we will remain a Party to the U.N. Framework Convention on Climate Change (UNFCCC) and continue to uphold our commitments in that institution. As I have said before, engagement globally on the issue of climate change continues to be important, and the United States will remain engaged.

*Question.* Clean energy presents one of the biggest economic opportunities of this century and climate change is a major driver of this transition. During your hearing you emphasized the role of the private sector in advancing international development. However, the U.S. corporate sector agrees that the President's decision to remove the U.S. from the Paris Climate Agreement places American companies at a competitive disadvantage:

Secretary Tillerson, what steps are you taking to ensure that the U.S. does not cede its leadership role in clean energy innovation to countries like China and Germany—both of whom remain committed to advancing climate policy and clean energy technology?

*Answer.* The United States has been—and will continue to be—a world leader in the development and deployment of next-generation energy technology, including renewables. We will continue to 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. American leadership in this cutting-edge field stems from the creativity and dynamism of our private sector, and has been key to bringing our country myriad benefits: more jobs, a safer and more diversified energy system, reduced emissions, and new opportunities for our communities to tailor their energy to their needs. But innovation doesn't stop at the technologies themselves: the world also needs innovation in financing, policies, and business models to deploy these evolving technologies effectively, and our international partners are coming to us to learn how it is done. We will work with our international partners to deepen their energy security, give them the tools to diversify their sectors to reduce their vulnerability on single sources of energy, while opening new opportunities for U.S. companies abroad.

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QUESTION SUBMITTED BY SENATOR JEFF MERKLEY

*Question.* You mentioned at the June 13 hearing that your internal review of State Department operations is not complete, and that you remain months away from completing the review. You also mentioned that you are planning a 4 percent reduction in the Foreign Service, and a 12 percent reduction in the Department's Civil Service work force. How did you arrive at these specific figures before completing your review of the Department's operations, and how is predetermining staffing cuts consistent with a mission-driven—as opposed to a budget-driven—review and possible redesign of the Department?

*Answer.* The Department's fiscal year 2018 Congressional Budget Justification (CBJ) reflects the President's and my 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. Our mission, program, staffing, and funding components are closely linked. The fiscal year 2018 CBJ provides our first opportunity to tie these pieces together in a comprehensive blueprint going forward.

As I mentioned in my recent 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 as well as with other USG agencies. While I have no preconceived notions in this regard, based on what I've learned from agency employees, this review will consider whether functions and/or programs within the Department are duplicative or very similar in nature. The results of this critical phase of the review will inform deliberations regarding functional consolidations or elimination. Implicit in any effort to reduce or consolidate functions or processes is a reduced workforce level to carry them out. Given the timing of this review, final, long-term decisions should subsequently be reflected in the Department's fiscal year 2019 CBJ.

The fiscal year 2018 Foreign Service reductions were 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. This includes hires made under the auspices of the Rangel and Pickering programs—both of which, we agree, are of particular importance. The Foreign Service Generalist reductions that we envision are required to meet our career flow through goals while transferring a significant portion of our Consular workload to new non-career Consular Fellows hires. 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 have laid out an aggressive and comprehensive timeline for working to ensure that the Department of State carries out this administration's foreign policy in the most efficient and effective means possible. This takes on heightened urgency given the multitude of complex issues requiring first rate global engagement capacity. As we move forward, I look forward to continued collaborative consultations with you and your colleagues.

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QUESTIONS SUBMITTED BY SENATOR CHRIS VAN HOLLEN

*Question.* The President's fiscal year 2018 budget request cuts economic and development assistance by 44 percent, refugee assistance by 29 percent, peacekeeping by 42 percent, global health programs by 26 percent, and funding for educational and cultural exchanges by 55 percent. However, security assistance to Egypt remains intact at \$1.3 billion.

Since his ascension to power through a military coup, Egyptian President Sisi has intensified his crackdown on dissent. Tens of thousands of political dissidents, including American citizens and human rights advocates, remain in Egyptian jails due to Sisi's policies. Members of the security forces routinely torture and forcibly disappear detainees. Police continue to arrest dozens of people who they accuse of planning protests. However, President Trump called President Sisi a "fantastic guy" when they met last September, and said he was "very much behind" Sisi during their White House meeting in April:

Congress requires you to certify that Egypt had made progress on democracy and human rights, among other issues, before a portion of security assistance can be released. Do you think the Egyptian government has taken effective steps to advance democracy, release political prisoners, and hold its security forces accountable? If so, can you provide examples?

*Answer.* We have not been satisfied with Egypt's progress on democracy and human rights and will need to take any relevant development into account when we consider whether to proceed with the certification or to exercise a national security waiver. Egypt is a key regional partner and represents an important bilateral relationship, but we are committed to ensuring that our partnership delivers on U.S. interests and advances U.S. national security goals.

*Question.* A May 2016 GAO report stated that Egyptian authorities did not fully cooperate with U.S. officials and "limited U.S. efforts to verify the use and security of certain equipment." Has the Egyptian government provided U.S. officials with full access to its security facilities? If not, do you believe we should continue providing Egypt with \$1.3 billion in security assistance?

*Answer.* The Foreign Military Financing program with Egypt underpins the U.S.-Egypt security partnership and promotes key U.S. security interests in a volatile region, including efforts to defeat ISIS.

In response to the GAO report, representatives from the Department of State's Directorate of Defense Trade Controls (DDTC) conducted an outreach visit to Egypt in November 2016 to educate Egyptian officials on U.S. regulations concerning end-use monitoring of U.S. defense articles sold via the direct commercial sales process and explain why their cooperation on these checks is vital to a healthy defense trade relationship. Following this, DDTC was able to conduct favorable and timely checks.

However, the Egyptian government continues to limit outside access to the conflict area in northern Sinai, apart from official travel to Multinational Force and Observers facilities. In the summer of 2016, the government allowed U.S. officials to tour development projects in the Sinai near the Suez Canal and the Egyptian 2nd Field Army Headquarters on the Sinai side of Ismailia. At senior levels, the Departments of State and Defense continue to press Egypt's government for greater access to northern Sinai to conduct required end-use monitoring.

*Question.* At the March 22 summit to counter ISIS in Washington, you acknowledged the next phase in the ISIS fight requires significant humanitarian assistance and a regional diplomatic strategy. Your words, however, stand in stark contrast to President Trump's 32 percent cut to the State Department and USAID budget. By cutting funding so dramatically, I am concerned this administration is making it more difficult to win the war against ISIS.

You have repeatedly emphasized the importance of international burden sharing, which is a view shared on both sides of the aisle. However, by proposing 44 percent cut to humanitarian assistance and a 27 percent cut to U.S. contributions to international organizations, including the United Nations High Commissioner for Refugees, President Trump is crippling the international agencies responsible for helping to stabilize Iraq and Syria.

As you know, the Department of State is also responsible for generating the financial commitments of our coalition partners and allies to counter ISIS, and must be adequately resourced to undertake these negotiations. Furthermore, the United States must lead by example—our coalition partners will likely take their cues from our own contributions to the long-term fight against ISIS.

Given this administration's decreased commitment to humanitarian and stabilization efforts in Iraq and Syria, have you been successful in getting allies and partners to accept a greater share of the burden?

*Answer.* Robust support from other donors is critical for both humanitarian response and the sustainability of stabilization programming in liberated areas. At the March 2017 Ministerial of the Global Coalition to Defeat ISIS, Coalition members, including the United States, pledged an additional \$2.6 billion for humanitarian, stabilization, and explosive hazards removal efforts for liberated areas in Iraq and Syria. This was in direct response to a call put forth by the United States to the totality of the Coalition—which consists of 73 members—for increased assistance to further critical initiatives and close funding gaps. Select Coalition members also added to this figure with significant humanitarian assistance pledges during an EU-hosted Brussels Ministerial Donor Conference on Syria 1 week later.

The Coalition continues to respond to U.S. appeals for increased assistance that supports stabilization, humanitarian needs, and explosive hazards removal needs in liberated areas. Just recently, on the margins of the Coalition's July 13 Small Group meeting regarding humanitarian assistance needs in Iraq, Coalition partners publicly committed more than \$90 million in new assistance. At this same event the United States announced a contribution totaling more than \$119 million, and a number of other Coalition members anticipate readying new assistance announcements in the coming weeks.

*Question.* Can you provide specific examples of countries that have increased their commitments to the counter-ISIS fight to offset the administration's proposed cuts?

*Answer.* Coalition collaboration to meet significant resource demands in liberated areas continues to be impressive, and response to U.S. calls for additional contributions continues to be robust. For example, the European Union has increased its financial support for educational initiatives in western Syria in order to free up United States assistance to target needs in those areas of Syria liberated by the Coalition-backed Syrian Democratic Forces. The EU has also provided more than \$330 million in humanitarian assistance to Iraq since 2015, and pledged \$50 million in 2017, in addition to contributions from individual EU member states. Germany, Denmark, and Canada contribute to the U.S.-led explosive hazards removal contract for liberated areas in Iraq, and Germany will soon be contributing to a similar program in Syria. Austria quadrupled its development assistance budget in 2016 in response to a call to Coalition donors to step-up support for stabilization activities

in Iraq. Twenty-nine Coalition members responded to the United States' call for increased commitments to liberated areas in Iraq and Syria in advance of the March 2017 Ministerial of the Global Coalition to Defeat ISIS by pledging \$1.5 billion in new assistance.

*Question.* What roles and responsibilities do you expect of our coalition partners and allies, and international institutions, in the counter-ISIS fight moving forward?

*Answer.* As the Coalition and local partners defeat ISIS in Iraq and Syria, we will likely see ISIS attempt to regenerate globally in vulnerable areas such as West Africa and Southeast Asia. Coalition partners' contributions must continue to include military and stabilization support in Iraq and Syria to defeat the remnants of ISIS, but will also increasingly incorporate significant civilian efforts to disrupt ISIS's external networks. Through increased information sharing, counter-messaging, capacity building programs for border security and law enforcement agencies, prison reform and de-radicalization programs, and by encouraging Coalition partners to strengthen their counter-terrorism laws, we expect to counter the threat from a potential emergence of Global-ISIS or a virtual caliphate. Assistance in these areas will help to achieve our long-term goals of stemming the return of foreign terrorist fighters from Iraq and Syria, disrupting inspired attacks by home grown terrorists, severing ISIS financing streams, countering violent extremist recruitment, and neutralizing the ISIS narrative.

*Question.* The United States has a proud tradition of providing leadership in global health. This effort has been supported by Democrats and Republicans for the past quarter century. Global health programs are also supported by a broad coalition of faith groups, non-profits and universities—and is led by USAID. Investments in global health save lives and make America more secure. In addition to reducing the risk that diseases will spread to the United States, global health research creates new products and tools to combat many diseases that affect Americans. Moreover, poverty and disease create a breeding ground for conflict and instability—which increases terrorism and other threats. Despite these many benefits, the administration's budget would cut global health by 25 percent.

Does USAID still endorse its Global Health Security Agenda “to accelerate measurable progress toward a world safe and secure from infectious disease threats through preventing, detecting and rapidly responding to infectious disease threats?” How can we hope to achieve this goal with a 25 percent cut in funding for global health?

*Answer.* The fiscal year 2018 request continues to support Global Health Security by requesting to use \$72.5 million in remaining fiscal year 2015 Ebola emergency funds, which would maintain a straight-line of support for global health security in development programs at the fiscal year 2016 levels. The remaining balances from the Ebola response are an appropriate source of funding for programs with an objective to prevent and contain future outbreaks of existing or new diseases. Programming these funds will enable the U.S. Government, in partnership with other nations, international organizations, and public and private stakeholders, to prevent avoidable epidemics that could spread to the United States, detect threats early, and respond rapidly and effectively to disease outbreaks in an effort to prevent them from becoming global pandemics.

With regard to global health research, USAID intends to increase its efforts to leverage partners' expertise and resources, strengthen country capacity to conduct their own research and development (R&D), and strategically utilize market shaping and innovative financing tools to incentivize private companies to invest in R&D.

The fiscal year 2018 budget consolidates all U.S. assistance for global HIV/AIDS efforts within the State Department to simplify the management and coordination of these investments. USAID will continue to remain one of the primary implementing agencies for PEPFAR, and will continue to implement a significant share of U.S. global HIV/AIDS assistance in this capacity.

While the United States will continue significant funding for global health programs, as well as infectious diseases, other stakeholders and partner countries must do more to contribute their fair share to global health initiatives.

*Question.* PEPFAR has had an incredible impact on HIV prevention, treatment and care programs in sub-Saharan Africa, in particular, with global success witnessed worldwide. PEPFAR has increased the number of people on life-saving treatment every year and in doing so has curbed the epidemic not only in Africa, but globally. Science has proven that investment in antiretroviral treatment and HIV prevention programs have significant impact on the epidemic in each country. The proposed 15 percent cut to PEPFAR and the Global Fund would severely harm the fight to end the HIV epidemic. Further, reinstatement of the renamed Mexico City policy as applied to HIV funding will only reverse advances in providing high quality and comprehensive services:

Given the wealth of rigorous evidence available about what works in HIV programming, how can you assure the American people that these cuts will not reverse the gains we have seen globally in mitigating the impact of HIV or increase HIV-related deaths worldwide? Do you support a rollback of the progress made through PEPFAR, a program with broad, bi-partisan and global support, which is currently supporting nearly 11.5 million people with life-saving antiretroviral treatment and prevented 2 million babies from being born HIV-positive?

*Answer.* In the 13 high impact epidemic control countries, PEPFAR will accelerate efforts to reduce HIV infections and AIDS-related deaths toward achieving epidemic control. We will expand the most impactful HIV prevention, treatment, and care services among the highest-HIV-burden locations and populations. This effort will be supported by using data to drive accountability, find efficiencies, leverage partnerships, and increase transparency.

Outside of these 13 high impact epidemic control countries, PEPFAR will maintain its current level of antiretroviral treatment through direct service delivery and expand both HIV prevention and treatment services, where possible, through increased performance and efficiency gains. PEPFAR will also work with partner governments, the Global Fund, and others to determine how HIV prevention and treatment services can be expanded in cases where PEPFAR is not the primary funder and/or service delivery provider.

*Question.* The President's budget proposal asserts the U.S. Government will continue treatment for "all current HIV/AIDS patients" under PEPFAR. On its face, that sounds promising, but the real success of PEPFAR has been its ability to increase the number of people on treatment every year and provide critical funding for primary prevention programs to stop people from contracting the disease in the first place. As many have noted, simply maintaining current treatment rolls is poor science and a poor investment of U.S. resources. If we want to see an AIDS free generation in our lifetime, which I would hope you would support, we must invest in additional HIV prevention programs in addition to expanding the numbers on treatment.

Can you explain how all current HIV/AIDS patients would stay on treatment with a 15 percent reduction in resources?

*Answer.* With the President's budget, PEPFAR is committed to maintain its current level of antiretroviral treatment through direct service delivery globally. This will be accomplished by increasing partner performance, identifying and leveraging efficiency gains through the collection and use of more granular data (disaggregated by age, sex, and at the site level), and prioritizing the strategic outcomes that are most directly related to achieving epidemic control.

*Question.* Repeatedly, our most trusted military and national security leaders have agreed that fighting poverty and disease is part of a smart national security strategy, as it makes the world a safer place. It is no coincidence that some of the world's poorest, unhealthiest countries are also the most unstable. Even the President's budget request says, "the health of the world's most vulnerable populations drives economic growth, strengthens communities, and reduces instability that often fuels war, conflict, and extremism." Given that statement, I am confounded by the proposed cuts to maternal and child health, the building blocks of strong, healthy communities. Despite incredible progress over the past 25 years—maternal deaths cut almost in half and 100 million children saved—due in part to the work of Johns Hopkins University and many Maryland NGOs, there is still work to be done. Eliminating funding for family planning, which we know saves lives and makes women healthier, and cutting programs designed to keep mothers alive, able to work, able to care for their children, keep them in school, and create productive members of society, flies in the face of logic. If we want to help countries become self-reliant and stable, we need more, not less, funding for maternal and child health:

How will the cuts in the President's budget request to family planning and maternal and child health programming help keep America safe?

*Answer.* Preventing child and maternal deaths is a priority for USAID's global health programs, and relies on sustained investment and appropriate linkages across diverse health programs focused on maternal and child health, nutrition and malaria. All of these efforts contribute to preventing child and maternal deaths. The fiscal year 2018 request includes \$1.3 billion to prevent child and maternal deaths and proposes to redirect \$250.0 million in previously appropriated Ebola supplemental funds for malaria programs.

The United States is by far the largest overall global health donor. While the United States will continue significant funding for global health programs, even while refocusing foreign assistance, other stakeholders must do more to contribute their fair share to global health initiatives.

*Question.* In fiscal year 2017, \$607.5 million was appropriated for U.S. assistance in family planning and reproductive health programs. This funding helped 26 million women and couples take control of their reproductive health, allowing them to plan their families by choice, not by chance, and resulting in averting 8 million unintended pregnancies, including 3 million unplanned births; 3.3 million fewer abortions and the prevention of 15,000 maternal deaths. The return on investment in family planning is undeniable, one of the best anywhere in government, which is why I'm stunned at the President's fiscal year 2018 budget request, which cuts all funding for family planning from USAID:

Do you feel that family planning is important to protecting the health of women? Will you ensure that women in the developing world have access to contraception and pre and post-natal care?

*Answer.* Preventing child and maternal deaths is a priority for USAID's global health programs, and relies on sustained investment and appropriate linkages across diverse health programs focused on maternal and child health, nutrition and malaria. All of these efforts contribute to preventing child and maternal deaths. The fiscal year 2018 request includes \$1.3 billion to prevent child and maternal deaths and proposes to redirect \$250.0 million in previously appropriated Ebola supplemental funds for malaria programs.

As we work to streamline efforts to ensure efficiency and effectiveness of U.S. taxpayer dollars, we acknowledge that we have to prioritize and make some difficult choices. The United States is by far the largest overall global health donor. While the United States will continue significant funding for global health programs, other stakeholders must do more to contribute their fair share to global health initiatives.

*Question.* How many refugees does the President plan to admit this next fiscal year, and how does this compare to the historical average since the 1980 Refugee Act?

*Answer.* Each year, the President makes an annual determination, in consultation with Congress, regarding the refugee admissions ceiling for the following fiscal year. That determination is expected to be made prior to the end of fiscal year 2017.

*Question.* We understand that the administration is writing a report on the fiscal impacts of refugee resettlement. Can you clarify if you are also examining the positive economic contributions of refugees in your analysis?

*Answer.* The Department of State, in consultation with representatives from the Department of Health and Human Services, Department of Homeland Security, and the Office of Management and Budget, is working to quickly and fully implement the President's directives in Sections 4(b) and (c) of "The Presidential Memorandum on Implementing Immediate Heightened Screening and Vetting of Applications for Visas and Other Immigration Benefits." Section 4(b) of the Presidential Memorandum requests a report detailing the estimated long-term costs of the United States Refugee Admissions Program at the Federal, State, and local levels, along with recommendations on how to curtail those costs. The Department of State is working diligently with partner agencies to prepare a report that responds to the President's request.

*Question.* Can you explain the rationale for completely eliminating the Emergency Refugee and Migration (ERMA) account, as the President's budget request would do? The President's budget request claims that the functions of ERMA can be carried out under the Migration and Refugee Assistance (MRA) account, and yet that account would also be cut by 10 percent, rather than increased by \$100 million. Can you explain the rationale for eliminating this tool of diplomacy?

*Answer.* We remain committed to providing lifesaving assistance to those who need it most. The MRA request, in concert with fiscal year 2017 resources, will enable the U.S. Government to respond to the major humanitarian emergencies around the globe. For several years, the MRA account has supported emergency refugee needs. The fiscal year 2018 budget request still includes support for emergency refugee and migration needs within the MRA account, but eliminates duplication and streamlines support for refugee and migration needs into one account.

We will continue to ensure that we are using funds as efficiently and effectively as possible in order to meet current and unforeseen needs. Other donors will need to do more to assist in responding to humanitarian crises around the world.

*Question.* More than 50,000 Iraqis who have close affiliations with U.S. Government in Iraq and who have faced risks as a result are waiting for interviews in U.S. Refugee Admissions Program (USRAP). How do the administration's plans for refugee resettlement ensure that these Iraqi allies continue to have a path to safety?

*Answer.* The Department of State, in coordination with the Department of Homeland Security, implements a Priority Two (P-2) Direct Access Program (DAP) for U.S.-affiliated Iraqis, which allows certain categories of Iraqis to apply directly to the USRAP without the need for a referral by the United Nations High Commis-

sioner for Refugees. These categories include those Iraqis who worked for the U.S. Government, U.S. military, U.S.-funded organizations closely associated with the U.S. mission in Iraq, U.S.-based media organizations or nongovernmental organizations, and their immediate family members.

Since fiscal year 2007, over 47,000 Iraqis have been resettled in the United States under the P-2 DAP. The administration is committed to ensuring the successful continuation of this priority program for Iraqis who risked their lives and those of their families to support U.S. efforts in Iraq.

*Question.* Despite the fact that the two executive orders to stop the refugee resettlement program were halted by a series of court injunctions, it appears that:

- The USCIS Refugee Corps interviews of refugee applicants have slowed down.
- Delays in the processing of security checks for refugee applicants have resulted in different parts of these clearances expiring at different times and since each step in the security check process is time limited, this has created setbacks and longer waits for refugees in the pipeline.

How is this in keeping with the court injunctions on the refugee executive order, as well as the congressional intent, made clear in the fiscal year 2017 CR and Omnibus funding, that resettlement is to be maintained?

*Answer.* It is important to note that the Department of State is only one of the Federal agencies that implements the U.S. Refugee Admissions Program. The budgets and operational capacity of the State Department and all of our interagency partners affect the pace of refugee admissions. The Department of State defers to the Department of Homeland Security regarding questions about the pace of U.S. Citizenship and Immigration Services Refugee Corps interviews and defers to our law enforcement and intelligence agency partners regarding questions related to security check processing.

The Consolidated Appropriations Act, signed by the President on May 5, provided full year funding for the Bureau of Population, Refugees, and Migration, including for the Refugee Admissions Program. Previous limits on the number of refugees who could travel to the United States had been put in place to operate within the budget allocated under the Continuing Resolution. After the Consolidated Appropriations Act was signed, the Department of State instructed its overseas partners to schedule refugees for travel without any numerical restrictions after they have completed the highly rigorous and necessary security vetting and other processing. This instruction was given in conformity with Department of Justice guidance regarding the Hawaii Court's injunction, in consultation with our interagency partners, and consistent with our operational capacity.

*Question.* As CEO of Exxon, you were a leader in the effort to prevent and treat malaria. Under your leadership, Exxon was a corporate leader in supporting international efforts to prevent and treat malaria.

Yet the President's proposed budget reduces funding for the Global Fund to Fight AIDS, TB, & Malaria by 17 percent from fiscal year 2017. The White House has stated that the budget prioritizes promoting U.S. interests and security abroad. If the goal is to advance U.S. security and prosperity, then these cuts are confounding. The economic case is clear: When people are healthy, they have more capacity to purchase American goods and services. U.S. exports to developing countries have grown by more than 400 percent over the last 20 years. Today, they total more than \$600 billion annually and are greater than U.S. exports to China, Europe and Japan combined. Malaria-free countries have five times greater economic growth than countries with malaria.

Secretary Tillerson, do you agree that malaria can impede business, productivity and economic development at every stage, and can you explain how reducing U.S. support for malaria prevention helps to advance U.S. economic interests and prosperity?

*Answer.* The fiscal year 2018 budget request includes \$1.5 billion for USAID's Global Health Programs, and \$322.5 million in remaining fiscal year 2015 Ebola emergency funds, for a total of \$1.8 billion. This request supports funding for maternal and child health, including \$290.0 million for Gavi, the Vaccine Alliance, which will complete our country's \$1 billion, 4-year commitment from fiscal year 2015–2018 and help provide vaccinations for hundreds of millions of children in low-resource countries. It also supports the President's Malaria Initiative (PMI) and nutrition, as well as tuberculosis and neglected tropical diseases.

With \$250 million from the fiscal year 2015 Ebola emergency funds, the total fiscal year 2018 request for malaria programs is \$674 million, consistent with fiscal year 2016. Resources will support the PMI comprehensive strategy, which brings to scale a combination of proven malaria prevention and treatment approaches and integrates, where possible, these interventions with other priority health interventions. PMI has been instrumental in the historic 71 percent reduction in the esti-



mated malaria mortality rate in sub-Saharan Africa, and has contributed globally to an estimated almost seven million malaria deaths averted. PMI's efforts have also contributed to historic reductions in all-cause mortality among children under five.

Further, the budget includes \$1.125 billion for the U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which keeps the U.S. on track to meet its commitment to match \$1 for every \$2 provided by other donors for the Global Fund's most recent 5th Replenishment period.

*Question.* How does cutting funds for malaria prevention advance U.S. economic security and prosperity? Will you ensure that the United States maintains its bipartisan tradition of leading world efforts to eradicate malaria and other diseases?

*Answer.* The fiscal year 2018 budget includes \$1.5 billion for USAID's Global Health Programs as well as \$322.5 million in remaining fiscal year 2015 Ebola emergency funds, for a total of \$1.8 billion. With \$250 million from the fiscal year 2015 Ebola emergency funds, the total fiscal year 2018 request for malaria programs is \$674 million, consistent with fiscal year 2016.

Resources will support the President's Malaria Initiative (PMI) comprehensive strategy, which brings to scale a combination of proven malaria prevention and treatment approaches and integrates, where possible, these interventions with other priority health interventions. PMI has been instrumental in the historic 71 percent reduction in the estimated malaria mortality rate in sub-Saharan Africa, and has contributed globally to an estimated almost seven million malaria deaths averted. PMI's efforts have also contributed to historic reductions in all-cause mortality among children under five.

The budget also includes \$1.125 billion for the U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which keeps the U.S. on track to meet its commitment to match \$1 for every \$2 provided by other donors for the Global Fund's most recent 5th Replenishment period.

*Question.* As ExxonMobil's CEO you personally championed women as catalysts for economic development and social change. The President's budget request disproportionately harms women's health, with proposed cuts to maternal and child health and a complete gutting of funding for family planning and reproductive health. These cuts will have a devastating impact not only on women, but on their families. When we support families, we increase opportunities for U.S. economic development abroad. The U.S. Chamber of Commerce has said that "Women represent half of the population, but more than half of the opportunity for growth."

Do you agree that these cuts are shortsighted and fail to recognize opportunities for U.S. trade and investment that are directly related to women's health and economic development?

*Answer.* We recognize that countries are more peaceful and prosperous when women are accorded full and equal rights and opportunity.

The U.S. Department of State has a dedicated strategy on women's economic empowerment, and we continue our work to advance gender equality through our foreign policy. The Department's Office of Global Women's Issues also works to combat gender-based violence, promote women in peace and security, and empower adolescent girls. The President's Emergency Plan for AIDS Relief (PEPFAR) is implementing DREAMS, a public-private partnership to ensure that girls can grow into Determined, Resilient, Empowered, AIDS-free, Mentored and Safe women. Through targeted diplomatic and programmatic interventions and activities, the Department aims to lift barriers and prevent harmful and discriminatory practices that disproportionately affect women. These efforts promote greater opportunities for women and girls in all spheres—economic, political, and social—which in turn opens opportunities for U.S. trade and investment.

*Question.* Why has the administration not put in place a more aggressive secondary sanctions regime against North Korea, given your acknowledgement that North Korea poses the greatest threat to U.S. security? Is the administration prepared to force Chinese banks to choose between working with North Korea or losing access to the U.S. banking system?

*Answer.* We have made clear to China that it has a diplomatic responsibility to exert much greater economic and diplomatic pressure on the regime if it wants to prevent further escalation in the region. We want to work with China, but we've said many times that we would not hesitate to act alone, including by sanctioning Chinese or other third-country individuals and entities that provide support to North Korea's unlawful activities.

China's efforts to curtail North Korea's nuclear and ballistic missile programs and address North Korea's sanctions evasion have been insufficient in addressing the threat posed by North Korea. We are committed to using targeted financial sanctions to impede North Korea's nuclear and ballistic missile programs and to counter the grave threat those programs pose to international peace and security. We will

continue to call on all countries to take the appropriate steps to apply maximum pressure on the DPRK so it changes its calculus and returns to serious and meaningful talks aimed at denuclearization.

*Question.* On March 13, President Trump released an executive order calling for a comprehensive reorganization of the executive branch. While I support reforms to improve the efficiency of government, I am deeply concerned by reports that you preemptively plan to cut thousands of positions at the State Department and eliminate dozens of missions worldwide—before establishing and articulating your foreign policy priorities. I believe these cuts would undermine America’s ability to influence events worldwide, and to tackle enormous challenges presented by countries suffering from poor governance, extreme poverty, and rampant corruption. That is why I recently sent a letter with Senator Sullivan, co-chair of the Senate Foreign Service Caucus, asking you to provide a comprehensive briefing on your proposed plans to reorganize the State Department:

—Will you provide Senator Sullivan and me with this briefing in the coming weeks?

—Can you explain how you plan to work with this Committee on plans to reorganize the State Department and USAID?

*Answer.* Yes. 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 will be in regular communication on the redesign process with the Department’s committees of jurisdiction. The Department will continue to work with Congress 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, Public Law 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 fiscal year 2019 budget submission to pursue such statutory changes. 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.

*Question.* Do you agree with the premise that there is a link between humanitarian crises and national security threats? How can we ensure that the State Department and USAID are well-equipped to address the crises we face today with a constrained budget?

*Answer.* Many of the most exigent global threats to U.S. national security today emanate from conflict-affected and fragile states with poor governance, the absence of the rule of law, corruption, weak or nonexistent democratic institutions, and human rights abuses. Indeed, crises in these countries have sparked historic levels of displaced people around the world, which have required increasing amounts of U.S. and other international humanitarian resources to respond. These crises also create enabling environments for ISIS and other transnational terrorist groups to operate.

The United States is committed to doing our fair share to respond to humanitarian crises. With our fiscal year 2018 budget request, we will remain a leading contributor of humanitarian assistance. We are also asking our international partners to step up their efforts and contribute more. We continue to respond robustly to conflict, famine or the threat of famine in South Sudan, Somalia, Yemen and Nigeria, providing more than \$1.8 billion in fiscal year 2017 to date for populations impacted by these crises. At the same time, I believe we must focus on addressing the fundamental conditions that give rise to these crises and work to prevent new ones from emerging. This requires robust analysis, aggressive diplomacy and targeted assistance to resolve conflicts, promote good governance, and promote stabilization. Our budget request in fiscal year 2018 includes dedicated resources to advance conflict mitigation, stabilization, human rights, and governance through diplomacy in high priority countries such as Afghanistan, Iraq, Nigeria, Somalia, Syria, and Yemen.

*Question.* Have you considered the implications of cuts of this size to humanitarian needs overseas?

How many people do you think it will affect?

What impact do you think it will have on our ability to influence governments who are responding to humanitarian crises?

*Answer.* The United States is committed to doing our fair share to respond to humanitarian crises and providing lifesaving assistance to those who need it most. With our fiscal year 2018 budget request, we will remain a leading contributor of humanitarian assistance. This request focuses funding on the highest priority areas while asking our international partners to step up their efforts and contribute more. The proposed percentage of humanitarian funding requested as part of the fiscal

year 2018 State/USAID foreign assistance budget remains the same as in fiscal year 2016, roughly 22 percent. The relative priority of these interventions has not diminished.

Humanitarian funding decisions are based on need, as assessed by international and non-government organizations and USG field teams in close coordination with local governments and our implementing partners. The Department and USAID continually work to support populations with the greatest humanitarian need and assess whether implementing partners have the operational capacity and access to them.

*Question.* Timeliness is vital in a humanitarian response. Not only do timely interventions save lives, they also help ensure that crises do not deepen, increasing demand for larger, costlier responses in the future. How will you ensure that humanitarian responses—limited by the proposed cuts in fiscal year 2018, as well as OMB's stated intention to carry over funding from fiscal year 2017—will not lead to larger, costlier humanitarian response in future years?

*Answer.* We remain committed to providing lifesaving assistance to those who need it most. The fiscal year 2018 request, in concert with fiscal year 2017 resources, will enable the U.S. Government to respond to the major humanitarian emergencies around the globe, including Syria, Iraq, Yemen, Somalia, Nigeria, and South Sudan. The proposed proportion of the fiscal year 2018 State/USAID foreign assistance budget requested for humanitarian assistance remains the same as in fiscal year 2016, roughly 22 percent, and the relative priority of these interventions has not diminished.

*Question.* How do the budget cuts to our programs in Sri Lanka advance our interests? Does this not simply make Sri Lanka, and other countries in the region, more susceptible to Chinese influence?

*Answer.* The budget request includes bilateral security assistance for Sri Lanka provided through Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR) and International Military Education and Training (IMET) funding. These resources support activities that protect U.S. national security, secure our borders from external threats, and maintain U.S. influence with Sri Lanka and its armed forces.

For the sake of efficiency and greater accountability to U.S. taxpayers, the budget request also reflects hard choices that reduce funding. This should not be taken to mean that the United States is less committed to Sri Lanka or our other friends and partners. To the contrary, we will continue to lead international development, global health, democracy and good governance, and humanitarian efforts. In addition, we will strive to think innovatively, leverage existing and prior-year resources, and work with governments and private sector actors to encourage investment that empowers developing countries such as Sri Lanka. We believe that this approach will compare favorably to other development assistance models, particularly those that invite dependency on loans and initiate a cycle of rising indebtedness and vulnerability.

#### CONCLUSION OF HEARINGS

God bless you. The subcommittee stands in recess until the call of the Chair.

[Whereupon, at 4:42 p.m., Tuesday, June 13, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

## OUTSIDE WITNESS TESTIMONIES

[CLERK'S NOTE.—The following testimonies were submitted to be made part of the hearing record.]

PREPARED STATEMENT OF THE AMBASSADOR OF THE REPUBLIC OF TUNISIA

*June 12, 2017.*

Hon. LINDSEY GRAHAM,  
*Chairman of the Senate Subcommittee on State, Foreign Operations & Related Programs;*  
290 Russell Senate Office Building,  
Washington, DC 20510.

*Dear Honorable Chairman,*

I am writing to express my sincere gratitude for the funds allocated to Tunisia for the fiscal year 2017 and the United States' ongoing support for Tunisia. This generous assistance has been critical in reinforcing security in Tunisia. More importantly it is a message to the Tunisian people of the United States' commitment to building a strategic partnership with Tunisia.

However, I would like to share with you our great surprise toward the administration's proposal in the fiscal year 2018 budget request to eliminate Tunisia's FMF grant and cut ESF by half. Actually, the U.S. administration's decision to shift FMF assistance to Tunisia in fiscal year 2018 to loans effectively places an undue burden on Tunisia at a vulnerable time.

Please allow me to highlight the following pertinent facts that explain the importance of this assistance in the broader fights against terrorism and why helping and investing in Tunisia should matter:

- Since Tunisia's historic democratic transition began in 2011, Tunisia and the United States have been committed to forging a durable strategic partnership based on strategic interests and shared democratic values;
- The United States has pledged to support Tunisia's democratic transition, including deepening political, economic, and military cooperation between our two countries.
- The United States declared Tunisia a "Major Non-NATO Ally" in May 2015;
- The Memorandum of Understanding (MoU) signed between our two countries, on the occasion of the visit by the Tunisian President Béji Caid Essebsi in May 2015, pledges to increase support for economic, political, and military cooperation between the United States and Tunisia. This MoU declares support for programs aimed at reinforcing Tunisia's security, developing its capacity to face major security challenges, and advancing shared interests in a secure, stable and prosperous region. It also underscores the value of FMF grants in enabling the purchase of U.S. military goods and services;
- Tunisia has been a committed and full-fledged member of the Global Coalition to Counter ISIS since September 2015;
- Our longstanding mutually beneficial military cooperation has resulted in the establishment of a joint ISR (Intelligence, Surveillance, and Reconnaissance) in Tunisia. This achievement is considered as an important example of the excellent cooperation between our two countries and Tunisia's commitment to building a truly strategic partnership;
- During the 31st Joint Military Commission, held in Washington on May 2–3, 2017 where U.S. Defense Secretary and Tunisian Defense Minister agreed on a "Bilateral Country Action Plan" (BCAP) to boost military and security cooperation between the United States and Tunisia over the next 5 years. Sec-

- retary Mattis and Deputy Secretary Work committed to continuing to grow a strong military relationship with the country;
- In recognition of the huge economic challenges facing Tunisia, and also its progress on fighting corruption and improving civil liberties, the Millennium Challenge Corporation (MCC) announced a new compact for Tunisia in December 2016.
  - Tunisia is on the front lines of the fight against terrorism as its security and military forces are waging a number of complicated missions, including border defense to protect against infiltration from jihadists in Libya, counterterrorism operations in urban areas to disrupt ISIS cells, and an Al Qaeda linked insurgency on the Western border. To meet these threats, Tunisia has worked closely with the United States to improve readiness and capabilities. However, Tunisia is also investing heavily in its own capabilities, prioritizing military spending at the expense of other important areas and making material sacrifices, despite a difficult economic situation.
  - In 2016, Tunisia allocated nearly 15 percent of its national budget (the equivalent of more than 2 percent of GDP) to military and security spending. This includes increased training and Tunisian purchases of U.S. military equipment and systems, including Black Hawk helicopters.
  - Tunisia is not the only country in the region that is fighting terrorism. But it is the only country in the Middle East and North Africa that is fighting terrorism while transitioning from dictatorship to a democratic system. Our commitment to democratic principles and our shared values create the bedrock of our long-term partnership with the United States.

Given the facts mentioned above, we kindly request your valued mediation within Congress in order to preserve Tunisia from the budgetary cuts, by appropriating \$165.4 million for bilateral funding in fiscal year 2018. This requested level would renew the same amount granted for Tunisia in fiscal year 2017, of which \$65 million is designated for an FMF grant and \$79 million is designated for ESP.

As we celebrate this year the 220th anniversary of the establishment of our diplomatic relations, we are relying on your leadership to support Tunisia's request. That support will not only help Tunisia play its rightful role in bringing security and stability to the region, but reaffirms the United States' firm commitment to building a strategic partnership with Tunisia.

I am grateful for your ongoing support and leadership. I would be delighted to meet you to discuss this in greater detail. Please accept, Honorable Chairman, the assurances of my highest consideration and esteem.

Fayçal Gouia



Ambassador of the Republic of Tunisia

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PREPARED STATEMENT OF THE AMBASSADOR OF SRI LANKA

*June 1, 2017.*

Hon. LINDSEY O. GRAHAM,  
290, Russell Senate Office Building,  
Washington, DC 20510.

HONORABLE SENATOR GRAHAM,

As you are aware, the 2015 presidential election in Sri Lanka ushered a new political era that enabled a national Unity Government to embark upon transformative political and economic reforms, paving the way for deepening the engagement between Sri Lanka and the United States. As a result, Sri Lanka and the United States have now established a regular "U.S.-Sri Lanka Partnership Dialogue" encompassing all aspects of our bilateral relations.

As a strategically located island abutting the major sea lanes of the Indo-Asia-Pacific, Sri Lanka values its partnership with the United States, among others, to ensure maritime security and freedom of navigation in the Indian Ocean for the mutual benefit of both countries. As Sri Lanka develops into a major business hub in

the Indo-Asia-Pacific, cooperation and engagement with the United States will become even more important.

Meanwhile, USAID has been carrying out impactful work in Sri Lanka targeting economic growth, strengthening democratic institutions and promoting reconciliation to consolidate post-conflict social and political stability. Assistance, especially to the conflict-affected regions, has served as a catalyst and force multiplier for development. Therefore, Sri Lanka is deeply perturbed by the U.S. State Department's proposed fiscal year 2018 budget reducing USAID led assistance to Sri Lanka by 92 percent.

Sri Lanka's goal is to make the economy resilient, stable and efficient to cutback dependency on foreign loans, which takes a huge toll on the economy due to increasing debt burden. As a result of the massive infrastructure projects undertaken by the previous government with Chinese assistance, the debt to China is substantial. The dire financial situation inherited by the current unity government has placed it in a difficult position, as it needs to deliver livelihood support to the people, who suffered during the 30 year armed conflict which ended in 2009. Such assistance is essential for the success of the ongoing reconciliation process.

United States assistance for Sri Lanka to provide a meaningful peace dividend to the people and to harness its potential as a service and business hub in the Indo-Pacific will usher further progress in the bilateral partnership. Hence, sustaining a meaningful budget line for USAID led assistance to Sri Lanka is critical. Programmes by USAID, Peace Corps, MCC, which manifest U.S. support to improve the lives of the people, and complement military to military cooperation, are essential in the context of regional developments and to win the confidence of the Sri Lankan people manifesting the efficacy of the U.S.-Sri Lanka partnership.

Sri Lanka is pleased to have been selected for an MCC Compact Programme and is looking forward to the benefits that will accrue once project implementation commences in the years ahead. However, given the very nature of the MCC projects, results will only be felt over time, unlike USAID programmes.

Tangible U.S. assistance can backstop Sri Lankan leaders against any roll back in progress and provide leverage to the United States' interests as well. This can shrink the space available for those with vested interests who clamour to vitiate the Sri Lanka-United States partnership.

The European Union restored the GSP+ tariff concession facility for Sri Lanka earlier this month, recognizing Sri Lanka's progress in reforms since 2015. At a time the government and people of Sri Lanka are in need of similar support, it would seem insensitive for the U.S.—the most important partner for Sri Lanka outside of South Asia—to curtail assistance to Sri Lanka.

60 years of development support for the fellow democracy of Sri Lanka, indeed the oldest in Asia, must continue and even expand, as both countries head towards the 70 year mark in diplomatic relations in 2018. Therefore, I appeal to you to lend your voice during congressional deliberations on the fiscal year 2018 budget to support sustaining USAID led assistance to Sri Lanka to nurture our mutually beneficial bilateral partnership.

With my highest regards,



Prasad Kariyawasam  
Ambassador

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PREPARED STATEMENT OF THE AMERICAN ACADEMY OF DIPLOMACY

DEAR CHAIRMAN GRAHAM AND SENATOR LEAHY,

Thank you for this opportunity for me to provide the perspective of the American Academy of Diplomacy on the current State Department Budget proposal and potential reorganization. The Academy is an organization of the Nation's most distinguished former diplomats, both career and non-career. It is a non-partisan, non-governmental organization dedicated to strengthening American diplomacy.

We believe that a strong diplomacy is essential to American security and that such a diplomacy must rest on a strong State Department. This, in turn requires a strong Foreign Service and a strong Civil Service. The multiplicity of American interests around the globe from security and peace-making to protecting citizens

and promoting business demands a complex and functioning institution. And, as even the most cursory list of interests illustrates, it is a job done mostly overseas. It is from these basic principles that we derive our comments on reorganization and the budget.

*The Administration's Proposed Budget Injures American Security*

Both reorganization and the budget must reflect value judgments about the goals American diplomacy is organized to advance. It is in this regard that we have the most profound disagreement with the proposed budget, which is more likely to weaken American security than to promote it.

Military operations take place for political purposes. It is diplomacy that is crucial to building enduring solutions before, during and after combat. This is a currently ongoing situation with multiple high priority needs in Iraq, Afghanistan and Pakistan. We do not understand how these tasks can be managed with a 42 percent cut in Overseas Contingency Operations (OCO) from fiscal year 2017.

There can and should be debate about how much the United States spends on humanitarian and developmental assistance. But to largely turn our back on humanitarian needs or not even to do our part in development seems both a moral failing and an invitation to resentment. Our contributions to refugees and development are critical to avoid humanitarian crises from spiraling into conflicts that would draw in the United States and promote violent extremism.

We believe the approximately 37 percent cut in U.N. peacekeeping funding is misguided. Peacekeeping and political missions are mandated by the Security Council where our veto power can ensure when, where, how many, and what kind of peacekeepers are used in a mission that support U.S. interests. Peacekeeping forces are deployed in fragile, sometimes prolonged, circumstances, where the U.S. would not want to use U.S. forces. U.N. organized troops cost the U.S. taxpayer only about one-eighth the cost of sending U.S. troops. Budget cuts of the amounts contemplated endanger basic U.S. security interests.

Our contributions to refugees and development are critical to avoid humanitarian crises from spiraling into conflicts that would draw in the United States and promote violent extremism. Eliminating the Presidentially-directed, Emergency Refugee and Migration Assistance (ERMA) account and cutting the Migration and Refugee Assistance (MRA) are contradictory to the basic humanitarianism manifested by the Statue of Liberty.

The proposed cuts to public diplomacy and educational exchanges seem to us similarly misguided. This is a time when our longstanding commitments to the institutions on which the world has relied for security and prosperity for more than 70 years are called into doubt. Surely part of prudent policy will be to explain our intentions and our policies to others.

Educational exchange is one of those long term policies whose evident merit has received broad bipartisan support over many years. Hundreds of thousands of foreign students have studied in the United States and gained an understanding of Americans and American culture. This is far more effective in countering radical propaganda than social media. The American Immigration Law Foundation estimates that 46 current and 165 former heads of government are U.S. graduates. Yet according to USGLC the 2018 proposal of \$285 million for Educational and Cultural Exchanges (ECE) is a 55 percent reduction from 2017. These cuts will affect almost every program. For example, the Fulbright program will be cut 47 percent from 2017 levels. The citizen exchange program would be cut by 58 percent. The resulting loss of international comprehension of the United States would be a self-inflicted wound.

Chairman Graham, Senator Leahy, it is neither the purpose nor the intention of the Academy to take positions on every aspect of the budget. In fact, we would normally not take policy positions at all. That we do so now is only because the drastic cuts of the proposed budget, of which the foregoing are merely some examples, required response.

Cuts of the magnitude proposed would be a disaster for America's long term security that rest extensively on the strength of our diplomacy. Where reductions must be made they should be attentive to maintaining the long term strength of our diplomatic institutions, especially the Foreign Service. Cut programs before people should be a watchword because programs can more easily be rebuilt than can damage to the preparation of staff.

*Principles and Recommendations for Reorganization*

The Academy does not oppose sensible streamlining and elimination of positions in order to promote efficiency. The State Department has gone through many reorganizations over the years and a top to bottom look makes some sense. There are

cuts and streamlining that we recommend as well as principles to keep in mind. To turn to specifics:

Diplomacy is accomplished primarily overseas. Basically, the overseas presence should be maintained both for its daily mission and to position the United States to respond to crises. To take just a few examples, when the Islamic State suddenly appeared in Mali it was our Embassy that was able to recommend action based on knowing the difference between terrorists and local political actors that needed support. When Ebola in West Africa threatened a worldwide pandemic it was our Foreign Service who remained in place to establish the bases for and support the multi-agency health efforts deployed to stop the disease. It is to our embassies that American citizens turn for security and evacuation abroad. Our embassies commercial work supports hundreds of U.S. companies and citizens in selling abroad. This supports thousands of American jobs. Every dollar spent on this work returns hundreds in sales. Neither America's security nor its economic prospects can be advanced by drastic reductions to our overseas presence and the savings from doing so are inconsequential in terms of the Federal budget.

Effective diplomacy must maintain a strong Foreign Service. The Congress recognized this in passing the Foreign Service Act of 1980 (the Act). *One essential of a strong Foreign Service is that the annual intake of Foreign Service personnel should not be terminated nor drastically reduced.* Unlike the Civil Service, the Foreign Service has a flow-through up-and-out system, aligned with military practice. Interruptions in regular Foreign Service recruitment lead to serious personnel gaps years later. The last such break in recruitment in the 1990's is one of the reasons that the Service had too limited a "bench" of highly qualified senior officers in recent years; gaps, not wars, were largely responsible for the increased hiring necessary in the last decade. As we speak *State has still not made a decision to bring in the July entry class of Foreign Service Officers. This is a serious mistake that will injure the Service for many years. It should be corrected.*

It is doubly serious because the Foreign Service, as up-or-out service will lose about 300-400 FSOs and Specialists each year by selection out for low ranking, expiration of time in class, failure to pass over a promotion threshold or reaching the mandatory retirement age of 65.

That said, the Department of State could be more efficiently run and not every cut is a bad idea. There are now 54 special envoys, coordinators, and ambassadors and 68 if one includes the various categories of special and senior advisor. Weed-like, these offices have proliferated. While some of the issues thus managed are important, creating separate offices consumes hundreds of staff positions and frequently duplicates rather than reinforces attention. Many of the functions performed by these offices should be placed in the regular bureaus. These positions and most of their staffs should be eliminated except where the relevant assistant secretary believes one is needed to conduct business for the Department. The Congress could be helpful by taking a flexible approach to the need for these offices and whether their tasks can be better managed elsewhere.

The Academy supports the removal of the second Deputy Secretary position. We believe it is not needed and has led to overlap and confusion with the other deputy. If the much larger Defense Department can manage with one deputy, so can State.

The number of Under Secretaries has swelled in recent years. Reductions to three or four should be considered. To manage with a smaller number of undersecretaries, consideration should be given to combining bureaus (and therefore reducing the numbers to be supervised), particularly in the functional area, so that the responsibility increases while the structure is reduced.

The number of Deputy Assistant Secretary positions also has grown considerably. These positions can be reduced and more responsibility pushed to office directors and their staffs.

In our view the key positions of Political and Management Under Secretaries, the Director General and the Dean of the Foreign Service Institute should be career Foreign Service Officers. The Director General, a position established by the Act, should be appointed from those that have the senior experience and personal gravitas to look out for the long-term future of the staff needed for an effective diplomacy.

Every administration since Truman's has faced unanticipated interventions overseas. Because the Foreign Service is fully deployed at all times each intervention has found State lacking in its ability to support our interests and our military colleagues with adequate numbers in the field. It is irresponsible to assume this pattern will not repeat. State needs such a surge capacity. Whether this is done through the Stabilization and Crisis Bureau (SCO), reserves, or some other mechanism, the problem needs to be addressed.



The Civil Service needs greater career mobility. In our 2015 report *American Diplomacy at Risk* we proposed one idea for an excepted service within the Civil Service that would allow rotation, including overseas, in return for accepting some of the requirements of rank in person, competitive evaluation, and selection out.

These and other recommendations of the Academy demonstrate that we support sensible reorganization. We do not support changes driven solely to accomplish budget objectives which are seriously misguided. As the Department's reorganization plans come into clearer focus, we would welcome the opportunity to continue providing our views to the Congress.

[This statement was submitted by Ronald E. Neumann, Ambassador (retired), President.]

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PREPARED STATEMENT OF THE AMERICAN FOREIGN SERVICE ASSOCIATION

Today, 9 in 10 Americans support strong U.S. global leadership. Such leadership is unthinkable without a strong professional Foreign Service deployed around the world protecting and defending America's people, interests, and values. American leadership is being challenged by adversaries who want to see us fail; we cannot let that happen. We need to reassure our allies, contain our enemies, and assert U.S. leadership around the globe. If the United States retreats, we leave a vacuum that will be filled by others who do not share our values or interests. Walking that back—reclaiming American global leadership—would be a daunting and uncertain task, in short, a grave risk we should not take.

American Foreign Service Association (AFSA) members are over 16,600 professionals, active and retired, from the Department of State, USAID, the Department of Commerce, the Department of Agriculture, and the Broadcasting Board of Governors. Our members spend approximately two-thirds of their careers deployed overseas, usually in difficult and often in dangerous places. We maintain an enduring presence at 270 embassies and consulates around the world, so Americans seeking to navigate unfamiliar terrain—whether to study, adopt a child, or expand an export market—have a home base to turn to, an Embassy staffed by fellow Americans who speak the local language fluently and know how to get things done.

AFSA is extremely grateful for the expressions of support from members of Congress and from the public. The value of the Foreign Service is clearer to Americans than ever. But AFSA members, who care deeply about American global leadership, are worried. If the budget reductions proposed by the administration are approved by Congress, we could seriously degrade the capacity of the Foreign Service to help sustain American leadership. As Senator Lindsey Graham, the head of the State and Foreign Operations Sub-Committee of the Senate Appropriations Committee (SACFO) has noted, "A 29 percent cut means you really have to withdraw from the world because your presence is compromised. That may be the goal of this budget. It's not my goal. This guts soft power as we know it."

Members of the Senate Foreign Relations Committee have described the Foreign Service as being among the "most skilled, loyal, and motivated workforces of any organization on the planet." We are encouraged by these words and believe we are exactly the right national security instrument for the moment: a corps designed to be regularly redeployed around the world in pursuit of the President's foreign policy priorities. Consequently, we have to ensure that our budget priorities do not cut short our critical capabilities. If we damage core diplomatic capability by cutting off the flow of new officers, we risk walking off the field and forfeiting the game to our adversaries.

Diplomacy is also the most cost-effective tool in the national security toolkit. The cost of helping to ensure a Europe whole and free, stopping ethnic conflict in the Balkans, or making peace between the Government of Colombia and FARC rebels pales in comparison to the cost of sustaining a war. As the SACFO ranking member Senator Leahy said, "National security is not solely the mission of the Department of Defense. The President says he prefers "hard" power to "soft" power, but the notion that "soft" power is weak or wasteful is mindless. Failing to invest in America, and cutting programs that feed millions, prevent AIDS or treat tuberculosis and malaria, will make the world less stable, and make your job more difficult. Secretary Mattis . . . has said if we do not fully fund the State Department, we should be prepared to buy more ammunition for the military. That is not a trade I am willing to accept."

The very existence of skilled diplomats and development professionals in our national security arsenal allows us to reject that trade-off. For example, fighting ISIS is a top priority of this Administration, and the Foreign Service has the skill and field experience to help with the fight. As former Appropriations Chairman Rogers

said to Secretary Tillerson, “We need an aggressive plan to fight ISIS and any other enemy that wishes us harm. Secretary Tillerson and I agree that this requires a comprehensive approach, including not just military engagement, but also the full and responsible use of all diplomatic tools at our disposal. While the full budget picture has yet to emerge, we intend to work closely together over the next cycle to ensure that the necessary resources are available to fulfill these goals.”

The Foreign Service has regional and language knowledge, top-notch reporting skills, and sophisticated public diplomacy capabilities. We know how to get things done overseas—how to coax a partner overseas to “yes” with the lightest touch and the maximum residual goodwill. Our annual performance ratings, by which we are rank-ordered against our peers, are judged according to how well we met mission goals. Because these rankings have real consequences—determining whether we are promoted and can continue to serve, or low-ranked and forced out—they serve as a powerful way to ensure we are responsive to the priorities of successive administrations.

While we know the administration is focused on some core priorities, such as fighting ISIS, protecting our border, countering international criminal activity, and preventing the spread of epidemics, but we still have no sense of overall foreign policy direction. As Secretary Tillerson put it in an April town hall meeting at State, “if we don’t know where we’re going, all roads will take you there.” We agree and would encourage Congress to ask the administration to provide the kind of strategic clarity that enables the Foreign Service to do our best delivering for America, using all our skills to the fullest and not letting them atrophy. We know from experience that understanding the administration’s game plan allows diplomats to create the most effective means to get us where we want to go.

The Foreign Service is modeled on the military, in particular on the Navy. Our rigorous entry requirements and the up-or-out system ensure high performance and accountability and keep us lean. The out in up-or-out is real, and many if not most members of the Foreign Service are required to leave the Service long before they are ready. This amounts to a built-in annual reduction in force, something we accept as part and parcel of maintaining a high-performing, accountable workforce. But this self-renewing system depends on a steady stream of new recruits to function. If we don’t hire entry-level officers this year, we won’t have FS-1s (colonel equivalents) in 20 years. Flow-through is critical now—and for the future.

The next year or two will be a period of clear prioritization in the Department of State. We certainly see the case for streamlining, which could increase diplomatic effectiveness, but it has to be done carefully and with an eye to preserving core capability. We would like to see our professional talent unleashed by getting rid of overly-complex bureaucratic procedures that keep our Foreign Service checking boxes instead of doing their jobs. Making these processes truly client-centered would literally change lives.

We would like to partner with Congressional supporters to ensure that today, and 15 or 20 years from now, U.S. diplomats are still on the field, deployed around the world, protecting and promoting U.S. interests, and working at the top of their game. We should not, in a dangerous world, abandon the field to our adversaries.

The United States has enjoyed a position of unprecedented global leadership in our lifetimes. This leadership was built on a foundation of military might, economic primacy, good governance, tremendous cultural appeal—and diplomatic prowess to channel all that power, hard and soft, into global leadership that has kept us safe and prosperous at home. This did not happen by chance. It was not destiny. It was effective diplomacy.

As Secretary Tillerson said in his confirmation hearing, “America has been indispensable in providing the stability to prevent another world war, increase global prosperity and encourage the expansion of liberty.” To continue to lead the world, America needs diplomacy, and for effective diplomacy, we need an adequately resourced professional Foreign Service.

Thank you.

[This statement was submitted by Barbara J. Stephenson, President.]

PREPARED STATEMENT OF 225 BUSINESS LEADERS IN SUPPORT OF THE U.S.  
INTERNATIONAL AFFAIRS BUDGET

May 22, 2017.

Secretary REX TILLERSON,  
U.S. Department of State,  
Washington, DC.

DEAR SECRETARY TILLERSON,

As business leaders, we are writing to voice our strong belief in the return on investment from the U.S. International Affairs Budget in advancing America's economic interests overseas and supporting jobs at home.

With 95 percent of the world's consumers outside the United States and many of the fastest growing economies in the developing world, now is the time to double down on America's global economic leadership. America's diplomats and development experts help build and open new markets for U.S. exports by doing what only government can do: fight corruption, strengthen the rule of law, and promote host country leadership to create the enabling environment for private investment. Our country's investments have generated impressive results: 11 of America's top 15 export markets are in countries that have been recipients of U.S. foreign assistance.

Strategic investments in diplomacy and development make America safer and more prosperous. American companies depend on robust U.S. engagement overseas, especially in the fast growing markets in the developing world. Our embassies and consulates around the world are essential partners for American businesses to ensure we can compete on a level playing field. Trade promotion programs have helped drive American exports, which today make up almost 13 percent of America's \$18 trillion economy and support about one in five American jobs.

The State Department and USAID are increasingly partnering with American businesses to catalyze and leverage private sector expertise and resources to create sustainable solutions at scale on a range of challenges such as energy, health, and agriculture. And today, host countries themselves are driving policy changes to compete for American investments. Moreover, America's global economic leadership also embodies our country's values—promoting economic freedom, prosperity, and entrepreneurship that can mitigate the drivers of violent extremism in the world today. In today's global economy, we have a significant opportunity to strengthen the State Department, USAID, and our development agencies and the capacity to partner with the private sector to address global challenges and to expand opportunity.

We are committed to working with you in your role as Secretary of State to share our perspectives on the importance of U.S. international affairs programs to boost our exports abroad and our jobs here at home, and we urge your support for a strong International Affairs Budget for fiscal year 2018.

Respectfully,

Chris Policinski  
President and CEO  
Land O'Lakes

Andrew Tisch  
Co-Chairman  
Loews Corporation

David MacLennan  
Chairman and CEO  
Cargill

Sarah Thorn  
Senior Director, Global Government  
Affairs  
Walmart

Caroline Roan  
Vice President, Corporate Responsibility  
Pfizer, Inc.  
President  
Pfizer Foundation

Kate Rumbaugh  
Vice President, Government Relations  
The Coca-Cola Company

John Murphy  
Senior Vice President for International  
Policy  
U.S. Chamber of Commerce

Jim Collins  
Executive Vice President  
DuPont

Brad Figel  
Vice President Public Affairs North  
America  
Mars, Inc.

Connie Justice  
President  
Planson International

Paul Neureiter  
Executive Director for International  
Government Affairs  
AMGEN

Kathryn Reilly  
Global Director Public Affairs  
Aon

Tara Hogan Charles Associate Director, Global Government Relations Procter & Gamble	Melissa Froehlich-Flood Vice President, Government Affairs Marriott
H. C. Shin Executive Vice President, International Operations 3M	Gary M. Cohen Executive Vice President and President Global Health and Development BD (Becton, Dickinson and Company)
Michael Boyle CEO Boyle Energy Services & Technology	Lisa Malloy Senior Director, Global Policy Group Intel Corporation
Bill Lane Chair Emeritus U.S. Global Leadership Coalition	Kris Charles Senior Vice President, Global Corporate Affairs Kellogg
Jeff Rowe President of Global Seeds and North America Syngenta	Ambassador Richard Holwill Vice President, Public Policy Amway
Philip de Leon Director, Public Affairs & International Business AGCO Corporation	Jeffrey N. Simmons President Elanco Animal Health
Hugh Welsh President DSM Nutrition	Tom Halverson CEO CoBank
Peter Tichansky President Business Council for International Understanding	Ken Fletcher CAO Pike Enterprises
Doug Galen CEO RippleWorks	Peter M. Robinson President & CEO United States Council for International Business
David Wilhelm Partner & Chief Strategy Officer Hecate Energy	Karl Jensen Senior Vice President, National Governments CH2M
Pamela Venzke Global Government Affairs & Policy General Electric	Ward Brehm Founder, Chairman The Brehm Group
Florizelle Liser President & CEO Corporate Council on Africa	Chris Keuleman Vice President, Global Government Relations International Paper
Kathryn D. Karol Vice President, Global Government & Corporate Affairs Caterpillar Inc.	Frederick S. Humphries, Jr. Corporate Vice President, U.S. Government Affairs Microsoft Corporation
Dan Gaynor Global Communications Nike	Dave Adkisson President & CEO Kentucky Chamber of Commerce
Kevin Kolevar Vice President, Global Government Affairs The Dow Chemical Company	Joseph Albert Owner Eli H. Albert Agency
Laura Lane President, Global Public Affairs UPS	Diane Alleva Caceres Principal Market Access International, Inc.

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Connie Bacon Commissioner Port of Tacoma	John Bruntz President & CEO The Boulder Company
Doug Badger Executive Director Pacific Northwest International Trade Association	Anne Burkett Executive Director North Alabama International Trade Association
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Lane Beattie President & CEO Salt Lake Chamber	William Canary President & CEO Business Council of Alabama
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Carl Blackstone President & CEO Greater Columbia Chamber of Commerce	Lalit Chordia President & Founder Thar Tech
Silvia Bonilla Director, Small Business Development Center Illinois Hispanic Chamber of Commerce	Gil Cisneros Chairman & CEO Chamber of the Americas
Antonio Boyd President Think Tank Consulting Group, LLC	Jay Clemens President & CEO Associated Oregon Industries
Tony Braid Vice President Bankers Trust Global Banking	Jonathan Coffin Vice President VOX Global
Becky Brooks President & Executive Director Ruidoso Valley Chamber of Commerce	Harvey Cohen President KZB, Inc.
	Todd Connor CEO Bunker Labs

Caralynn Nowinski Collens CEO UI LABS	Barry DuVal CEO Virginia Chamber of Commerce
Alfonso Cornejo President Hispanic Chamber Cincinnati USA	Lauri Elliott Chairman & Executive Director Afrbiz Group, Inc.
Bill Cronin President & CEO Pasco Economic Development Council, Inc.	Jason Espinoza President New Mexico Association of Commerce and Industry
Joe Crookham President Musco Lighting	Joe E. Evans Owner Evtex Companies
Maryann Crush Manager South Boston Transit Systems, LLC	Keith Evans President Key Financial Insurance Agency, Inc.
Dan Culhane President & CEO Ames Chamber of Commerce	Teresa Faidley Senior Vice President Schaumburg Bank & Trust Company N.A.
Yuri Cunza President & CEO Nashville Area Hispanic Chamber of Commerce	Terry Fankhauser Executive Vice President Colorado Cattlemen's Association
Eric Dallimore Owner Leon Gallery	Ronald J. Finlayson CEO E-Systems Corporation
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Daniel Davis President & CEO Jacksonville Chamber of Commerce	Henry Florsheim President & CEO Wichita Falls Chamber of Commerce
Richard Dayoub President & CEO Greater El Paso Chamber of Commerce	Michael Ford Chairman Mid-Atlantic District Export Council
Ryan Deckert President Oregon Business Association	Nathan Frampton President Fanimation
Connor Deering President Cemen Tech, Inc.	Stephanie Freeman President & CEO Dunwoody Perimeter Chamber
Dustin DeVries Co-Founder, Technology Consultant Caffeine Interactive Technologies	Jenny Fulton Founder Miss Jenny's Pickles
Brian Dicken Vice President of Advocacy & Public Policy Toledo Regional Chamber of Commerce	David Gessel Executive Vice President Utah Hospital Association
Billie Dragoo Founder & CEO RepuCare	Matt Glazer Executive Director Austin Young Chamber of Commerce
Steve Dust President & CEO Greater Cedar Valley Alliance and Chamber	Howard Glicken Founder, Chairman & CEO The Americas Group

Neel Gonuguntla President US India Chamber Of Commerce DFW	John Kalaras CEO Quality Training Institute
Dean Gorder Executive Director North Dakota Trade Office	Jeffrey B. Kendall President JBK Integrated Solutions, LLC
Terry Grant President, Utah Market KeyBank	Robert Kill President & CEO Enterprise Minnesota
Trey Grayson President & CEO Northern Kentucky Chamber of Commerce	Joseph Kirk Executive Director Mon Valley Progress Council
Keith Guller CEO Essex Industries	Wally Kocemba Chairman & CFO Calhoun Companies
Dan Haley President & CEO Colorado Oil & Gas Association	Katie Kruger CEO Denver Metro Commercial Association of REALTORS
David Hart Executive Vice President Florida Chamber of Commerce	Matt Krupp Co-Owner Desantis Krupp, LLC
Chris Henney President Ohio Agribusiness Association	Kitty Kurth President Kurth Lampe
Aaron Hermsen Director of Business Development China Iowa Group	Emily Lane Vice President of Sales Calendar Islands Maine Lobster
Dave Hofferbert President Bond Technologies, Inc.	Craig Lang President The Prairie Strategy Group
Gregory Hopkins Partner & President Solitude Wealth Management	Lloyd Le Page President & CEO Heartland Global, Inc.
Kevin Hougen President & CEO Aurora Chamber of Commerce	Kirk Leeds CEO Iowa Soybean Association
Galen Hull President Hull International	Donna Lindquist President Soleil Global Communications
Thomas Hulseman Managing Director Metro Chicago Exports	Lou Ann Lineham President Linehan Associates, LLC
Mark Ingraio President & CEO Greater Reston Chamber of Commerce	Doug Loon President Minnesota Chamber of Commerce
Bob Jameson President & CEO Fort Worth Convention & Visitors Bureau	Kevin Lutz President Armstrong Printery, Inc.
Andrea Jett Fletcher Executive Director French-American Chamber of Commerce	Kevon Makell Founder & CEO Seww Energy
	Dr. Toby Malichi Founder, Global Chief Executive, and Ambassador of Trade Malichi Group Worldwide

Ron Marston President & CEO HCCA International	Saul Newton Executive Director Wisconsin Veterans Chamber of Commerce
Frances Martinez Founder & CEO North Shore Latino Business Association, Inc.	Laura Ortega Executive Director, International Business Council Illinois Chamber of Commerce
Nick Mastronardi Founder & CEO POLCO	Ersal Ozdemir President & CEO Keystone Corporation
Jason Mathis Executive Director Downtown Alliance	Jerry Pacheco President Border Industrial Association
Robert Mayes CEO Keel Point	Jim Page President & CEO Chamber of Commerce of West Alabama
Eddie McBride President & CEO Lubbock Chamber of Commerce	Richard Paullin Executive Director The International Trade Association of Greater Chicago
Sandi McDonough President & CEO Portland Business Alliance	Raymond Pilcher President Raven Ridge Resources
Candace McGraw CEO Cincinnati/Northern Kentucky International Airport	Heather Potters Chief Business Development Officer PharmaJet, Inc.
Larry McQueary COO Indy Fuel	Ramiro Prudencio President & CEO Burson-Marsteller Latin America
Daniel McVety President Japan China Carolina	Robert Quick President & CEO Commerce Lexington
J. Patrick Michaels Founder, Chairman & CEO CEA Group	Laurie Radke President Green Bay Area Chamber of Commerce
David Milton Chief Supply Chain Officer Payless ShoeSource	Rona Rahlf President & CEO Utah Valley Chamber of Commerce
Mortada Mohamed Executive Director Texas International Business Council	Brooks Raiford President & CEO North Carolina Technology Association (NCTA)
Aneezal Mohamed General Counsel, Compliance Officer & Secretary Commercial Vehicle Group	Michael Ralston President Iowa Association of Business and Industry
Beau Morrow Owner Left Hand Design	Bede Ramcharan President & CEO Indatatech
Wilfred Muskens President & CEO Stevens & Lee	Olga Ramundo President Express Travel
Ron Ness President North Dakota Petroleum Council	Josh Rawitch Senior Vice President, Communications Arizona Diamondbacks



Joe Reagan President & CEO St. Louis Regional Chamber	Dean Schieve President Victus Motion and DMD Consulting
Jeff Reigle President & CEO Regal Ware, Inc.	Michael Schmitt Executive Director America-Israel Chamber of Commerce Chicago
Gene Reineke CEO Hawthorne Strategy Group	Bret Scholtes President & CEO Omega Protein Corporation
John Reinhart CEO & Executive Director Port of Virginia	Ralph Schulz President Nashville Area Chamber of Commerce
Colin Renk Executive Director America China Society of Indiana	Mike Shanley Founder & CEO Konektid International
Sandra Renner CEO FasTrack Global Expansion Solutions, Inc.	Stephanie Simpson Vice President Texas Association of Manufacturers
Jim Roche President Business & Industry Association of New Hampshire	Bill Sisson President & CEO Mobile Chamber of Commerce
Bob Rohrlack President & CEO Greater Tampa Chamber of Commerce	Nathan Slonaker President Columbus International Affairs Opportunity
Robert Rotondo President Rotondo Enterprises, Inc.	Jim Spadaccini CEO & Creative Director Ideum
Jack Roy Owner Jax Enterprises	Bruce Steinberg President Relyco
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Lydia Sarson Executive Director German American Chamber of Commerce of Philadelphia	David Taylor President Pennsylvania Manufacturers Association
Joe Savarise Executive Director Ohio Hotel & Lodging Association	Christian Thwaites Chief Strategist Brouwer & Janachowski
Chris Saxman Executive Director Virginia FREE	Jon Troen President & CEO Mittera Group
David Schaffert CEO Olympia Thurston County Chamber of Commerce	Brett Vassey President & CEO Virginia Manufacturers Association

Liane Ventura Senior Vice President Greater Miami Chamber of Commerce	Ed Webb President & CEO World Trade Center Kentucky
Chad Vorthmann Executive Vice President Colorado Farm Bureau	Deborah Wilkinson President Wilkinson Global Connections
Chris Wallace President Texas Association of Business	Sheryl Wohlford Owner Automation-Plus
Jeff Wasden President Colorado Business Roundtable	Richard Yang President Carolinas Chinese Chamber of Commerce
Joyce Waugh President & CEO Roanoke Chamber of Commerce	Steven Zylstra President & CEO Arizona Technology Council
Cherod Webber President & CEO Innovative Global Supply,LLC	

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PREPARED STATEMENT OF CARE USA

CARE USA thanks Chairman Graham and Ranking Member Leahy for the opportunity to submit testimony on the administration's fiscal year 2018 budget proposal. With more than 71 years of experience in providing emergency humanitarian assistance and long-term development assistance in over 94 countries around the world, CARE has serious concerns that the administration budget proposal would inflict long term damage on our national security and global development needs. This budget will jeopardize millions of lives, and reverse decades of efforts to bring sustainable development, opportunity, health and dignity to people around the world. In short, this proposed budget would inflict human and political costs that far outweigh any potential budget savings.

In many countries around the world, the relief, hope and skills brought by U.S. humanitarian and development programs are often the only direct knowledge people have of the United States. These programs create a more stable world by providing assistance, opportunity and tangible improvement to people's lives. Stepping back from this leadership role would not just impact the lives of millions, it would mark the end of the American era—the point where the United States decisively turned its back on those most vulnerable, allowing the exploitation of human needs to go unchecked.

While the U.S. faces its own economic challenges, shifting less than 1 percent of the Federal budget from these programs will not solve America's deficit concerns. Instead, such cuts would take away from core national security investments and preventative interventions in order to seek political gain at the expense of the world's most vulnerable people.

Therefore, CARE urges this Committee to use its constitutional authority to protect the International Affairs account, oppose any disproportionate cuts to international humanitarian and development programs, fully exercise its oversight authorities, and preserve critical expertise within the U.S. Government.

*Our Current Challenges*

Our global political system is currently facing the largest humanitarian needs we have known in modern human history, with 65 million people living in displacement, and over 30 million facing deadly famine conditions. Unfortunately, these numbers continue to grow every day. Conflict, extreme weather, pandemics, and natural disasters continue to impact millions.

Despite these growing challenges, and political suggestions to the contrary, U.S. foreign assistance programs are working:

—In many areas where the U.S. Agency for International Development (USAID) is implementing agricultural development and food security programming, extreme poverty has dropped between 7 and 36 percent, child stunting has

dropped between 6 and 40 percent, and more than 10 million smallholder farmers are now able to apply new technologies and management practices.<sup>1</sup>

—Partners currently supported by OPIC are sustaining livelihoods for nearly 1 million smallholder farmers, allowing them to grow themselves out of poverty and creating future markets for trade.<sup>2</sup>

—In 10 years, U.S. malaria programing has saved 6 million lives, many of them children.<sup>3</sup> Over the last 8 years, 4.6 million children have been saved from dying of preventable diseases because of U.S. assistance.<sup>4</sup>

—In fiscal year 2016, U.S. investments in family planning and reproductive health provided 26 million women and couples with the tools they need to time and plan their pregnancies, prevented 8 million unintended pregnancies, and averted 3.3 million abortions.<sup>5</sup>

Globally, recent estimates show that 10.7 percent of the world's population lives on less than U.S. \$1.90 a day, down from 12.4 percent in 2012 and 35 percent in 1990.<sup>6</sup> This progress shows that the fight against global poverty is winnable if there is sufficient political will.

While many, including some within the current administration, continue to promote a disingenuous narrative that U.S. foreign aid is inefficient, ineffective, and of inferior quality, the evidence points towards U.S. development programs as a leading standard in the international community. In particular, USAID has led the way towards more nimble, efficient, transparent, and effective systems of addressing global poverty and its challenges. Recent changes within USAID have resulted in huge gains towards evidence-based approaches that seek to distill best practices and achieve sustainable, independent development.<sup>7</sup> In addition, a recent 2017 GAO study found that USAID and the MCC's evaluations far exceeded the quality of those conducted by other foreign assistance agencies.<sup>8</sup>

After all, the role of U.S. assistance is to help communities become self-reliant and self-sustaining, create the conditions where assistance is no longer needed. CARE has long supported this philosophy and we have worked ourselves out of a job in some locations by building the capacity of local organizations and governments to continue programs and address their own needs.

Make no mistake, the challenges the world faces today are immense, and the level of human need in the world is reaching record proportions. Now is the time for the U.S. to lead in the fight against poverty and conflict, not rescind its role or retreat into complacency.

#### *A Proposal for a Darker Future*

Despite the dire realities that face millions around the world, threatening global stability and our own national security, the administration's fiscal year 2018 budget proposal calls for an end of U.S. leadership abroad through the dismantling of life-saving international development and humanitarian programs. The proposed budget does not support a sustainable future and ignores known threats—brewing conflicts, potential crises, and possible disasters or pandemics. Instead, the administration's proposal actually adds fuel to current global fires, leaving us with a darker future. CARE, along with a number of other implementing and advocacy organizations, have estimated the impacts of these proposed cuts by account. The aggregate human cost of these proposed cuts is staggering.

If accepted, the administration's proposed cuts to this critical 1 percent of the budget would be historic, making us less safe, not more. This budget marks a dramatic departure in budgeting processes which unifies spending on defense and development. Since 1977, increased funding to the Department of Defense has generally been complemented by increased support for the International Affairs account

<sup>1</sup>*Investing in our Shared Future: How a Confident and Capable USAID is Building on a Proud Legacy of U.S. Development Leadership* (USAID Exit Memo, Gayle Smith, January 2017).

<sup>2</sup>*Exit Memo: Overseas Private Investment Corporation* (Elizabeth Littlefield, January 5, 2017).

<sup>3</sup>*Investing in our Shared Future: How a Confident and Capable USAID is Building on a Proud Legacy of U.S. Development Leadership* (USAID Exit Memo, Gayle Smith, January 2017).

<sup>4</sup>*5000th Baby Born at UNFPA-Supported Clinic for Refugees in Jordan*, March 8, 2016.

<sup>5</sup>*Just the Numbers: The Impact of U.S. International Family Planning Assistance, 2016*. Guttmacher Institute, May 2016.

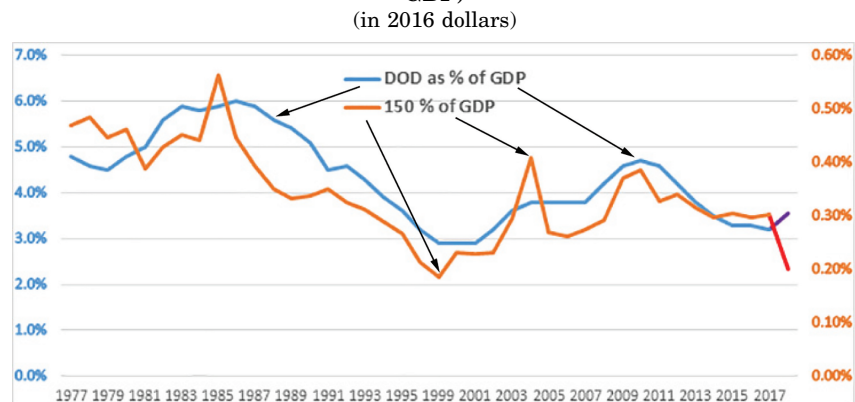
<sup>6</sup>World Bank, updated October 2016. <http://www.worldbank.org/en/topic/poverty/overview>.

<sup>7</sup>For example, 1,425 evaluations completed by USAID since 2011, and of those completed between 2011 and 2014, 71 percent were used to support and/or modify a project or activity. *Investing in our Shared Future: How a Confident and Capable USAID is Building on a Proud Legacy of U.S. Development Leadership* (USAID Exit Memo, Gayle Smith, January 2017).

<sup>8</sup>*Agencies Can Improve the Quality and Dissemination of Program Evaluations*, GAO-17-316: Published: Mar 3, 2017. Publicly Released: Mar 3, 2017.

(figure 1).<sup>9</sup> Past administrations, Republican and Democratic alike, have understood that development and diplomacy are critical parts of our national security strategy. This budget proposal counters our national security goals by threatening our country's ability to safeguard against the desperation and instability often caused by extreme poverty and suffering.

**Figure 1: Defense and International Affairs (150 Account) Spending (% of GDP)**



The administration's fiscal year 2018 budget proposal includes ending effective development programs in numerous countries, eliminating the Development Assistance (DA) account, and significantly reducing life-saving humanitarian assistance—including ending the leading U.S. international food aid program, Title II Food for Peace, which helps protect and grow food security around the world. The administration specifically proposes a 43 percent cut to International Disaster Assistance (IDA), which saves lives by providing emergency food, water and sanitation in South Sudan, Yemen, Nigeria, and Somalia, where famine is growing, and to displaced persons and refugees everywhere. In addition, the administration demands that the IDA account become the sole provider of emergency food assistance, without providing any additional funding to offset those impacted by the elimination of Title II Food for Peace programming or lessen the impacts of remaining IDA funds having to also meet non-food needs.

Ending the Development Assistance account, and merging such activities with reduced funding from the Economic Support Fund (ESF), will result in a dangerous reprioritization away from long-term development in favor of short-term political gains. The administration's budget proposal seeks to uproot current strategies that are in mid-progress and stop proven programs that have improved economic conditions around the world. For example, across the 19 current Feed the Future focus countries, the administration's budget proposal would eliminate all agricultural development activities in 8 countries, and would drastically reduce funding for an additional 9 countries.<sup>10</sup> Abandoning the successful work done in these countries would dismantle progress, disregard existing U.S. Government strategies, and jeopardize programs authorized under the recently passed Global Food Security Act (Public Law 114-195).

In addition, the proposed cuts to global health programming would have a severe impact on women around the world—setting back their access to healthcare, their ability to feed their families, confront and shift the social norms that contribute to gender-based violence, and access opportunities and economic engagement.

<sup>9</sup>Data obtained through the Office of Management and Budget's historic tables.

<sup>10</sup>Feed the Future countries slated for elimination of agricultural development assistance include: Liberia, Malawi, Mozambique, Rwanda, Senegal, Zambia, Cambodia, and Tajikistan. Feed the Future countries slated for significant cuts include: Ethiopia (-24 percent), Ghana (60 percent), Kenya (-39 percent), Mali (-9 percent), Tanzania (-82 percent), Uganda (-72 percent), Bangladesh (-34 percent), Nepal (-37 percent), and Guatemala (-29 percent). As presented in the proposed fiscal year 2018 budget tables for Operating Unit, Account, Objective, and Program Area. *Fiscal Year 2018 Congressional Budget Justification—Department of State, Foreign Operations, and Related Programs*.

*Implications for Women and Girls*

CARE puts women and girls at the heart of development and humanitarian efforts because our decades-long experience in the field has demonstrated that this investment brings about meaningful, sustainable impact. Similarly, U.S. investments in supporting women and girls bring high returns for economic growth, well-being, and democratic governance, which maximize the benefits gained from the investment of United States' taxpayer dollars. If women were able to participate in the economy equally, it would yield a 26 percent increase in global GDP, or \$28 trillion in 2025.<sup>11</sup>

Most of the world's women have the role of ensuring that families are fed, often through farming and/or food purchase supported by livelihood activities. By supporting women entrepreneurs, small business owners, and farmers to become more self-reliant, we create a cascading effect beyond the women themselves, helping them lift their families and their communities out of poverty. U.S. assistance opens up opportunities for women and girls to access the education, skills, and economic empowerment they need to be catalysts for broader economic growth in their countries. Healthier economies abroad means stronger economic trade partners for Americans, benefiting us all.

Women and girls also comprise the majority of those displaced by conflict and natural disasters and, in this context, they are highly vulnerable to violence, exploitation, and poor health including malnourishment and reproductive health issues such as maternal death. U.S. Government assistance supports women and girls in emergencies, saves lives and, by being gender smart, can ensure efficient use of much-needed humanitarian aid. In order to be productive members of their communities and economies, however, women must be healthy and safe from violence.

U.S. assistance in preventing violence against women—which affects an estimated 35 percent of women worldwide—has a life-changing impact on the women and girls it serves.<sup>12</sup> The foreign aid the U.S. invests in these efforts, supplemented by diplomatic engagement through our embassies and missions abroad, ensures that creating safer, healthier communities is a shared priority for the U.S. and partner countries.

The administration's budget proposal cuts funding for programs with a gender component by 55 percent when comparing fiscal year 2016 to the proposed levels for fiscal year 2018. While these funds at times overlap with other sector funds, making it more challenging to assess the impact, it is possible to extrapolate that potentially millions of girls would not go to school, more girls would be put at risk for child marriage, and—because women and girls are often the last to eat—more girls would go hungry, placing them at increased risk for stunting, health threats, and decreased productivity.

The administration proposes to eliminate all funding for bilateral international family planning and reproductive health programs. Coupled with the recent decision by the administration to halt all funding for the United Nations Population Fund (UNFPA), such cuts would have significant impacts on maternal and child health. Access to voluntary family planning services represents the single most effective intervention in preventing maternal and child deaths, and by eliminating these programs, the proposed budget is endangering the lives and health of millions of women, infants, couples, and families around the world. There are currently 230 million women around the world who would like to plan their pregnancies but are unable to do so. By meeting this unmet need for contraceptive services, maternal deaths would be reduced by over 30 percent and we could avert 1.4 million under-5 deaths every year.<sup>13</sup>

The impacts of the decision to halt funding to UNFPA are already being felt. In 2016, UNFPA received \$69 million in funding from the U.S. Government, which supported their work in humanitarian crises, including the Syrian refugee response at the Zataari camp in Jordan. Through the work of UNFPA, more than 7,000 babies have been delivered in this camp without a single maternal death. The loss of this funding is a matter of life or death for families in the camp, with services for nearly 50,000 people at risk due to this funding decision.<sup>14</sup>

<sup>11</sup> McKinsey & Company. *The Power of Parity: How Advancing Women's Equality can add \$12 Trillion to Global Growth: Executive Summary*. September 2015. Page ii.

<sup>12</sup> World Health Organization. *Global and regional estimates of violence against women: prevalence and health effects of intimate partner violence and non-partner sexual violence*. 2013. Geneva, Switzerland.

<sup>13</sup> *Adding it Up: The Costs and Benefits of Investing in Reproductive Health, 2014*, Guttmacher Institute, December 2014.

<sup>14</sup> *5000th Baby Born at UNFPA-Supported Clinic for Refugees in Jordan*, March 8, 2016.

By eliminating funding for international family planning and reproductive health programs and stopping all funding the UNFPA, the administration's budget would result in 15,000 maternal deaths and 8 million more unintended pregnancies.<sup>15</sup> The decision to re-impose and expand the so-called "Mexico City Policy" only magnifies these potential impacts by placing further onerous and unnecessary restrictions on countless local NGOs working to meet the health needs of women, girls, and families. This decision further imperils work to end preventable maternal and child death.

CARE's global work shows that when U.S. policy restricts access to global health services, vulnerable women and children suffer the most. We have the ability to drastically change that reality, and it is in the United States' best interest to do so.

#### *A Retreat from Emergencies*

A record 128.6 million people are in need of life-saving humanitarian assistance across the Middle East, Africa, Asia, and even parts of Europe. There are countries such as Afghanistan, Somalia, and the Democratic Republic of the Congo where the prolonged humanitarian response has stretched on for decades, while new conflicts continue to proliferate, such as those in Syria, Yemen, South Sudan and Nigeria. Current famine conditions across Nigeria, Somalia, South Sudan and Yemen mean that up to 1.4 million children are at immediate risk of death without continued engagement by the international community. Yet, the appeals for assistance to citizens in these countries remains grossly underfunded, on average only funded at 35 percent of the annual appeal.<sup>16</sup> Each day without a humanitarian response at scale increases the likelihood of widespread starvation, destabilization, and mass displacement.

In Yemen, an outbreak of cholera has infected more than 100,000 people. Due to the ongoing conflict, the health system and civil infrastructure, including water and sanitation facilities, have been seriously compromised with 14.5 million people lacking access to safe drinking water or sanitation, and 14.8 million lacking adequate healthcare.<sup>17</sup> Uganda receives an average of 2,000 refugees each day, with a total of nearly one million refugees from South Sudan alone since 2014.<sup>18</sup> In Nigeria, only 28 percent of the funding needs have been met to date, forcing humanitarian groups to scale back emergency plans—cutting food to 400,000 people in areas affected by Boko Haram.<sup>19</sup>

In the fiscal year 2017 omnibus bill, Congress answered the call of this unprecedented need by providing generous funding for humanitarian assistance, continuing the United States' traditional role as a global leader and exemplifying American values, such as compassion and service to those in need. CARE is grateful for Congressional leadership while the world faces these unprecedented humanitarian needs.

Despite the current levels of need, the administration's proposed budget looks to cut overall humanitarian assistance by 45 percent at a time when needs are burgeoning.<sup>20</sup> The International Disaster Assistance (IDA) account, which funds USAID's Office of Foreign Disaster Assistance (OFDA), provides lifesaving assistance to tens of millions of desperate people a year whose lives have been torn apart by conflicts and natural disasters. The administration's fiscal year 2018 budget proposes a 40 percent cut to OFDA's non-food humanitarian responses, which include medicine, clean water and sanitation, and shelter, etc.<sup>21</sup>

If enacted, USAID would not have the resources to provide assistance to tens of millions of vulnerable men, women and children in urgent need.<sup>22</sup> In addition, the

<sup>15</sup> *Just the Numbers: The Impact of U.S. International Family Planning Assistance, 2017*. Guttmacher Institute, May 2017.

<sup>16</sup> OCHA. Financial Tracking Service.

<sup>17</sup> UNICEF. *27 Million People Lack Safe Water in Countries Facing or at Risk of Famine*. New York, United States. 2017.

<sup>18</sup> UNHCR. *2017 South Sudan Regional Revised Refugee Response Plan*. Geneva, Switzerland. May 2017.

<sup>19</sup> Cropley, Ed. "Fund Shortage Forces UN to Cut Emergency Food Aid for 400,000 in Nigeria". Reuters. June 2017.

<sup>20</sup> Calculated in comparison to total fiscal year 2017 funding. For the purposes of this calculation, overall humanitarian assistance is comprised of the following accounts: International Disaster Assistance, Migration and Refugee Assistance, Emergency Migration and Refugee Assistance, and Title II Food for Peace.

<sup>21</sup> In comparison to fiscal year 2016 funding levels.

<sup>22</sup> In fiscal year 2016, the IDA appropriation was \$2.8 billion, of which approximately 40 percent (\$1.12 billion) was provided through Food for Peace for emergency food and 60 percent (\$1.68 billion) was provided for non-food assistance such as emergency kits, tents, medicine, etc. through OFDA. The fiscal year 2018 request for non-food items is \$1 billion, a \$680 million (40 percent) reduction from the fiscal year 2016 level.

administration's proposal to eliminate Title II Food for Peace and only provide \$1.5 billion for the Emergency Food Security Program (EFSP) within the International Disaster Assistance Account would result in an estimated 22.6 million people in crises losing access to lifesaving food assistance.<sup>23</sup>

*An Alternative Path: Ensuring U.S. Leadership and Saving Lives*

The U.S. currently leads globally by saving lives and by putting people on a path toward self-reliance around the world. This is a role that cannot be taken for granted. Recent gains in and efforts to continue to improve the effectiveness, accountability and transparency of U.S. foreign assistance means that the power to address poverty is within our grasp and that assistance can get to those that need it most.

Critical to this continued leadership is the continued funding and support for the expertise of the U.S. Government and, particularly, USAID. USAID plays a valuable and indispensable role in our own national security, and their specific skills are critical in delivering effective development and humanitarian programs that save lives. The breadth of the State Department's reach in fostering strong relationships and goodwill with partners worldwide through diplomacy and engagement is well-known. This work is complemented by the comprehensive work of the USAID. The Agency's technical expertise in development and program design, as well as its reach into the most remote corners of our globe, make its impact and capabilities for poverty eradication unparalleled by other U.S. agencies.

The partnerships USAID attracts, through bilateral engagement with the private sector, foreign governments, and local organizations and implementers, allows the U.S. to respond both comprehensively and insightfully to the challenges of poverty-reduction. The administration's budget would decimate this critical hub of expertise and jeopardize the gains the U.S. Government has made in discovering and achieving best practices for development. CARE fully supports efforts to make U.S. foreign assistance more effective and efficient. However, such efforts must be driven by policy and best practices, and not by budget cuts.

U.S. foreign assistance truly serves as a beacon of hope in people's darkest time by providing life-saving relief. By addressing underlying factors and building the capacity of communities, foreign assistance provides those most vulnerable with options that poverty prevents. In times like these, the United States does not retreat—the United States leads. CARE calls on the members of this Committee to preserve American leadership in global development and humanitarian assistance and consider the impacts of human costs that the administration's proposed budget would bring to communities around the world.

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PREPARED STATEMENT OF CATHOLIC RELIEF SERVICES

Chairman Graham, Ranking Member Leahy, in the spirit and words of Pope Francis, CRS lifts our voice on behalf of “the poorest peoples of the earth” with the request that you robustly fund international poverty-reducing humanitarian and development assistance in fiscal year 2018 as enumerated below. We thank you sincerely for protecting these accounts in the fiscal year 2017 Omnibus. We will continue to work with all of Congress to protect the nearly \$60 billion in international affairs spending in order to respond to unprecedented humanitarian need and maintain progress to combat extreme poverty.

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<sup>23</sup> See addendum.

<b>State, Foreign Operations and Related Programs (SFOPs)</b>	
Maternal & Child Health (USAID)	\$814,500
Nutrition (USAID)	\$125,000
Vulnerable Children (USAID)	\$23,000
HIV/AIDS (USAID)	\$330,000
Malaria (USAID)	\$755,000
Tuberculosis (USAID)	\$241,000
Neglected Tropical Diseases (USAID)	\$100,000
Pandemic Influenza and Other Emerging Threats	\$142,500
HIV/AIDS (DOS/PEPFAR)	\$5,670,000
Development Assistance (USAID)	\$2,995,465
International Disaster Assistance (USAID/OFDA)	\$3,437,786
Migration and Refugee Assistance (DOS/PRM)	\$3,604,000
Emergency Refugee and Migration Assistance (DOS/PRM)	\$50,000
Complex Crises Fund (DOS)	\$30,000
Millennium Challenge Account (MCC)	\$905,000
Atrocities Prevention Board (ESF & INCLE)	\$25,000
Contributions- International Peacekeeping Activities (DOS/IO)	\$2,398,000
Peacekeeping Operations (DOS/IO)	\$609,014
Green Climate Fund (Treasury)	\$500,000
Anti-Trafficking in Persons (DA, ESF, AEECA, INCLE)	\$85,000

In *The Joy of the Gospel*, Pope Francis wrote, “[T]he mere fact that some people are born in places with fewer resources or less development does not justify the fact that they are living with less dignity. We need to grow in a solidarity which ‘would allow all peoples to become the artisans of their destiny’, since ‘every person is called to self-fulfillment’.” The U.S. Conference of Catholic Bishops (USCCB) asserts, “Every budget decision should be assessed by whether it protects or threatens human life and dignity.” And “a central moral measure of any budget proposal is how it affects ‘the least of these’” (Matthew 25). “The needs of those who are hungry and homeless, vulnerable and at risk, without work or in poverty should come first.”

The Church does our best to fulfill this call. In 2015 alone, CRS partnered with the U.S. Government and religious communities to serve more than 120 million people in 112 countries. We are part of a network of Catholic agencies that form Caritas Internationalis. Very often, CRS’s work in a given country is implemented by local Caritas partners with funding from several donor Caritas agencies, as well as the U.S. Government. Private funds enable us to be nimble and innovative while public funds enable us to scale up. Moreover, the U.S. Government’s investment further legitimizes our work.

Let there be no doubt: aid works. In Jordan and Lebanon, CRS has worked itself out of a job: the local Caritas agencies lead in the refugee response. When the United States stepped in to respond to the Ebola outbreak, it was halted. One key aspect of halting Ebola was working with local religious leaders to change local burial practices—no small task given the religious meaning of such acts. South Korea once received aid from the U.S. Government and is now our 7th largest trading partner. More girls in Afghanistan attend school now, including in rural areas where they are the first literate generation. I have had the privilege to hear countless people thank the United States for its generosity. Below I offer the perspective of CRS on the growing needs for international assistance that saves lives and reduces poverty.



*I. Funding for all Humanitarian Assistance accounts must remain robust.*

Thank you for the emergency funding provided in fiscal year 2017 to prevent, mitigate and respond to famine-like conditions in South Sudan, Somalia, Nigeria, and Yemen. According to recent estimates, more than 20 million people across these four countries are at risk, including 5.4 malnourished children, 1.4 million of whom are at severe risk of death. These funds will allow us to scale up our responses. The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) currently estimates \$6.3 billion is needed to respond to these four countries alone in 2017. And according to USAID, “In early May, those in need of humanitarian assistance increased from 6.2 million to 6.7 million in Somalia.” An outbreak of cholera in three of the four countries demonstrates the urgency of the situation and the fact that an adequate response must extend beyond food to water and sanitation, shelter, life-saving health services, nutrition interventions and protection, among others.

In addition to responding to famine-like conditions, CRS is responding to refugees around the globe, including in what has swelled to the world’s largest refugee camp, Bidi Bidi. In the last 6 months, South Sudanese have fled into Uganda at a rate of about 2,000 per day due to the insecurity in their country. Despite its size, the Government of Uganda has created more freedom and integration in Bidi Bidi than would be afforded in most refugee camps. More importantly, the Government of Uganda considers these refugees resettled. International NGOs are a critical part of implementing this policy. Each household receives a 30×30 meter plot and a home. CRS works to ensure that each household has a latrine and supports vulnerable households to transition to more permanent homes from temporary tarps. These plots include room to grow crops, though the already arid climate and recent climate shocks are doubly challenging for refugee households. Because local villages are present throughout the zones of the camp, refugees interact with the local community. CRS works hard to employ South Sudanese refugees in response efforts, as we do with Syrians throughout the Middle East. For example, many South Sudanese have been chosen by members of their community as hygiene promoters. I share these details about Bidi Bidi because it demonstrates the potential for longer-term planning in humanitarian responses and what can happen when refugees are seen as contributors to their host communities. These kinds of efforts will help refugees to truly integrate, and in many cases, reduce their reliance on international assistance.

The critical needs of more than 20 million people facing famine-like conditions are but a portion of the more than 70 million facing acute food insecurity. To cut food assistance now would abandon millions who have relied on the United States for their survival. Furthermore, widespread displacement continues, adding to the unprecedented 65 million already forcibly displaced, 87 percent of whom live in the developing world. More than 5 million Syrians are refugees, and they continue to make the treacherous journey to Europe. CRS alone has served more than 1.3 million Syrians. As you know, humanitarian needs span the globe: such as with the Congolese displacement and flight into Angola which UNOCHA recently declared an L2 emergency. To cut humanitarian assistance now would not only cost lives and make people more vulnerable to traffickers, but also could have security implications around the globe. The bottom line is that *we must continue to do our share to maintain humanitarian assistance for people overseas, and we must help those countries welcoming refugees by the hundreds of thousands by resettling at least 75,000 refugees to the United States in fiscal year 2018. We also urge Congress to replenish the ERMA account*, which has saved lives and stabilized countries, including most recently individuals from Sudan, Mali, and Syria. In fact, it is CRS’ judgment that it would be valuable for the U.S. Government to support more such efforts to streamline action in urgent humanitarian situations.

U.S. diplomacy is an absolute necessity for humanitarian access and, ultimately, a political solution to the conflicts and violence spurring so much flight. We urge you to maintain robust diplomacy as a critical aspect of the United States’ foreign policy tool box. And we emphasize the important role poverty-reduction plays to manage latent tensions which often erupt into conflict.

*II. The Development Assistance account is the bedrock of integral human development assistance, including basic education, water and sanitation, microfinance, and agricultural development. We urge you to maintain the funding and the independence of this account.*

The Church promotes international assistance to defend the life and dignity of the human person. Poverty focused international assistance promotes the common good of all peoples; fosters vibrant civic participation in strong democracies; and expresses the solidarity of the American people with all who are poor and oppressed. Along with humanitarian assistance and global health, the Development Assistance

account demonstrates the best of America's values. We urge the United States to prioritize its development and humanitarian assistance based on need, not political nor short-term national security strategies. While Development Assistance does often explicitly yield a national security dividend, when used overtly as a tool for national security or political agendas, it often loses its impact.

*We also ask you to provide funding to help vulnerable communities mitigate and adapt to the impacts of climate shocks through the Green Climate Fund and Development Assistance.* The impact of climate change on farmland and other livelihoods spurs conflict and migration. CRS partners with a variety of donors, including USAID, to build the resilience of small farmers to drought in Africa, Asia, and Latin America. Those investments helped many communities to cope with the 2016 El Niño-led drought in southern Africa, which has been described as the worst in a generation. For instance, watershed restoration projects have helped farmers in Malawi maintain access to water, even while neighboring communities' wells and streams dried up. Also, in Central America, we are working with farmers to introduce new farming practices that guard against coffee leaf rust—a consequence of climate change—while boosting coffee production.

*III. Global health investments save lives, reduce suffering, and prevent disease outbreaks the world over.*

Investments in global health pay immense dividends for individuals and their communities year upon year. The United States has been a world-leader in saving the lives of children and mothers for the past 30 years. According to USAID, since 1990, an estimated 100 million children have been saved, due in no small part to the U.S. investment in Maternal and Child Health, Nutrition, Malaria and childhood vaccines programs. *CRS is concerned about the proposed cuts to these life-saving programs, as well as proposed cuts to Tuberculosis, Neglected Tropical Diseases and HIV and AIDS funding.*

CRS is also concerned about the administration's proposal to eliminate the Vulnerable Children account. This funding provides care and protection to vulnerable children, particularly those separated from their family or at risk of losing family care. The Church has long taught that the family is the core unit of society. Vulnerable children often end up on the street or in orphanages. Most children in orphanages are there due to poverty and a lack of access to services or discrimination. The vast majority—80–90 percent—of the 8 million children living in orphanages have at least one living parent. We believe that most children, living in a family-based system is far preferable to an institution-based system. Research shows that living in orphanages causes long-term impacts on children's physical, intellectual, and psychological development. CRS' Technical Advisor Kellie Bunkers points out, "We need to focus on prevention. We know that a family environment that is safe, where you have caregivers who are dedicated to your wellbeing as a child, is the ideal." And it's more cost-effective. It costs 6 to 10 times more to care for a child in an orphanage than in a family setting.

Stephen was sent to live in an orphanage at age 5 after his mother died. Though the young Kenyan had the basics of life in the orphanage, he says he often felt like he didn't have an identity or belong anywhere. "You want a person in your life who you can depend on," he says. *We urge you to maintain funding for the Vulnerable Children account as one way to keep children in their families.* In Uganda, CRS is providing case management and a suite of services to 640 vulnerable children. Funded in part through USAID's Displaced Children and Orphans Fund and in part through PEPFAR, this program aims to reunify and reintegrate children from institutional care into family-based care through programs such as parenting instruction. The Ugandan program is part of a 5-year USAID-funded cooperative agreement we operate in 13 countries in Africa, the Coordinating Comprehensive Care for Children grant.

*IV. CRS welcomes opportunities to continue to build on improvements by the previous two administrations to humanitarian and development assistance.*

We support a thoughtful, deliberative process by the administration and Congress, in collaboration with implementers and other key stakeholders, to identify constructive proposals to improve poverty-alleviation. Implementers offer on-the-ground expertise regarding how to cut red tape to get U.S. Government humanitarian funding to beneficiaries more quickly; how to better partner with local civil society organizations so that aid builds local capacity and democracy; how to create synergies between different programs and funding sources; and how to strengthen the U.N., to name just a few. Rapid and significant cuts to these programs, as proposed, may well reduce the overall quality of programs by abandoning hard-fought progress and reducing funding for monitoring and evaluations. CRS participated in the World Hu-

manitarian Summit last May as part of a global effort to make aid more efficient and effective. We committed to redoubling our efforts, alongside the Caritas Internationalis federation and our more than 1,500 partners, not just to deliver aid, but to end the need and to invest in local capacities. CRS also joined 30 international humanitarian organizations in a 3-year pledge to collectively invest \$1.2 billion in private resources to global humanitarian assistance efforts in advance of the September 20, 2016, Leaders' Summit on Refugees.

The former President of the USCCB, Archbishop Joseph E. Kurtz, stated May 25th in the Courier-Journal: "A preferential option for the poor" is a fundamental concept in Catholic social teaching. Though the phrase itself is only 50 years old, it derives from Jesus' Gospel message to pay special attention to poverty. Indeed, Jesus told us that on the Day of Judgment, God will ask us what we did for the poor, teaching, "Whatever you did for one of these least brothers of mine, you did for me." American's generosity undergirds the moral leadership reflected in that teaching, and makes America the shining beacon on a hill.

[This statement was submitted by Sean Callahan, President and CEO.]

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PREPARED STATEMENT OF THE COUNCIL OF INTERNATIONAL DEVELOPMENT COMPANIES—AN INITIATIVE OF THE PROFESSIONAL SERVICES COUNCIL, THE VOICE OF THE GOVERNMENT SERVICES INDUSTRY

July 6, 2017.

Senator LINDSEY GRAHAM,  
*Chairman,*  
*Committee on Appropriations*  
*Subcommittee on State, Foreign Oper-*  
*ations, and Related Programs*

Senator PATRICK J. LEAHY,  
*Ranking Member,*  
*Committee on Appropriations*  
*Subcommittee on State, Foreign Oper-*  
*ations, and Related Programs*

DEAR CHAIRMAN GRAHAM AND RANKING MEMBER LEAHY:

On behalf of the more than 400 member companies in the Professional Services Council (PSC), including our Council of International Development Companies (CIDC), I write to thank you for your leadership and recognize the Congress for including robust foreign assistance funding in the enacted fiscal year 2017 Consolidated Appropriations Act. The levels appropriated sent a strong and important signal that America intends to maintain our preeminent leadership position in the world.

We were equally heartened by the nomination of Ambassador Mark Green as the next USAID Administrator. His prior experience in both the executive and legislative branches will serve him well, and PSC and CIDC urge your support for his speedy confirmation, once his nomination reaches the full Senate.

As noted in your remarks at the June 13 hearing with Secretary of State Tillerson, the President's proposed fiscal year 2018 budget would, if approved, present serious challenges to our national security by dramatically cutting funding to the State Department and U.S. Agency for International Development by a third. PSC believes that budget levels should be based on American foreign policy priorities, commitments and goals, and that the proposed disproportionate reduction would be disastrous.

We attach PSC's comments on the President's proposed budget (*see* attachment 1) and on the important role the contracting community plays in carrying out our Nation's foreign policy and development objectives. We respectfully request that, if possible, this statement be included in the record for the June 13 hearing.

Our members and I stand ready to amplify our views at your convenience.

Respectfully yours,



David J. Berteau  
President & CEO

## (ATTACHMENT 1)

## PREPARED STATEMENT OF THE PROFESSIONAL SERVICES COUNCIL

The Professional Services Council's (PSC) members comprise over 400 companies and their hundreds of thousands of employees across the Nation and throughout the world who provide services to virtually every agency in the Federal Government.<sup>1</sup> PSC is the voice of the government technology and professional services industry, representing the full range and diversity of the government services sector. A significant portion of our members focus their work almost exclusively on the U.S. Agency for International Development (USAID) and form PSC's Council of International Development Companies (CIDC).<sup>2</sup>

We first made our concerns known about President Trump's fiscal year 2018 budget after the release of the so-called initial "skinny budget" in March.<sup>3</sup> As PSC noted then, disproportionate cuts to the State Department and USAID proposed in the draft budget were likely to cause unnecessary consternation with our allies, who would view it as American disengagement from the structures, institutions, and commitments that have formed the bedrock of bi-partisan foreign policy for the last 70 years. In addition, the cuts, which were maintained in the formal budget submission on May 23, would have immediate impact on nations around the world in the areas of security, health, nutrition, education, sanitation, and local government accountability. PSC has prepared a country-by-country analysis (see attachment 2) of what the proposed cuts would look like, with many countries completely zeroed out.<sup>4</sup>

We also note with alarm recent comments by administration officials in support of the fiscal year 2018 budget cuts that suggest they cannot foresee being able to spend their fiscal year 2016 or fiscal year 2017 levels of appropriations.<sup>5</sup> The implications of such comments create great uncertainty with USAID's implementing partners, recipient countries, and fellow donors. In addition, comments like these stray too close to the constitutional issues which were the genesis of the Congressional Budget and Impoundment Control Act of 1974.<sup>6</sup> PSC urges this Committee and others with jurisdiction over these issues to monitor vigilantly those agencies covered by the 150 Account to ensure that the full amounts appropriated by Congress are spent in accordance with the Act.

Considerable room does exist for improvement and savings that could be achieved in our foreign assistance; however, any such reforms must be based on reasoned and documented analysis, which has not been provided for the proposed 32 percent cut in the President's fiscal year 2018 budget. Absent such analysis, PSC does not support the proposed funding reduction.

There is also little analysis to support the proposal to merge the Economic Support Fund (ESF) and Development Assistance (DA) accounts into a comingled ESDF account. Currently ESF funds are controlled primarily by the Department of State and DA funds by USAID. Such a merger would conflate the short-term goals of ESF with the long-term goals of DA. Each account has specific and very different targets and objectives, and the considerable transparency on the activities and obligations under each would be lost if they were merged, with no discernable benefit. Regardless of the funding levels, PSC therefore strongly urges that these two accounts remain separate.

There is the larger issue of whether USAID should remain a stand-alone agency. It is true that foreign assistance should be a tool of our foreign policy, on an equal footing with diplomacy and defense. Development professionals at USAID have the

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<sup>1</sup> For over 45 years, PSC has been the leading national trade association of the government technology and professional services industry. PSC's over 400 member companies represent small, medium, and large businesses that provide Federal agencies with services of all kinds, including information technology, engineering, logistics, facilities management, operations and maintenance, consulting, international development, scientific, social, environmental services, and more. Together, the association's members employ hundreds of thousands of Americans in all 50 States and around the globe. See [www.pscouncil.org](http://www.pscouncil.org).

<sup>2</sup> CIDC companies are reflective of the overall American economy ranging from large firms employing thousands here and overseas to one and two-person small businesses working in the fields of food, water, health, education, governance, and economic growth. Their efforts have been well-documented by PSC. See our From the Field accounts of their foreign assistance program implementation as well as CIDC's work in monitoring and evaluation.

<sup>3</sup> See [http://www.pscouncil.org/News2/NewsReleases/2017/PSC\\_Statement\\_on\\_the\\_Budget\\_Blueprint.aspx](http://www.pscouncil.org/News2/NewsReleases/2017/PSC_Statement_on_the_Budget_Blueprint.aspx).

<sup>4</sup> See: <http://www.pscouncil.org/Downloads/documents/FY18%20Country%20By%20Country%20Cuts.pdf>.

<sup>5</sup> Many Foreign Assistance appropriation accounts have a 2-year period of availability for obligation.

<sup>6</sup> The full text of can be found at: <http://legcounsel.house.gov/Comps/BUDGET.pdf>.

skills needed to help other nations create and sustain transparent governance structures, with literate and healthy citizens, secure borders, clean water, and access to capital and free markets. These skills do not reside in the diplomatic corps at the State Department.

A similar idea was tried in 1999 with the merger of the U.S. Information Agency (USIA) into the State Department. Since then, experts on both the left and right have decried the sad state of American Public Diplomacy that resulted.<sup>7</sup> A recent in-depth study makes an overt comparison between the USIA merger and the one now under discussion for USAID, strongly cautioning against such a “folly.”<sup>8</sup> In addition to preserving needed capabilities, PSC believes an independent USAID, with a seat on the National Security Council, will complement the voices and views of officials from the Departments of Defense and State in future foreign policy discussions by presenting vital, independent development insights.

Other proposals for short-term savings have been reported in the news media, such as cutting the U.S. full-time Foreign Service Officers (FSOs) corps by some 2,300 positions.<sup>9</sup> History also shows that this level of cuts would be very damaging. The results of the workforce Reductions In Force (RIFs) that took place during the 1990s are, according to the GAO, still negatively impacting our foreign policy infrastructure.<sup>10</sup> We should learn from the mistakes of the past and retain the workforce needed to execute USAID programs.

PSC’s position is that the government needs to be staffed fully with well-trained individuals to execute contracts properly, make timely staffing decisions, offer essential technical direction, and provide appropriate contract management and financial oversight of the programs and contract tasks. Sufficient, capable staff ensures that the government and the American taxpayer are getting the full value for money from contractors and that contracts are being run in accordance with U.S. objectives.<sup>11</sup> Contracts with the Federal Government, by definition, afford the lead agency with high degrees of management and oversight that do not exist in other mechanisms.

As one way to improve program execution, PSC has urged USAID to revise its regulations and internal review procedures to clarify and strengthen its procurement decisionmaking process for determining when the use of acquisition or assistance is the appropriate choice of instrument for each development project.<sup>12</sup> The current regulations and procedures are too vague and not helpful to the Agency’s Contracting Officers (COs) and Agreement Officers (AOs)—most of whom have less than 5 years’ experience—or to its program staff. Clearer regulations and internal review procedures will strengthen USAID’s focus on mission outcomes and project accountability, help reduce procurement lead time (the interval from announcing a project to making the award), assist the agency and its implementing partners in bringing their capabilities to the agency and to beneficiaries, and eliminate unnecessary and burdensome administrative requirements on the agency and its implementing partners. Ensuring that USAID has the full complement of COs and AOs,

<sup>7</sup> See April 23, 2003, Heritage Foundation: “How to Reinvigorate Public Diplomacy,”; November 25, 2008, Brookings “Voices of America: U.S. Public Diplomacy for the 21st Century.” More background on the USIA-State merger can be found in: December 18, 2009, Congressional Research Service: “U.S. Public Diplomacy: Background and Current Issues.”

<sup>8</sup> <https://www.csis.org/analysis/folly-merging-state-department-and-usaid-lessons-usia>.

<sup>9</sup> <https://www.wsj.com/articles/tillerson-proposes-2-300-job-cuts-from-state-department-1493415265>.

<sup>10</sup> See June 14, 2012 GAO Report: “Foreign Service Midlevel Staffing Gaps Persist Despite Significant Increases in Hiring.”; September 2009 GAO Report: “Department of State: Additional Steps Needed to Address Continued Staffing and Experience Gaps at Hardship Posts.”

<sup>11</sup> This has been a long-standing PSC position. As we wrote the subcommittee on April 7, 2016, regarding the Department and USAID’s fiscal year 2017 budget: “Our members know first-hand the impact our limited foreign assistance funding has on bringing peace and security to the many troubled regions of the world. Additionally, this funding covers the Operations and Expenses (O/E) accounts for the both the Department of State and USAID. CIDC members work on a daily basis with the Foreign Service Officer staffs in DC and in the field with both agencies. Given the need for more efficient grant and contract approval and management—and the value this oversight provides to the American taxpayer—we urge you to support the O/E account requests to at least maintain the personnel levels that support these, often unheralded, yet crucial, positions.”

<sup>12</sup> See PSC’s August 22, 2016 Letter to then-Acting Administrator of USAID Amb. Alfonso Lenhardt: [http://www.pscouncil.org/CommitteesandTaskForces/InternationalDevelopment/TaskForce/IDTF\\_agency\\_and\\_cong\\_materials/USAID\\_Seeks\\_PSC\\_CIDC\\_Comments\\_on\\_Draft\\_ADS\\_304\\_Implementing\\_Guidance.aspx](http://www.pscouncil.org/CommitteesandTaskForces/InternationalDevelopment/TaskForce/IDTF_agency_and_cong_materials/USAID_Seeks_PSC_CIDC_Comments_on_Draft_ADS_304_Implementing_Guidance.aspx).

coupled with better training and mentoring of junior COs and AOs would also contribute significantly to improving USAID's program execution and results.<sup>13</sup>

PSC members who work with the Department of State and USAID are private sector international development companies who optimize efficiency and effectiveness in order to realize a modest return on their work. That is how they fund the ongoing investments that have made them reliable, capable, and innovative partners for USAID since the Agency's inception. Competing as enterprises on the basis of best value is what keeps their service offerings current, efficient, and cost effective. Competition among contractors is a hallmark of U.S. programs throughout the Federal Government—and should remain so—whether at NASA or the departments of Energy, Agriculture, Commerce, Defense, or even State and USAID. In the field of international development, contractor motives are too often questioned and intentions impugned without due regard for the benefits of competition for efficiency and effective results.

Contractors form an integral part of the U.S. foreign policy arena. Many employees risk their lives every day, working in locales deemed too dangerous for U.S. Government staff to operate, and running programs determined by Washington to be policy priorities—the very reason a contract was issued in the first place—because the work needed to get done. PSC and its members companies serve Americans by competitively bidding on work that has been deemed important and necessary to the safety and security of our citizens. We understand and recognize that much of this work is both time-sensitive, but also timebound: one of the great strengths and practical rationales for selecting a contract vehicle.

Given the proper funding in conjunction with clear achievement benchmarks and guidance from our colleagues in the Federal Government, contractors provide significant value for money that the American taxpayer demands of us. PSC therefore, does not support the proposed fiscal year 2018 budget cuts to the 150 account, does support a separate USAID reporting to the Secretary of State, and urges optimizing the use of private sector contractors to deliver real results and the best value for development spending.

I am happy to address any questions the subcommittee has at any time on the issues discussed above.

[This statement was submitted by David J. Berteau, President & CEO.]

[Attachment 2 follows:]

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<sup>13</sup> While USAID has made remarkable improvements to its Business Forecast (which truly should serve as a model for the Federal Government), PSC remains concerned that, even though PALT for acquisition has decreased commendably and substantially over the past 4 years, dollars spent on acquisition continues to fall as a proportion of total agency spending. See USAID's Management Bureau Office of Acquisition and Assistance Progress Report—Fiscal Year 2016.

ATTACHMENT 2

COUNTRY BY COUNTRY IMPACT OF THE PROPOSED FISCAL YEAR 2018 BUDGET

(Omits PL480, FMF, IMET, INL, and NADRP)

Legend: a Zeroed out in budget (100% cut); b Cut greater than 30%; c Cut less than or equal to 30%; d Increase less than 100%; e Increase equal or greater than 100%

	6/21/2017	DA/ESF-Health	GH-State (PEPFAR)	Global Health-USAID	Peace and Security	Governance	Education	Vulnerable Populations	Agriculture	Trade and Investment	PSD/Econ Opp	Environment	Infrastructure	Disaster Readiness	All Health	All Development	
RBU	Afghanistan	c - 14%	b - 46%	b - 34%	c - 14%	d 4%	c - 9%	b - 30%	d 65%	d 3%	b - 36%	e 38%	e 110%	e 1319%	c - 14%	e 6%	
	Asia	b - 48%	d 1%	b - 38%	d 39%	b - 37%	c - 30%	b - 87%	c - 17%	d 12%	c - 18%	b - 69%	e 110%	a - 100%	b - 41%	b - 31%	
	E&E	b - 78%	d 7%	b - 45%	b - 38%	b - 81%	b - 37%	b - 84%	c - 20%	b - 71%	b - 80%	b - 92%	b - 54%	a - 100%	c - 19%	b - 51%	
	ESAF	a - 100%	c - 28%	b - 69%	e 2821%	b - 43%	b - 40%	b - 67%	b - 22%	b - 34%	b - 84%	b - 49%	b - 49%	c - 6%	c - 6%	b - 61%	
	LAC	a - 100%	c - 4%	b - 69%	e 205%	b - 43%	b - 43%	b - 50%	b - 45%	b - 45%	b - 84%	d 52%	b - 90%	a - 100%	b - 46%	b - 46%	
	ME	b - 75%	d 6%	b - 44%	c - 13%	c - 8%	c - 20%	c - 25%	c - 4%	e 263%	b - 42%	c - 17%	e 54%	a - 100%	c - 22%	d - 1%	
	WCAFH							e 119%	c - 19%	b - 42%	b - 80%	e 2970%	b - 71%	a - 100%	c - 24%	b - 32%	
	TOTAL	d 3%		b - 43%	d 40%	c - 21%	b - 35%	b - 35%	b - 35%	c - 26%	c - 37%	b - 33%	b - 74%	b - 85%	c - 13%	c - 29%	
	AFG																
	Asia	Afghanistan	c - 14%			c - 14%	e 4%	c - 9%	b - 30%	d 65%	d 3%	b - 36%	e 38%			c - 14%	e 6%
Bangladesh		b - 54%			e 655%	e 134%	b - 46%	a - 100%	c - 20%		b - 72%				b - 54%	d 3%	
Burma		a - 100%			e 256%	d - 91%	a - 100%	b - 100%	c - 25%		e 182%				b - 35%	c - 22%	
Cambodia		a - 100%			a - 100%	a - 100%	a - 100%	a - 100%	a - 100%						b - 47%	a - 100%	
East Timor		a - 100%			a - 100%	a - 100%	a - 100%	a - 100%	a - 100%						a - 100%	a - 100%	
India		a - 100%				c - 10%	b - 51%	a - 100%	a - 100%						b - 50%	a - 100%	
Indonesia		a - 100%			a - 100%	b - 43%	b - 79%	a - 100%	b - 38%						a - 100%	a - 100%	
Laos		a - 100%			d 30%	b - 43%	b - 79%	a - 100%	b - 38%						a - 100%	a - 100%	
Nepal		a - 100%			e 9%	c - 13%	c - 1%	a - 100%	d 4%						a - 100%	a - 100%	
Pakistan		a - 100%				d 87%	c - 22%								b - 42%	c - 4%	
Papua New Guinea		a - 100%			e 0%	a - 100%									b - 69%	c - 20%	
Philippines		a - 100%			a - 100%	a - 100%									a - 100%	a - 100%	
Sri Lanka		a - 100%			a - 100%	b - 76%	a - 100%								b - 42%	b - 42%	
Thailand					a - 100%	d 76%	a - 100%								d 24%	a - 100%	
Vietnam						d 83%	a - 100%								d 44%	a - 100%	
S Asia Regional															e 824%	e 824%	
S Asia Regional															b - 42%	b - 72%	
ROWA						d 39%	a - 100%								b - 42%	b - 72%	
E&E		Albania				e 107%	a - 100%	a - 100%	a - 100%	a - 100%	a - 100%	b - 71%			a - 100%	b - 65%	
		Armenia				a - 100%	a - 100%	a - 100%	a - 100%							b - 77%	b - 77%
	Azerbaijan				a - 100%	a - 100%	a - 100%	a - 100%							a - 100%	a - 100%	
	Belarus				a - 100%	a - 100%	a - 100%	a - 100%							a - 100%	a - 100%	
	Bosnia				b - 30%	b - 47%	c - 9%								c - 27%	c - 27%	
	Georgia				a - 38%	a - 40%	a - 100%								b - 41%	b - 41%	
	Kazakhstan				a - 100%	b - 48%	b - 100%								a - 100%	a - 100%	
	Kosovo				d 40%	b - 48%	b - 76%								b - 32%	b - 32%	
	Kyrgyz Republic				b - 40%	b - 70%	b - 35%								c - 30%	c - 30%	
	Madagascar				d 27%	a - 100%	a - 12%								b - 31%	b - 31%	
	Moldova				a - 100%	b - 45%	b - 40%								b - 31%	b - 31%	
	Serbia				d 11%	b - 40%	b - 40%								b - 33%	b - 33%	

ATTACHMENT 2—Continued  
 COUNTRY BY COUNTRY IMPACT OF THE PROPOSED FISCAL YEAR 2018 BUDGET  
 (Omits PL480, FMF, IMET, INL, and NADRP)

Legend: a Zeroed out in budget (100% cut); b Cut greater than 30%; c Cut less than or equal to 30%; d Increase less than 100%; e Increase equal or greater than 100%

	6/21/2017	DA/ESF-Health	GH-State (PEPFAR)	Global Health-USAID	Peace and Security	Governance	Education	Vulnerable Populations	Agriculture	Trade and Investment	PSD/Econ Opp	Environment	Infrastructure	Disaster Readiness	All Health	All Development
Tajikistan				b -45%	b -99%	b -56%	b -96%		c -14%	b -69%	c -27%				b -45%	b -53%
Turkmenistan				a -100%	a -100%	a -100%	a -100%			a -100%	a -100%	a -100%			a -100%	a -100%
Ukraine		d 1%		b -45%	b -45%	c -14%	a -100%			b -68%	b -93%	a -100%	b -65%		c -9%	b -73%
Uzbekistan				b -32%	d 27%	d 41%	a -100%				d 21%	a -100%	b -72%		c -30%	d 30%
EE Africa Regional				d 23%		c -1%	a -100%			b -85%	a -100%	b -80%	d 61%		c -30%	b -70%
											d 79%				d 5%	d 5%
Angola			c -9%	a -100%											b -78%	b -78%
Botswana			e 129%			a -100%									e 129%	e 129%
Burundi			c -27%				a -100%								b -57%	a -100%
Dibouti			b -35%			c -19%	a -100%								a -100%	a -100%
Ethiopia			b -4%			c -22%	b -70%								b -40%	b -34%
Kenya			b -41%			c -13%	c -22%								c -4%	c -15%
Lesotho			a -100%												b -40%	b -40%
Madagascar			d 53%			a -100%	a -100%								d 34%	d 34%
Malawi			b -35%			a -100%	a -100%								b -40%	a -100%
Malawi			a -100%			a -100%	a -100%								e 114%	a -100%
Mozambique			c -27%			a -100%	a -100%								c -27%	a -100%
Namibia			e 239%			a -100%	a -100%								e 239%	a -100%
Rwanda			d 9%			a -100%	a -100%								c -20%	b -67%
Somalia			d 5%			a -100%	b -66%								e 113%	a -100%
South Africa			d 6%			a -100%	a -100%								d 3%	a -100%
South Sudan			b -33%			b -39%	b -39%								b -41%	d 48%
Sudan						b -64%									b -38%	b -38%
Swaziland			d 44%												d 24%	d 24%
Tanzania			d 13%			c -25%	b -59%								c -2%	b -75%
Uganda			d 1%			e 0%	b -78%								c -10%	b -64%
Zambia			d 15%			a -100%	a -100%								d 6%	a -100%
Zimbabwe			d 50%			a -100%	a -100%								d 16%	a -100%
E Afr. Regional			a -100%			a -100%	a -100%								a -100%	b -70%
Sth Afr. Regional			b -88%			a -100%	a -100%								b -93%	b -84%
Africa Regional			b -91%			d 5%	b -43%								b -48%	b -44%
Barbados			d 5%			c -9%	a -100%								c -28%	a -100%
Colombia			d 10%			a -100%	a -100%								b -31%	b -44%
Dominican Republic						a -100%	a -100%									a -100%
Ecuador						a -100%	a -100%									a -100%
El Salvador			a -100%			b -48%	b -47%								b -82%	c -30%
Guatemala						b -36%	b -31%				d 28%	b -76%			c -23%	c -23%
Honduras						c -26%	b -31%				b -43%	a -100%			a -100%	a -100%
Jamaica						a -100%	a -100%								b -49%	b -49%
Mexico						b -36%	a -100%									a -100%
Nicaragua						a -100%	a -100%									a -100%

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PREPARED STATEMENT OF A DIVERSE GROUP OF NATIONAL FAITH-BASED  
ORGANIZATIONS IN SUPPORT OF THE INTERNATIONAL AFFAIRS BUDGET

June 7, 2017.

Hon. THAD COCHRAN,  
*Chairman,*  
*Senate Appropriations Committee,*  
*Washington, DC 20510.*

Hon. RODNEY FRELINGHUYSEN,  
*Chairman,*  
*House Appropriations Committee,*  
*Washington, DC 20515.*

Hon. PATRICK LEAHY,  
*Ranking Member,*  
*Senate Appropriations Committee,*  
*Washington, DC 20510.*

Hon. NITA LOWEY,  
*Ranking Member,*  
*House Appropriations Committee,*  
*Washington, DC 20515.*

DEAR CHAIRS AND RANKING MEMBERS,

We are a diverse group of national faith-based organizations committed to saving lives and advancing the dignity of vulnerable and marginalized persons and communities across the world. We support U.S. investment in international humanitarian and poverty-focused development assistance and peace-building programs that alleviate suffering from hunger, extreme poverty, forced displacement, debilitating illness, natural disasters and violent conflict.

While representing various faith traditions, we all believe that people and nations are accountable for how we treat our brothers and sisters at home and abroad who are vulnerable and in need. The Federal budget is a moral document, which reflects the values of our nation. In the rich history of our country the American people have responded with a hand up to millions of people suffering from hunger, disease, displacement and violence.

We believe that the international affairs budget proposed by the administration does not reflect this moral and compassionate commitment. Proposing to decrease funding for development assistance, disaster assistance, food aid, migration and refugee assistance, and the bureau of conflict and stabilization operations—compromises our foreign policy strategy, endangers our development and peacebuilding experts, and threatens our position in the world as a leader in global development. It also halts the progress that we have made over the last 20 years eradicating extreme poverty and hunger.

Fortunately, Congress has continued to provide bipartisan support for the international affairs budget, and we applaud concerns that have been expressed in response to the administration's proposal. We urge Congress to stand firm in its commitment to foreign assistance, and why we join the international advocacy community in support of *\$60 billion for the international affairs budget*. The U.S. must remain the global leader, committed to reducing poverty and increasing opportunity—at home and abroad.

Most of the 150 budget is within the jurisdiction of the State and Foreign Operations Subcommittee. As you allocate subcommittee funding we *urge you to protect these programs by providing at or above the current fiscal year 17 levels of \$53.1 billion for the SFOPS subcommittee*. Investing in life-saving peace building, humanitarian, and poverty focused development assistance is critical for helping create a healthier world, and generating goodwill toward the United States.

U.S. foreign assistance investments literally mean life or death for millions of people. Almost 800 million people still suffer from hunger, 767 million people still live in extreme poverty, and thousands of children die each day from preventable diseases. We are also facing the largest combined humanitarian crisis since WWII. Currently 60 million persons have been displaced from their homes—the highest number in decades. Famine has been declared in South Sudan, and near famine conditions are in northeast Nigeria, Somalia, and Yemen-threatening starvation for over 20 million people within the next 6 months. Now, more than ever, we need to think about what our role is in the world.

Again, thank you for considering our request. We look forward to working with you in building a world of hope and prosperity for the future of all God's children, including our own.

Thank you!

Sincerely,

- |   |  |
|---|--|
| 1. Adventist Development and Relief Agency        | 13. IMA World Health   |
| 2. American Jewish World Service                  | 14. International Aid, Inc.  |
| 3. Bread for the World                            | 15. Islamic Relief USA   |
| 4. Catholic Medical Mission Board, Inc.           | 16. Jewish Council for Public Affairs                                    |
| 5. Children's Medical Ministries                  | 17. Lutheran World Relief  |
| 6. Christian Connections for International Health | 18. Mennonite Central Committee, U.S., Washington Office                 |
| 7. Church World Service                           | 19. Office of Social Justice, Christian Reformed Church in North America |
| 8. Conference of Major Superiors of Men           | 20. Presbyterian Church (USA)  |
| 9. Disabled Children's Fund                       | 21. Union for Reform Judaism   |
| 10. Evangelical Lutheran Church in America        | 22. United Church of Christ, Justice and Witness Ministries              |
| 11. Faiths for Safe Water                         | 23. United Methodist Church, General Board of Church and Society         |
| 12. Food for the Hungry                           | 24. World Renew  |

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PREPARED STATEMENT OF FAMILY AND FRIENDS OF ANITA DATAR

*March 20, 2017.*

Hon. MIKE ENZI, *Chairman*  
U.S. Senate Budget Committee

Hon. BERNIE SANDERS, *Ranking Member*  
U.S. Senate Budget Committee

Hon. THAD COCHRAN, *Chairman*  
U.S. Senate Committee on  
Appropriations

Hon. PATRICK LEAHY, *Vice-Chairman*  
U.S. Senate Committee on  
Appropriations

Hon. LINDSEY GRAHAM, *Chairman*  
U.S. Senate Appropriations  
Subcommittee on State, Foreign  
Operations, and Related Programs

Hon. PATRICK LEAHY, *Ranking Member*  
U.S. Senate Appropriations  
Subcommittee on State, Foreign  
Operations, and Related Programs

DEAR CHAIRMAN ENZI, RANKING MEMBER SANDERS, CHAIRMAN COCHRAN, VICE-CHAIRMAN LEAHY, AND CHAIRMAN GRAHAM:

On November 20, 2015, armed terrorists killed Anita Datar, along with 19 other innocent people, in Bamako, Mali. Anita was the only American citizen killed in the attack. She was working in Mali at the time carrying out activities under the U.S. President's Emergency Plan for AIDS Relief (PEPFAR). Anita dedicated her career, and ultimately lost her life, to advancing global public health and development, particularly for women and children. As the family and friends of Anita Datar, we strongly urge you to provide full funding in fiscal year 2018 for PEPFAR, the Global Fund, Maternal and Child Health, Family Planning and other critically important public health programs and that the United States continues to maintain its leadership role when it comes to global development.

Global public health and development programs make up less than 1 percent of the Federal budget and they are critical to saving lives both here at home and abroad. These programs help stabilize other countries and prevent conflict reducing the need to put our men and women in uniform in harm's way. In our ever-interconnected world, when global pandemics such as the Ebola virus or the Zika virus are addressed before reaching our shores, Americans are safer.

As leaders of your respective committees, you have seen firsthand the documented progress that has been made from America's leadership in global public health. Since its introduction in 2003, PEPFAR has supported nearly 11.5 million people with life-saving antiretroviral treatment (ART); nearly 2 million babies have been prevented from being born with HIV; and over 6 million orphans and vulnerable children have been given care and support to reduce the impact of HIV/AIDS. It has been reported that countries with PEPFAR programs become more stable and less violent compared to countries without these programs. It is because of these gains that Anita, along with thousands of other men and women who work to improve

global public health, often leaving loved ones behind, took such great pride in her work.

Shortly after her murder, the U.S. Agency for International Development (USAID) dedicated a plaque in its Washington D.C. headquarters to those like Anita who have lost their lives working with the agency. The plaque includes the inscription from the late General George Marshall, "I have done my best, and I hope I have sown seeds which may bring forth good fruit." The Federal contributions to global public health and development programs are by no means sunk costs, but rather they are sound investments that not only save lives, but they advance America's national strategic interests.

Americans are safer and better off with strong, robust funding of global public health and development programs. As you consider the fiscal year 2018 budget and related appropriations bills, we strongly urge you to fully fund PEPFAR, the Global Fund, Maternal and Child Health, Family Planning and other critically important global public health and development programs. As more than 120 retired three and four-star flag and general officers from all branches of the armed services recently stated in their letter to House and Senate leadership, "Now is not the time to retreat."

Thank you for consideration.

Sincerely,

Family and Friends of Anita Datar

cc: U.S. Senator Bob Corker  
U.S. Senator Robert Menendez  
U.S. Senator Cory Booker  
U.S. Senator Benjamin Cardin  
U.S. Senator Chris Van Hollen



[www.anitadatar.org](http://www.anitadatar.org)

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PREPARED STATEMENT OF GENERAL PHILIP BREEDLOVE, USAF (RET.); GENERAL GEORGE CASEY, USA (RET.); GENERAL CARTER HAM, USA (RET.); GENERAL JAMES JONES, USMC (RET.); GENERAL GEORGE JOULWAN, USA (RET.); GENERAL STANLEY MCCHRISTAL, USA (RET.); ADMIRAL WILLIAM MCRAVEN, USNA (RET.); ADMIRAL MICHAEL MULLEN, USN (RET.); ADMIRAL ERIC OLSON, USN (RET.); GENERAL JOHN PAXTON, USMC (RET.); GENERAL DAVID PETRAEUS, USA (RET.); GENERAL JOE RALSTON, USAF (RET.); ADMIRAL GARY ROUGHEAD, USN (RET.); GENERAL HUGH SHELTON USA (RET.); ADMIRAL JAMES STAVRIDIS, USN (RET.); AND ADMIRAL SANDY WINNEFELD, USN (RET.)

#### STABILITY-ENHANCEMENT INVESTMENTS AND THE FISCAL YEAR 2018 BUDGET

Mr. Chairman and Members of the subcommittee, thank you for the opportunity for us to share our testimony on a matter of monumental importance to our country and the men and women in uniform we have been privileged to serve.

Modern national security challenges require innovative national security thinking. Such thinking begins with recognizing one of the clear lessons of history: American security is advanced by the development of stable nations that are making progress on social development, economic growth, and good governance; by countries that en-

force the rule of law and invest in the health and education of their own people. In short, America's interests are served by nations that give their people hope that tomorrow will be better than today.

Conversely, American security is undermined by frail and failing nations where hope is non-existent, and where conditions foster radicalism, produce refugees, spark insurgency, and provide safe havens for terrorists, criminal gangs, and human traffickers. In this light, it is clear to us that strategic development assistance is not charity—it is an essential, modern tool of U.S. national security.

U.S. development efforts should be respected—and budgeted—as investments in stability enhancement. The severe cuts to the State Department and USAID that the Administration has proposed will make America less safe, and Congress should reject them. Not only should we protect and properly fund the International Affairs budget, it is time for the United States and its allies to explore bold, dedicated funding for smart development efforts in fragile areas that build stability and prevent future threats from emerging.

As you know, a host of international terrorist groups—al Qaeda, al Shabaab, Boko Haram, and ISIS, among others—have taken root in highly fragile regions and countries with shared characteristics such as corruption and poor governance, weak institutions, high poverty and inequality, indignity, and low quality of life for ordinary citizens. Local populations frustrated with poor governance and lacking meaningful opportunities to improve their lives or provide for their families are prone to tolerate, if not actively support, extremist groups that challenge government authority or assume the government's role as social-service provider. To combat these groups and prevent such areas from serving as fertile recruiting grounds, training areas, and transit routes for violent extremists, the United States and our allies should become much more proactive in helping address underlying conditions that, left unchecked, invite and foment instability.

In our active duty days, we were honored to help lead the finest fighting force in the world. This experience helped inform our solid conviction that in the 21st century, weapons and warfighters alone are insufficient to keep America secure. We support DoD funding increases needed to maintain the readiness of our forces. These resources must be complemented and supported by a robust development budget to advance our national security objectives. Kinetic activities alone cannot prevent radicalization, nor can they, by themselves, prevent despair from turning to anger and increasing outbursts of violence and instability. This has been our national experience of the last 15 years in Afghanistan, Iraq, in the Middle East, and now in Africa.

America has always relied on our men and women in uniform when called upon. Their faithful service, courage, and sacrifice deserves and demands that we address and develop the strongest possible strategy for conflict-prevention that our nation can muster. Cutting the International Affairs budget unilaterally will have the effect of disarming our country's capability to stop new conflicts from forming, and will place our interests, values, and the lives of our men and women in uniform at risk.

Congress can, and should, make America safer with a robust and strategic Phase Zero initiative that engages the U.S. Government, non-governmental organizations, and the private sector to synergistically prevent conflict and promote security, development, and governance rooted in the rule of law. Such an initiative will fill a dangerous vacuum that military intervention alone simply can't. Proactive conflict prevention strategies are far less expensive in terms of resources and lives expended than reactive use of our Armed Forces.

Fighting extremist groups after they emerge as a well-trained and well-funded entity is costlier in lives and money than preventive efforts. It is also more difficult. Research suggests that investing in prevention is, on average, 60 times less costly than war and post-conflict reconstruction costs. Preventing terrorist groups from expanding requires starving them of the oxygen on which they flourish: hopelessness and a belief that their radical agenda can provide purpose and meaning to the lives of their recruits.

It is clear to us that development experts under the auspices of USAID, State Department, the Millennium Challenge Corporation, and other Federal agencies must be fully vested as part of a coherent whole-of-government stability-enhancement strategy that will protect America's interests in the modern security environment while minimizing the exposure of our young men and women to harm's way.

We are part of a long history of U.S. military leaders who have noted how much more cost-effective it is to prevent a conflict than to end one.

Former Chairman of the Joint Chiefs of Staff and retired Admiral Michael Mullen said, "A fully-integrated foreign policy requires a fully-resourced approach. Our troops, Foreign Service officers and development experts work side-by-side in un-

precedented and ever-increasing cooperation as they execute our strategic programs.”

Former Supreme Allied Commander and Commander of U.S. Southern Command, retired Admiral James Stavridis, said, “In so many ways, the most important deployments we make are those supporting soft power via diplomacy and development: from our hospital ships to our humanitarian construction battalions, this are incredibly high ‘bang for the buck’ efforts supporting State and AID.”

Former SACEUR and Commandant of the United States Marine Corps, retired General James Jones, summed up the strategic premise with a simple but time-proven equation: stability equals development plus security.

Helping to defeat the conditions that give rise to transboundary dangers such as radicalism, criminality, disease, and mass-migration at their place of origin will make America safer.

We urge you to avoid a reduction in the 302(b) allocation for State and Foreign Operations, and to the poverty-fighting programs it funds. We also would welcome the opportunity to discuss the importance to our national security of non-military Phase Zero operations and investments, and ideas for dedicated funding for development efforts in fragile states to help build stability and to prevent future threats from emerging.

Thank you.

General Philip Breedlove, USAF (Ret.)—Former NATO Supreme Allied Commander Europe (SACEUR) and Commander, U.S. European Command

General George Casey, USA (Ret.)—Former Chief of Staff, United States Army

General Carter Ham, USA (Ret.)—Former Commander, U.S. Africa Command

General James Jones, USMC (Ret.)—Former Commandant, U.S. Marine Corps and former NATO Supreme Allied Commander Europe (SACEUR) and Commander, U.S. European Command

General George Joulwan, USA (Ret.)—Former NATO Supreme Allied Commander Europe (SACEUR) and Commander, U.S. European Command; Former Commander, U.S. Southern Command

General Stanley McChrystal, USA (Ret.)—Former Commander, U.S. Joint Special Operations Command

Admiral William McRaven, USN (Ret.)—Former Commander, U.S. Special Operations Command

Admiral Michael Mullen, USN (Ret.)—Former Chairman, Joint Chiefs of Staff; Former Chief of Naval Operations

Admiral Eric Olson, USN (Ret.)—Former Commander, U.S. Special Operations Command

General John Paxton, USMC (Ret.)—Former Assistant Commandant, U.S. Marine Corps

General David Petraeus, USA (Ret.)—Former Commander, U.S. Central Command

General Joseph Ralston, USAF (Ret.)—Former NATO Supreme Allied Commander Europe (SACEUR) and Commander, U.S. European Command; Vice Chairman, Joint Chiefs of Staff

Admiral Gary Roughead, USN (Ret.)—Former Chief of Naval Operations

General Hugh Shelton USA (Ret.)—Chairman, Joint Chiefs of Staff; Former Commander, U.S. Special Operations Command

Admiral James Stavridis, USN (Ret.)—Former NATO Supreme Allied Commander Europe (SACEUR) and Commander of U.S. European Command; Former Commander, U.S. Southern Command

Admiral James Winnefeld Jr., USN (Ret.)—Vice Chairman, Joint Chiefs of Staff; Former Commander, U.S. Northern Command

## PREPARED STATEMENT OF THE GOVERNMENT ACCOUNTABILITY OFFICE

June 5, 2017.

Hon. REX W. TILLERSON,  
Secretary of State,  
U.S. Department of State,  
2201 C St., N.W.,  
Washington, DC 20520.

DEAR MR. SECRETARY:

The purpose of this letter is to provide an update on the overall status of the Department of State's (State) implementation of GAO's recommendations and to call your personal attention to areas where open recommendations should be given high priority. The government-wide average recommendation implementation rate for the past 4 years has been 77 percent. State's average implementation rate has been 80 percent. As of May 4, 2017, State had 135 open recommendations. Fully implementing these open recommendations could yield significant improvements in your agency's operations.

We would ask you to focus on 28 recommendations as being the highest priorities for implementation. (See enclosure for a list of these priority recommendations.) These priority recommendations fall into the five major areas listed below.

*Security of Overseas Personnel and Facilities.*—Of the 28 priority recommendations, 23 are related to security issues. Fully implementing our 4 priority recommendations on personnel security would help ensure State personnel are prepared to operate in dangerous situations.<sup>1</sup> In March 2014, we recommended that State take steps to ensure that U.S. civilian personnel are in compliance with the Foreign Affairs Counter Threat (FACT) training requirements. As of April 2017, State needs to complete plans to monitor and verify compliance with the FACT training requirement for permanent and temporary personnel.

Fully implementing our 11 priority recommendations on physical security at overseas posts will improve the safety and security of personnel serving overseas, particularly in high-threat locations.<sup>2</sup> For example, in June 2014, we recommended that State take steps to strengthen its risk management processes associated with physical security of diplomatic facilities. As of April 2017, State needs to take several actions to improve its ability to identify and mitigate risks, increase data reliability, and enhance security policies.

Fully implementing 8 recommendations related to transportation security, such as those related to armored vehicles, would improve State's efforts to manage transportation-related security risks overseas.<sup>3</sup> In October 2016, we recommended that State take steps to enhance its efforts to manage transportation-related security risks overseas, including improving guidance and developing monitoring procedures. As of April 2017, State needs to create consolidated guidance that specifies transportation security requirements and develop monitoring procedures to ensure posts comply with State's armored vehicle policy.

*Security Assistance.*—Every year the United States provides billions of dollars in assistance to other nations in the form of security equipment, technical assistance, and humanitarian supplies. We want to draw your attention to 2 recommendations to strengthen State's human rights vetting process related to Egypt.<sup>4</sup> Until State implements these recommendations, it lacks complete vetting policies and procedures, which puts U.S. agencies at risk of providing security assistance to Egyptian security forces that have committed gross violations of human rights.

*Cost Savings.*—The U.S. Government is close to fully realizing the cost savings from our recommendation related to foreign assistance to Egypt. We recommended in 2015 that State and the U.S. Agency for International Development (USAID) plan for the use of \$260 million earmarked for a cash transfer that the U.S. Government

<sup>1</sup>GAO, *Countering Overseas Threats: Gaps in State Department Management of Security Training May Increase Risk to U.S. Personnel*, GAO-14-360 (Washington, D.C.: Mar. 10, 2014).

<sup>2</sup>GAO, *Diplomatic Security: Overseas Facilities May Face Greater Risks Due to Gaps in Security-Related Activities, Standards, and Policies*, GAO-14-655 (Washington, D.C.: June 25, 2014); and *Diplomatic Security: State Department Should Better Manage Risks to Residences and Other Soft Targets Overseas*, GAO-15-700 (Washington, D.C.: July 9, 2015).

<sup>3</sup>GAO, *Diplomatic Security: State Should Enhance Its Management of Transportation-Related Risks to Overseas U.S. Personnel*, GAO-17-124 (Washington, D.C.: Oct. 4, 2016).

<sup>4</sup>GAO, *Security Assistance: U.S. Government Should Strengthen End-Use Monitoring and Human Rights Vetting for Egypt*, GAO-16-435 (Washington, D.C.: Apr. 12, 2016).

decided would not occur.<sup>5</sup> State, working with the USAID, has taken steps to repurpose most of these funds, but as of April 2017, \$30 million remains available. Given U.S. Government resource constraints, it is important that State plan for using these existing resources, including to potentially reduce future budget requests.

*Humanitarian Assistance.*—Based on our review of humanitarian assistance delivered to people in Syria, we recommended in 2016 that State require implementing partners to conduct risk assessments addressing the risk of fraud.<sup>6</sup> State has included related language in a March 2017 funding agreement, but as of April 2017, two additional agreements had not yet been completed.

*Information Technology.*—In May 2016, we found that State spent approximately 80 percent of its information technology budget on operating and maintaining older systems. For example, 3 of State’s visa systems were more than 20 years old. The software for one of these systems was no longer supported by the vendor, creating challenges related to information security. State was planning to upgrade the software to a newer version that also was not supported. As a result, we recommended that State identify and plan to modernize or replace legacy systems, consistent with Office of Management and Budget guidance.<sup>7</sup> We especially encourage you to give attention to any recommendations that your Inspector General may have related to implementing a comprehensive information security program. To assist agencies in their efforts, we have issued work on actions needed to improve cybersecurity and agency information security programs.<sup>8</sup>

In addition to these priority recommendations, since 1990, we have maintained a High Risk List to call attention to government operations that are high risk due to their vulnerabilities to fraud, waste, abuse, and mismanagement, or that are in need of transformation.<sup>9</sup> Our High Risk program has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public. Progress has been possible through the concerted actions and efforts of the Congress and agencies, including within State.

In particular, we would like to call your attention to three government-wide High Risk areas: (1) strategic human capital management, (2) ensuring the security of Federal information systems and cyber critical infrastructure and protecting the privacy of personally identifiable information—1 of the 28 priority recommendations is related to this High Risk area—and (3) improving management of IT acquisitions and operations. Continuing management attention in these three areas is needed at all Federal agencies. Regarding IT acquisitions, we have identified the need for Federal agencies to continue to expeditiously implement the requirements of December 2014 IT acquisition reform legislation, known as the Federal Information Technology Acquisition Reform Act (FITARA), and to report all data center consolidation cost savings to OMB and address weaknesses in their management of software licenses.<sup>10</sup>

I appreciate your department’s continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Charles Michael Johnson, Jr., Managing Director, International Affairs and Trade at johnsoncm@gao.gov or 202–512–7331. Of course, we will continue to coordinate with State’s GAO Liaison, Julianne Shinnick, and her team on all of the 135 open recommendations to determine which of our recommendations should be closed.

<sup>5</sup> GAO, *Egypt: U.S. Government Should Examine Options for Using Unobligated Funds and Evaluating Security Assistance Programs*, GAO–15–259 (Washington, D.C.: Feb. 11, 2015).

<sup>6</sup> GAO, *Syria Humanitarian Assistance: Some Risks of Providing Aid inside Syria Assessed, but U.S. Agencies Could Improve Fraud Oversight*, GAO–16–629 (Washington, D.C.: July 14, 2016).

<sup>7</sup> GAO, *Information Technology: Federal Agencies Need to Address Aging Legacy Systems*, GAO–16–468 (Washington, D.C.: May 25, 2016).

<sup>8</sup> See, for example, GAO, *Cybersecurity: Actions Needed to Strengthen U.S. Capabilities*, GAO–17–440T (Washington, D.C.: Feb. 14, 2017) and *Federal Information Security: Agencies Need to Correct Weaknesses and Fully Implement Security Programs*, GAO–15–714 (Washington, D.C.: Sept. 29, 2015).

<sup>9</sup> GAO, *High Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, GAO–17–317 (Washington, D.C.: Feb. 15, 2017).

<sup>10</sup> FITARA was enacted into law as a part of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, Public Law No. 113–291, div. A, title VIII, subtitle D, §§ 831–837, 128 Stat. 3292, 3438–3450 (2014). See, for example, GAO, *Data Center Optimization: Agencies Need to Complete Plans to Address Inconsistencies in Reported Savings*, GAO–17–388 (Washington, D.C.: May 18, 2017) and *Federal Software Licenses: Better Management Needed to Achieve Significant Savings Government-Wide*, GAO–14–413 (Washington, D.C.: May 22, 2014).



Sincerely yours,



Gene L. Dodaro  
Comptroller General of the United States

Enclosure

cc: The Honorable Mick Mulvaney, Director, OMB  
Julianne Shinnick, State

ENCLOSURE

DEPARTMENT OF STATE OPEN PRIORITY RECOMMENDATIONS

SECURITY OF OVERSEAS PERSONNEL AND FACILITIES

*Countering Overseas Threats: Gaps in State Department Management of Security Training May Increase Risk to U.S. Personnel.* GAO-14-360. Washington, D.C.: March 10, 2014.

Open Priority Recommendations:

- To strengthen State’s ability to ensure that U.S. civilian personnel are in compliance with the Foreign Affairs Counter Threat (FACT) training requirement, the Secretary of State should monitor or evaluate overall levels of compliance with the FACT training requirement among U.S. civilian personnel under chief-of-mission authority who are subject to the requirement.
- To strengthen State’s ability to ensure that U.S. civilian personnel are in compliance with the FACT training requirement, the Secretary of State should identify a mechanism to readily determine the universe of assigned U.S. civilian personnel under chief-of-mission authority who are required to complete FACT training.
- To strengthen State’s ability to ensure that U.S. civilian personnel are in compliance with the FACT training requirement, the Secretary of State should take steps to ensure that management personnel responsible for assigning personnel to designated high-threat countries consistently verify that all assigned U.S. civilian personnel under chief-of-mission authority who are required to complete FACT training have completed it before arrival in the designated high-threat countries.
- To strengthen State’s ability to ensure that U.S. civilian personnel are in compliance with the FACT training requirement, the Secretary of State should take steps to ensure that management personnel responsible for granting country clearance consistently verify that all short-term temporary duty U.S. civilian personnel under chief-of-mission authority who are required to complete FACT training have completed it before arrival in the designated high-threat countries.

*Actions Needed:* State concurred with these recommendations. State needs to take several actions to strengthen its ability to ensure that U.S. civilian personnel are in compliance with the FACT training requirement. For example, State officials said that they are developing a plan to utilize various electronic systems to monitor overall levels of compliance for assigned and short-term temporary duty personnel. State officials also said that they are developing a plan to achieve real-time verification of FACT training for assigned personnel using data from its Student Training Management System. As of April 2017, State had not completed either plan.

*Managing Director:* Charles Michael Johnson, Jr.  
*Contact:* 202-512-7331 or JohnsonCM@gao.gov.

*Diplomatic Security: Overseas Facilities May Face Greater Risks Due to Gaps in Security- Related Activities, Standards, and Policies.* GAO-14-655. Washington, D.C.: June 25, 2014.

Open Priority Recommendations:

- To strengthen the effectiveness of State’s ability to identify risks and mitigate vulnerabilities, the Secretary of State should direct the Bureau of Diplomatic

Security (DS) to routinely ensure that necessary waivers and exceptions are in place for all work facilities at posts overseas.

- To strengthen the effectiveness of State’s ability to identify risks and mitigate vulnerabilities, the Secretary of State should direct DS to develop a process to ensure that mitigating steps agreed to in granting waivers and exceptions have been implemented.
- To strengthen the effectiveness of State’s risk management policies, the Secretary of State should develop a risk management policy and procedures for ensuring the physical security of diplomatic facilities, including roles and responsibilities of all stakeholders and a routine feedback process that continually incorporates new information.
- To improve the consistency and data reliability of State risk management data, the Secretary of State should direct the Under Secretary for Management to identify and eliminate inconsistencies between and within the Foreign Affairs Manual (FAM), Foreign Affairs Handbook (FAH), and other guidance concerning physical security.
- To strengthen the applicability and effectiveness of State’s physical security standards, the Secretary of State should work through DS or, in his capacity as chair, through the Overseas Security Policy Board (OSPB) to develop physical security standards for facilities not currently covered by existing standards.
- To strengthen the applicability and effectiveness of the State’s physical security standards, the Secretary of State should work through DS or, in his capacity as chair, through the OSPB to clarify existing flexibilities in the FAH to ensure that security and life-safety updates to the OSPB standards and Physical Security Handbook are updated through an expedited review process.
- To strengthen the applicability and effectiveness of State’s physical security standards, the Secretary of State should work through DS or, in his capacity as chair, through the OSPB to develop a process to routinely review all OSPB standards and the Physical Security Handbook to determine if the standards adequately address evolving threats and risks.
- To strengthen the applicability and effectiveness of State’s physical security standards, the Secretary of State should work through DS or, in his capacity as chair, through the OSPB to develop a policy for the use of interim and temporary facilities that includes definitions for such facilities, timeframes for use, and a routine process for reassessing the interim or temporary designation.

*Actions Needed:* State generally agreed with these recommendations, but, as of April 2017, State had not completed all of the actions it has planned to address them. State needs to take several actions to improve its ability to identify and mitigate risks, increase data reliability, and enhance security policies. For example, State needs to complete its efforts to track implementation of waiver and exception mitigation strategies through the deficiencies database. State also needs to take actions to improve the consistency and data reliability of its risk management data. For example, State needs to complete its revision of sections in the FAM and FAH related to physical security to ensure that guidance concerning physical security is consistent. Lastly, State needs to take actions to strengthen the applicability and effectiveness of its physical security standards, including completing an update to the FAH that specifically defines the physical security requirements for all facilities.

*Director:* Michael J. Courts

*Contact:* 202–512–8980 or CourtsM@gao.gov.

*Diplomatic Security: State Department Should Better Manage Risks to Residences and Other Soft Targets Overseas.* GAO–15–700. Washington, D.C.: July 9, 2015.

**Open Priority Recommendations:**

- To enhance State’s efforts to manage risks to residences, schools, and other soft targets overseas, the Secretary of State should direct DS to institute procedures to improve posts’ compliance with requirements for conducting residential security surveys.
- To enhance State’s efforts to manage risks to residences, schools, and other soft targets overseas, the Secretary of State should direct DS to take steps to clarify existing standards and security-related guidance for residences. For example, DS could conduct a comprehensive review of its various standards and security-related guidance for residences and take steps to identify and eliminate gaps and inconsistencies.
- To enhance State’s efforts to manage risks to residences, schools, and other soft targets overseas, the Secretary of State should direct DS to develop procedures for ensuring that all residences at posts overseas either meet applicable standards or have required exceptions on file.

*Actions Needed:* State concurred with these recommendations and described its plans to address the recommendations in a July 2015 letter to the Chairman of the U.S. Senate Committee on Foreign Relations. As of April 2017, State needs to take actions to enhance its efforts to manage risks to residences, schools, and other soft targets overseas. For example, State needs to incorporate the residential security program reporting requirement into the FAM. Furthermore, State needs to complete its comprehensive review of security standards and guidance for residences and take steps to identify and eliminate gaps and inconsistencies, steps that it reported initiating in July 2015.

*Director:* Michael J. Courts  
*Contact:* 202-512-8980 or CourtsM@gao.gov.

*Diplomatic Security: State Should Enhance Its Management of Transportation-Related Risks to Overseas U.S. Personnel.* GAO-17-124. Washington, D.C.: October 4, 2016.

Open Priority Recommendations:

- To enhance State’s efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to create consolidated guidance for Regional Security Officers that specifies required elements to include in post travel notification and transportation security policies. For example, as part of its current effort to develop standard templates for certain security directives, DS could develop templates for transportation security and travel notification policies that specify the elements required in all security directives as recommended by the February 2005 Iraq Accountability Review Board as well as the standard transportation-related elements that DS requires in such policies.
- To enhance State’s efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to create more comprehensive guidance for DS reviewers to use when evaluating posts’ transportation security and travel notification policies. For example, the checklist DS reviewers currently use could be modified to stipulate that reviewers should check all security directives for DS-required elements recommended by the February 2005 Iraq Accountability Review Board. The checklist could also provide guidance on how to take the presence or absence of these required elements into account when assigning a score to a given policy.
- To enhance State’s efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to clarify whether or not the FAH’s armored vehicle policy for overseas posts is that every post must have sufficient armored vehicles, and if DS determines that the policy does not apply to all posts, articulate the conditions under which it does not apply.
- To enhance State’s efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to develop monitoring procedures to ensure that all posts comply with the FAH’s armored vehicle policy for overseas posts once the policy is clarified.
- To enhance State’s efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to implement a mechanism, in coordination with other relevant State offices, to ensure that Emergency Action Committees discuss their posts’ armored vehicle needs at least once each year.
- To enhance State’s efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to clarify existing guidance on refresher training, such as by delineating how often refresher training should be provided at posts facing different types and levels of threats, which personnel should receive refresher training, and how the completion of refresher training should be documented.
- To enhance State’s efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to improve guidance for Regional Security Officers, in coordination with other relevant State offices and non-State agencies as appropriate, on how to promote timely communication of threat information to post personnel and timely receipt of such information by post personnel.
- To enhance State’s efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to take steps, in coordination with other relevant State offices and non-State agencies as appropriate, to make travel notification systems easily accessible to post personnel who are required to submit such notifications, including both State and non-State personnel.

*Actions Needed:* State concurred with these recommendations and provided updates in October 2016 and April 2017 describing its plans to address them, steps it had taken to date, and expected timeframes for completing these actions. As of April

2017, State needs to take steps to improve guidance for security officials and the monitoring of implementation of transportation security policies at overseas posts. For example, State needs to create consolidated guidance that specifies transportation security requirements and to clarify which posts are required to have armored vehicle policies. State also needs to develop monitoring procedures to ensure posts comply with State's armored vehicle policy and ensure that posts discuss armored vehicle needs.

*Director:* Michael J. Courts  
*Contact:* 202-512-8980 or CourtsM@gao.gov.

#### SECURITY ASSISTANCE

*Security Assistance: U.S. Government Should Strengthen End-Use Monitoring and Human Rights Vetting for Egypt.* GAO-16-435. Washington, D.C.: April 12, 2016.

#### Open Priority Recommendations:

- To strengthen compliance with the Leahy laws and implementation of State's human rights vetting process and to help ensure that U.S.-funded assistance is not provided to Egyptian security forces that have committed gross violations of human rights, the Secretary of State should determine, in consultation with the Secretary of Defense, the factors that resulted in some Egyptian security forces not being vetted before receiving U.S. training, and take steps to address these factors, to ensure full compliance with human rights vetting requirements for future training.
- To strengthen compliance with the Leahy laws and implementation of State's human rights vetting process and to help ensure that U.S.-funded assistance is not provided to Egyptian security forces that have committed gross violations of human rights, as State works to implement a revised version of the International Vetting and Security Tracking system (INVEST) that is expected to help facilitate equipment vetting, the Secretary of State should develop timeframes for establishing corresponding policies and procedures to implement a vetting process to help enable the U.S. Government to provide a more reasonable level of assurance that equipment is not transferred to foreign security forces, including those in Egypt, when there is credible information that a unit has committed a gross violation of human rights.

*Actions Needed:* State concurred with these recommendations. State needs to take additional actions to help ensure compliance with the Leahy laws and implementation of State's human rights vetting process and to help ensure that U.S. funded assistance is not provided to Egyptian security forces that have committed gross violations of human rights. As of April 2017, State had provided revised guidance for equipment vetting in Egypt; however, it had not developed plans for implementing these procedures more broadly.

*Managing Director:* Charles Michael Johnson, Jr.  
*Contact:* 202-512-7331 or JohnsonCM@gao.gov.

#### COST SAVINGS

*Egypt: U.S. Government Should Examine Options for Using Unobligated Funds and Evaluating Security Assistance Programs.* GAO-15-259. Washington, D.C.: February 11, 2015.

#### Open Priority Recommendation:

- Given the significant unobligated balances of about \$260 million in the Economic Support Funds account for Egypt previously allocated for a cash transfer that the administration has stated it no longer intends to carry out, the Secretary of State and the U.S. Agency for International Development (USAID) Administrator should work to develop plans for an alternate use of these funds, in consultation with the appropriate committees of Congress. As part of planning for these funds, State should also consider ways that this funding could potentially be used to offset future budget requests.

*Actions Needed:* State concurred with this recommendation. As of April 2017, State, working with USAID, needs to develop plans for an alternative use for the remaining \$30 million of \$260 million unobligated Economic Support Funds.

*Managing Director:* Charles Michael Johnson, Jr.  
*Contact:* 202-512-7331 or JohnsonCM@gao.gov.

## HUMANITARIAN ASSISTANCE

*Syria Humanitarian Assistance: Some Risks of Providing Aid inside Syria Assessed, but U.S. Agencies Could Improve Fraud Oversight.* GAO-16-629. Washington, D.C.: July 14, 2016.

## Open Priority Recommendation:

—To ensure that State has a comprehensive understanding of the risks facing its implementing partners providing humanitarian assistance to people inside Syria, the Secretary of State should include in its voluntary contribution agreements with implementing partners a requirement that the partner conduct risk assessments addressing the risk of fraud.

*Actions Needed:* State concurred with this recommendation and has taken steps to implement it since our report. According to Bureau of Population, Refugees, and Migration officials, the Bureau has not yet completed voluntary contributions for the other two public international organizations conducting activities inside Syria, as of March 2017. We will continue to track relevant Bureau funding agreements to determine that future awards to fund activities inside Syria contain similar language on fraud risk assessments.

*Director:* Thomas Melito

*Contact Information:* 202-512-9601 or MelitoT@gao.gov.

## INFORMATION SYSTEMS

*Information Technology: Federal Agencies Need to Address Aging Legacy Systems.* GAO-16-468. Washington, D.C.: May 25, 2016.

## Open Priority Recommendation:

—To address obsolete information technology investments in need of modernization or replacement, the Secretary of State should direct the Chief Information Officer to identify and plan to modernize or replace legacy systems as needed and consistent with Office of Management and Budget's draft guidance, including timeframes, activities to be performed, and functions to be replaced or enhanced.

*Actions Needed:* State concurred with this recommendation. As of April 2017, State needs to plan to replace legacy information technology systems.

*High Risk Area:* Ensuring the security of Federal information systems and cyber critical infrastructure and protecting the privacy of personally identifiable information

*Director:* David A. Powner

*Contact:* 202-512-9286 or pownerd@gao.gov.

## PREPARED STATEMENT OF THE INSTITUTE OF INTERNATIONAL EDUCATION

On behalf of the Institute of International Education, I am honored to submit testimony in support of the Fulbright international exchange program, which is funded by the Department of State and implemented by the Institute of International Education. Fulbright is the flagship U.S. Government sponsored international exchange program—supporting Americans to study and teach English overseas, and foreign students and scholars who contribute to U.S. universities and communities, while furthering their scholarship. No program reaches as many corners of the world or the United States for over 70 years.

The latest publicly available Fulbright Foreign Scholarship Board report, notes that foreign governments contributed \$93 million. This represents 20.8 percent of the total \$448.45 million Fulbright program in fiscal year 2014. An additional \$16.8 million was contributed by foreign private sources. Foreign contributions of \$109.9 million represent 24.5 percent of the total program.

We are concerned that foreign governments will reduce their contributions if the U.S. Government cuts funding. There is no realistic scenario where foreign and private contributions can make up the difference of U.S. cuts so that the program is maintained at current levels. In addition, the administration's proposed cuts to Economic Support Fund would likely result in USAID missions in Pakistan, Afghanistan and Egypt cutting back how much they allocate to Fulbright.

As our Nation's flagship public diplomacy program, the Fulbright Program projects American strength, shores up allies, and advances American values of liberty, free markets and open exchange of ideas. It is a long-term investment in build-

ing communities and collaboration by advancing individuals' relationships, knowledge, and leadership skills. This is an important role for our government to invest in, as private international exchange programs do not have the reach and bilateral leveraging value of Fulbright.

The Fulbright Program advances U.S. national security as one of the most effective foreign policy tools available to the U.S. Government. Fulbright alumni have become leaders and contributed greatly to society—including 37 current or former heads of state or government, 57 Nobel Laureates, 82 Pulitzer Prize winners, 29 MacArthur Foundation Fellows, 16 Presidential Medal of Freedom recipients, and thousands of leaders across the private, public and nonprofit sectors. The Fulbright Program creates an unparalleled sphere of influence—future leaders who benefited from U.S. higher education and gained understanding of American communities and our people. The Fulbright Program operates in countries that are key trading partners, strengthening economic ties and building U.S. competitiveness. The Program provides U.S. Embassies with a platform for positive engagement with government and civil leaders and acts as a catalyst to attract foreign students to study at colleges and universities in every State in the Union.

From its inception, the Fulbright Program has fostered bilateral relationships in which other countries and governments work with the U.S. to set joint priorities and shape the program to meet shared needs. It has benefited from bipartisan congressional support for decades. During the last several years of pressure on the Federal budget, Fulbright has proven its value both to the U.S. and our relationships internationally. While there are many competing demands and worthwhile investments for the Federal Government, the Fulbright program should be maintained in order to connect with the next generation of leaders from around the world, and continue to cement America's role as the preeminent higher education destination.

[This statement was submitted by Allan E. Goodman, President and CEO.]

#### PREPARED STATEMENT OF INTERACTION

Chairman Graham, Ranking Member Leahy, and Members of the subcommittee, thank you for the opportunity to offer written testimony on the President's budget for fiscal year 2018. At a time when the role of foreign assistance in U.S. policy is being questioned, we particularly appreciate the opportunity the subcommittee created to better document the impacts of proposed budget cuts and policies included in the President's budget. It is not an exaggeration to say that the budget decisions before Congress have life-and-death consequences for the world's poorest people.

As an alliance of nearly 190 member organizations working in nearly every developing country in the world, InterAction reflects a diversity of actors working across multiple development and humanitarian sectors. We have large and small members; faith-based and secular members; members who receive the bulk of their funding from the Federal Government, and members who are fully funded from private sources. As American humanitarian and development nonprofits, our members are committed to alleviating human suffering to make the world a more peaceful, just, and prosperous place. Therefore, InterAction's focus, and the primary focus of this testimony, is the impact of proposed cuts or reforms on the people whose lives are most directly affected.<sup>1</sup>

Our community is united in its grave concerns about the cuts and proposals included in the President's budget. Examined one at a time, the proposed cuts are painful. Taken together, they fundamentally erode our country's ability to deploy development and humanitarian assistance in ways that not only advance human dignity and freedom, but support our national interests. As detailed below, the proposals in the President's budget would reduce the transformative economic impacts that our organizations see every day, cost lives, potentially exacerbate instability in already troubled regions of the world, and diminish the United States' standing and influence in the international community.

What is especially concerning is that this proposal was made in direct contrast to strong, sustained, and bipartisan congressional support for international development and humanitarian assistance in last month's fiscal year 2017 omnibus appropriations legislation. The United States cannot step back from this longstanding leadership and support without causing irreparable damage. InterAction intends to illustrate the forms this damage would take across and in key sectors where our members work saving and improving lives around the world.

<sup>1</sup>This testimony includes the many insights we have learned from our members, but the INGO sector is not monolithic. This document reflects InterAction's perspective on the views of our community. InterAction is not a spokesperson for any individual member organization.

To show the strength of support for this position, attached is a statement from InterAction and 82 INGOs responding to the proposals included in the President's budget, and requesting that Congress appropriate no less than \$60 billion for the international assistance budget. This statement marks our topline concerns about the dramatic cuts to life-saving accounts. We have also attached a letter our community sent to Congress from 103 INGOs, endorsing robust funding for critical poverty fighting and humanitarian accounts for the subcommittee's consideration.

*Cuts are not Synonymous with Reform*

The fiscal year 2018 President's budget frequently cited reform as the rationale for proposing substantial cuts to foreign assistance. In several diverse sectors, accounts were consolidated, cut, and/or zeroed out. Offices with different missions, ways of operation, and approaches to their work were merged. Of particular note, Development Assistance (DA) funding, which supports development programming in some of the poorest countries so that they can provide for their citizens, was eliminated and merged with the Economic Support Fund (ESF), which is more often used as a tool for supporting allies and advancing specific U.S. political interests, while simultaneously supporting individual development programs.

U.S. foreign assistance programs can and should be made more efficient and effective, but the scale, scope, and extent of cuts proposed to the foreign assistance budget far outstrip any possible efficiencies that may be found. These and other reform proposals should be explored with a clear vision of what the U.S. is trying to achieve in the world and made after a careful exploration and weighing of the pros and cons of proposed changes.

Over the last 50 years, the development and humanitarian community have learned a tremendous amount about what works and what does not in programming and management. American diplomats, development officials, international health workers, and humanitarians are trained professionals with different, meaningful skills. Combining offices or accounts with potentially competing goals and staff requirements will reduce effectiveness more than it reduces costs. Such cuts may also lead to costlier interventions down the road if the U.S. reduces the priority of core investments like development assistance. InterAction and many of our members recently signed onto the Modernizing Foreign Assistance Network's series of guiding principles<sup>2</sup> that address many of these issues and warrant meaningful consideration by the administration and Congress when considering steps toward reform.

Specifically, the U.S. depends on a robust and independent lead foreign assistance agency to achieve sustainable impact over the long term. The need for holistic foreign policy based on development, diplomacy, and defense is not in tension with an independent development agency. It is only strengthened when development is prioritized alongside of diplomacy and defense, rather than subsumed underneath them. Successful development and humanitarian programs support U.S. foreign policy interests, but they operate through different modalities and on different timelines than diplomacy and defense. A lead aid agency that is independent from the State Department preserves the United States' ability to address a range of challenges. To be effective, such an agency needs the authority to conduct its own policy, planning, and field-based analysis to support long-lasting economic growth and development. It should also include a dedicated funding stream for programming, like Development Assistance.

We have seen substantive reforms achieved through strong, bipartisan congressional effort, such as the Global Food Security Act and Foreign Assistance Transparency and Accountability Act. It is encouraging to see this subcommittee and Congress engage key experts and partners implementing assistance to think through and design reforms given their knowledge and deep involvement in programming U.S. foreign assistance.

*Basic Education*

Basic education has been a bedrock of U.S. development assistance, with strong allocations this subcommittee has made to basic education complementing authorization proposals, such as the bipartisan Reinforcing Education Accountability in Development (READ) Act. Each dollar invested in an additional year of schooling generates 10 dollars in benefits to low-income countries. Primary school enrollment rates have tripled and global literacy rates are up 33 percent in the last 25 years.<sup>3</sup> Ignoring these gains and congressional support, the President's budget cuts basic education programming in half.

<sup>2</sup> <http://modernizeaid.net/wp-content/uploads/2017/06/MFAN-goals-principles-2017.pdf>.

<sup>3</sup> U.S. Agency for International Development, 2016.

In tangible terms, this type of reduction translates to taking away literacy support from some 3 million elementary age children. An additional half million young learners may not even be enrolled in primary school.

#### *Democracy, Rights, and Governance*

This subcommittee has also indicated its clear support for increased assistance for democracy, rights, and governance—foundational American values. In fiscal year 2016 and 2017, Congress specified that the administration spend no less than \$2.3 billion on democracy programs and provide \$170 million for the National Endowment for Democracy. By providing a funding floor for democracy programming, Congress protected programming necessary to address democratic backsliding, to consolidate gains from economic development efforts, and to contribute to a more stable and prosperous world. Cuts to this account would not only reduce support to like-minded reformers around the world who are committed to freedom, equality, and individual rights, but could undermine faith in the United States commitment to promoting basic American values.

Account consolidations proposed in the President’s budget, could adversely affect U.S. support for Democracy, Rights, and Government (DRG) assistance, as it has equally important diplomatic and development contexts. The benefits of DRG assistance through USAID are realized through reinforcing the political and social stability afforded by good, responsive governments. This type of work is separate from diplomatic assistance administered by DOS that tends to focus on more specific outcomes or concerns through established, tailored relationships. Each serves a necessary, complimentary role—with proven results.

#### *Environmental Concerns*

InterAction is also concerned by environmental and climate proposals in the President’s budget, particularly in light of other policy changes. Developing countries are especially vulnerable to the effects of environmental change. Widespread impacts such as drought and flooding events, more severe and frequent weather-related disasters, coastal flooding, increased incidence of pests and diseases, and political and economic instability will compromise the livelihoods of communities across the globe. World Bank research suggests that without action to address these issues, more than 100 million people could be pushed into poverty by 2030.<sup>4</sup>

The effects of this change imperil generations of development gains and are already driving humanitarian crises, despite Congress rightfully pushing USAID and our member organizations to achieve greater results. Despite this, the President’s budget zeroes out both bilateral programs and U.S. contributions to the Green Climate Fund, making development assistance in other sectors less effective.

#### *Food Security and Agriculture*

Since the establishment of Food for Peace more than 60 years ago, the United States has been the world leader in the fight against global hunger. InterAction thanks this subcommittee for its ongoing efforts that have allowed the U.S. Government to further build food security and agricultural development programs which combat global hunger and malnutrition. Congress as a whole has shown strong bipartisan support for these programs, including with the recent passage of the Global Food Security Act into law in the 114th Congress.

Despite the impressive gains made over the years, more work remains. Seven hundred ninety-five million men, women, and children around the world struggle every day to secure the nutritious food they need to live.<sup>5</sup> The President’s budget is a step back in the fight against hunger. The President’s budget would cut agricultural development funding in half to less than \$500 million, zero out Food for Peace Title II, the McGovern Dole International Food For Education and Child Nutrition account, and the Global Agriculture and Food Security Program, and cut the nutrition programs in the Global Health Program account and the Emergency Food Security Program in the International Disaster Assistance account. These proposals would severely hamstring efforts to help people feed their own families and build resilience to shocks—making it more likely that the need for emergency responses will grow. To put it simply, this budget proposal means more men, women and children will go hungry. Specifically, based on prior year calculations by leading international organizations, we believe:<sup>6</sup>

<sup>4</sup><http://www.worldbank.org/en/news/feature/2015/11/08/rapid-climate-informed-development-needed-to-keep-climate-change-from-pushing-more-than-100-million-people-into-poverty-by-2030>.

<sup>5</sup><http://www.fao.org/3/a-i4646e.pdf>.

<sup>6</sup>Based on the research and calculations by a group of leading international organizations including Bread for the World, CARE, Catholic Relief Services, the International Rescue Committee, Mercy Corps, ONE Campaign, PATH, Save the Children, and World Vision.



- Proposed cuts to McGovern Dole could lead to some 2.9 million individuals being cut off from nutrition, education and hygiene programs;
- Proposed cuts to emergency food assistance could eliminate access to lifesaving food assistance for some 22.6 million people in crisis; and
- Proposed cuts to Agricultural development could translate to approximately 4.4 million farmers losing access to programs designed to support their own growth out of poverty.

U.S. international food assistance made an enormous difference in the lives of 48.8 million people in 2014. The Feed the Future Initiative is implementing the Global Food Security Strategy, partnering with a number of developing countries to lay the groundwork for further advances in achieving food and nutrition security. Progress in agricultural development creates resilience in the face of future security threats while opening new markets and trading partners for our private sector. This subcommittee's ongoing commitment to combating global hunger is laudable, and needs to be continued rather than diminished.

#### *Global Health*

Great strides have been made in global health. We responded to the threat of Ebola. Transmission rates of HIV have plummeted. Maternal and child survival rates are climbing. We are more effectively combatting malaria, tuberculosis, and neglected tropical diseases. Polio is on the verge of eradication. Yet in the face of this progress, the administration has proposed cuts of 26 percent across global health accounts in the Department of State and USAID—including a cut of over 51 percent to USAID programming. Additional global health funding at the Centers for Disease Control, which comes before the Labor-HHS Subcommittee is also in line for a cut of 29 percent.

Reducing investments in global health programs would roll back progress made in reaching the finish line on bold global health initiatives to which countries around the world have committed resources and initiatives, making it that much harder for us to reach these levels again and ultimately achieve our global health goals. Specifically, based on prior year calculations by leading international organizations,<sup>7</sup> we believe that proposed cuts to global health medicine could result in some 12 million fewer bed nets and 8.8 million fewer malaria treatments reaching vulnerable populations. Proposed cuts to the Global Fund could translate to some 299,000 fewer lives saved, and a missed opportunity to mobilize some \$675 million in other country's own domestic investments in the health of their population.

In order to maximize the impact of U.S. investments and increase the efficiency and effectiveness of initiatives worldwide, health practitioners and U.S. health agencies have worked to integrate global health programs and services. Therefore, unexamined reductions in funding for individual programs would also have ripple effects for overall global health investments.

#### *Humanitarian Assistance*

Congress has recognized the unprecedented scope of global crises. One hundred twenty-eight million people worldwide are in need of humanitarian assistance, including 20 million people living in danger of famine conditions, and 65 million people who have been forcibly displaced. Congress responded to this need for life-saving assistance by appropriating nearly \$9.5 billion dollars across accounts that provide the bulk of U.S. humanitarian assistance in fiscal year 2017: International Disaster Assistance (IDA), Migration and Refugee Assistance (MRA), Emergency Refugee and Migration Assistance (ERMA), and Food for Peace Title II (Food for Peace)—the last of which falls before the Agriculture Subcommittee. This assistance saves lives, helps mitigate global crises, and generous funding from the United States has been leveraged to increase commitments from other nations to do their part.

The President's budget for fiscal year 2018 cumulatively cuts the humanitarian accounts by 44 percent. Each one receives a cut—with Food for Peace and ERMA being completely zeroed out—with consolidated accounts being planned to perform more functions in the face of growing needs, but with fewer resources. A 44 percent cut will not lead to remarkable new efficiencies. It will lead to fewer people receiving assistance and inevitably, lives lost. Specific impacts include: an estimated 39 million vulnerable people not receiving humanitarian assistance through IDA (on top of the emergency food assistance cuts in IDA mentioned previously); and 710,000 refugees in the Near East and Africa in danger of not receiving assistance through MRA, with further impacts due to reduced contributions to the Inter-

<sup>7</sup>Based on the research and calculation of a group of leading international organizations including Bread for the World, CARE, Catholic Relief Services, the International Rescue Committee, Mercy Corps, ONE Campaign, PATH, Save the Children, and World Vision.

national Committee of the Red Cross, the U.N. High Commissioner for Refugees, and the International Organization for Migration.<sup>8</sup>

Perhaps as alarming, the President's budget defies Congressional intent by stating it will expand use of carryover funds from these accounts to maintain obligation levels through fiscal year 2018. One of the core principles of humanitarian assistance is that we respond rapidly and adequately to people in need. Our members work around and through extraordinary budgetary and political pressures to reach the most vulnerable populations in the world in order to save lives. This subcommittee has shown time and again that it understands this and has provided funding to match the significant and pressing humanitarian needs around the world. However, Congress has not increased funding in these accounts to be drawn down at a later time, this funding was increased to save lives that hang in the balance now. Some carry-over as a hedge to meet unanticipated needs in these accounts is normal and necessary. Deliberately withholding funding from people in need of life-saving assistance to cover budget cuts is not. The weeks and months that funds are withheld to more evenly spread out cuts will be measured in lives lost waiting for assistance to arrive.

While the fiscal year 2017 omnibus included language directing OMB, the State Department, and USAID to report on the proposed use of \$990 million of humanitarian assistance to prevent, relieve, and mitigate famine conditions across Nigeria, Somalia, South Sudan, and Yemen, that leaves \$8.5 billion in humanitarian assistance without the same transparency. InterAction applauds efforts to increase transparency and feels that the Appropriations Committee should provide similar requirements across humanitarian accounts for fiscal year 2018. Such efforts would help ensure adequate responses across humanitarian crises, wherever they may take place.

#### *Multilateral Accounts*

Support for multilateral accounts has historically been a bulwark of American global leadership. While these accounts support institutions that provide important foreign assistance, they also ensure the United States a seat at the table in international fora and lend us credibility on the global stage. The President's budget would damage this standing by zeroing out numerous multilateral accounts like Contributions to International Organizations and the previously mentioned Green Climate Fund, as well as making substantial cuts to the Contributions to International Peacekeeping Activities account.

These cuts include contributions to the United Nations Children's Fund (UNICEF), compounding cuts to assistance children and mothers receive in bilateral development and humanitarian accounts. Ninety-two percent of UNICEF's funding goes directly to programming, providing for vaccines, antiretroviral medicines for children and mothers with HIV, nutritional supplements, emergency shelters, family reunification, and educational supplies.

There can and should be important discussions about reforms that should be made to the U.N. and its operations. However, cuts to U.N. agencies that directly support programming and peacekeeping activities that support U.S. foreign assistance and foreign policy priorities—often made at the behest of the United States at the U.N. Security Council—would only undermine our own foreign policy and diminish U.S. influence in key international processes.

#### *Water, Sanitation, and Hygiene (WASH)*

Congress has long recognized the importance of safe water, sanitation and hygiene (WASH) in meeting our shared poverty reduction and global health priorities. This assistance helps improve the dignity of women and girls worldwide, helps communities stave off life-threatening diseases, helps children spend more time attending school instead of fetching water, helps women and girls have safe places to tend to their menstrual hygiene needs, and enables people to lead healthy productive lives that allow them to invest in their local economies. Yet one in three people worldwide still live without a decent toilet and one in ten lack safe drinking water.<sup>9</sup>

Despite widespread support, the President's budget proposes a cut of over 40 percent to water in all accounts from fiscal year 2017 levels. The funding requested simply does not reflect the need as outlined above, nor ongoing Congressional support for WASH policy and programs. In fact, the proposed cuts could result in an

<sup>8</sup>Based on the research and calculations by a group of leading international organizations including Bread for the World, CARE, Catholic Relief Services, the International Rescue Committee, Mercy Corps, ONE Campaign, PATH, Save the Children, and World Vision.

<sup>9</sup>[https://thewaterproject.org/water-scarcity/water\\_stats](https://thewaterproject.org/water-scarcity/water_stats).

estimated 2.2 million people losing access to safe drinking water and sanitation facilities.<sup>10</sup>

InterAction remains grateful to Congress for its longstanding bipartisan support and looks forward to continuing to work together on WASH issues. In 2014, the U.S. Congress unanimously passed the Senator Paul Simon Water for the World Act, which reaffirmed our commitment to providing WASH to the poorest and most marginalized communities. A key provision of the bill ensured that funding is based on need, rather than political significance. However, the proposal to eliminate the Development Assistance account and consolidate it with the Economic Support Fund, threatens the intent of this law. Eliminating Development Assistance will reduce available funds for WASH programs, and will negatively impact how WASH projects will be carried out in the poorest regions of the world by displacing USAID's technical expertise in the area.

#### *Administration of Foreign Assistance*

Finally, large-scale budget cuts would have impacts on the effectiveness and accountability critical to how foreign aid is spent. For example, USAID has increasingly used large acquisition mechanisms—Indefinite Duration Indefinite Quantity Contracts (IDIQs)—worth hundreds of millions and, at times, billions of dollars for assistance programming. IDIQs are most often implemented by for profit contractors. The use of this mechanism diverts resources from those we seek to help into corporate profits.

On the surface, these contracts may seem to be an efficient way to implement similar programming to multiple recipient countries. However, these contracts sever historic ties with local nonprofits and create transactional relationships instead of those based on values. Importantly, the benefits from small programs designed for specific recipients are lost in favor of a broadly applied approach. For example, the recent Rule of Law Technical Services Indefinite Quantity Contract launched in 2013 ended many long-standing and effective nonprofit implemented programs in favor of corporate-led programming. In these countries, relationships were lost as contractors entered to provide transactional services in place of nonprofits fostering historic relationships.

Congress and the administration can take steps to reverse the negative impacts IDIQs by recognizing the importance of nonprofits and the important role of an independent and engaged civil society. By fully funding staffing requirements at USAID and the Department of State, Congress can prevent aggressive staff cuts, which often result in fewer officers to oversee smaller grants with implementing partners who possess deep knowledge of the communities and contexts in which they work. Reducing staff capacity at U.S. foreign assistance agencies may result in the use of more contractors implementing U.S. foreign assistance, which may prove less effective. Cuts proposed in the President's budget will only further cement the commercialization of development and humanitarian assistance.

#### *Conclusion*

Thank you, again, for the opportunity to submit testimony. Congress has historically acted as the validator of worthwhile presidential initiatives—such as PEPFAR and Feed the Future—and a check on ill-considered cuts—for example, Congress has appropriated humanitarian assistance above the requests of both Republican and Democratic administrations in recent years. Our community has expressed alarm over the President's budget and we are encouraged by the shared, bipartisan concerns expressed throughout Congress—including by Chairman Graham and Ranking Member Leahy. InterAction looks forward to working with this subcommittee, Congress more broadly, and the Trump administration to ensure that the United States continues to be a leader in cultivating a better and more prosperous world through its provision of foreign assistance.

[This statement was submitted by Lindsay Coates, President.]

<sup>10</sup>Based on research from field data collected from WASHCost-IRC International Water and Sanitation Centre, WASH Advocates, Millennium Water Alliance, CARE, WaterAid America, Water.org, Wine to Water, Water For People, World Vision, Plan International USA, Catholic Relief Services, USAID, The World Bank, The Bill and Melinda Gates Foundation, and other organizations, and compiled by the previously mentioned group of international organizations.

PREPARED STATEMENT OF THE INTERNATIONAL RESCUE COMMITTEE—VOLUNTARY  
TESTIMONY

The world is facing a daunting set of simultaneous and significant global challenges. Protracted conflict, violence against civilians, and total disregard for the humanitarian laws of war have driven 65 million people from their homes; famine threatens four countries and puts 30 million at risk of starvation; and United States military forces are engaged in countering terrorism in a dozen countries from Syria to Somalia. These challenges threaten to deepen current crises and foment further instability if not appropriately addressed. Our response must be strong, efficient, effective, and commensurate with the global challenges we face, which will require continued leadership of the United States through the foreign aid budget and its programs and activities.

The international response to these crises is already grossly underfunded, and the reductions included in the fiscal year 2018 foreign aid budget request would unquestionably serve to widen the gulf between needs and available assistance. United Nations appeals outlining the needs for the largest seven crises around the world, which affect over 78 million people and overlap with conflicts in which U.S. forces are engaged, have an over \$10 billion funding gap so far in 2017. In the face of these challenges, cutting the U.S. foreign aid budget as the administration has proposed—a nearly one third reduction overall, with a 46 percent cut to development assistance, a 26 percent cut to global health programs, and a stunning 45 percent cut to life-saving humanitarian assistance—would shirk America’s moral obligations and be self-defeating to its strategic interests. These cuts would translate into excruciating choices for aid organizations like the International Rescue Committee (IRC) and for the people we serve. They would also significantly set back U.S. strategic leadership.

The U.S. is often called upon to mitigate the threats to human lives and U.S. security and economic concerns from unchecked conflicts, poorly managed and chaotic migration flows, pandemics, and famines. Resolving these crises and preventing future ones requires fully funding the U.S. humanitarian assistance budget and addressing the structural problems of fragile states in smarter and more robust ways, with sustained development assistance and aligned diplomatic efforts. It also requires living up to the United States’ commitment to offer safe haven for a portion of the world’s most vulnerable refugees through resettlement. And while we should expect other nations to do more, it is U.S. leadership that leverages commitments from other countries. The U.S. fiscal year 2018 foreign aid budget should match the scale and nature of current global challenges and reflect the U.S. Government’s longstanding bipartisan commitment to shared responsibility and the safeguarding of its own vital interests.

The IRC has a unique vantage point, serving clients across the full arc of these crises in conflict/disaster zones, in countries of first refuge, on transit routes in Europe, and resettling the most vulnerable few (who are admitted via the most stringent security vetting in the world) to start new lives in the U.S. Many of the humanitarian crises roiling globally threaten U.S. interests in key strategic locations. IRC and organizations like ours serve wherever there is need, including in many locations where U.S. national security interests are at stake, including NE Syria, Iraq, Yemen, Somalia, and Afghanistan. In many cases, given the grave security concerns and risks on the frontlines, we and our partners are the first responders those in crisis meet coming out of direct conflict. We therefore understand all too well what is at stake in cutting foreign assistance funding, and offer the following evidence and argument against it.

*Aid saves lives.*—Foreign aid has clearly demonstrated effectiveness in saving and improving the lives of people in crisis and poverty around the world. For example, USAID’s Office of Foreign Disaster Assistance (OFDA) responds to 60 humanitarian crises per year affecting tens of millions of people, and the State Department Bureau of Population, Refugees, and Migration (PRM) leads on refugee assistance including through support to the United Nations High Commissioner for Refugees (UNHCR). U.S. foreign assistance has helped ensure that in 2015, 6.4 million fewer children died before their fifth birthday than in 1990. Because of programs like Feed the Future, nearly 500 million fewer people go hungry every day. Over the last two decades, the number of people living in extreme poverty worldwide has been cut in half, even while the global population has increased by 2 billion people, thanks in part to U.S. assistance to promote economic growth, stability, and opportunity.

The impact of these cuts will be swift and devastating, and will be felt for years to come. It is difficult to estimate the full extent of such a retreat from U.S. engagement, but at least with regard to humanitarian needs, this budget proposal would undoubtedly cost many human lives. According to analysis from the former head of

U.S. disaster response, under the proposed budget food aid funding would drop from \$3.5 billion in 2017 to \$1.5 billion in 2018, feeding 38 million fewer people. International disaster assistance, which cover non-food relief, would decrease from \$2.5 billion to \$1 billion. As a result, USAID could lose the resources they need to reach, among others, up to 3.3 million Yemenis, 1.8 million Syrians, 1.2 million Somalis, 945,000 South Sudanese, and 640,000 Nigerians. Refugee assistance through the Migration and Refugee Assistance (MRA) and Emergency Refugee and Migration Assistance Fund (ERMA) accounts would be cut by 18 percent, meaning that an estimated 3.5 million refugees and Internally Displaced Persons (IDPs) would not receive assistance globally, including about 1 million in the Middle East and 1.1 million in Africa. Cutting off funding to immediate life-saving healthcare, water/sanitation services, shelter assistance, gender-based violence treatment and psychosocial support at a time of multiple famines and raging conflict around the world would lead to increased levels of refugees and IDPs and greater instability.

*Aid is critical to U.S. strategic interests.*—There can be no effective foreign policy without effective humanitarian policy. Humanitarian assistance is a moral choice and a strategic necessity. President Trump's director of the Office of Management and Budget, Mick Mulvaney, has stated that this budget request is a "hard power budget . . . not a soft power budget." But over 120 retired three and four-star generals publicly affirmed that a one-sided defense strategy that under-resources humanitarian and development aid is costly and ineffective. While Commander of U.S. Central Command, Defense Secretary James Mattis himself stated, "If you don't fully fund the State Department, then I need to buy more ammunition." Here's why:

The experience of civilians caught in conflict—whether their safety, security, and basic needs are met—determines the trajectory for the aftermath of crisis and whether the sacrifice of American lives and resources leads to successful stability or future resurgence of extremism. As U.S. forces drive ISIS from Mosul and Raqqa, and support local forces fighting Boko Haram in the Lake Chad Basin, al-Shabaab in Somalia, and AQAP in Yemen, humanitarian organizations like the IRC provide immediate life-saving assistance to civilians in caught in these conflict zones and lay the groundwork for longer-term stabilization. Sustained support to multilateral and USAID initiatives in delivering emergency assistance and planting the seeds of good governance is a critical ingredient for sustained conflict resolution. The proposed cuts to USAID and the Department of State undercut whole-of-government efforts that senior diplomatic, development, and defense officials have long stressed are necessary to bring stability to conflict zones.

Humanitarian aid also supports the low and middle income countries that collectively host 88 percent of the world's 21 million refugees. These countries, like U.S. allies Jordan and Turkey as well as long-term hosts like Pakistan, Kenya, and Uganda are shouldering the responsibility of millions of refugees at cost to their own political and economic development as well as to regional stability. Both refugees and these countries are pushed to desperate measures: according to an IRC survey, 65 percent of Syrian children are at least 4 years behind in math and reading skills, and many schools stretched beyond capacity have implemented double shifts each school day. With widespread poverty among refugees (90 percent in Jordan and 70 percent in Lebanon), it is troubling but unsurprising that reports of child labor have risen by 73 percent in Jordan since before the influx of refugees. The U.S. commitment to provide humanitarian, development, economic, and security assistance to support the protection of civilians in countries of first refuge is also a function of enlightened self-interest—the forced and premature return of Syrian refugees to an unstable Syria, of Afghan refugees to an unstable Afghanistan, or of Somalis to an unstable Somalia foments new currents of conflict and crisis that, given U.S. interests and commitments in these regions, draw U.S. funds and U.S. troops into further quagmires.

We are already seeing the cost of inadequate crisis response and prevention in many areas where the IRC works. The toll is evident in the flows of Syrian refugees to Europe, triggered in part by a halving of humanitarian assistance to Syrian refugees in 2015, which pose great risk to refugees' lives and have had profound political consequences for Europe. It is evident in the drastic choices Syria's overwhelmed neighbors have made to close borders, which have created humanitarian and security challenges like the situation at the Berm, where tens of thousands are trapped in a no-man's land between Syrian and Jordan with little humanitarian assistance and preyed upon by violent groups. And it is evident in the involuntary return of over 600,000 refugees from Pakistan to an unstable Afghanistan last year—the most since 2005 and a six-fold increase from 2015. Reducing our emergency and refugee assistance support for frontline states will heighten these high pressure situations.

It is also demonstrated by the fact that U.S. troops in Iraq are working to clear some areas of terrorist groups for the third time, in part because insufficient invest-

ment in humanitarian response, development progress, and political reform has each time allowed extremists (first AQI, then ISIS) to take hold. Cuts to humanitarian budgets or development assistance will only exacerbate the situation. Reducing funds to the IDA and MRA accounts will curtail emergency responders' ability to respond to immediate needs for shelter, water and sanitation, medical assistance, and psychosocial support to those who have been living under ISIS rule. Moreover, the 83 percent cut to Iraq's development and economic assistance funding will inhibit essential investments to rebuild institutions and strengthen governance systems—the kind of long-term planning for stability that needs to happen today in order to prevent another round of fighting and mass displacement tomorrow.

*Development assistance is key to stemming global threats.*—Fragile states—the source of many threats to U.S. security like large-scale displacement, pandemics, terrorism, arms and drug trafficking—are characterized by weak governance, corruption, and limited growth. High-profile arenas like Syria and Afghanistan are certainly fragile, but the list also includes more overlooked crises like South Sudan (which has produced over one million refugees in the last 3 months) and Niger (one of the poorest countries on earth and a major transit point for West African migrants headed to Europe). Resolving fragility requires helping these states build and sustain effective institutions, inclusive governance structures, and economies that can respond to the needs of their people.

In past years, only 30 percent of USAID spending has been in fragile states, half of that to just four countries. And the assistance they do receive is often through singular interventions that do little to build resiliency (e.g., a siloed HIV program that does not strengthen health systems and is thus of limited use in stopping an Ebola outbreak; or overinvestments in service delivery while ignoring economic development and institutional reforms to support sustainability and paths to aid independence). The administration's ESDF request results in the elimination of traditional development and economic bilateral assistance for 8 fragile states (Burundi, Central African Republic, Chad, Cote d'Ivoire, Niger, Sierra Leone, Zimbabwe, and Thailand) and reductions of over 20 percent to 8 others (Ethiopia, Liberia, Mali, Tanzania, Uganda, Burma, Iraq, and Jordan).

*U.S. assistance helps counter unique vulnerabilities for neglected populations, including for women and girls.*—The risks women and girls face in crisis situations are striking: 1 in 3 women worldwide experiences some form of gender-based violence in her lifetime, including at least 1 in 5 displaced women. Girls are 2.5 times more likely to drop out of school during conflicts than boys, and child marriage rates among Syrian girls have quadrupled since the onset of the crisis, as families cope with poverty and insecurity. Already facing economic and gender inequality, displaced women are often forced for reasons of survival into taking low-paid, low-skilled jobs with higher risks of exploitation.

Funding for programs with a gender component would be cut by 55 percent from 2016 to 2018. The direct decrease in gender-specific funding would have serious consequences (e.g., 1.8 million fewer girls would receive an education). However, the cuts to refugee and humanitarian assistance will also disproportionately impact these neglected populations, as, for example, 75 percent of Syrian refugees in neighboring countries and 86 percent of South Sudanese refugees in Uganda are women and children. The U.S. foreign assistance budget should deepen integration of gender programming across foreign aid accounts, shore up dedicated gender equality programs, and mandate best practices by implementers (e.g. lighting and locks on latrine doors) to help ensure women and girls can overcome barriers and receive the specialized protection and programming they need.

*A strong resettlement program is a critical strategic element of U.S. foreign policy.*—The proposed cuts to the foreign assistance budget impact not only our ability to help vulnerable populations and diminish risks abroad, but also here in the United States. The President's fiscal year 2018 budget request for MRA proposes \$410 million for the refugee admissions program, roughly \$100 million less than the estimated amount spent on refugee admissions in fiscal year 2016—another indication of the administration's intentions to dramatically reduce and alter refugee resettlement in the coming months and years. In addition to the lives that will be lost as a result of this abdication of U.S. global leadership, this move sends the wrong signal to critical U.S. national security and foreign policy allies who are hosting vastly greater numbers of refugees. It emboldens terrorist groups who seek to sow fear by targeting the very people they have victimized. It deprives American communities of the talents and contributions of these new Americans, and also keeps American families indefinitely separated. IRC recommends the United States admit at least 75,000 refugees in fiscal year 2018.

*U.S. leadership generates more commitments from the international community.*—We have seen that U.S. global leadership leverages commitments from other coun-

tries, such as the 30 percent increase in humanitarian funds pledged at last year's UN General Assembly, with 11 countries doubling their contributions. Additionally, 18 countries committed to start or expand resettlement programs, roughly doubling the number of refugees they would collectively admit. Among major refugee-hosting nations, 17 countries committed to increase refugees' school enrollment, and 15 host countries committed to change their laws and policies to make it easier for refugees to work lawfully and support themselves. Many of these changes come with significant political tradeoffs for host nations; following through on them will take continued global encouragement and accountability. It will be difficult to ensure other countries uphold their commitments and shared responsibility if the United States retracts its leadership.

Moreover, U.S. leadership and contributions through multilateral institutions allow for greater leverage per dollar and greater global reach than we can accomplish alone. The U.N. system has overseen decades of unparalleled international peace. Every year, the U.N. provides food to 80 million people in 80 countries. It vaccinates 40 percent of the world's children, coordinates responses to epidemics like Zika and Ebola, and has virtually eradicated the crippling polio virus. It provides life-saving assistance to the 65 million people displaced by conflict and instability. U.N. peacekeeping efforts, too, have been shown to shorten conflicts, prevent them from recurring, and reduce harm to civilians. Yet the administration's request would cut U.S. contributions to the U.N. peacekeeping and regular budget by 37 percent and 27 percent, respectively. There are undoubtedly improvements that can and should be made to improve the efficiency, effectiveness, accountability and transparency of these critical partners, but the consequences of these drastic cuts will fall first and foremost on civilian lives and U.S. interests.

The World Bank and other multilateral development banks (MDBs) likewise have leading expertise in development programming, and also have the advantage of borrowing against capital contributions on the private market, enabling them to extend 2–5 dollars of financing every year per each dollar invested (in a one-time contribution) by donor countries. The MDBs have stepped up in humanitarian response as well, mobilizing over \$17 billion to support refugee-hosting countries and fragile states while partnering with U.N. agencies to deliver emergency famine relief in Yemen and the Horn of Africa. However, the MDBs' effectiveness depends on continued donor support and partnership in delivering committed contributions and aligning development strategies. The President's budget request would cut contributions to the MDBs by \$426 million, effectively reducing our leveraged impact by up to \$2.13 billion.

*U.S. foreign assistance is needed now more than ever.*—It is a critical lifeline for the world's most vulnerable and the visible expression of America's interests and values. The drastic cuts proposed in President Trump's fiscal year 2018 budget do nothing to further either those interests or those values. Cutting foreign aid could further set back an entire generation of people in crisis, and give rise to additional threats against our strategic concerns. The current global challenges we face as a nation argue for more, not less, foreign aid, and strong U.S. leadership. The President's budget represents a retreat from that leadership and the global actions that support America's security and prosperity. It is a budget without strategy, disconnected from the threats and challenges that must be contained, and the opportunities that could be seized, to make the world safer and more prosperous for all. The IRC calls on the U.S. Congress to ultimately fund a robust foreign assistance budget that supports these critical goals.

For more information, please see:

- Letters of support for U.S. foreign assistance compiled by USGLC from over 225 business leaders, 100 Christian faith leaders, and 120 U.S. military generals.
- Testimony by IRC President and CEO David Miliband for the Senate Foreign Relations Committee Hearing on March 15, 2017: "Six Years of War in Syria: The Human Toll."
- IRC statement on the administration's fiscal year 2018 budget request from May 23, 2017.

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PREPARED STATEMENT OF THE MODERNIZING FOREIGN ASSISTANCE NETWORK  
(MFAN)

Chairman Graham, Ranking Member Leahy, and Members of the Committee: On behalf of the Modernizing Foreign Assistance Network, thank you for the chance to submit written testimony regarding the fiscal year 2018 appropriations and the importance of effective foreign assistance. The MFAN coalition was built on the prin-

principle that foreign assistance is an invaluable tool of foreign policy that saves lives, promotes American values, ensures our national security, and advances our economic interests. Fifteen years of reforms have made U.S. assistance more effective, and to continue this trajectory MFAN urges Congress to reject the deep and disproportionate cuts to foreign assistance proposed by this administration and to support the following in fiscal year 2018:

- Strengthened text requiring congressional review and consultation throughout any reform or reorganization of foreign assistance (bill text)
- USAID, USAID Operating Expenses, \$1,362,000,000 (fiscal year 2017 total enacted level)
- USAID, USAID Capital Investment Fund, \$200,000,000 (fiscal year 2017 total enacted level)
- State Department/USAID, Identifying domestic resource mobilization partners (report language)
- State Department, Funding ForeignAssistance.gov (bill text)
- USAID, Measuring sustained results at USAID (report language)

#### *A Strong Foreign Affairs Budget*

United States leadership is critical to confronting the full range of challenges we face around the world, making effective foreign assistance more important than ever, even in a challenging budget environment. We at MFAN urge you to defend American leadership by resisting disproportionate and unprecedented cuts to poverty-fighting foreign assistance. The Trump administration's proposed cuts to the State Department and USAID not only threaten national security by increasing defense spending at the expense of diplomacy and development, it also threatens all the effectiveness gains that ensure American taxpayers dollars are used effectively.

MFAN strongly urges Congress to reject these cuts as they would diminish America's standing in the world, and put millions of lives at risk. Your past leadership encourages us that you will seize opportunities to defend these programs and make them work harder for the American taxpayer and for people around the world.

In large part due to the leadership of this Committee and Congress, there has been tremendous progress made in ensuring our aid dollars are used in the most effective way possible to save lives, prevent disease, and unlock opportunities for citizens in partner countries. Critical to recent successes in global human development is the expertise and resources that our development agencies—such as USAID and MCC—bring to the table.

#### *A Modern USAID*

USAID, our lead development agency, has been transformed and modernized over the past decade and a half. USAID specializes in the longer-term and vitally important task of helping countries to govern themselves well and create inclusive economic opportunity. These development investments help minimize threats to the United States while fostering open markets and security and trade partnerships. Passage of recent legislation like the Foreign Aid Transparency and Accountability Act and the Global Food Security Act have codified reforms that improve the way USAID operates.

Given its specialized development mandate, USAID is most effective as an independent agency focusing on development results. USAID's independence gives appropriate visibility to the unique development voice within U.S. foreign policy, and it enables appropriate specialization and focus on the longer-term and fundamentally important goals of development. Finally, USAID should continue to strengthen its culture of accountability for results and transparency to the U.S. public and development stakeholders. For example, a 2017 *GAO study* found that USAID and the MCC's evaluations far exceeded the quality of those conducted by other foreign assistance agencies.

#### *A Legislative-Executive Branch Partnership to Reform Foreign Aid*

MFAN applauds the Committee for including language in the fiscal year 2017 Omnibus that requires the administration to report to Congress on any efforts to reorganize the State Department and USAID. MFAN *urged* the administration to engage Congress and the development community on the issue of reorganization following the recent memo from the Office of Management and Budget that calls for the submission of draft Agency Reform Plans by June 30, 2017. We applaud the Committee for this timely provision and for exercising its oversight role, ensuring that no restructuring can occur without congressional involvement.

The legislation specifically states that “prior to implementing any reorganization of the Department of State or the United States Agency for International Development . . . the Secretary of State shall submit a report to the Committees on Appropriations.” The bill also requires that the report include several detailed



analyses of any such reorganization, including the potential impact on “the ability to conduct adequate monitoring and oversight of foreign assistance.”

MFAN urges the Committee to strengthen this language in fiscal year 2018 and to require, in addition to consultation with Congress and the development community, that the administration ensure that any reorganization effort is guided by sound principles—*MFAN’s Guiding Principles for Effective U.S. Assistance*—a Global Development Strategy, and a systematic program review.

#### *Reforms to Expand U.S. Impact*

As you know, aid effectiveness depends on two powerful and mutually reinforcing pillars of reform—*accountability* through transparency, evaluation, and learning; and *country ownership* of the priorities and resources for, and implementation of, development. Together, these pillars are vital to building the capacity in developing countries that will help enable citizens to take responsibility for their own development. In turn, this builds new trading and security partners for the United States.

As you prepare your fiscal year 2018 appropriations bill, we at MFAN urge you to include the following:

1. Strengthen Congressional oversight of reforms and reorganization. MFAN commends the Committee for enacting provisions asserting Congress’s prerogative to engage as a partner with the Executive Branch in any reform and reorganization of foreign assistance. MFAN urges Committee to strengthen these instructions in fiscal year 2018 by requiring reforms to be based on: consultation with Congress and the development community, adherence to *guiding principles of aid effectiveness*, a review of U.S. assistance, and a coherent Global Development Strategy.
2. Maintain fiscal year 2017 funding for USAID Operating Expenses at \$1.362 billion. In July 2016, the Foreign Aid Transparency and Accountability Act was enacted (Public Law 114–191) with the unanimous support of Congress, and requires detailed reporting on foreign assistance spending, as well as improved systems for monitoring and evaluation. Full funding for USAID Operating Expenses at the fiscal year 2017 final enacted level is essential for aid effectiveness and supports USAID’s efforts to drive innovation and retain talent, oversee program implementation, improve transparency, and evaluate results.
3. Maintain fiscal year 2017 funding for the USAID Capital Investment Fund at \$200 million. Full funding for the USAID Capital Investment Fund at the fiscal year 2017 final enacted level is essential for the effectiveness of U.S. foreign assistance. The Capital Investment Fund (CIF) is critical to strengthening the information technology (IT) systems of the Agency necessary to enhance the quality and comprehensiveness of aid data and the accountability of U.S. foreign assistance. The CIF supports the establishment of USAID’s Development Information Solution, a modernized system to manage and report on the agency’s global portfolio.
4. Report language identifying partners for domestic resource mobilization assistance. MFAN appreciates fiscal year 2017 and fiscal year 2016 language in both the House and Senate reports encouraging the U.S. Government to help countries increase domestic revenues. We request the Committee build on these efforts by requesting that USAID, Treasury, and PEPFAR specifically identify countries where such assistance could better help mobilize their own financial resources and lay a long-term path toward fiscal sustainability.

Partner countries ultimately need to raise and invest more of their own domestic resources to address their needs in a sustainable way. To help achieve this aim, the U.S. Government should invest in the capacity of partner governments to enhance domestic resource mobilization and to identify new and/or alternative sources of funding to gradually increase their financial contribution to their own development priorities. MFAN’s “Principles for Public Sector Domestic Resource Mobilization” provides guidelines to ensure that this assistance is catalytic for broad-based economic growth and poverty reduction.

This approach has been successful in a number of countries, including El Salvador, where a \$5.8 million USAID partnership with the government resulted in policy reforms and capacity-building that allowed the country to increase its revenues by \$350 million per year, with a \$160 million increase in annual spending on programs for health and education.

5. Consistent funding for the ForeignAssistance.gov website. In 2016, Congress unanimously passed the Foreign Aid Transparency and Accountability Act (Public Law 114–191), which codifies and builds upon the ForeignAssistance.gov website, and we thank the House and Senate Committees’ efforts to provide funding for this important resource. The database is a critical tool for collecting and publishing aid information for the American peo-

ple and the International Aid Transparency Initiative Registry. To ensure implementation of the “Foreign Aid Transparency and Accountability Act” and improvement in the quality and comprehensiveness of data on ForeignAssistance.gov, we recommend that the State Department consistently fund this resource by being permitted to use all bilateral economic assistance under title III of the bill.

6. Report language to measure sustained results. USAID revised its program cycle guidance in 2016 to elevate the importance of utilizing local priorities, implementers, and resources to achieve development gains. Although these factors are important for the long-term sustainability of development gains, the Agency does not have a systematic means of measuring its performance in these areas. We request report language that supports USAID’s policy and directs the Agency to establish a method for systematically measuring its performance achieving locally owned sustainable development.

In addition, we at MFAN applaud both the House and Senate’s fiscal year 2017 emphasis on foreign assistance transparency and accountability. In particular, we endorse the Senate’s language in the “Monitoring and Evaluation” section of its fiscal year 2017 report calling for the State Department to review and publish a *Report on Monitoring and Evaluation of fiscal year 2015 Programs* because “there are inadequate processes in place to ensure that the findings and recommendations of evaluations inform program design, policy decisions, and budget allocations.” We hope that such a review will be adopted and focus on the most current year possible.

Finally, MFAN remains concerned about U.S. foreign assistance directed to countries via sector set-asides and presidential initiatives that are not linked to country priorities and strategies. A 2015 USAID Inspector General audit of regional and country development cooperation strategies (CDCSs) reported that “Employees said the budget often trumped local priorities, and nondiscretionary funding— such as presidential initiatives and earmarks—drove the selection of development objectives. In addition, budget allocations did not always align with the CDCSs, and some objectives were not funded.”<sup>1</sup> MFAN urges greater alignment of U.S. foreign assistance with country and citizen-identified priorities to better ensure that development resources catalyze durable poverty reduction and economic growth.

Thank you for your work on the State and Foreign Operations Appropriation bill and for considering these requests. Our coalition looks forward to working with you further to advance U.S. values and economic and national security interests by supporting a more just, prosperous, and secure world.

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PREPARED STATEMENT OF OXFAM AMERICA

The fight against global poverty is one of America’s proudest and smartest investments. The Trump administration’s proposal to cut development and humanitarian aid by over 30 percent would have a devastating impact on the world’s most vulnerable people and threaten the global progress that U.S. foreign aid investments have helped create. Moreover, slashing development and humanitarian aid as proposed in the administration’s budget would severely undermine the capacity of U.S. foreign assistance agencies to use aid effectively and with proper accountability for results.

Oxfam is an international development and relief organization working to create lasting solutions to poverty, hunger and injustice. Oxfam does not take U.S. Government funding but believes that aid can empower people in developing countries to create inclusive economic growth, strengthen essential public services, and build just, self-reliant societies. Oxfam has long worked to understand the conditions and approaches to development that make foreign aid most effective. Over the last decade, we have seen great progress—both in the reduction of global poverty and in the way U.S. foreign assistance is carried out. USAID has made key reforms that are helping to make U.S. foreign aid programs more transparent, accountable, and effective in meeting U.S. and partner country goals. Turning our backs on this progress would be a grave mistake.

The President has proposed an overall 32 percent cut to the International Affairs Budget, which funds two of the three key pillars of U.S. foreign policy: diplomacy and development. These cuts would disproportionately affect development programs, and would hit the poorest countries hardest. President Trump has proposed deep cuts to, and in some cases total elimination of, foreign assistance accounts that are critical for poverty reduction including: Development Assistance, Economic Support

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<sup>1</sup>USAID Office of Inspector General, Audit Report No. 9-000-15-001-P, “Audit of USAID Country and Regional Development Cooperation Strategies,” February 20, 2015.

Funds, Migration and Refugee Assistance, Global Health, International Development Assistance, and the Millennium Challenge Corporation. These accounts are by no means the only ones providing development assistance, but represent a large proportion of the funds that go to low and lower-middle income countries where assistance is needed most. By cutting these accounts the budget undermines the United States' ability to promote the development of stable, prosperous partners that share the ideals of the United States. Additionally, the programs funded by these accounts are essential for millions of people around the world, and make significant contributions to ending extreme poverty—a goal which should be paramount in U.S. foreign assistance.

These cuts will affect countries and communities in real and significant ways. For example, in Ethiopia, where the average person lives on less than \$620 per year, and 20 percent of the population lives in extreme poverty, the Trump administration's budget would cut foreign assistance by 74 percent.<sup>1</sup> Under this proposal 3.5 million children would lose education support in a country where 60 percent of adults are illiterate. Hundreds of thousands of farmers would lose access to new technologies and American expertise through the Feed the Future program. Millions of undernourished children would be left without access to nutrition programs.<sup>2</sup>

The Trump administration's budget envisions a foreign aid portfolio that is focused on reducing assistance and is directed by short-term U.S. foreign policy interests. Such a restructuring of U.S. foreign assistance programs would undermine and politicize development programs in a way that ignores where the needs are greatest, abandons countries who are strong U.S. partners, and shows a lack of understanding of the economic and national security dividends that investing in development pays back to the United States. This strategy also completely disregards the financial cost of cutting assistance programs, the investments that would be wasted if ongoing projects are left unfinished, and the long-term harm that would be done both to people and to U.S. relationships abroad.

The administration's foreign aid budget proposal also indicates a belief that U.S. development programs can be easily transferred under the management of the State Department. This is not the case. While USAID and State work closely together in countries around the world, the State Department is not a development agency, nor should it be. Development is a discipline that requires technical expertise and experience in a wide variety of sectors that diplomats and other State Department employees simply do not have. Such a restructure would severely damage the U.S.'s ability to design, manage, and evaluate development programs to ensure their success.

If the U.S. wants to win hearts and minds in the developing world, doing development well is a good place to start. This means approaching relationships from a place of mutual respect—understanding and incorporating partner country development priorities, making investments in local institutions and structures rather than creating parallel ones, and working in a way that ensures people at all levels have a say in their own development. This cannot be done with a focus only on the nations the U.S. wants to influence now, but must be done comprehensively and with foresight. We cannot predict where the next ISIS will emerge, which developing economy will become a major economic player, or where the next pandemic threat will occur, but we can minimize risk and nurture strong partnerships by supporting holistic development in the Global South.

Development is a complex and long-term endeavor. This means that not all gains happen over the course of a budget cycle, but require sustained investment in effective programs to see sustainable results. Sudden cuts to ongoing programs could erase years of progress, essentially throwing all the money the United States has already spent out the window. In nations that lack basic infrastructure, governance, and strong institutions, the problem of poverty must be worked on from multiple angles. If we invest in global health without ensuring there is investment for education or electricity we are investing in a health system that does not have a workforce or power to run equipment. We can't invest in education or agriculture without investing in roads to access schools or markets. There is not one silver bullet, and

<sup>1</sup> Congressional Budget Justification Department of State, Foreign Operations, and Related Programs FISCAL YEAR 2018. p 225–230. <https://www.state.gov/documents/organization/271013.pdf>. Accessed June 12, 2017. GDP per capita (current US\$) | Data. <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>. Accessed June 12, 2017. Team WBD. The 2017 Atlas of Sustainable Development Goals: a new visual guide to data and development. The Data Blog. <http://blogs.worldbank.org/opendata/2017-atlas-sustainable-development-goals-new-visual-guide-data-and-development>. Published April 17, 2017. Accessed June 12, 2017.

<sup>2</sup> ForeignAssistance.gov. Special Data Sets Performance and Results 2015 Actual Results. <http://beta.foreignassistance.gov/>. Accessed January 27, 2017.

thus we must take a holistic approach working with developing countries and other partners to create self-sufficient futures for all.

Finally, for U.S. assistance to achieve its goals, USAID must have the Operating Expenses necessary to use development funds transparently, accountably, and effectively. Strong core operational resourcing enables USAID to make sure it adapts to changing circumstances, learns from experience, applies learning to program design and implementation, and identifies and addresses the root causes of poverty.

The President's budget proposal is a narrow-minded and small-hearted reimagining of America's role in the world. Since the Second World War, presidents of both parties have advanced U.S. interests by working to strengthen international security, end global poverty, and deepen diplomatic and cultural ties with people around the world. That tradition has bolstered American leadership and helped strengthen human rights and international cooperation to fight poverty and save lives. It would come to an abrupt end if Congress follows the Trump administration's callous blueprint.

Our country has a long legacy of being a leader on human rights, humanitarian assistance, and the fight against global poverty. The administration's budget proposal would relegate the United States to a new legacy—one of harsh self-interest at the expense of others. That is not what the United States stands for.

Even when we put a premium on taking care of needs at home the United States can't opt out of the world. Our action or inaction will inevitably have an impact on the rest of the world—the question is how and whether the United States will rise to the challenge of leading a global effort to confront problems that are bigger than any one nation or society.

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POLITICO ARTICLE BY ADM. MIKE MULLEN (RET.) AND GEN. JAMES JONES (RET.)

[From POLITICO, June 12, 2017]



U.S. Secretary of State Rex Tillerson

## OPINION

### WHY FOREIGN AID IS CRITICAL TO U.S. NATIONAL SECURITY

We can't solve every foreign crisis through military action, say two former military commanders.

(By Adm. Mike Mullen (Ret.) and Gen. James Jones (Ret.))

In our active duty days, we were honored to help lead the finest fighting force in the world and we strongly support an increase in military spending to maintain the readiness of those forces. But our experiences also taught us that not all foreign crises are solved on the battlefield; in the 21st century, weapons and warfighters alone are insufficient to keep America secure.

That's why we support a robust development budget to advance our national security objectives—and we are not alone in this belief. This week, we will join 14 other experienced former four-star generals and admirals in submitting testimony to Con-

gress that military power alone cannot prevent radicalization, nor can it, by itself, prevent despair from turning to anger and increasing outbursts of violence and instability. Over the last 15 years, our national experience in Afghanistan, Iraq, in the Middle East, and now in Africa has shown clearly that development aid is critical to America's national security.

Unfortunately, the administration's budget would cut 32 percent from the budgets of the U.S. Agency for International Development and State Department—including a cut of nearly half to development assistance. This is exactly the wrong decision at a time when development efforts in the world's poorest and most fragile countries are needed more than ever. In turn, these severe cuts to USAID would only increase the risk to Americans and to our brave military service members. Congress should reject this dangerous path.

Strategic development assistance is not charity; it is an essential, modern tool of U.S. national security. Foreign assistance should be respected—and budgeted—as an investment in the enhancement of stability in the world's most vulnerable places, not as a no-strings-attached giveaway to poorer nations.

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*“Strategic development assistance is not charity; it is an essential, modern tool of U.S. national security.”*

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American security is advanced by the development of stable nations that are making progress on social development, economic growth, and good governance; by countries that enforce the rule of law and invest in the health and education of their own people. In short, America's interests are served by nations that give their people hope for a more prosperous and safe future.

Conversely, American security is undermined by frail and failing nations where hope is non-existent, and where conditions foster radicalism, produce refugees, spark insurgency, and provide safe havens for terrorists, criminal gangs, and human traffickers with global reach.

Fighting extremist groups after they emerge as well-trained and well-funded entities is costlier in lives and money than efforts to prevent such groups from forming in the first place. Research suggests that investing in prevention is, on average, 60 times less costly than war and post-conflict reconstruction costs. It is also more difficult. To prevent the expansion of terrorist groups, states must deprive them of ungoverned territory and the oxygen on which they flourish—the belief that the terrorists' radical agenda can provide purpose and meaning to the lives of their recruits. That can be a challenge for Western nations, much less for developing ones with weak governance structures.

A host of international terrorist groups—al Qaeda, al Shabaab, Boko Haram, and ISIS, among others—have taken root in highly fragile regions and countries with shared characteristics, such as corruption and poor governance, weak institutions, high poverty and inequality, widespread indignity, and low quality of life for ordinary citizens. Local populations frustrated with poor governance and lacking meaningful opportunities to improve their lives or provide for their families are prone to tolerate, if not actively support, extremist groups that challenge government authority or assume the government's role as social-service provider. To combat these groups and prevent such areas from serving as fertile recruiting grounds, training areas, and transit routes for violent extremists, the United States and its allies should become much more proactive in helping address underlying conditions that, left unchecked, invite and foment instability.

Congress can, and should, make America safer with a robust and strategic Phase Zero initiative that engages the U.S. Government, non-governmental organizations, and the private sector to synergistically prevent conflict and promote security, development, and governance rooted in the rule of law. Such an initiative—accompanied by other targeted reforms to our foreign assistance programs—would fill a dangerous vacuum that military intervention alone simply cannot address. Proactive conflict-prevention strategies are far less expensive in terms of resources and lives expended than reactive use of our Armed Forces.

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*“Proactive conflict-prevention strategies are far less expensive in terms of resources and lives expended than reactive use of our Armed Forces.”*

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Development experts under the auspices of USAID, State Department, the Millennium Challenge Corporation, and other Federal agencies must be fully committed to a coherent whole-of-government stability-enhancement strategy that will protect America's interests in the modern security environment while minimizing the exposure of our young men and women to harm's way.

The faithful service, courage, and sacrifice of our service members deserves and demands that we address and develop the strongest possible strategy for conflict-prevention that our nation can muster. Cutting the International Affairs budget will hurt our country's ability to stop new conflicts from forming, and will place our interests, values, and the lives of our men and women in uniform at risk. Congress should reject the administration's proposed cuts and instead fully fund the international affairs budget. Our military is counting on it.

*Admiral (Ret.) Michael Mullen served as Chairman of the Joint Chiefs of Staff from 2007 to 2011. General (Ret.) James Jones was the commandant of the Marine Corps and served as Supreme Allied Commander-Europe from 2003 to 2006.*

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PREPARED STATEMENT OF THE U.S. GLOBAL LEADERSHIP COALITION

Chairman Graham, Ranking Member Leahy: On behalf of the U.S. Global Leadership Coalition—a network of over 500 businesses and NGOs; national security and foreign policy experts; and business, military, and civic leaders from across the country—thank you for the opportunity to testify about the critical resources included in the State, Foreign Operations, and Related Programs Appropriations bill, which help keep our Nation safe, advance our economic interests, project our values, and uphold America's leadership role in the world. To meet these responsibilities fully and to set the course for American security and prosperity, I strongly urge you to support \$60 billion for the International Affairs Budget, including a strong 302(b) allocation for the fiscal year 2018 State and Foreign Operations Appropriations bill that maintains fiscal year 2017 enacted levels.

At a time of extreme global challenges—famines of historic proportions, a refugee crisis not seen since World War II, and the growing threat of terrorism—we must use all the tools of our national power to confront these complex 21st century threats.

Strategic investments in America's national security toolbox—diplomacy and development, alongside defense—have been championed by both Republican and Democratic administrations and Members of Congress, military leaders, foreign policy and national security experts, business leaders, and humanitarian and faith-based organizations.

That is why I am deeply concerned that the administration's fiscal year 2018 budget proposes to cut funding for the International Affairs Budget by 32 percent. A draconian and disproportionate cut of this magnitude would take funding levels for development and diplomacy programs back to levels not seen since 9/11 (when adjusted for inflation), and would reduce spending on these programs as a percentage of GDP to its lowest level since World War II.

Given today's global complexities, it is no surprise that America's military leaders are the first to say that hard power alone is not enough to keep our Nation safe. In February, over 120 retired three- and four-star generals and admirals wrote to Congress urging that resources for the International Affairs Budget keep pace with the growing global threats and opportunities we face, arguing that “[n]ow is not the time to retreat.”

But it's not just our retired military heroes who are speaking out. Over the past 3 months, we have also seen testimony on Capitol Hill from the Commanders of CENTCOM, AFRICOM, PACOM, SOUTHCOM, EUCOM, and SOCOM, the Chairman of the Joint Chiefs of Staff, and the Secretary of Defense calling the State Department and USAID “indiscribably critical” and expressing “unqualified support” for resourcing our diplomats and development experts. General Thomas Waldhauser, Commander of Africa Command, testified during a Senate Armed Services Committee hearing that, “To protect and promote U.S. national security interests in Africa, diplomacy and development are key efforts, and our partnership with the Department of State and the U.S. Agency for International Development (USAID) is key to achieve enduring success.”

These senior military leaders understand that the State Department and USAID are some of the military's most critical partners. They know from their experience on the battlefield that when we prevent conflict and promote stability we reduce the need for military intervention, helping keep our servicemen and women out of harm's way.

Other civilian development agencies and programs slated for significant cuts—such as the U.S. Institute of Peace (USIP), multilateral institutions, and international peacekeeping activities—have been consistently highlighted by our military leaders as critical to decreasing the need for U.S. military engagement around the world.

In addition to advancing our national security interests, for just 1 percent of the total Federal budget, the programs funded through the International Affairs Budget are a proven return on investment for America. Eleven out of America's top 15 export markets were once recipients of U.S. foreign assistance. Today, we export more goods to South Korea—our sixth largest trading partner—than the entire sum of aid to that country over five decades. With 95 percent of consumers outside the United States, we cannot cede America's role in the world to others who will take advantage of our retreat. For example, China's official development assistance in Africa alone has grown by more than 780 percent since 2003. And just last month, China pledged \$124 billion for its new One Belt One Road initiative to modernize transportation and infrastructure, further strengthen economic ties across Asia, and build new markets for Chinese companies across 65 countries that account for 60 percent of the world's population.

Proposals such as those to eliminate the Overseas Private Investment Corporation (OPIC) and the U.S. Trade and Development Agency (USTDA) would severely undermine America's economic competitiveness. That is why 225 business leaders from across the U.S.—from Fortune 500 companies to local Chambers of Commerce—recently wrote to Secretary of State Tillerson to voice their support for strong resources for the State Department and USAID as critical to our economy and American jobs. In the letter, they reminded the Secretary that, “America's diplomats and development experts help build and open new markets for U.S. exports by doing what only government can do: fight corruption, strengthen the rule of law, and promote host country leadership to create the enabling environment for private investment.”

The proposed closure of nine USAID missions and the elimination of economic and development assistance to 37 countries would effectively lower our flag around the world and provide an opening for other countries like China and Russia to step in, not to mention its impact on our diplomatic corps around the world.

While these investments pay enormous dividends to the American taxpayer, we should never forget our pride in America as the “shining city upon a hill.” U.S. development and humanitarian programs save lives, cure disease, and foster democratic values. In March, more than 100 Christian leaders from across America wrote to Congress urging them to protect and support the International Affairs Budget and prevent disproportionate cuts to these vital programs that bring “hope to poor, hungry, vulnerable and displaced” people around the world—calling it their “moral responsibility.”

Today, thanks to the leadership of President George W. Bush, bipartisan support in Congress, and the American people, over 11 million lives have been saved through the President's Emergency Plan for AIDS Relief (PEPFAR) and the goal of an AIDS-free generation is within reach.

But the story of PEPFAR and President Bush's contributions goes far beyond budgets and resources. It is a story of game-changing reform that has continued and grown for over a decade. After 9/11, President Bush initiated transformational changes to our foreign assistance programs, making them more accountable, results driven, and a force multiplier for the American people with a focus on outcomes—lives saved—not just inputs, or resources spent. The creation of the Millennium Challenge Corporation (MCC) put a laser focus on the promotion of economic growth as the key to fighting poverty by setting up partnerships with countries that demonstrate they are willing to reform and commit to rigorous monitoring and evaluation of results.

With critical bipartisan support and leadership from Capitol Hill, this reform effort has continued. The Obama administration built upon this framework, taking the MCC's principles of transparency, monitoring, and evaluation and incorporating them into USAID. Today, the Foreign Assistance Dashboard allows Americans to see where foreign assistance dollars are being spent. The private sector is also more involved than ever before with America's foreign assistance programs—serving as a catalyst, bringing expertise to the table and leveraging private sector resources to create impactful and scalable solutions. For example, Feed the Future partners with the private sector on agriculture and food security, and has empowered more than 9 million farmers and provided nutrition support to more than 18 million children. Similarly, Power Africa, which seeks to increase electricity in Sub-Saharan Africa, leveraged an additional \$40 billion in private sector commitments from its initial \$7 billion commitment.

In March, President Trump signed an Executive order calling for a comprehensive plan to reorganize the executive branch to improve its “efficiency, effectiveness, and accountability.” While there is always a need for greater reform and a drive for enhanced effectiveness, consultation with Congress and the expertise of the stakeholder community will be critical to ensure that new reforms build on the progress

that has been made to date and garner broad and bipartisan support, which will be critical for such reforms to be sustained in the future. Concerns, for example, have been raised about proposals to merge the State Department and USAID—which would almost certainly make our foreign assistance less rather than more effective, as we learned years ago from the collapse of U.S. Information Agency (USIA).

Republicans and Democrats can be proud of the legacy of strong bipartisan support for the International Affairs Budget and the programs it funds. In recent years, Congress has passed eight pieces of bipartisan legislation that strengthen programs on food security, energy, water, rights for women and girls, ending modern day slavery and wildlife trafficking, trade, and aid transparency. Through your leadership and with the support of colleagues across the political spectrum, lawmakers have worked to strengthen these programs so that they are more transparent, more accountable, and provide a greater return on our investment than ever before.

This legacy continues in the 115th Congress, with Republican and Democratic Members warning of the dire consequences of deep and disproportionate cuts to the State Department and USAID. Lawmakers on both sides of the aisle understand that investing in the International Affairs Budget is not just the right thing to do, it is also the smart thing to do for our national security, economic interests, and values. In April, 43 bipartisan Senators—led by Senators Durbin and Young—wrote to Senate Budget and Appropriations Committee leadership urging “robust funding” for the International Affairs Budget and calling proposed cuts “shortsighted, counterproductive, and even dangerous.”

I share this conviction and believe that at this critical moment, when we face complex national security threats and devastating humanitarian emergencies, more American leadership—not less—is needed. Let me put this in perspective with three simple numbers that illustrate the consequences of America pulling back.

—*20 million.* That is the number of people facing famine this year. We know the horrific humanitarian impact, but there is also a frightening national security risk. The countries affected—Yemen, South Sudan, Nigeria, and Somalia—are some of the most unstable in the world and harbor terrorist groups like ISIS, Al Shabaab, and Boko Haram. Food insecurity is one of the main drivers of instability—making the moral and national security implications of this famine urgent.

—*65 million.* That is the number of displaced people around the world—the highest since World War II—most of whom are women and children. Not only could millions of refugees go without food, water, and shelter, but these cuts could cripple the economies of our frontline allies, like Jordan, creating powerful national security concerns.

—*320 million.* That is the number of Americans vulnerable to the next “Ebola” if major cuts to global development and health programs are approved. We know that when we invest in global health systems around the world it makes a measurable difference in our ability to respond to infectious disease and prevent pandemics—just compare the response to the Ebola outbreaks in Nigeria and Sierra Leone. While we can’t always predict what the next pandemic will be, we can bet that there will be one.

I am grateful for your longstanding support of the International Affairs Budget and your work to provide nearly \$60 billion for these critical programs in the fiscal year 2017 Omnibus Appropriations bill. I urge your continued support for international affairs programs in fiscal year 2018 by supporting \$60 billion for the International Affairs Budget, including a strong 302(b) allocation for the fiscal year 2018 State and Foreign Operations Appropriations bill that maintains fiscal year 2017 enacted levels.

On behalf of our diverse coalition of business, faith, military, NGO, and development experts from across the country, I thank you for your leadership. We all look forward to continuing to work with you to advance America’s global leadership through a strong and effective International Affairs Budget—an essential ingredient to advancing America’s national interests.

[This statement was submitted by Liz Schroyer, President and CEO.]

#### PREPARED STATEMENT OF WORLD VISION

Mr. Chairman, Ranking Member Leahy, and Members of the subcommittee, I am submitting this testimony for your consideration on behalf of World Vision, one of the largest faith-based organizations working in humanitarian relief and development. But I also submit this testimony as the former Regional Vice President for



World Vision in East Africa, a position that afforded me the opportunity to see firsthand the impact that the State Department and USAID are having on alleviation of poverty, injustice and suffering.

World Vision U.S. has more than one million private donors in every State and Congressional district, partners with over 16,000 churches in the United States, and works with a wide variety of corporations and foundations. We are motivated by our Christian faith to serve every child in need and their family; those of any faith, or none. We partner with faith leaders throughout the world, equipping them to meet the needs of their communities.

We are part of a global World Vision Partnership, which last year implemented more than \$2.6 billion in programming to help children, families and communities through international relief, development, and advocacy assistance. Although private donors support the foundation of our work, the U.S. Government is an invaluable partner as we work to achieve our broad goals for children. We leverage this partnership to reach vulnerable children and families in nearly 100 countries around the world, ensuring that the precious resources of the American taxpayer are prudently used to promote and protect the well-being of children and communities abroad.

We also use this partnership with the U.S. Government to leverage private funding. We've successfully used grant funded programs to spur private fundraising from both corporations and individuals and to leverage and integrate resources in a way that ensures taxpayer dollars go further. For example, through a partnership with MasterCard, World Vision is working to improve humanitarian aid delivery via digital identity and electronic payment technology, including World Vision's Last Mile Mobile Solutions (LMMS) and the MasterCard Aid Network. MasterCard partnered with World Vision to test both systems in the Philippines to help micro-entrepreneurs rebuild businesses after Typhoon Haiyan. World Vision also began using LMMS and MasterCard Aid Network in Nepal following the earthquake to deliver a wide range of services, food assistance and equipment. The massive cuts proposed to the foreign assistance budget would put our ability to create these kinds of innovative public-private partnerships at risk, even further reducing investments in vulnerable communities.

But the biggest impact these cuts would have are on real lives and real people. I have been on the ground in places like South Sudan, where millions of vulnerable people—mostly women and children impacted by the violence and crisis in that country, have fled their homes and often have a day-to-day fight for survival. People whose lives were turned upside-down by the violence and who fled searching for safety. In many cases, families watched their children die along the way, but once they reached their destination, it was often generous assistance from the U.S. Government that allowed their remaining children to survive. I've seen the impact the provision of health services such as vaccinations and newborn health initiatives can have and how brave and committed community health volunteers work tirelessly to save the lives of mothers and children. I've seen the difference education—especially literacy programs—can make in a child's future, and how proud and empowered families feel when their children can read. I've seen how peacebuilding and youth empowerment programs supported by the U.S. Government prevent conflict and disillusionment, particularly among young men. All of these investments serve a purpose and are in the best interests of the United States and the American taxpayer.

Because I have witnessed positive change in the lives of people around the world due to U.S. Government investments in relief and development programs for over 20 years, I was extraordinarily disappointed to see the massive cuts that the administration has proposed for both the State Department and USAID. A 32 percent reduction in the International Affairs Budget is misguided and short-sighted. These are programs that foster safe, healthy and stable societies, governments and economies around the world. There are very few taxpayer investments that have such a long-term impact and such a positive return.

One area of particular concern in the President's budget is the elimination of the Development Assistance (DA) account, which becomes part of the new Economic Support and Development Fund, but is solely administered by the State Department. More and more we are seeing poverty being driven to fragile states—places that face conflict, inadequate governance, frequent disasters, and other issues that lead to instability and a lack of resilience. The Development Assistance account is critical in these contexts to move countries from fragility to resilience, addressing the drivers of conflict and seeking long-term, sustainable solutions. The administration also proposes eliminating the Complex Crises Fund, which is flexible funding that similarly focuses on fragile states and contexts. Both the "consolidation" of DA and the proposed elimination of the Complex Crisis Fund are very troubling based

on what we know the drivers of poverty are and how fragile states and contexts can pose security risks to the United States.

The severe cuts proposed by the administration in global health programs is also of grave concern. Not only is funding for infectious diseases—that have the ability to reach our own shores—cut significantly, including funding for tuberculosis and Global Health Security, but basic life-saving interventions to address malaria and nutrition are also massively cut. These are investments that we know are saving the lives of mothers and children and are supporting more families to ensure their children are healthy enough to attend school, enabling them to gain an education that leads to a good job in adulthood, and allows women to be more productive in the household and earn a livelihood as well. These programs are not handouts; they are investments in the long term economic growth of countries that can become U.S. trading partners and develop economies that allow them to better provide for their own people.

Related to both maternal and child health and fragile states, the administration also proposes to eliminate funding to quite a few countries that are current recipients of U.S. foreign assistance. Some, like Central Africa Republic (CAR), Sierra Leone and Niger have the highest child mortality rates in the world. Others like Burundi, India, Malawi, and Madagascar have extremely high rates of stunting, which has irreversible impact on a child's ability to learn and develop. Others are very fragile states where U.S. interests would not be served by eliminating our country footprint. Rather than simply “pulling out” of our development role in these countries, we must look at how we best leverage the work of other donors and work in partnership with them to achieve our objectives.

We are also deeply disappointed in the administration's proposed cuts to the humanitarian accounts. We are currently in the midst of a significant, protracted humanitarian crisis, with the highest number of refugees and internally displaced people around the world than we have seen since World War II. The administration proposes cutting humanitarian assistance by 44 percent. This would stop us in our tracks as we respond to these crises, impacting an estimated 39 million people who we wouldn't be able to reach with basic, life-saving assistance.

And while this subcommittee does not appropriate for many of the food assistance accounts, they are administered by USAID and I would be remiss if I didn't mention them in my testimony. The administration's fiscal year 2018 budget request included a series of problematic proposals, including: a zeroing out of both Title II, Food for Peace (with any funding for emergency food aid shifted into the International Disaster Assistance Account (IDA), and the McGovern-Dole International Food for Education and Child Nutrition program.

World Vision joins with our partners and strongly opposes these recommendations, which propose eliminating and/or severely cutting effective, life-saving funding that helps to create a safer and more secure world. Furthermore, the fiscal year 2018 request from the administration includes funding for emergency food needs within the International Disaster Assistance (IDA) account, yet the administration also proposes to reduce IDA from \$3.2 billion to \$1.65 billion. When comparing the fiscal year 2018 request to fiscal year 2016, the cut to IDA is 10 percent. Factoring in the elimination of Title II Food for Peace (although the Food for Peace office appears to remain and emergency food aid assumed to be now funded from IDA), the cut to IDA when comparing fiscal year 2016 to the fiscal year 2018 request is about 48 percent.

At a time of historic and unprecedented need, when close to 1.4 million children could die this year from famine-like conditions according to UNICEF, we urge Congress to continue to robustly fund the Food for Peace program (both emergency and development programs) and McGovern-Dole International Food for Education and Child Nutrition program in fiscal year 2018. The International Disaster Assistance account must also be funded at fiscal year 2017 levels or above which includes the Emergency Food Security Program.

The administration's budget proposal reframes the purpose of the International Affairs Budget, noting that “international programs help to advance the national security interests of the United States by building a more democratic, secure, and prosperous world.” The goal of the budget appears to focus more assistance on national security-aligned interests, as opposed to long-term development or antipoverty initiatives, but in the view of World Vision, these are not mutually exclusive priorities.

Lastly, as World Vision seeks to ensure greater efficiency and effectiveness in the U.S. international development and humanitarian assistance programs, we stand as ready partners willing to improve foreign assistance so it saves more lives, builds resilience, and continues to reduce levels of poverty and support global efforts to reach the Sustainable Development Goals (SDGs) by 2030. around the world. It is

important as Americans that we continue to be a part of this global effort and remain a leader in providing support to some of the most vulnerable populations in the world.

[This statement was submitted by Margaret Schuler, Senior Vice President for International Programs World Vision.]