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**NATIONAL SECURITY AND FOREIGN POLICY PRI-
ORITIES IN THE FISCAL YEAR 2014 INTER-
NATIONAL AFFAIRS BUDGET**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

APRIL 18, 2013

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**NATIONAL SECURITY AND FOREIGN POLICY
PRIORITIES IN THE FISCAL YEAR 2014
INTERNATIONAL AFFAIRS BUDGET**

THURSDAY, APRIL 18, 2013

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

The committee met, pursuant to notice, at 9:34 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert Menendez (chairman of the committee) presiding.

Present: Senators Menendez, Boxer, Cardin, Coons, Murphy, Kaine, Corker, Rubio, Johnson, Flake, and Paul.

**OPENING STATEMENT OF HON. ROBERT MENENDEZ,
U.S. SENATOR FROM NEW JERSEY**

The CHAIRMAN. Good morning. This hearing of the Senate Foreign Relations Committee will come to order.

Welcome back, Mr. Secretary. And first let me say that I know how important the tragic incidents in Boston is to all of us, but certainly to you, how much the Boston Marathon has meant to you and everyone in Massachusetts and New England. But Bostonians are resilient, and I know next year on Patriot's Day, the marathon will be bigger and better than ever before. And our thoughts are with everyone in Boston today. And I know that you would have loved to have been there after so many years, and I appreciate, as do all the committee members, your appearance here today.

In the 2½ months since you were sworn in, you have spent 31 days traveling to 17 countries, logged in over 55,000 miles, and done a lot of good work along the way.

There was one headline in that time that affected all of us deeply as I know it affected you. Anne Smedinghoff, an upbeat 25-year-old diplomat whom you met, was tragically killed in service in Afghanistan. Her life was a tribute to all of those dedicated to something bigger than themselves, and it underscores the importance of service to this Nation and to people around the world who look to us for leadership. Her death is a stark reminder that part of our duty is to provide those who serve abroad with everything they need to do their jobs and to keep them as safe and secure as possible in carrying out America's priorities.

Today, Mr. Secretary, we have an opportunity to look forward, as always, to hearing the State Department's priorities as well as of that of the administration's, and, of course, letting you know some of ours. Our policy focus is not only on budgetary items, but also

on taking action to demonstrate U.S. leadership and improve lives through cooperation with other states.

An example, from my view, is the Disabilities Treaty, which would, without cost, improve the lives of thousands of people overseas, but as well for millions of Americans with disabilities who travel abroad.

We are all committed to strong American leadership, and the need has never been greater. Mexico, Central America, Venezuela, Cuba, Syria, Afghanistan, Pakistan, North Korea, climate change, nuclear proliferation, the Arab Spring, all require our full attention. Some require greater attention, some require specific action, and some require changes in approach as we look around the world.

As we heard in testimony here last week, violence in Syria has already displaced 4 million people, resulted in more than a million refugees, and threatens to further destabilize the Middle East, which brings up another issue, and that is whether or not we need to do something more to help that Syrian opposition that we, in fact, have vetted as being in line with our values. And I would like to hear your views on whether or not you believe we should be moving forward to change the tipping point in that regard.

Syria is not the only humanitarian crisis. In the Sahel, severe drought has displaced more than 300,000 people, affected 9 million more. Thirteen million people have been affected by drought in the Horn of Africa. These humanitarian disasters demand active and engaged U.S. diplomacy and assistance, which depend on robust funding of the International Affairs Account. And at the same time, we understand the budget realities we face and the need to make smart decisions in choosing the most effective and efficient programs that will yield the greatest security return on our investment.

We may live in a constrained budget environment, but the world goes on. National security needs are not bounded by any constraints, budgetary or otherwise. They continue, and meeting them requires clear thinking and difficult choices. We will have to rebalance and scale down operations in certain areas as we scale up in others, so I look forward to your views on how we strike the balance in making those tradeoffs.

In that process, I fully support efforts to increase funding for the Asia-Pacific rebalance. We applaud the administration for a budget proposal that includes an increase for East Africa—East Asia, I should say, and the Pacific. But as important as East Asia and the Pacific area, I hope it does not come at the expense of other priorities, such as Latin America. I am concerned with sharp cuts to the Western Hemisphere and what this may say about our strategy within our own front yard. And I look forward to being able to pursue those.

Finally, I look at the humanitarian needs in Syria, and our increasing interests, national interests, national security interests. I look at the question of embassy security and we look forward to hearing from you about progress on the Accountability Review Board's efforts. And last, I am interested in your views on how this budget reflects the priorities of diplomatic statecraft as economic

statecraft, and how the budgetary choices we make could help the State Department create jobs and economic opportunities at home.

I will have my full statement entered into the record without objection.

[The prepared statement of Senator Menendez follows:]

PREPARED STATEMENT OF CHAIRMAN ROBERT MENENDEZ

Welcome back, Mr. Secretary. First, let me say, I know how important the Boston Marathon is to you and everyone in Massachusetts and New England. But New Englanders are resilient and I know—next year—Patriot’s Day and the Boston Marathon will be bigger and better than ever. Our thoughts are with everyone in Boston today.

Again, welcome back. In the 2½ months since you were sworn in, you’ve spent 31 days traveling to 17 countries, logged in over 55,000 miles, and made many headlines along the way.

There was one headline in that time that affected all of us deeply—as I know it affected you. Anne Smedinghoff, an upbeat 25-year-old diplomat whom you met, was tragically killed in service in Afghanistan. Her life was a tribute to all those dedicated to something bigger than themselves. It underscores the importance of service to this nation and to people around the world who look to us for leadership. Her death is a stark reminder that part of our duty is to provide those who serve abroad with everything they need to do their jobs—and to keep them safe and secure in carrying out America’s priorities.

Today, Mr. Secretary, we look forward, as always, to hearing the State Department’s priorities, as well as the administration’s—and, of course, letting you know ours. Our policy focus is not only on budgetary items, but also on taking action to demonstrate U.S. leadership and improve lives through cooperation with other states, an example being the Disabilities Treaty which would—without cost—improve the lives of thousands of people overseas, as well as Americans with disabilities who travel abroad.

We are all committed to strong American leadership, and the need has never been greater. Mexico, Central America, Venezuela, Cuba, Syria, Iran, Afghanistan, Pakistan, North Korea, climate change, nuclear proliferation, the Arab Spring—all require our full attention. Some require greater attention. Some require specific action; and some may require changes in approach as we look around the world.

As we heard in testimony here last week, violence in Syria has already displaced 4 million people, resulted in more than 1 million refugees, and threatens to further destabilize the Middle East—which brings up another issue and that is arming the Syrian opposition—and I’d like to hear your views on whether or not you believe we should be providing military aid to vetted opposition forces we identify, stopping short of providing weapons that could threaten our own security if they fall into the wrong hands. And Syria isn’t the only humanitarian crisis. In the Sahel, severe drought has displaced more than 300,000 people and affected 9 million more, and 13 million people have been affected by drought in the Horn of Africa. These humanitarian disasters demand active and engaged U.S. diplomacy and assistance—which depend on robust funding of the international affairs account.

At the same time, we understand the budget realities we face and the need to make smart decisions in choosing the most effective and efficient programs that will yield the greatest security return on our investment. We may live in a constrained budget environment, but the world goes on. National security needs are not bound by any constraints, budgetary or otherwise. They continue and meeting them requires clear thinking and difficult choices. We will have to rebalance and scale down operations in certain areas, as we scale up in others. I look forward to your views on how we strike the balance in making these trade-offs.

An example is funding for Western Hemisphere programs. I fully support efforts to increase funding for the Asia-Pacific rebalance and applaud the administration for a budget proposal that included an increase for East Asia and the Pacific . . . but as important as East Asia and the Pacific are, I hope it does not come at the expense of other priorities—like Latin America. I’m concerned with sharp cuts to Western Hemisphere, and what this may say about a lack of a coherent U.S. strategy. The FY14 budget proposes a 14-percent, \$253 million cut in aid to the region. Some of that decrease is because we are engaging with increasingly capable partners and our activities are less resource intensive.

In Mexico, we are transitioning the Merida Initiative on security cooperation from a focus on equipment to technical assistance on the rule of law and local capacity-building. But, again, I hope we are circumspect in how we go about striking the

proper balance and that we don't overlook the very severe security crisis in Central America. I hope you will address what we gain and what we potentially give up as we make these decisions.

To address the humanitarian needs in Syria I mentioned, we are already providing \$385 million in humanitarian support, but, even in this difficult fiscal climate—we could dramatically increase that number to help end one of the region's most devastating humanitarian tragedies unfolding as we speak. Making that choice would, in my view, be a positive step not only for the Syrian people, but it would signal to other donors that this is not business as usual. I'm anxious to hear your views on the prospect of increasing aid, as well as an answer to the question I raised at our hearing on Syria that no one seemed to address—and that is: What, in your view, does a realistic political solution in Syria look like? And have we already moved beyond that point?

I'm also interested in a fuller understanding of the Department's approach to implementation of the Accountability Review Board's recommendations to meet embassy security goals balanced against the need for our diplomats to freely operate and do their jobs.

Lastly, Mr. Secretary, I'm interested in your views on how this budget reflects the priorities of diplomatic statecraft as economic statecraft, and how the budgetary choices we make could help the State Department create jobs and economic opportunities at home.

With that, Mr. Secretary, it's good to welcome you back. I look forward to your comments.

The CHAIRMAN. And with that, let me turn to the ranking member, Senator Corker, for his remarks.

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

Senator CORKER. Well, thank you, Mr. Chairman and Mr. Secretary, thank you for being here today. And I appreciate your continued updates on what is happening. I have to say I am very encouraged with the beginning of your tenure and the efforts that you have underway. And I look forward to you having a very successful tenure at the State Department. So thank you.

I also want to apologize. There is a hearing going on upstairs regarding housing finance, and I may step in and out. I hope you understand. It is not due to lack of respect.

Today the committee is convening its annual budget hearing with the Secretary, an opportunity to talk about the budget request and the issues that should inform what I hope will be a near-term effort by the committee to produce a State Department authorization bill. Unfortunately, the challenges to our interests around the globe have not become easier since the Secretary last appeared before us as our colleague and nominee.

I want to note that I welcome the food assistance reform proposal in the budget request. Thank you for that, the top-to-bottom look at significant foreign assistance programs. And I underscore that I look forward to discussing the details of this proposal and the way forward with Administrator Shaw during next week's hearing.

The budget reflects a sense of uncertainty in key areas, and I know that you are working to change that. But, for example, in this budget we see a lack of structured funding for Syria. I fear this reflects the lack of a coherent strategy and a failure to plan ahead to invest in specific priorities, whether supporting the opposition inside Syria or better preparing the neighboring states to weather the coming storm.

Once again, the administration has submitted a request for a contingency fund for the Middle East and North Africa, but I am

concerned that we are getting a vague request for an open-ended authority rather than a request for funds tied to clear priorities.

We also see uncertainty for U.S. personnel serving abroad. The budget request, including a substantial amount of funding for security-related programs, reminds us that there are still critical, unanswered questions that must be addressed going forward about the failures of process and leadership in Benghazi. And as far as I am aware, no one has yet lost their State Department employment over the Benghazi failures, and I do hope at some point, Mr. Secretary, you will address that.

Given that the budget has now arrived with substantial funding requests for embassy construction and security programs, I hope we will shortly have responses to the questions we have been asking about the process by which the Department is sorting and prioritizing the competing construction and security list. This will assure the committee that funding is spent on the highest priority construction and renovation projects.

At the same time, we see built into the budget request plans for continued development in places like Afghanistan and Iraq, where security issues present a significant challenge for U.S. personnel. In many of these programs, it is evident that targets are not being set, performance data is not being collected, and monitoring of our partners is not being done to know if our objectives are being met. This issue, as I said, is worth a larger conversation, and I am sure we will have that soon.

Today's hearing is also our first opportunity for the committee to hear from you about your recent Asia trip, and to get your assessment of China's willingness to support a larger strategy to address the uncertain situation in North Korea.

And finally, the administration has sent a \$52 billion request to Congress for funding, and we owe it to the taxpayer to ensure that every penny of their hard-earned money is well spent. It is long past time, and I hope again you will address this, for the administration to name a permanent, qualified inspector general for the Department of State and the U.S. Agency for AID to help ensure that that happens. In fact, it is my hope that the next nominees you send to this committee will be individuals with proven careers and aggressive oversight for these two mission critical positions.

Mr. Chairman or Mr. Secretary, I look forward to your comments.

The CHAIRMAN. Thank you, Senator Corker.

With that, Mr. Secretary, we will welcome your remarks.

**STATEMENT OF HON. JOHN F. KERRY, SECRETARY OF STATE,
U.S. DEPARTMENT OF STATE, WASHINGTON, DC**

Secretary KERRY. Mr. Chairman, Ranking Member Corker, and members of the committee, thank you very much. It is a privilege to be back here, though still a little surreal to be on this side of the dais. But I am honored to be back here, and I thank all of you for your generous comments, and particularly for the cooperation on any number of issues along the way.

Thank you for your mentioning of Boston. Obviously I appreciate that enormously. It is no secret that my heart and my head are in Boston today with the President, with the families, with a lot of

friends. There is a memorial service there, and I am grateful to the President for going up there. I wish I could be there with him, but I need to be here, and I understand that. And I respect the need to continue.

You mentioned, Mr. Chairman, how resilient Bostonians are, and it is absolutely true. I echo the admiration that I saw watching the news clips. You know, you watched people running toward the chaos to help. You saw runners continue running from the marathon to the hospital to give blood. You saw people opening their homes to give comfort to complete strangers. It was just a remarkable outpouring.

And I think, you know, last night I saw that at the Boston Bruins game, everybody just broke out into singing the "National Anthem." I do not think it ever sounded better, and there was this sign that flashed up saying, "We are Boston strong." And so my thoughts are with those folks today, and I am confident we are going to get to the bottom of this.

I also want to thank—you know, this is unusual, but a couple of days ago at Yankee Stadium, the Yankees posted the Boston Red Sox logo, and they sang "Sweet Adeline" during—after the third inning, I think. But it was a great tribute to the way America comes together, and we are grateful for all of people's prayers and thoughts, and we thank everybody for their solidarity. Express my condolences, deep condolences, to the families, those who were lost, and we lost a citizen of another country, a young Chinese girl studying in Boston, a graduate student who went there with her friends to watch the marathon and take part in this fabulous Patriot's Day rite that, if nobody has ever experienced it, you are right, Mr. Chairman, they will be back, and there will be a bigger and better one next year. And we will celebrate that spirit.

So thank you for your comments.

Turning to the business of the budget, I will try to move rapidly because I do remember the lesson of let us get to the questions as fast as we can. Senator Lindsey Graham said, I think, very eloquently, that America's investment in foreign policy is a national security insurance, and I think he is right. If you make the small, smart investments up front, we can avoid much costlier conflicts and burdens down the road. And in the past few months, we have seen a number of developments that just lend credence to that.

American engagement was essential to our rapprochement between Turkey and Israel, a positive step toward stability in a volatile region of the world, and helpful in terms of perhaps ultimately being able to get to negotiations in the Mideast peace process. The committee, needless to say, is deeply immersed. You had a hearing the other day on Syria. We have contributed nearly \$385 million to the humanitarian crisis to provide essential resources to the Syrian people. We have actually delivered flour to bakers in Aleppo and provided food and sanitation in the Atmeh refugee camp, which is not inconsequential in terms of stability.

The fourth-largest city in Jordan today is a tense city. It is a refugee city. I believe Senator McCain has been there, and he understands the passions of the people who are there. Having just returned from Seoul, Beijing, and Tokyo, where obviously the North Korea nuclear issue took center stage, I really was reminded

again of the fact that America is the guardian of global security. People all through the region look to us for that leadership, the indispensable nation. And we will not turn our back on the prospect of peace, but I will tell you, neither will we hesitate to do what is needed to defend our allies and our interests. And that was the message that I went to deliver and that we have delivered in other ways over the course of the last weeks.

So all of these things, and a lot more, speak to why the budget is not just a collection of numbers. It is an illustration of our values. It is an illustration of our priorities, particularly with respect to the security and long-term interests of our country. I know that budget deficits and debt are all weighty decisions, and we have to toe the line, but—and I know you are all grappling with that. We are grappling with them at the State Department, too, and I think our proposed budget is responsive to, and reflective of, the national economic reality.

In fact, I think it is more restrictive than I would personally like it to be in the context of our national reality. And we can talk about that a bit today. But it is responsible investing in areas that attract economic growth, create good jobs in America, and secure our national interests.

And as you know, when I testified before you for my confirmation hearing, I said then that I think much of foreign policy today is, and ought to be, economic policy. I stand by that even more so after the meetings that I have had both in Europe and the Middle East and Asia. It is just more clear than ever where the economic action is, where the United States needs to be, and how we can lead in the future if we are.

I believe we have implemented reforms that reduce costs without jeopardizing vital contributions. The budget delivers, I think, maximum bang for the buck, but that is not to say we cannot do more and do better. And I will share with you thoughts about some of the places where I think as I get into this and we get people sort of at the table and invested, we are going to be able to deliver more for the dollar and even reduce some costs and do a more effective job.

Let me give you a couple of examples of some high-impact, low-cost things that we are doing right now that we get as a return on the investment. For just over \$3.5 million, the State Department's Bureau of Conflict and Stabilization made really key investments leading up to the elections in Kenya.

And I am absolutely convinced, and I think the record will show, that what we did in Kenya, what Assistant Secretary of State Johnny Carson and his shop did, and what the folks over there in the Embassy and others working, AID and others, over the last year, helped prevent a repeat of the violence that tore that place apart 5 years ago. Our antiterrorism assistance funding has helped save hundreds of lives of people in places like Pakistan, India, and Lebanon, by training local law enforcement to detect and neutralize explosive devices.

Our 2014 budget request maintains these commitments to advancing peace and stability in places where it is hard to find them. I have already traveled three times as Secretary to the Middle East and north Africa, and all of you know how north Africa

is struggling to meet the growing expectations of populations in this moment of uncertainty.

To that end, this budget includes a request for \$580 million for the Middle East and North Africa Incentive Fund for the very purpose of allowing us to be able to give reformers the tools and resources they need to make the right decisions and to avoid a decline into either failed statism or near failed statism.

When we look at the threats that emanate from failed and potentially failing states, nobody knows more than the members of this committee the costs of making the wrong choice. Quite simply, the U.S. homeland is not going to be secure if violent extremists are bent on attacking us, and they can find a safe haven in a place like the Sahel or the Maghreb. As Senator McCain just returned from Mali, I know he is familiar with the threats that we are dealing with there from al-Qaeda to narcorebels and so forth.

This budget sets aside \$8.6 billion for our security, counterterrorism, law enforcement assistance. Now, I ask you to just compare \$8.6 billion and what we have gotten as a return on that investment versus the more than \$1 trillion we have spent fighting in Iraq and Afghanistan. I think there is a clear penny-wise, pound-wise investment that we are engaged in. And I emphasize to all my former colleagues the United States simply cannot be strong in today's world if we are not strong in the world. And I think this is particularly true when it comes to our domestic economic renewal.

We need to be more engaged and more out there, which is the purpose of the TTIP, which Europe is very excited about.

Turkey expressed to me their desire to do parallel negotiations. They do not want to be left out in Europe. And in Asia, I just saw the enthusiasm of Prime Minister Abe and the Japanese to be part of the TPP. They have taken significant steps to reform and alter their approach in order to qualify, and the United States is pleased to support their desire to be part of this.

This is the way we are going to raise the standards and deal with the issues of cyber security and intellectual property and the other financial transactional rules of the road that we all think are so important.

I would say also to everybody, I just want to emphasize that development is not charity. It is an investment. Eleven of our top fifteen trading partners today, 11 of the top 15, were beneficiaries of U.S. foreign assistance only a few years ago. I was just in Korea. Korea, 15 and 20 years ago, was a recipient of aid. Today Korea is donating aid around the world and partnering with us in charitable initiatives, efforts for Syria, humanitarian and other kinds of efforts. So this is important.

I also just want to highlight, quickly, reforms we are making in this budget. The most visible one perhaps is in the area of food aid, U.S. food aid. By giving ourselves the flexibility to choose the most appropriate and efficient type of food assistance, we are going to reach an estimated 2-to-4 million more people, and we are going to do it with the exact same discretionary funding. At the same time, we are going to save approximately \$500 million in mandatory funding over the next decade, which we will use to reduce the deficit.

American growers and producers will still play the majority role in the donation of food assistance. Over half the funding we are requesting will be used for the purchase and shipping of U.S. commodities overseas. But by giving us the ability to modernize, including the flexibility to procure food in an area closer to the crisis, we actually address the crisis. We can get food to malnourished people 11-to-14 weeks faster, and 11-to-14 weeks faster for malnourished people can mean the difference between life and death.

And here is the bottom line. This change allows us to do more to help people lift themselves out of hunger and poverty without spending more money. I think that is a great deal for the American taxpayer.

The final thing I want to mention and then open to questions obviously is just our most valuable resources—and, Mr. Chairman, thank you for talking about Anne Smedinghoff. I met Anne in Afghanistan in Kabul a few weeks ago. She was in my control team. And I met with her family in Chicago the other day on the way back, just this unbelievably good family, committed, and vibrant, and very proud of their daughter. And we have requested—you know, we cannot protect everybody. We just say it. We cannot have 100 percent assurance in this world. We have to make judgments.

So we have requested \$4.4 billion to fortify our worldwide security protection and to improve our overseas structure; \$2.2 billion is set aside for constructing secure diplomatic facilities. And this is part of our commitment to implement the full recommendations of the ARB so we can mitigate the potential of the risks. And I say to my former colleagues, you know, we cannot guarantee the elimination of that risk. So as Secretary, I will sit here and I will say to you, you know, we lost people in the 1960s, 1970s, 1980s, 1990s, and in the first decade, and it is a risk of being on the front lines of diplomacy in dangerous places. But we cannot retreat, and we will not retreat.

Anne and Ambassador Chris Stevens were cut from the same cloth, and that is what made them such outstanding members of the State Department family. And as Secretary, obviously my job is to work with you so that together we protect the men and women, and they can carry out our national mission.

I will just summarize by saying to everybody here, nothing has hit me more in the last 2 months, 2½, months of my travel and engagement in this job than the reality that so many nations are looking to us for leadership. So many nations see us as that indispensable country. We stand for optimism. We stand for opportunity, for equality, for freedom, for dignity, for people's ability to have a job and an education and do better in life. And we stand in opposition to all those who want to replace hope with hate, who just want to blow themselves up and take people with them, or who want to, you know, conduct a jihad without any viable program, purpose, or alternative view that makes people's lives better.

So those are the things we believe. Those are the values that the State Department and AID will defend every day. And I look forward to continuing to work with this committee to take those values and interests and protect them to the best of our ability, and see America's flag fly proudly.

Thank you.

[The prepared statement of Secretary Kerry follows:]

PREPARED STATEMENT OF SECRETARY OF STATE JOHN F. KERRY

Thank you Chairman Menendez, Ranking Member Corker. It is always a privilege—and still a bit surreal—to be in this hearing room on the other side of the dais.

Before I begin, I couldn't possibly come home to the Senate without addressing the terrorist attack in my home city of Boston, an attack that hit home for me—literally. I've talked with friends and family still wrestling with what happened to children and loved ones, and I am very sorry that I am unable to join President Obama at the memorial service today because my duties demanded I be here with you this morning. But I know just how resilient Bostonians are, and I want to echo all the admiration we hold for the people, both first responders and ordinary citizens, who didn't hesitate when the bombs went off—the people who ran into the chaos to help the victims, the marathoners who continued running to the hospital to donate blood, the citizens who opened their homes to offer comfort to strangers. Their actions are proof positive that the American people, and especially Boston, cannot be intimidated by cowardly acts of terrorism and destruction. My thoughts and prayers are with the families of the three victims who lost their lives—American victims and citizens of other countries, one just 8 years old—and with all those who were wounded. We will not rest until we have gotten to the bottom of these bombings and the perpetrators have been brought to justice.

Turning to the business of the budget—I promise to remember the most important lessons I learned during my time on this committee. First, keep your remarks short so we can get to the questions.

And second, a lesson we talked about at my confirmation hearing but which has hit home particularly during my travels as Secretary: there really is no longer anything foreign about foreign policy.

As Senator Lindsey Graham has said very eloquently, America's investment in foreign policy is "national security insurance." He's right. If we can make the small, smart investments up front, we can avoid much more costly conflicts and burdens down the road.

In the past few months, we have seen several developments that underscore the stakes for having a strong American presence in every part of the world. American engagement was essential to the rapprochement between two of our close partners, Israel and Turkey—a positive step toward stability in a volatile region of the world.

This committee is well aware of the ongoing crisis in Syria—you held a hearing on it just last week. We have contributed nearly \$385 million in humanitarian relief to provide essential resources to the Syrian people, including sending flour to bakeries in Aleppo and providing food and sanitation in Atmeh refugee camp. I expect we will have the chance to discuss Syria at length today.

Having just returned from Seoul, Beijing, and Tokyo where the North Korea nuclear issue took center stage, we are reminded once again that America is the guardian of global security. We will not turn our back on the prospect of peace, but neither will we hesitate to do what is needed to defend our allies and interests.

All this speaks to why this budget isn't just a collection of numbers; it's an illustration of our values and priorities. Budgets, deficits, debt—these are weighty decisions, and I know each of you is grappling with them carefully.

We are grappling with them at the State Department, too, and I think our proposed budget is responsive to, and reflective of, our national economic reality. As part of the President's budget, it will help cut our deficit responsibly while investing in areas that attract economic growth, create good jobs for American workers, and secure our national interests.

Our 2014 budget request represents a 6-percent reduction from 2012 funding levels. We have examined our request with a steely eyed determination to improve efficiency and economize wherever possible. We have implemented reforms that reduce costs without jeopardizing vital contributions. This budget delivers maximum bang for the minimal possible taxpayer buck—actually, for about one single penny out of the taxpayer dollar.

Let me give you a few examples of the kind of high-impact, low-cost work we do every day to make the world safer. With just over \$3.5 million, the State Department's Bureau of Conflict and Stabilization Operations made key investments leading up to the recent elections in Kenya that helped prevent a repeat of the violence we saw 5 years ago.

Our antiterrorism assistance funding has helped save the lives of hundreds of people in places like Pakistan, India, and Lebanon by training local law enforcement to detect and neutralize explosive devices.

Our 2014 budget request maintains our commitments to advancing peace, security, and stability in places where all three can be scarce commodities. I've already traveled three times as Secretary to the Middle East and North Africa—a region struggling to respond to its citizens' growing expectations for dignity and opportunity. Leaders there are making difficult decisions, and the United States cannot make those decisions for them, but we can do more to be a partner for all those on the side of freedom and democracy.

To that end, this budget includes a request for \$580 million for the Middle East and North Africa Incentive Fund so that we can help give reformers the tools and resources they need to make the right decisions on behalf of their citizens. This fund allows us to say to people in the region: "If you're willing to take on the deep-rooted challenges and make the tough choices, we are here for you."

When we look at the threats that emanate from failed and potentially failing states, we must heed the lessons of our past. The U.S. homeland will not be secure if violent extremists bent on attacking us find a safe haven in places like the Sahel or the Maghreb. Senator McCain, you've just returned from Mali, so you are familiar with the range of threats we're dealing with in that part of the world, from al-Qaeda rebels to narcotraffickers. This budget sets aside \$8.6 billion for our security, counterterrorism, and law-enforcement assistance. Compare that \$8.6 billion to the more than \$1 trillion we have spent fighting in Iraq and Afghanistan and I think you'll agree this is both a penny and pound-wise investment.

The simple fact is, the United States cannot be strong at home if we're not strong in the world. This is particularly true when it comes to our domestic economic renewal.

We need to do more to get out there and stoke our economic engines with the trade and business opportunities available in other countries. That's why the President is committed to successfully completing the Transatlantic Trade and Investment Partnership and the Trans-Pacific Partnership. We want to tap the growing markets of the Asia-Pacific, which are vital to American economic recovery.

When it comes to shoring up our economic health and protecting our national security, our development work is one of our strongest assets. Let me be clear: development is not charity. It's an investment in a strong America and a free world. Eleven of our top 15 trading partners were once beneficiaries of U.S. foreign assistance. We can't afford to pull back. But that doesn't mean we won't work in better, smarter ways.

Let me highlight the reforms we are making with this budget to one of our most visible forms of assistance: U.S. Food Aid. By giving ourselves the flexibility to choose the most appropriate and efficient type of food assistance, the U.S. Government will reach an estimated 2–4 million more people every year with the same discretionary funding. At the same time, we will save approximately \$500 million in mandatory funding over the next decade, which we will use to reduce the deficit.

American growers and producers will still play a major role in our food assistance. Over half the funding we are requesting for emergency food aid must be used for the purchase and shipping of U.S. commodities overseas. But by giving us the ability to modernize, including the flexibility to also procure food aid in developing countries closer to crisis areas, not only can we feed more people, we can get food to malnourished people 11–14 weeks faster. Here's the bottom line: this change allows us to do more to help more people lift themselves out of hunger and poverty without spending any more money. That's a great deal for the American taxpayer.

The final area I want to mention is how this budget cares for our most valuable resource: the brave men and women of the State Department and USAID. We have requested \$4.4 billion to fortify our worldwide security protection and improve our overseas infrastructure; \$2.2 billion of this is set aside for constructing secure diplomatic facilities. This is part of our commitment to implement in full the recommendations of the independent Accountability Review Board so that we can mitigate the risk of future tragedies like the one we suffered last year in Benghazi.

This has been a hard year for our State Department family—a family that knows how risky the work we signed up for can be in a very dangerous world. Just 2 weeks ago in Afghanistan we lost a bright, committed Foreign Service officer—Anne Smedinghoff. I met her on my last visit, and earlier this week, I sat with her parents. She was just 25 years old. She wanted to make a difference in the lives of people she had never met, and she was willing to take risks to do it.

Anne and Ambassador Chris Stevens really were cut from the same cloth. That's what made them such outstanding members of the State Department family, and such outstanding Americans.

As Secretary, my most important job is to protect the men and women under my watch so they can carry out their national security mission. But we cannot do it by retreating from the world. We stand for optimism and opportunity and equality. And we stand in opposition to all those who would replace hope with hate. That's what we believe—and those are the values the State Department and USAID defend every day.

Thank you.

The CHAIRMAN. Thank you, Mr. Secretary.

Well, we will start a round of questions of 6 minutes.

Secretary, there is a lot to talk about here, and part of the budget is also understanding some of our policy choices so we can make decisions as to what that budget should look at. So let me review some of those most significant policy choices that I think we have some challenges moving ahead.

Iran. I am very concerned about Iran's nuclear ambitions. I was discouraged to see the last round of the P5+1 talks where I saw there was no real intention by the Iranians really to have any commitment to moving forward in that regard.

The problem here is that we saw a report that they have more sophisticated centrifuges, that they have progressed far more than many expected at this time according to reports that came out of the IAEA. The centrifuges are spinning, the clock is ticking, and they seem to be managing the sanctions that we have levied so far. And if they think that the status quo continues to move forward, they will continue to manage it in a way that they will move forward.

My question is, What do we do going from here? Is there, for example, additional support in the Security Council to take additional action? And what is your view—there is talk within the Senate, someone who has led on this issue. I know Senator Kirk and others. What is your view of sanctions that would require the acceleration of significant reductions in petroleum purchases by foreign nations or that would limit Iran's access to its foreign currency reserves as additional items that might create a tipping point in their attitude?

Secretary KERRY. Mr. Chairman, I share your concern. The President shares your concern. There is no question but that the last round of talks was less than the United States hoped for. However, our policy is clear, and there is no variation in it. The clock is ticking. And the Iranians I believe know that.

The one thing I would say to the members is that they are 2 months away from an election. The election is on June 14. And every bit of evidence we have, this very week or next week, they declare who their candidates are. And there is an enormous amount of jockeying going on with the obvious normal struggle or tension between hardliners and people who might want to make an agreement, et cetera.

We all know what life is like here in the Senate 6 months from a Presidential election, so you can imagine what it is like there 2 months from theirs. And so I think this is a moment for us to be a little patient. We are watching. Every bit of intelligence is being compared on a daily basis within our interagency process. We are deeply engaged with our Israeli allies, friends, comparing on a regular basis. I think we are on the same page, and we understand sort of what the schedule is here.

But I am personally not expecting something dramatic to happen over the course of the next 2 months, unless of course they take steps to not just install additional centrifuges in Natanz, but start to spin up and do things which we are capable of tracking very effectively.

So the President has made the policy crystal clear: Iran will not get a nuclear weapon. The international community has spoken to this effect, and we have, as everybody on the committee knows, the United Nations resolution, and the Chinese, Russians, everybody supporting it. We still want a diplomatic resolution of this as our first choice, but if the Iranians, who know what they have to do, are not willing to come to the table, the clock will ultimately run out.

We are not there yet. We do not need to spin this up at this point in time. I think the President will be very clear with you when and if we need to do that. But for the moment, I think you need to leave us the window to try to work the diplomatic channel.

The CHAIRMAN. Well, I appreciate that. It is just that I see that diplomatic window increasingly closing, and I am concerned that if they believe they can manage the present set of circumstances over the next 5 months or so, then we have a real challenge. So we hope you will be open to some of the initiatives that we may be considering. We will confer with you in that regard.

Secretary KERRY. Let me say, Mr. Chairman, we are open obviously. I would really like to work with you on the timing, and the reason is I would like to actually talk about some of this in a classified session. And I would be happy to do that with you at near term. But I do think timing and the choice of when we might do something is critical. We need to cooperate together on that, and you need to be aware of some things that I need to talk to you about in a classified session.

The CHAIRMAN. All right. Syria. We had a hearing here last week, and we heard from Ambassador Ford and the Acting Assistant Secretary that our current policies and political solution, which of course we would love to see. But I got no sense of what is the pathway toward a political solution.

And I am concerned that if Assad continues to believe, as I believe he thinks in his mind at this point, that given the present dynamics where he has a monopoly on air power and on artillery, that he will continue to be able to move forward. And unless we change the tipping point here, and from my own personal view I have evolved to the point of thinking about how do those who are in opposition, which we have vetted and believe share our values, get the type of assistance that can change that tipping point, we will continue to see lives lost. We will continue to see the challenges to other countries in the region and to their own security, like Jordan and others, move forward.

So can you give me a better roadmap than we got last week and a sense of whether or not you believe we need to change the tipping point? And if so, how? And if not, what is the political solution road work?

Secretary KERRY. Thanks, Mr. Chairman. I have said for months that I think—and President Obama has said and directed me to go out and try to find the ways to implement this, to change—we need

to change President Assad's calculation. That is clear. Right now he is sitting there with support from Iran, with support from Hezbollah, with support from Russia, with artillery and an army, and believing that he can continue to fight it out using his air power, his Scuds, his artillery, and his tanks. So that equation somehow has to change, and we all understand that.

We have a meeting scheduled—well, the President directed me first to go to Rome where we did pick up what we were doing. We increased it and created a synergy, I think, between the core group of supporters and Syrian opposition, which was important, has been important. And Syrian opposition is making progress on the ground. If you look at a map and see where they are versus where they were a few months ago, they are making progress. But that is not the measurement of this. The violence is enormous. The numbers of refugees coming out is intolerable. The killing, the wanton destruction is unacceptable. And so time is not on our side. We do not want to leave this in the status quo if we can help it.

To that end, I have reached out to the Russians trying to find if there is a way for us to find a common ground with respect to the possibility of implementing the Geneva principles. Now, the Geneva principles are as follows, and Russia signed on to them, that President Assad and the Syrian opposition both nominate and choose individuals who will be the, by mutual consent—both sides have to agree, so obviously the Syrian opposition is not going to agree to Assad. It has to be someone else. And they create a transitional government with full executive authority that then goes to an election where all of the Syrian people will choose their future.

Now, that is the ideal that has been set forth and, in fact, codified in international terms by this agreement that was reached in Geneva with the Russians signed onto it. They are now arguing that Assad does not necessarily have to leave immediately or up front, and they believe that the Syrian opposition is pushing away from the negotiations.

So we are meeting in Istanbul this Saturday at the invitation of both Foreign Minister Davutoglu and myself with the core group, to get everybody on the same page with respect to what post-Assad might look like: commitment to diversity, pluralism, democracy, inclusivity, protection of minority rights; that they would be open to the negotiating process, to a political settlement; that they will abide by rules with respect to conduct in warfare and so forth, so that everybody—Qataris, Saudis, Emirates, Turks, Europeans—who are involved will all be on the same page.

And the hope is that that will then create a confidence level about who is getting what kind of aid from whom. Everybody has now accepted a concern about extremist elements who have forced their way into this picture, and there is a desire by all parties to move those extremist elements to the side, and to give support, I believe, to the Syrian opposition. That is a big step forward.

And so if we can come out of that, then there are some other considerations that are clearly being talked through. None have been approved yet. But the President has authorized additional assistance, nonlethal, and others are giving lethal. So different countries are making their choices about what they are doing, but we are

coordinating as closely as we can in that effort, and that is what the meeting in Istanbul would be about.

I think that is the best road we can at least work on at this moment in time. My hope is still that the Russians can be constructive in this process, and we can find room to negotiate. The bottom line is that time is not on the side of a political solution. It is on the side of more violence, more extremism, an enclave breakup of Syria, a very dangerous sectarian confrontation over the long term, and the potential of really bad people getting a hold of chemical weapons. So there are enormous strategic interests for us here.

I will be seeing Foreign Minister Lavrov next week in Brussels at the Minister's meeting there when I come back from Turkey. And hopefully we can find some progress, and that is where we are.

The CHAIRMAN. All right. Thank you very much.

Senator JOHNSON.

Senator JOHNSON. Thank you, Mr. Chairman. Mr. Secretary, welcome back. Thanks for being here.

Let me pick up on Syria. Over the course of a couple of hearings, we have heard some conflicting testimony in terms of the Pakistanis—or, I mean, the Syrian citizens, their viewpoint of America, whether they are appreciative of what we are trying to do versus growing resentment that we are not doing enough. What is your assessment of the general feeling of the citizens of Syria?

Secretary KERRY. Well, I think it is a mix. I think there are some that are angry and feel we should be doing more, and there are some that think we are doing things and helping them. There is no question that the vast majority would like to see us do more.

Senator JOHNSON. OK, thank you. As a fiscal conservative, I am not opposed to foreign aid. I think if it is spent well, it is money well spent. I am proud of the fact that we, you know, portray American values around the world, and I think if it is done effectively, I think it would be an important component of both our foreign and military defense policy.

But at the same time, we have, to put it delicately, some unreliable allies. And there have been attempts in the Senate to move amendments that could strip foreign aid from some of these allies. What is your assessment of the best way of holding some of these allies accountable without—you know, again, to also understand the real politics of the situation, whether we are talking about Egypt. I mean, let us talk about Pakistan with Dr. Afridi.

How can we handle those situations effectively?

Secretary KERRY. Well, Senator Johnson, it is a really good question. And what I have learned through the years at least, you know, from my practice is that there is no generic prophylactic rule that applies to everybody. Just there is not. There is a delicacy and an individuality to each situation that you have to kind of respond to.

Some places you can do conditionality, and it lends itself to that, and it is effective. Some places it is counterproductive, and it does not work, and it actually can be even, you know, destructive. And it depends on who you are dealing with and what the circumstances are.

And Pakistan, for instance, as everybody knows, certain things that have been taking place over the years have really created anger within the country, and the body politic is tense, and the politicians respond to that. But then they have been trying to be helpful in other ways, and they have been. And we have a route for transiting our aid to—all of our supplies to our troops in Afghanistan last year and now bringing things out. We have had cooperation on intel. We have had cooperation on nuclear weapons. We have cooperation on efforts to ferret out, you know, bad actors in the Fatah in the western part of the country. They have lost—I think they have 150,000 troops out there fighting the same fight we are now.

So it is a mixed bag is the bottom line. And it does not lend itself to sort of just come in and say, well, Dr. Afridi is in jail, he should not be, et cetera. We have said that. We will fight that. And it is wrong, and it angers all of us. But I do not think you can chuck the whole relationship over one, or two, or three things here and there because of the overall interest that we have.

Egypt similarly. The army in Egypt has been, frankly, an incredibly responsible player in this drama. You know, but for the army, you could have had—you would have had a civil war I think in Egypt. You would have had massive bloodshed. And the army not only kept the peace, but did what it said it would do: created the capacity to have an election, had the election, and gave up power, turned it over to the people who won the election. Now, we do not—you know, we have questions about where the people who won the election are taking the country, but they won the election.

And so I think, frankly, our investment over the years in the relationships we have in the junior officer level and on the way up within the army is terrific. We have people on the telephone to their military during Tahrir Square saying, you got to be restrained, you got to do this. Many of these people have trained over here at our training facilities, and so there were relationships built up and standards put in place.

That is the virtue of what we do in these kinds of long-term investments and relationships. And they are never perfect, but on balance, I believe, you know, we are getting a return on that investment that is not inconsequential. The army also is helping us enforce security in the Sinai. The army is also helping us enforce the Gaza peace, and the Gaza peace has held. And the relationship—our friends in Israel will tell you today that the day-to-day relationship and workings they have for security—mill to mill and intel to intel—is army to army intel to intel with Egypt. So I think it is very important, and we have got to be thoughtful about how we approach those things.

Senator JOHNSON. And I agree, and I guess I would just suggest the administration work very closely with the Senate and the Congress in terms of getting the information out, because let us face it, foreign aid is very unpopular, and we need to at least provide the American people the rationale for why we are doing it.

A quick other question here. I agree with you that foreign policy is but economic policy. I also believe that the reason America is getting away with these enormous deficits, all this debt, is because

we are still the world's reserve currency. We are still the world's safe haven.

I am concerned about the point in time when America is no longer the world's reserve currency, and we are seeing China begin, you know, developing relationships with other countries and doing currency swaps and trading in other currencies. Can you just speak to your concern about that and how far has that progressed where America is no longer going to be the world's reserve currency?

Secretary KERRY. I do not see it happening any time soon, to be honest with you, Senator. I think our economy is the strongest economy in the world still. We are going to be the first or second strongest economy through the first half of this century to a certainty. And I think we can get stronger, much stronger than we are if we make some of the right moves now and the right investments.

So, you know, my sense is that we are on a pretty good track. With the TTIP we will bring Europe, which is the largest market in the world, together with the United States, which is the largest economy in the world. We will set the standards through that. With the TTPP and Japan joining in, we will have 40 percent of GDP in that alone. So these are very significant economic alliances that we are building. And others will have to come up to our standard, and I think that is one of the reasons why the dollar will remain strong.

If I can just say one thing quickly on foreign aid, you mentioned that foreign aid is unpopular. That is the reason I went to the University of Virginia to give my first speech as Secretary of State to talk about what we do get for what we invest. What we are talking about in this budget is one penny on every dollar we spend, folks, in everything that we do in the world: our embassies, our consulates, our visa programs, our economic programs, our aid, I mean, everything. One penny.

Now, if you look at the relationships we get out of that, and the role we play in the world, and our ability to have an impact, we are saving 5 million lives in Africa through PEPFAR in what we are doing. I saw 10 extraordinary women the other day in Afghanistan, each of them going against years of habit and culture and history in their country to start businesses. One woman had 10 businesses. Another had three or four. They are entrepreneurs. They are unbelievable, and they are courageous because it is not easy to do. So that is what we get for our help and investment.

So I would say that, you know, what we need are more elected officials who do not go home and beat up foreign aid and say, you know, I would rather have that money come to wherever it is in their particular hometown. It is a guaranteed applause line, but it does build up that prejudice against the program.

And I would just close by reminding everybody here, when George Marshall and Harry Truman put the Marshall Plan in place, the country was overwhelmingly against it. Japan and Germany today are two of the strongest allies we have. Europe as a whole, whose economy was flat and broken and destroyed by the war, came back, and Europe and NATO have been indispensable to us. And to remind you of what I said in my opening, 11 of 15 countries we gave aid to now give aid around the world, one penny on the dollar. I will argue that anywhere in this Nation.

Thank you, Senator.

Senator JOHNSON. Again, I would like to help you make that argument. Thank you.

Secretary KERRY. Thank you.

The CHAIRMAN. Senator Boxer.

Senator BOXER. Well, I want to thank Senator Johnson for that line of questioning because I think it was very important. I appreciate it.

And I want to thank you, Secretary Kerry. We really miss you in the Senate, but I cannot imagine a better job for you than this. And already in the shortest time, it felt like in 2 minutes you have been to every hot spot in the world. And here you are today before your colleagues. I am just very happy myself.

Secretary KERRY. Thank you. Thank you, thank you.

Senator BOXER. I also want to express my support for the extraordinary people of your home State as they face the aftermath of a cowardly and vicious attack, and associate myself with the remarks you made yesterday in front of the House, and everything you said.

I do have the luxury of having the microphone on, so I want to say two more things that do not have anything to do with your appearance here.

I send my deepest sympathies to those in West, TX, who are dealing with a horrific explosion, and to the parents of Sandy Hook Elementary School, I want to say how sorry I am for a do-nothing Senate. And in that I speak for myself alone.

Mr. Secretary, in your job, you are dealing and responding to devastating violence and humanitarian suffering all over the world. And I was very pleased in your response to Chairman Menendez to hear about this meeting that is going to happen in Turkey, and that you are trying to bring everybody together.

About a year ago, I met with the Russian Ambassador, and it was one of the—about this issue in Syria and a post-Assad. It was a very depressing meeting for those of us there. I was called by Senator Durbin in his office in the Capitol. And Russia's attitude was that there is not going to be any post-Assad. Assad is going to be there.

Now, I certainly hope in light of what has happened since then that they have softened on that. And if anybody can push them in our direction, I think it would be you given your amazing sense of history and your ability to communicate.

I want to focus on the issue of refugees for a minute and get your opinion. There is a worsening situation there. According to the United Nations, the number of Syrians fleeing to the neighboring countries has more than doubled just since January from 400,000 to 1.3 million refugees. And these refugees are in dire need of assistance, especially the women and the children, many of whom have suffered rape or sexual violence. A UNICEF spokeswoman warned, "The needs are rising exponentially, and we are broke."

Now, I am so proud that the United States is the largest single donor, and I think as Senator Johnson indicates, this is hard for us. We have these deficits. I am happy to say they have gone way down from the top when the President inherited them from President Bush, \$1.2 trillion. They are now down to about \$700 billion

or so, but still too high. But we are still the largest single donor of humanitarian aid to the Syrian people. But the United States cannot do this ourselves.

So in your opinion, Secretary Kerry, are you confident that the Gulf States will follow through in a constructive way on their pledges to provide much-needed humanitarian assistance to Syria? And what can we do here to encourage the international community, including the Gulf States, to do more?

Secretary KERRY. Well, thank you, Senator Boxer. You are absolutely correct. This is a growing humanitarian catastrophe, and Lebanon is very destabilized. You do not have camps in Lebanon. They are just pouring into Lebanon and spread out among the population. And they are obviously in Turkey, and everybody is very concerned about it. As I said earlier, the fourth-largest city in Jordan now, which is already under economic stress and some financial constraints, they are feeling the impact of this.

So that is one of the reasons there is an urgency to this. I mean, your refugee situation, if this just continues to slide downward, is going to get worse, and I also fear for the lives of minorities if this slides downward and gets worse. It is why a political solution—I know some people say you are crazy, how can you work out something with Assad. Maybe you cannot, but you ought to keep trying even as you keep the pressure on.

The important thing is that you try to get a transition one way or the other as rapidly as you can. And that is why accelerants to Assad's departure are being thought through and are being considered at this point. And that is why the President decided to raise the amount of nonlethal aid that he is currently providing.

So I hope they will follow through on the pledges. We are talking to each of them. I actually met with His Highness Sheikh Mohammed Bin Zayed yesterday. This is very much on their minds. They are deeply concerned about Syria as is every member of the Gulf State community. So hopefully they will be forthcoming, and we are going to need to help Jordan in this struggle.

Senator BOXER. Secretary, you recently returned from a trip to Asia amid intensifying threats from North Korea, and coming from California, I am sure you understand everyone has deep concerns, our State and the west coast particularly. I understand North Korea still faces significant challenges in developing a reliable missile capable of reaching the United States, but I know you can appreciate our angst.

You said that the United States is willing to engage directly with North Korea as long as it takes steps to end its nuclear weapons program. What leverage does the United States have to pressure North Korea to sit back down at the negotiating table?

Secretary KERRY. Well, that is precisely why I went at the request of the President. The President's policy is to try to change this dynamic, which has been just a round robin of disaster for the last 20 years. The framework agreement, you reach agreement, they go back on it. You reach agreement again, you give them some food aid, there is some sort of bait, nothing happens. It just has not been serious. And the problem with that is that now they are further down the road in terms of nuclearization, and it is more dangerous.

So my conversation with all of the parties in the region was really very direct, and particularly honest and candid with the Chinese, and I am grateful. I want to thank the Chinese for, first of all, their reception for me, which was open and at the highest level, and very engaged, very serious conversations. And it is clear to me they are wrestling with their best approach. They are really thinking about this for a number of reasons. I think they view this as different now because it does involve the security of the United States, and the United States, through the President's decisions, has appropriately responded by deploying different assets to respond to a potential missile threat.

So China sees a growing level of instability in the region, and the last thing they would want, I am convinced, is a war on their doorstep or a completely destabilized Korean Peninsula. The best way to avoid that, needless to say, is to move to change the dynamic. No country has as much leverage with North Korea as China. China provides most of their fuel supplies. China provides a huge amount of food aid. China supplies a lot of their banking facilitation. China supplies a lot of their trade. China has a huge ability here to have the major impact.

Now, I do notice that since the visit yesterday, the Korean foreign office put out their terms of what would be required with respect to a negotiation. That is the first word of negotiation or thought of that we have heard from them since all of this has begun. So I am prepared to look at that as, you know, at least a beginning gambit, not acceptable obviously, and we have to go further.

One thing we are not going to do is get into the, you know, here is a little food aid, here is a little of this, and then we will talk kind of, you know. We have got to make some fundamental determinations here, and we have made that crystal clear in our discussions with the Chinese. And I hope—I know that the Chinese are thinking about this very, very seriously as they always do, and now I think their interests are perhaps different than they were before.

One of the calculations I know that has been in Kim Jong-un's mind is that he can kind of do this and get away with it because he does not believe China will crack down on him. So that is a key consideration here, and hopefully that, in fact, will be proven to be not true.

Senator BOXER. Thank you very much.

The CHAIRMAN. Senator Corker.

Senator CORKER. Thank you, Mr. Chairman, and, Mr. Secretary, again thank you for being here and for your presentation.

Secretary KERRY. Oh, I am just being corrected here. I said something. It was not the Republic of Korea that put it out. It was the DPRK. I thought I was saying DPRK, but I just wanted the record to reflect correctly who put out what.

Senator BOXER. Thank you.

Senator CORKER. Mr. Secretary, you know, when the conflict in Syria began, the administration put out a statement that Assad must go, but then not much has happened since from the standpoint of a coordinated strategy. And it would appear to me that the reason for that was that there was not really a national interest that was perceived there. There was a desire to be kind of involved

and to act as if, you know, we were doing some things on the humanitarian front. But there really was not a clear national interest per the administration. I know this is all before your time.

It seems like that the events have shaped into a very different kind of situation where the national interest that we have or might have thought we would have discussed in the very beginning is very different now. And what I mean by that is, it seems to me that the national interests that we have in Syria are that we do not want al-Qaeda or other extremists to control the country, and to be able to infect, if you will, countries nearby. And it seems to me that that now makes it a national interest.

And I wonder if you might shed some light on your thoughts as it relates to this being very different. Obviously I do not think anybody here wants to see Assad stay, but at the same time, our national interest now is very different. I think our national interest now is not so much to focus on that, although we want that to change, but our national interest is to ensure that al-Qaeda does not end up with a foothold in this country with chemical weapons and have the ability to destabilize countries in the neighboring areas.

Would you agree with that assessment?

Secretary KERRY. Well, I certainly agree with the part that says that we do not want, you know, any extremist elements to be able to control the country. I think everybody accepts that. But I do not agree that we did not have a national interest at the beginning, which is why the administration said that Assad has to go. But our interest was different.

You know, you can have a national interest. You can have a vital national interest. You can have a—I mean, there are gradations.

Senator CORKER. The gradation has increased.

Secretary KERRY. Yes; they have.

Senator CORKER. OK.

Secretary KERRY. You bet. They absolutely have. They have changed, and you are absolutely correct that they morphed during the process.

But we had an interest in supporting the Syrian opposition and did. In fact, it was President Obama's leadership through Secretary Clinton that brought the original—you know, the Syrian opposition—

Senator CORKER. And I do not really care about all that. I mean, I just asked—

Secretary KERRY. No, but I am just trying to—

Senator CORKER. What I would like to focus on if we could—I mean, I will take your comments. That is fine. I do not want to spend 5 minutes talking about the past. What I would like to do is talk about the future.

Secretary KERRY. OK.

Senator CORKER. And I would like to talk about the threat that al-Qaeda poses and whether there is any thought of trying to figure out a way that the more secular moderate opposition could team over time with the Alawite population and do something very different than what we see now taking place.

Secretary KERRY. Senator Corker, you are hitting the nail on the head, and that is exactly what we are going to talk about in

Istanbul, among other things. In fact, we are actively reaching out now to see if that base of the opposition could be broadened, and whether or not everybody can come together and agree on sort of the rules of the road, if you will, going forward. So my hope is that the dynamic could conceivably shift through that.

You still have the difficulty of, you know, trying to change President Assad's calculation himself because he has got to be—he has got to get to a place where he is making the decision, whoops, this is not so good for me. If I hang around, it is curtains for the government or curtains for me personally, and I got to make—I have got to find an alternative. He is not there. Obviously he is not there.

Senator CORKER. How do you deal, though, with the fact that the more moderate secular groups that we would like to support in some way, and I know you are having discussions about the best way to make that happen, and I appreciate that. How do you deal with that knowing that the Alawites on the other end are worried about extermination, and at the same time, the more secular opposition groups that we want to support realize that if they are successful, their very next conflict is going to be with al-Qaeda. So how do you deal with that all simultaneously?

Secretary KERRY. That is exactly what this meeting is about. The core group parties have come to the conclusion—I think now all of them with perhaps one exception, and we have to figure that out—that they are concerned about the growth of the extremist element, particularly when it aligned itself voluntarily the other day with al-Qaeda. That was a break point for a lot of them.

And now they are determined to try to take steps, I believe, based on the conversations we have had, to try to isolate them and, in fact, make sure support is going through the Syrian opposition. So this is a potential moment of coalescence that we have been looking for, and people have wanted a clarity to how the aid is being delivered and to whom and so forth. Our hope is to be able to achieve that, and that is one of the purposes of the meeting.

Senator CORKER. And do you think there is a realistic way to cause the more secular groups to actually reach out and try to accommodate some kind of political reconciliation with the Alawite population, not Assad—

Secretary KERRY. I know this—

Senator CORKER [continuing]. But the Alawite population that supports him?

Secretary KERRY. I know this. I know that they will sign on to a document that will offer protective language, and inclusivity, and other things to the Alawite and to the others, to the Druze, to the Christians, to the Ismaili, and others.

Can I tell you to a certainty that—I think we have got to find a way to make sure that policy is implemented and adhered to. We need to. Everybody needs to reach out to Alawi to change the calculation, because you are right. They do believe they are fighting against extermination. And sectarian components of this, the sectarian overhang on this conflict, is very dangerous in that context, not just for the Alawi, but for other minorities in Syria. And that is why getting everybody to be very public and very clear and ready

to adhere to the standards with respect to the rules of the road is going to be critical.

Now, all I can do is tell you that we have got to have that meeting and see where people are really at, and what the enforcement mechanisms can be, and how strong an agreement it can be. And I cannot give you any guarantees until I am seeing sort of the flavor of that.

Senator CORKER. Mr. Secretary, I do appreciate what you have been doing since you have been in your position. And I, too, have visited the camps in both Turkey and Jordan, and I do believe that the folks that influence the secular groups on the ground are the ones that are going to determine the future. And I know you are looking at how that best can be done.

I have also traveled through North Africa, Mali and Tunisia and Algeria, and I just do not think we have a very coordinated effort there. The budget request lays out a big sum of money, but not a real strategy. And I know that is of lesser import, if you will, with all the other urgent things that you have going on or of slightly lesser focus. But I do hope we will deal with that.

And I want to thank you for your efforts with North Korea. I think that there is a real chance of nuclear proliferation if we do not deal with this issue, and I know you sense that as I did on the ground, both in South Korea and Japan. So anyway, thank you for your efforts.

Secretary KERRY. No, thank you very much, Senator. And I need to work with you guys, with all of you, very, very much on what you just mentioned about the Maghreb and the Sahel. The President has directed me actually—it is on the menu, and we are putting together—what he wants is to analyze what the options are. And we are going to be putting those options. The President will need your input ahead of time, and then we will need your support hopefully when the President makes decisions about what we try to do.

The CHAIRMAN. Senator Cardin.

Senator CARDIN. Thank you very much, Mr. Chairman. Secretary Kerry, let me join in thanking you for your continued service. A very impressive start giving us all hope that we can make progress in areas that are extremely important to America's security.

You mentioned several times that the international community looks to the United States as the best chance to resolve international conflicts. I just want to concur with Senator Corker's observations of the problems we have in the Syrian opposition. I have been to that region also. I have been to the camps. I have talked to the Syrian opposition. And it is young. It is yet to be fully tested. It is a very difficult area in which they are operating. The Assad regime still controls a great deal of military might, and it is still a very difficult circumstance.

But we do know that the extremist groups that want to identify with al-Qaeda are strong. And I just would encourage you to be very aggressive, and as you said, not just the conversations, but how do we have accountability to make sure that the opposition groups that we are supporting in Syria isolate themselves from those extremists.

You also mentioned as one of the ways the international community looks to America is for dignity, and I could not agree with you more, so I want to talk a little bit about the rebalancing to Asia. And I do want to point out, originally I was listening to our chairman talk about the additional funds. If I did the calculations correct, East Asia and the Pacific is one of the smaller parts of the pie of international diplomacy, and, yes, they did receive an increase, but that increase is smaller than Africa. And if you take Iraq out, I think the increase is smaller than the Near East. I would just point that out, but I do believe we have to put the resources up for East Asia and the Pacific.

And we made some changes in military deployments in that region. We have joined the East Asia summit. Secretary Kerry, you mentioned the trade initiative, CPP. All that speaks to the economic and military side. I want to talk about the human dimension for one moment. I know you are not going to be surprised to hear me bring that subject up.

In Europe, we focused on all of the areas important to the United States in 1975 when we established the Helsinki Accords. We did that recognizing that security in a region depends not only on military, but also on economic growth, as you pointed out, but also human rights and respect for human rights.

We do not have any similar mechanism within the Asian community. ASEAN represents an opportunity. They are looking at human rights issues, but it is at the beginning stages, and it is not quite yet clear what the commitment is among the member countries, let alone the U.S. involvement here.

So could you comment as to the priority you are placing on the development of basic rights, particularly in Asia as we rebalanced Asia, and whether there are some mechanisms that we can help you with in order to advance these causes?

Secretary KERRY. Absolutely, Senator Cardin. And I would begin by thanking you for your unbelievable tenacity and continued focus on these issues. You are the Senate's champion on it, and I appreciate that.

I gave a speech while I was in Japan in which I talked about sort of the Pacific dream, if you will, in response to the notion that we have an American dream and that the new President of China is now talking about a China dream, a Chinese dream.

And so I wanted to hold out to them on behalf of the administration. You know, the President did the rebalance, and the President is super focused on Asia. And the reason is that he has a vision about what it can be and what our relationship with it can be. And so we talked about strong growth which relates to our security components, and we talked about smart growth, which relates to our, you know, technology and other things that we can do, and energy, and so forth, green growth. And also just growth. And just in the growth, I talked about rule of law and human rights, and how critical human rights are, talking about specific challenges and instances in the region. In all of my conversations with everybody, I raised, as I always have as a Senator and now as Secretary, the specific human rights concerns relative to the country. We talked about Tibet in China, and we also talked about individual cases of rights.

And so ASEAN will continue to be, as it was in the last 4 years—Secretary Clinton did this also. We are going to continue. It is a part of American foreign policy. It is one of the signature components of our policy, and it will continue to be.

Senator CARDIN. Well, I thank you for that. It seems to me we have to be very clear that for U.S. participation, as you point out, it so critically important to development of that region that there is an expectation that the countries will commit themselves to basic internationally recognized human rights, and the legitimacy of other countries to challenge their adherence to those standards, not by direct action, but by the conciliatory process patterned after the Helsinki process, which, as you know, is not a treaty. It is a consensus organization, and it has been very effective in putting a spotlight where countries need to make further progress. I would just urge you to do that.

And last, let me say I strongly support the statements that you have made on development assistance. I could not agree with you more. I just want to underscore the point of Senator Boxer, and it has been very strong from other members of our committee, on gender issues, and to continue the incredible work that Secretary Clinton did in making it clear that gender equity issues must be—progress must be made for our continued cooperation and participation in development assistance in countries that have not made as much progress as they should.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Flake.

Senator FLAKE. Thank you, and thank you for your testimony.

Let me talk about the budget for a minute. You know, prior to the Iraq and Afghanistan war, DOD had a small account, overseas contingent operations, or OCO account. As you know, since Iraq and Afghanistan, that has been plussed out significantly, and it has been taken offline or off budget.

Now it looks as the State Department is going in this direction as well, and for the first time in fiscal year 2012, it is requesting OCO funding outside of the base budget. So when we hear figures about budget decreasing 6 percent or whatever, it is not always accurate because of the existence of these OCO funds outside.

And it is a bit troubling if we want to see in all areas of government honest accounting. And I am not blaming you or anything else. We are seeing this in other areas of government. But how are we, who have to authorize funding or appropriate, how are we to do our job when we do not know, you know, what we are dealing with really in terms of where this funding is going to be spent?

The concept of OCO is, you know, for contingency operations that we do not plan for. And initially, I think that was—it was true to that, but it is not anymore if we are still using OCO funding in defense in Iraq and Afghanistan. You know, this is 11 years in. And with regard to the State Department, I understand that some of these funds are being spent in Syria and Mali. That might apply for a year, but certainly not beyond that.

What can you tell me about your efforts to try to make sure that we have accounting that we can actually rely on here as those who have to authorize and appropriate?

Secretary KERRY. Well, Senator, that is an excellent question, and I think we are actually helping to improve the situation in this budget in the following ways.

I mean, first of all, I agree with you. I mean, OCO became the Overseas Contingency Operation Fund because we had all these surprise numbers coming at us, and I guess it sort of became semi-supplementary, if you will, in that respect.

We recognize, needless to say, that that is changing now. Our OCO is down 65 percent. We are going in the right direction here. And overall, our budget represents a 6-percent decrease compared to fiscal year 2012, and the reason we compare it to 2012 is we had a CR in 2013.

But I will give you both comparisons. Our overall Function 150 request for all of our agencies is \$52.1 billion, including OCO. That is \$2.4 billion, 4 percent less than 2012, and it is \$3.2 billion, 6 percent less than the 2013 CR. So we are going down, and we have had to make a lot of different adjustments, different tradeoffs.

We have had targeted reductions on a number of programs. We have taken advantage of cost efficiencies in some programs. We, you know, made some changes in reforms and the food aid program and so forth to create savings. We have deferred maintenance. We have deferred purchases. We have deferred hiring. We are now doing a one-for-two hiring. For each two slots, we only fill one. And we are living with sequester on top of that.

So I assure you at an age where I am saying I could, you know, give you 10 reasons why we ought to be doing more in 50 places, we are going down.

Senator FLAKE. Right.

Secretary KERRY. I might also add, the Congress decided 3 years ago in response to what had been a long period of downward trend within the foreign assistance budget and a shift to the Defense Department, and you remember Bob Gates' speech. Bob Gates said we have got to stop this. Too much coming over here to the Defense Department. We have got to get it back to the State Department.

And so there was a conscious decision in the Congress, and we plussed up. We had a target of increasing the State Department budget by 25 percent under Secretary Clinton and President Obama in the first term. That got up to a 17-percent level, folks, then it stopped. Now we are going down. So we will never reach, at least on the current track, the 25 percent that we committed to in the Congress a few years ago.

I am sad to see that, and I am going to come to you maybe later, depending on the decisions the President makes, and see if we cannot reverse that.

Senator FLAKE. If I might ask just specifically with regard to Syria and Mali, will these in the future years—right now some of that is coming out of OCO. Is that going to come out of the base budget or OCO?

Secretary KERRY. Well, if the base budget can handle it. I am not going to come to you—I will tell you right up front, I am not going to gut the State Department and come up here because we have some new emergency contingency that has arisen in terms of national security. And I think it is critical for this committee and

the Approps Committee to fight for, you know, a reasonableness with respect to American security policy.

Senator FLAKE. I agree. I am just talking about in future years.

Secretary KERRY. But the short answer is, it is most likely going to be in the form of something like an OCO or supplementary because we do not yet know the full measure of what it is going to be. We have got to put together what is the most rational approach. What will our allies do? We just do not know what kind of number to give you at this point. The President has not yet made a decision about exactly what strategy he will implement. He wants the options for putting them together.

Senator FLAKE. Thank you.

The CHAIRMAN. Thank you.

Senator Kaine.

Senator Kaine. Thank you, Mr. Chair. Mr. Chair, before I begin, this is the first chance I have had to be with you publicly, and Senator Rubio, and Senator Flake, at least a working crew of the Group of Eight just to congratulate you on the work that you have done on immigration reform. This is an important part of the face that we turn to the world, and it bears on foreign relations matters. And I just wanted to congratulate all of you for your work and tell you how excited I am to have a chance to work on it with you as we get down the road.

Mr. Secretary, welcome. You honored me by having me introduce you at the University of Virginia, and I love that your first speech was there. And if Americans would read the comments you made that day about international development; you put the case about as well as it can be made. The value of that one cent on the dollar and how it produces actual tangible dollar value as well as good will. You did such a good job, and I know you will continue to carry that message.

One other comment before questions. I just associate myself with comments that Senator Corker has made and that you have made as well on Syria. I just really believe that the more work that can be done diplomatically to have the opposition be more inclusive of the Alawite minority, a powerful minority, the quicker we will hasten Assad's exit, the harder we will make it for Assad to paint this as a United States-Russia proxy war. The right thing we will do by human rights, and Alawite involvement in the opposition will also dilute jihadist elements. So there is a lot of things that rest on that particular diplomatic effort, and I am going to say prayers for you in those meetings.

I asked you at your confirmation hearing about Mideast peace and the relationship between Israel and Palestine. We want a safe Jewish state of Israel, and we want it living side by side with a Palestine that will respect its sovereignty, and that has been United States policy. My concern has been we have stated it as a policy without really trying to do what we need to make it, in fact, happen. And it is difficult. And you gave me a diplomatic answer, which was appropriate, but also one that made me feel good about the fact that you recognize that as a huge priority. And I know that you have been doing work on that.

So without, you know, going into things you should not, could you talk a little bit about that?

Secretary KERRY. Well, thank you, Senator Kaine. Thanks for your comments also, and I appreciate your support and friendship.

To me, one of the greatest—obviously I think to everybody—one of the greatest foreign policy challenges there is is this Middle East peace process, and we have had how many Presidents, and how many Secretaries of State, and how many Congresses have tried to advance the cause of peace in the Middle East, and tried to, you know, work through various negotiations—Oslo, Madrid, Wye Plantation, Annapolis. You know, you can run the list of them—Camp David.

And we are now at a point where in my judgment, because of demographics, because of settlements, because of perceptions, because of the Middle East, because of a whole bunch of things, a lot of people are questioning, you know, because of Hamas rockets, I mean, you can run the list. I am not pointing fingers in any direction. I am just saying there is a complicated mosaic that presents an enormous challenge.

But time is running out on two states because of those things. And I am convinced that is the only way to have peace, the only way. So we have an urgent need to try to meet here, and the greatest challenge obviously, and they are both legitimate concerns, is how do you provide security for Israel? How do you work with Israel so Israel has its own security is a better way to phrase it. Israel needs to know that is not turning the West Bank into Gaza, that it is secure. That is a very legitimate concern. I accept that.

At the same time, the Palestinians need to know that they will have a legitimate state that is contiguous, viable, and based on, in their judgment, the 67 lines plus swaps, which is also our judgment and the judgment of the international community. So we have to try to find a way to get everybody over years of mistrust that is built up by failure, by problems, by actions, and that is the goal.

I do not want to say much more than that, except to say that Prime Minister Netanyahu has really been terrific, and up front, and very open, and engaged in trying to figure out how we might be able to get to real talks. And likewise President Abbas has accepted responsibility for a period of time certainly not to go to the United Nations, not to try to see if we can find this mutual way forward. And we all have some homework to do. We are doing our homework, and that is about as much as I would sort of want to lay out, except to say to you that we are going to need everybody's support and help in this to try to create the conditions.

I do not think it is going to happen in some grand, you know, public negotiating scene, but I think it is going to have to be steady, quiet, patient, but nevertheless fairly rapid work because of the timeframes that are hanging over all of us.

Senator Kaine. One last issue. The fiscal year 2014 budget proposal reduces the Western Hemisphere by about 14 percent overall. There are some pluses and minuses. So it looks like Mexico and Colombia are taking cuts, and the CARSI, Central America Regional Security Initiative, is plussed up 20 percent because of the security concerns there. I would just like you to comment for a second about the budget and the Americas.

Secretary KERRY. There are some plusses and minuses, you are absolutely correct. And it is really readjustments I think more than

anything to some success stories. We have worked very closely with President Pena Nieto, and he and the President have sort of agreed that the redirection of the Marita Initiative to greater training emphasis over purchasing of equipment. We have been purchasing equipment. There is a lot of equipment there. What we need now are trained police officers and trained law enforcement officers, and judges, and so forth. So there is a reemphasis, and it is really a reflection of that. It is not a diminution of effort or focus on the region, but a kind of how do you adjust and, you know, perhaps save, but do some things better, more efficiently.

The CHAIRMAN. Thank you.

Senator Rubio.

Senator RUBIO. Thank you, Mr. Chairman. Welcome, Secretary. Thank you for being here with us.

As you know, I have been a supporter of foreign aid just as a way to further the national interests of the United States throughout the world. I read with interest your comments in front of the House committee yesterday, regarding your frustration over the billion dollars in debt relief to Egypt that has been held up by congressional action. And I wanted to probe that a little bit.

Let me pose to you the dilemma. I think people read about things that are happening in Egypt, and in particular things that are happening with the Egyptian Government, and are wondering why the United States continues to send aid.

There is an article from I think a month ago where an Egyptian cleric says that American aid is basically a mandatory tax. "The taxpayer aid consists of a poll tax that Americans must pay to placate the Muslim Brotherhood," according to Khalid Saad, a cleric who serves as the official spokesperson for the country's Salafi front. "They pay that so we will let them," he said in an interview.

Now, I know he does not speak officially for the government, but I think a lot of people have come to suspect that that sort of sentiment is widespread in the country among the Islamist leadership.

So here is the question that I have. First of all, I would like you to kind of delve into the difference between the Egyptian military and the Egyptian Government because that is two different types of aid and two different types of institutions we are dealing with. And second, exactly what is our strategic plan with regards to aid to Egypt? And in that light, I would just say what I am most concerned about is that we are not repeating errors of the past where we have valued stability or strategic interests at the expense of some of the democratic principles in the region.

So if you could help me explain to my constituents what is our plan and how we intend to use foreign aid to not just bring Egypt along toward a more democratic process, but one, for example, that respects religious minorities. We are outraged at what we are seeing happening with the Christians in particular in Egypt and a government that quite frankly that has not responded. In fact, there has been reports that the government has actually participated, or at least the military has participated, or the police, in some of these attacks.

So what is our strategic goal with regards to foreign aid in terms of moving Egypt in the direction we think is in our national interest as well as in the interest of democracy? And second to that, if

you could explain the distinction between aid to the military and aid to the government, which I believe there is a distinction. It might be helpful if you outline that.

Secretary KERRY. Well, Senator Rubio, thank you. I appreciate the question, and it is an appropriate one. And I will not only answer you, but I will answer that fellow who thinks that we are placating the Brotherhood.

We have been very clear with the Brotherhood, and had very direct conversations with President Morsi and others about the need for inclusivity, the need for recognition of the opposition. We have urged them, in fact, to try to reach out to the opposition and bring them into a greater degree to the governance.

I would express here today concerns about the direction that they appear to be leaning, which is not, in fact, to be that inclusive, and rather to consolidate and to leave people out. That is of great concern to us, which is why on the \$1 billion of aid that the President promised, we have only, in fact, delivered \$190, which I released when I was there in those conversations with them as a sign of good faith based on the need to try to proceed forward.

But any further aid we said very clearly is going to be conditioned on progress on a number of things. One, on the IMF. If economic reforms are not put in place, if they do not restore credibility to the political process, if they do not pacify the streets to some degree so that they can begin to attract tourists and get businesses working again, if they do not give confidence to the diaspora that they can, in fact, return and invest in Egypt without witch hunts, or trials, or confiscation, or other kinds of problems, I do not know how Egypt is going to, you know, rebound. And I think the politics could be very, very difficult absent a shift here that becomes more inclusive, more democratic, more respectful of the opposition and so forth.

Now, the army—the military has been quite separate from that. I think the military has been the best investment that America has made in years in that region for a lot of reasons, keeping the peace with Israel. It is enforcing security in the Sinai. It helped to negotiate, broker, and, in fact, enforce the Gaza peace now. If you ask Israel, they will tell you, our Israeli friends, that the day-to-day intel mill partnership that is so essential to security and to enforcement of the Sinai and other things, is being carried out on a day-to-day basis not in government to government, but in military to mill and intel to intel. And that is very important to us. So there is a clear distinction here.

The military I believe, you know, in a significant way was responsible for holding Egypt together at a critical moment, and many of those officers who were on those tanks or commanding those battalions that were out trying to keep the country calm responded thoughtfully because they had trained here in the United States, had relationships with people here. They were in touch—we were in touch with them at the lower officer level. There was a great deal of communication. And they had a different ethic. They had a different standard. They knew they needed to try to be responsible.

I met with Field Marshal Tantawi at least three, four, five times in the interval between the SCAF taking responsibility for gov-

erning the country and then running the election, and they did exactly what they promised. They set up the machinery for an election. They enforced that process for the country. The country had an election, and the Brotherhood won—a Brotherhood that had organized for 80 years and was waiting, you know, in the wings that did not have much to do with the bringing of the revolution. The revolution was young kids looking for a different world and a different future. It was a generational revolution, not an Islamic one. But when you had the election, the results brought what we have.

So now we are in a different stage where we are trying to move the government in one direction and keep our relationship with the military, which is meeting other interests in another direction. And that is pretty much how I describe the differential.

The CHAIRMAN. Thank you. Senator Coons.

Senator COONS. Thank you, Chairman Menendez. Welcome, Secretary Kerry. It is tremendous to have you back. I have been impressed in the brief time you have been serving as Secretary with your vigorous and engaged diplomacy. Not at all surprised. The time that we served together in this committee, I had the pleasure of working with you on a whole range of demanding and pressing issues from Syria, to Egypt, to Pakistan and Afghanistan, and, of course, a whole range of issues across the continent of Africa.

I just want to associate myself with remarks made by Senators of both parties about the level of my concern about Syria as well as Iran, and my compliments to your early work on trying to achieve some progress and peace in the Middle East while respecting the vitality and centrality of our relationship with Israel.

If I might as the Africa Subcommittee chair, I just wanted to briefly mention a wide range of issues on the continent that I would love to work with you and where generally I am quite pleased with the budget status of a variety of different investments we are making. I am pleased with your advocacy for an ongoing effort by the Obama administration to invest in the three pillars of diplomacy, development, and defense, and to make sure that we have a balanced and responsible engagement.

I recently released a report on the promises of United States-Africa trade. I would love to work with you more closely. Senators Durbin and Boozman and I have introduced a bill to try and significantly improve United States-Africa trade cooperation. After peaceful elections in Kenya, we face real challenges in balancing accountability to the ICC with a critical, strategic partnership. I just held a hearing on the Democratic Republic of the Congo, and I look forward to working with you on the appointment of a special envoy, which I think is absolutely essential.

I was pleased with your opening comments about both Kenya and Mali and the recognition we have to have a balanced approach in Mali, and look forward to continuing to work with you on conservation issues and trying to fight poaching in the same way that I think terrorism in Mali was, in part, financed by kidnapping terrorism, and instability in other parts of the continent are financed, in part, by poaching.

Let me focus on three areas I wanted to ask questions on. I was very pleased with proposals to streamline aid and to find effi-

ciencies first in food aid on PL 480. These are some bold, challenging changes that have long been urged by aid professionals. I respect the fact that it continues to have a floor of 55 percent for U.S. commodity producers and transporters, and look forward to working with you on trying to ensure progress on food aid reform.

In the area of PEPFAR, which is a very significant portion of United States budget toward Africa, how will we work together to ensure that the stove piping of PEPFAR funds that dominated some of the early years of the program is reduced and to make real progress in terms of streamlining and improving our partnership? I recently visited South Africa, was very encouraged with the transition being made there, and look forward to working with you. But I would be interested in hearing your vision for how with PEPFAR going forward, we will achieve greater impact at lower cost through reducing overlap.

Secretary KERRY. Well, Senator, first of all, let me begin by honestly thanking you for your unbelievable focus on Africa, and the contributions that you have made to a lot of those discussions going forward.

With respect to PEPFAR, you know, it is really our greatest success story in that we are—one of our greatest success stories. What we have been able to accomplish, we are really looking now at the potential of an AIDS-free generation. And we are looking at, you know, 60 percent of the carriers are women, as you know, I think. And so if we can prevent children from starting with it, we are saving enormous amounts of money.

So that is really I think the principle focus is on this, you know, mother to child pass down, and we have become far more efficient in the way in which we are able to reach people, get out. And that means we are not just talking about a round robin where the costs are going to keep going up or you just have a population that keeps going up. You are actually moving toward elimination for the next generation.

The President originally, you know, there was a lot of—this was hard fought for, and, I mean, we really pushed hard, and I am grateful to President Obama for listening carefully to the arguments about this moment and why it was so important to keep the funding at a full funding level. I do not know if that is entirely answering your question. If there is another—

Senator COONS. I look forward to continuing to work with you to advocate for robust funding for PEPFAR, let me not be misunderstood. But I think there are ways to achieve efficiency. And in the same way that I look forward to continuing to advocate for food aid, I think we can make that case as long as we are also continuing to find ways to deliver that aid.

Secretary KERRY. Well, I would be—

Senator COONS. Let me move to one other question if I could.

Secretary KERRY. Yes, sure.

Senator COONS. President Mahmoud Ahmadinejad is visiting three west African countries, I think, Benin, Ghana, and Niger, just this week. I am very concerned about the sort of charm offensive the Iranians are leading in Africa. I am very concerned about the Chinese dominance of the continent. Senior Chinese leaders have made many visits to the continent.

I would welcome your personal engagement in leading our engagement with Africa and wonder what, if any, plans you have to work with us to blunt or press back on Iran's seeking access to natural resources, to diplomatic support, and to potential allies on the continent, which I view as a very negative development.

Secretary KERRY. Well, I think that is a negative development, Senator. You are absolutely correct. And you are correct also—I mean, on China. China is now out-investing the United States significantly in Africa. Now, China is principally focused on resources—minerals, so forth—and that does not necessarily compete with us. But I will say that between Iran, China, other countries, they are having an impact on the business practices and on the choices that, you know, some of the leaders and some of the governments there are facing. And it has not been a positive one in some regards.

In addition, a lot of different folks in the region—I am not going to name the names here and now—are engaged in bad business practices, in bribery, in, you know, support for the wrong people. And that is having a negative impact on the stability of some governments. So we are going to have to be more engaged in Africa. We will have a special envoy for the DRC. We will have a special envoy for the Sudan. Princeton Lyman just retired about 5 weeks ago now. We are racing to try to get people in these places, and we will have them. But you are absolutely correct to be focused on this.

I think that something like—I think it is 6 of the 12 to 15 fastest-growing or 10 of the fastest 15 growing countries in the world—

Senator COONS. Seven to 10, yes.

Secretary KERRY [continuing]. Are in Africa.

Senator COONS. Correct.

Secretary KERRY. And we need to be cognizant of the long-term implications of that with respect to resources, trade, governance, and other issues. So I look forward to working with you on that.

Senator COONS. Thank you very much.

Secretary KERRY. Mr. Chairman, I need to mention something. Also I am going to be at the 50th anniversary in Ethiopia in May.

The CHAIRMAN. Wonderful.

Secretary KERRY. And there are some other engagements that we are looking at with respect to sort of trying to be front and present.

Mr. President—Mr. Chairman, I—you know, maybe it is the confusion—not the confusion, but it is the emotion of actually getting to the point where I praise the New York Yankees in a tribute to Boston. And I am not used to giving the evil empire credit for something. [Laughter.]

Secretary KERRY. But with my head and heart in Boston—

The CHAIRMAN. Which evil empire are you referring to? [Laughter.]

Secretary KERRY. With my head and heart in Boston, I think I said “Sweet Adeline,” which is Ted Kennedy's grandfather, Honey Fitz's favorite song, and I meant “Sweet Caroline.” And I want to make sure everybody knows that I can sing “Sweet Caroline,” but I ain't singing it here for you now, but—

[Laughter.]

Secretary KERRY [continuing]. Just my head was whatever, jumbled up.

The CHAIRMAN. That we will leave for some benefit fundraiser. Secretary KERRY. I will spare you a rendition, but it is pretty good. [Laughter.]

The CHAIRMAN. All right.

Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman. Welcome, Mr. Secretary.

Secretary KERRY. Thank you.

Senator MURPHY. And our hearts are with you and your friends in Boston this week.

We are about 3 or 4 years since the administration's reset on our policy toward Russia, and so it is probably a good time to have a conversation about where we are and whether that reset has gotten us what we wanted to get. Senator Johnson and I have the new responsibility of overseeing the subcommittee here, which has jurisdiction over Russia. And so I wanted to just spend my few minutes getting your thoughts on a couple of issues related to recent developments in Russia.

First, developments regarding the state of Russian civil society. We clearly were very upset to see our USAID workers leave that country. They are not alone. Many of the NGO workers have been either subtly or not so subtly moved out of that country in recent months. And of course, that corresponds with a much larger degradation of civil society.

And so I wanted to get your thoughts on two issues. One, what is the administration's role in trying to promote civil society in Russia? And two, what is Congress' role, because historically during the cold war when the administration here in the United States had to have an ongoing dialogue with the Soviets. It was Congress that often provided the link to Russian civil society, a link that maybe has atrophied over the years as we did not necessarily think that it was as important given the reforms happening there.

So I guess my question is, one, the role of the administration, your role in trying to promote civil society. And then, you know, some advice as to what Congress' role can be in complement or in contrast to the administration's role on trying to provide linkages with civil society there.

Secretary KERRY. Well, Senator, thank you. Very thoughtful question, and I will try to answer it as directly as I can.

We have a role, obviously, and so do you, and it varies at different points in time. I mean, whether it was Jackson-Vanik or whether it was, you know, Jewish immigration, you know, Soviet jury issue. There have been constant efforts by the Congress and by administrations to have an impact on civil society not just in Russia, but everywhere. That is American DNA. I mean, that is who we are. That is part of our foreign policy is to try to fight for human rights, freedom, democracy, the ability of people to choose for themselves, not just, you know, because it works. It is in our interest, and we think that those people do better, feel better, live better lives, have better choices. And those societies are less prone to engage in war and conflict and oppression.

And so there are any number of reasons why we have a responsibility to always press for the growth of civil society. We try to work it as effectively as we can in ways that, you know, are as respectful as you can be under difficult circumstances of the sovereignty of a country that you are dealing with. I mean, it depends on which country it is and what issues there are as to how responsive people are going to be or what kind of gradations of opposition you have to those kinds of efforts.

So we do it. Lech Walesa jumps over a fence and becomes the leader of a labor movement and ultimately the President of a country because he used to listen, among other things, not the only reason, but he was inspired by, you know, Voice of America, listening to us, and freedom, as were many other people who found their hope in that. We encourage things through that.

It sometimes costs us, and right now we are going through a period of time in our relationship with Russia where it has unfortunately been less productive than we would like it to be. I would like to see us get back on track, and obviously our NGOs are going through a tough period with the law that is there. But they would say to us, well, we are going through a tough period with the law that you passed, and you are interfering with us, and so forth. So you get into this back and forth.

Frankly, to the credit of the reset that President Obama engaged in and to the credit of Russia and the choices they have made, on the big ticket items, we have continued to make progress, and Russia has actually been a partner with us. A lot of people have lost sight of that in the fight over adoption and the fight over the Magnitsky and so forth. But the fact is, on Afghanistan, Russia has been enormously helpful with respect to the northern supply route and helping us. With respect to WTO, Russia has been helpful, and came on board, and met the standards with respect to the START Agreement. Russia did its part and has kept that agreement, and we are working with them now on the dialogue to go to the next step with that.

On Iran and North Korea, two issues of vital national security interest to the United States, Russia has been supportive. Russia is there on the resolution and supportive of the sanctions, and Russia has been supportive on the DPRK.

So we have to put this in perspective, even as we continue to keep faith with our values and our beliefs about, you know, how we want to reach out to citizens in other countries.

Senator MURPHY. Mr. Secretary, my simple hope is that—I just hope as a tradeoff for this cooperation that we are getting in places that we may not have gotten before that we do not take the foot off the pedal in terms of trying to promote civil society there. I think we have a role as well, a role that sometimes can go further than the administration's role. But given that cooperation, I hope ultimately it does not present any disincentive for us to do the things we have historically done to stand up for the Russian people who need a friend now more than ever.

The CHAIRMAN. Thank you.

Senator Paul.

Senator PAUL. Thank you, Secretary Kerry, for coming today.

You mentioned in your remarks that we do not need politicians to go home and say we need to end foreign aid and we need to spend some of that money at home. Well, this might come as news to one of the most prominent politicians in our country who said in his reelection campaign that we need to less nation-building abroad and more nation-building at home. And that would be your current boss, the President of the United States.

So I do not think this is unique to Republicans or Democrats. In fact, it crosses all party lines. It is not me going home and creating an atmosphere where people are doubtful of foreign aid. It is that 80 to 90 percent of the people are doubtful. We have two bridges in my State that are over 50 years old. The President came and I flew down with him to talk about rebuilding them. I am in favor of replacing bridges and rebuilding our infrastructure.

But at the same time, we seem to not have enough money to keep the doors open around here, not enough money to keep the touring of the White House open. This administration sent an extra \$250 million to Egypt. Many of us find that offensive. We cannot even run the basic functions of government, and yet we send an extra \$250 million in addition to the \$2 billion we already send over there. So many of us are offended by this.

The question I have for you is, the Mubarak family is said to be worth more than \$10 billion. Most people say that a lot of that money came from our foreign aid. Mobutu ruled for many, many years in Central Africa. He was said to be worth millions upon millions, if not billions, of dollars. His wife was called Gucci Mobutu. She was famous for going to Paris and shopping for shoes with a Louis Vuitton bag full of \$500,000 in cash to a million dollars in cash. That money was looted from the American treasury.

There are all kinds of examples of theft and kleptocracy. There are examples of our foreign aid being used to buy tear gas in Egypt to spray on the Egyptian people. So I do not think it even buys the good will of the people because often it is stolen by their leaders who are unpopular in their country. So I think it is often counter-productive.

But I think we are missing the boat here if you think that we are stoking the fires and that the people do not already believe this. This is something that is already in the psyche of the people. People are upset about it, would rather spend money at home. But I would like your comments on the President's position, but also on the idea that a lot of foreign aid has been stolen by these leaders.

Secretary KERRY. Well, Senator, I think there is a difference between, you know, some of the nation-building that we have seen sometimes engaged in and good foreign aid programs that do not rise to the level necessarily of nation-building. But that is a quibbling probably, and we will wind up arguing about the smaller issue rather than the larger one here. So let me try to frame it this way.

Has some money been stolen? Absolutely. But by the largest measure possible today because of reforms that have been put in place because of new accountability systems, because of the way aid is given now, because of something like the Millennium Challenge Corporation's standards that are applied to investment and other kinds of things, the money, a lot of it does not go to govern-

ments anymore directly. It goes into either the investment or into the project, and it is quite controlled. And that is one of the reforms that has been put into place.

And we often have a fight about that with some countries. For instance, Pakistan pushed very, very hard to say, no, we want it directly to the government, and we said, no, we are going to do it this way to the project and so forth in order to have the kind of accountability that you are talking about that we need.

So historically, yes. But, you know, some of the riches of people who have ripped off their own governments have not necessarily come from our aid. They have come from stealing from the revenues of their oil, or selling the diamonds and the rubies that they have in their resource rich, you know, mines. And there are plenty of ways that people have enriched themselves in some countries to the adversity of their people.

That is something we fight. I mean, that is also part of what our foreign policy and investments try to change is installing rule of law, is trying to help with the justice system, create accountability for those things.

Senator PAUL. But nevertheless, we kept sending money to Mobutu for years and Mubarak for years despite evidence that they were stealing it.

Secretary KERRY. I did not make that decision, and I will certainly review any program that we are engaged in now. And if you have any information on something we are doing now that somebody is stealing, let me know immediately.

But let me just come back to one thing about this. You know, all of this that we do, Senator Paul, is one penny on the dollar. And if you look—I mean, I can go through a long list of things that we invest that provide a return on our investment. I will give you an example. We have stopped countless plots against our country, which had the FBI not cooperated and had the CIA and other entities not been creating some of the programs we had, and had we not worked with the justice systems, and had Interpol and the other things that we worked with, we never would have done. Americans would have died, and they would have been blown up. And but for the discovery of the Christmas bomber or the other people, which came through these kinds of efforts, we made our country safer.

So I have to tell you, for the penny on the dollar, I will still make this argument anywhere, even though, yes, occasionally something gets abused, just as it gets abused in some parts of almost every government.

Senator PAUL. One quick question. Yesterday the Chairman of the Joint Chiefs of Staff, Gen. Martin Dempsey, stated that he was no longer sure that the United States could clearly identify the right people in Syria. I am quite concerned with this and quite concerned about arming elements of radical jihad that ultimately will come back to be our enemies or enemies of Israel.

My question is, is that—you know, there is a million Christians in Syria. I do not think they have quite decided which side they are on. Two hundred and fifty thousand of those Christians came from Iraq because they were not too happy with the government that has been installed in Iraq after we win the war.

So the question is, you know, you win the war and radical Islam takes over in Syria, or you give weapons to these groups. You have your own Joint Chiefs of Staff saying he is not sure he knows who the right guys are and who to arm. I really think we ought to be careful about getting involved in this civil war.

Secretary KERRY. Well, Senator, your warning is a legitimate one, and we are being careful, which is why the President has not yet decided whether or not—which is why the President has not given lethal aid. He has given nonlethal aid. But the President is correct, I believe, in his determination that President Assad can no longer represent the people of that country, and that Syrian opposition is the broad-based international entity that is representative of the real aspirations of the Syrian people.

Now, that is a different determination from actually deciding you can protect who is getting what. I have had conversations with General Dempsey obviously, and I read his quote, and I saw what he said. I think he really said we are not certain we can do that yet, but we have to make certain or we have to be sure. And that is exactly what we do have to do, and that is exactly what we are engaged in. That is why I have this meeting that I am going to be in Istanbul on the weekend. And a lot of discussion is taking place to be certain of that determination.

I think what he is really saying is be sure before you make the decision, and he is right, and that is what we are trying to do.

The CHAIRMAN. Thank you. We have a little time left with the Secretary, and so we are not going to get through a full round of questions. But to the extent that the Secretary has been gracious with his time, maybe there will be a couple of opportunities here.

Let me focus a bit for the moment on a place that does not get a lot of attention, but that certainly is in the national interests and security of the United States. Senator Kaine raised it as the chairman of the Western Hemisphere Subcommittee, something that I had the privilege of chairing before I had the privilege of chairing the full committee, and I still have a great passion for.

And this decrease in the Western Hemisphere levels, this has now been a historic reality. And I understand that we have in the case of Mexico, your response, Mr. Secretary, and even in Colombia a different dynamic. But we have underfunded a whole host of other initiatives in the Western Hemisphere in our interests.

And many of the things that we debate in the Congress stem from issues within the hemisphere. If you in part want to stem the tide of undocumented immigration, you want to make sure that people have stability and economic opportunity in their native country. They will not flee.

And so the reality is our lack of moving toward economic development creates a push factor. And in addition to that, if we have significant narcotics issues throughout the hemisphere that still are challenging, particularly growing in the Central America and Caribbean region. Our lack, to some degree, of investment and engagement in the hemisphere. You talk about Iran and Africa. Iran has spent a lot of time in the Western Hemisphere. China is spending a lot of time and resources in the Western Hemisphere.

And you find yourselves that in the lack of creating—in the process of not having being pushed to Afghanistan and Pakistan, Iran,

North Korea, the Middle East, that we create a vacuum in our own hemisphere, and that vacuum is filled by people like Past President Chavez of Venezuela, Edward Morales, and a whole host of individuals within the hemisphere who have a much different set of values and priorities than we do. You have biodiversity issues that are enormous, carbon sink issues that are enormous, a thing I know that you have been passionate about.

So while we are facing these challenges, when you have instability in the hemisphere, the markets, we have the greatest—American products and services are deeply loved within the hemisphere. But by the same token, instability and lack of economic development creates challenges there.

So I hope in the midst of all of these global challenges that we will look at the Western Hemisphere much more intently than we have in the past. And specifically, there is a pressing issue which is Venezuela. I applaud the Venezuelan people for coming out in significant numbers. I would like to see Americans vote at 79 percent of those eligible to vote to come out. But that election is so close that for the people of Venezuela to have faith in its outcome. I personally believe there needs to be an audit.

So I would like to hear it from you—I think, if I am not mistaken, I heard a statement from you that might coincide with that. What is our pathway forward in terms of promoting an opportunity to ensure that the people of Venezuela's rights are preserved? And, of course, working with our OAS partners in that regard.

Secretary KERRY. Well, Mr. Chairman, first of all, thank you for making an eloquent argument about the need for a plus-up in the investment in the Western Hemisphere. And I do not disagree with you. I said we have to make tough choices about tradeoffs in this budget, and obviously ours is a first cut. You get the second, and third, and final cut frankly. And I would like to work with you to figure out sort of, you know, if there are adjustments or ways that we can do this more effectively; we are open to thinking about that.

I do not disagree with you about the need to change the dynamic in the Western Hemisphere. It has too often been viewed as a second thought. It should not be. It is our backyard neighborhood, as you say. I think there are relationships that we could improve frankly in the region that do not have to necessarily go down a track where they have been.

I would leave the hopeful door open that maybe something can turn with respect to Venezuela, but right now it is obviously not in a great place. I do support the notion that there should be—the administration supports accountability for this election, and believes that it would be better to have that audit and to have the recount so that the people of Venezuela are in a such closely divided election, which is so important, have confidence that they enough legitimacy that is necessary in the government going forward.

Now, as you know, we have to work with what we have to work with. My hope is that doors will not get shut in automatic by anybody to start off this next government, whatever happens in the days ahead. But our position is that that audit would be an important first ingredient to providing confidence to the entire commu-

nity of nations that care about this outcome, that it has been fairly arrived at.

The CHAIRMAN. And then very briefly, more a comment than a question. I believe that we hopefully can work with you to develop the support for bringing the disabilities treaty both to hearings and ultimately to a vote. I think that is about protecting American citizens abroad, Americans with disabilities who travel all over the world and do not have the same rights they have here in the United States.

We already have the highest standards probably in the world as it relates to the rights of those who are disabled, and creating that right globally for our citizens is an important step. So we look forward to working with you on that.

Secretary KERRY. Mr. Chairman, I really hope, and I hope, Ranking Member Corker, I hope we could do that. I will work with you and the whole Department will work with you to make adjustments if they are needed to address the questions that arose about sovereignty or a couple of other questions. I think they can be addressed, and if that is what it takes to bring some people over to be able to vote for it.

But it is hard for me to imagine that we cannot find a way to provide those rights to our people. This is one of the most undemanding of America treaties I think I have ever seen. Almost all of the demand is on other countries to come up to America's standard without any recourse whatsoever that prejudices any American right or citizen.

So I truly hope we can revisit it, and the Department, the administration will work with you in every way possible to assist the committee and the Senate in trying to pass this.

The CHAIRMAN. Senator Corker.

Senator CORKER. Thank you, Mr. Chairman. And, Mr. Secretary, thank you for the first round of questioning that we had and our discussions about North Korea and Syria, northern Africa, and other places. And again, I really do believe you are off to a very good start, and I have high hopes for the major policy issues that you are dealing with coming to resolution. I really do.

The other part of the job, I guess, is running the Department, and sometimes that is a lot less fun and glamorous, and you do not get a lot of questions about that. But I do think it is my responsibility to ask a couple about the more mundane, the caring and feeding of the troops, and the running of the Department.

We have an acting inspector general in place and my sense is that you do not get a lot of respect when you are an acting inspector general, that when you subpoena, you get push back, those kinds of things. I just wonder if you would commit to—

Secretary KERRY. Can I save you time?

Senator CORKER. What is that?

Secretary KERRY. I will save you time.

Senator CORKER. Good.

Secretary KERRY. We have a terrific candidate who is being sent over to the White House today.

Senator CORKER. Very good. And I know we choreographed this in advance. I am just kidding, we did not. [Laughter.]

Second, you know, we have Americans throughout our country who are losing their jobs. It has been a tough environment. We all know that. It is the No. 1 issue that all of us really care about is making sure that hardworking Americans have opportunities for good paying jobs.

And within the Department, we still have these four employees, and I know this happened before you, and I know that you have nothing to do with what happened prior to January. But we have four employees that are on paid leave. I mean, they are sitting at home getting a full paycheck despite some of the activities that took place in Libya. And I know there were discussions earlier with another Senator about foreign aid and accountability and all of that. But this is a place where Americans look at this and know that some of these folks anyway, had to have some degree of culpability in four Americans dying, and yet they are sitting at home getting a full paycheck.

And I just wondered if you might address this. Again, I am not one of those folks that goes on a witch hunt, but this does seem at this point in time a little bit beyond American values. And I just wondered if you might respond.

Secretary KERRY. Senator Corker, honestly I understand the concern. I have asked about that internally, and I expect a report that is done in due course of business according to the law with respect to the rights of employees and the standards that are applied to these kinds of issues administratively. That report will be coming to me. I do not know what is in it yet. I do not know what recommendations are being made. But I will then have to make a decision about options with respect to recommendations that are based on that, and I will do that at that time.

Senator CORKER. Good. It seemed that when Secretary Clinton was up here, there was a standard by which things like this were judged, and you had to go way beyond the normal circumstances for somebody to actually be held accountable. And regardless of what happens, I know you will look at this in a judicious way. But it seems to me that we might want to establish some different standards as it relates to people who, candidly, do not live up to their responsibilities on the job, and we end up losing lives. And so I would hope you would also look at that. I know she mentioned actually possibly sending up some legislation to deal with that.

And then last, the third question, and again I know this was before your time. You were sitting up here when we were dealing with this. But in Libya, I know I had met with numbers of officials there to try to get them to help us and to help find the people that certainly did know what happened in Benghazi. And it was very frustrating. I mean, it is almost an ungoverned country. I know that you know that.

But I just wondered if you have had any success, or any of the folks who work with you have had any success, pushing the Libyan Government who we are helping tremendously and certainly play a big role in determining where they are. Have we had any success in getting them to cooperate with us on trying to find the folks who were involved? And now, some of them have left the country, but some of them probably are still there, and I just wondered what your activities had been in that regard.

Secretary KERRY. We have, I believe, had some success. I inquired directly of FBI Director Mueller regarding this because I was interested personally obviously, and I think the State Department has a high level of interest in making sure those people are brought to justice. So we are tracking it.

The discussion I did have with him, he was actually leaving to go over to Libya and personally meet with those officials, and he felt that we were making a level of progress. Now, it has been what, about, I guess, 11 months, something like that. It takes time. It is difficult.

They do have people ID'd, however. They have made some progress. They have a number of suspects who are persons of interest that they are pursuing in this and building cases on. And I am quite confident. I know that, first of all, this is a high priority for the FBI. It is high priority for the Department, people working in Libya, and I think we are making some progress.

A lot of these people are out in very difficult areas, and that is part of the problem in terms of building the case. But they are working under those difficult circumstances. And what I will do is get the sort of latest update for you and report back to you.

Senator CORKER. Thank you.

The CHAIRMAN. Thank you. Senator Kaine, you are going to get the last opportunity here.

Senator KAINE. Thank you, Mr. Chair. And sticking with response and aftermath of the tragic attack in Libya, Secretary Kerry, the areas in the ARB report that I sort of focused most on were both the findings of concern and also the recommendations with respect to embassy security. So, you know, who is providing security, how is it provided, levels of training, et cetera. I visited Quantico where the Marine security guards are trained, and that is being expanded. Very significant. Looked good.

But one of the ARB recommendations was in addition a foreign affairs security training center that would coordinate all efforts of training foreign affairs security. That was an ARB recommendation. It was reported to Congress in February that that was being fast tracked forward, that there was an EIS being prepared to locate that facility in Virginia at Fort Picket, which was a BRAC'd army base. It is now a National Guard facility in Southside, VA.

Just recently, Congress was informed that that EIS is now on hold for sort of unspecified reasons, and this is something we can talk about here or offline if you need to pull more information. But when I—

Secretary KERRY. Who informed you of that?

Senator KAINE. This has been—State and GSA has informed Congress just recently that the earlier statement that we were going to do this and that there was going to be the EIS out in April is on hold in kind of an unspecified—for unspecified reasons for an unspecified time. That causes significant concern obviously. I am parochial about it because of the Virginia tie, but it does seem to fly in the face of the ARB recommendation. And as of 2 months ago, we were full speed ahead on the recommendation, and now it seems like we are equivocal about it, and I would like to, you know, find out as much as I can about it, because I do think the security challenges at these embassies are the things that have to be solved

so that we will all feel comfortable that our folks are safe as they are doing their jobs.

Secretary KERRY. I am getting apparently some input on this. I am not aware of it, so I just want to find out.

Senator KAINE. I am comfortable following up offline on it, but I just wanted to raise it as an issue of concern, Mr. Chair, and we will follow up offline.

Secretary KERRY. I am being told that folks are prepared to give you a briefing on that. I was not aware of that, but obviously we have got to follow up with you and let you know what has happened.

Senator KAINE. Great. I appreciate that. Thanks, Mr. Chair.

The CHAIRMAN. Well, Mr. Secretary, thank you for the breadth and scope of not only your answers, but your depth of knowledge just confirms once again the tremendous choice the President made.

There are a lot of other things we will hopefully discuss in the future continuing in our dialogue of course. We did not touch upon Afghanistan and Pakistan which are critical. But even issues that do not rise to those levels, issues like child care abduction cases and how we get other countries to respond.

I saw your response to the House committee on Camp Ashraf. I actually have different information that I would really like to share with the Department. I think there is a different set of views about the willingness of people if there is certain security. So some are big ticket items. Some maybe do not rise to that level, but they are very important to the people who are involved.

I appreciate the willingness and the constant flow of information with the Department. It has been excellent. And we look forward to continuing to work with you to ensure America's interest abroad.

With that, the record will stay open until close of business on Monday.

The CHAIRMAN. And this hearing is adjourned.

Secretary KERRY. Thank you, Mr. Chairman.

[Whereupon, at 11:49 a.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF SECRETARY OF STATE JOHN F. KERRY TO QUESTIONS SUBMITTED BY SENATOR ROBERT MENENDEZ

Question #1. Foreign Assistance Reform.—The need to update and reform the Foreign Assistance Act (FAA) is widely recognized. In a 2009 speech at the Brookings Institution, you highlighted the importance of this to our broader foreign policy objectives: “we need to streamline outdated laws . . . The last time the United States Senate authorized the FAA was the year I arrived in the Senate in 1985. That bill runs over 400 pages long and is full of confusing directives, reporting requirements, and procedural roadblocks. We need to ease those burdens so that the missions, and those on those missions, can get the job done.” Your proposed Foreign Assistance Revitalization and Accountability Act of 2009 as well as your draft Foreign Relations Authorization Act for 2010 and 2011 also included a number of elements to reform the FAA.

- Is it still your opinion that reforming the FAA should be a major administration priority, and are you ready to work with Congress to get this done in the 113th Congress?

Answer. We welcome efforts to modernize the Foreign Assistance Act in a manner that will better enable the U.S. Government to use all its tools and capabilities to provide assistance that furthers our foreign policy objectives, advances U.S. national

security, promotes peace, maximizes sustainable development results, and ensures America's leadership in the world. The Department of State and USAID stand ready to work with Congress on this important endeavor.

Question #2. Arming the Opposition.—During our hearing last week on Syria, we heard from Ambassador Ford that our current policy for Syria is to see a political solution. However, we were not able to get a clear explanation of what that political solution might be, and I remain concerned that there may be no political solution for this crisis and that extremists elements, with the help of Iran and al-Nusra—are filling in the political vacuum.

- Can you describe the political solution you are aiming for?
- Do you believe it is still realistic? Or has the time come to start looking at more military oriented options such as vetted arming and training the opposition?
- What confidence do we have that the assistance we are providing, including the more recently announced nonlethal aid to the armed opposition, is having a material impact on the ground?
- Is there specific support that we could be providing that would turn the tide?

Answer. We believe that the best way to end the Syrian crisis is through a negotiated political solution. The regime and its supporters will fight to the last person standing. To get to a sustainable peace, Syrians need a political solution that assures all citizens of their rights.

The opposition and members of the regime without blood on their hands must come together to negotiate a deal like the framework laid out in the Geneva communique. This framework—agreed last June by the permanent members of the United Nations Security Council, Turkey, and Arab League states—calls for a transitional governing body formed on the basis of mutual consent of the opposition and the Syrian regime to be given full executive powers and guide the country to elections.

This means that Assad, who has long lost his legitimacy and whom the opposition will never accept, will not play any role in that transitional governing body. If he is unwilling to decide that he should transfer executive authority, we will continue to find ways to pressure him to think differently about what lies in the future.

While this administration continues to take a hard look at every available, practical, and responsible means to end the suffering of the Syrian people, we do not believe at this time that it is in the United States or the Syrian people's best interest to provide lethal support to the Syrian opposition. The judgments we make must pass the test of making the situation better for the Syrian people and must also take into account the long-term human, financial, and political costs for us, Syria, and the region. We continue to believe that a political solution to the crisis is the best way to save the Syrian people further suffering and to avert further destruction of the country, for which the regime bears overwhelming responsibility.

As President Obama told the Syrian people in a recent message, "More Syrians are standing up for their dignity. The Assad regime will come to an end. The Syrian people will have their chance to forge their own future. And they will continue to find a partner in the United States of America."

We look forward to working with Congress throughout this process as we seek to protect the interests of the United States in the region and support the needs of the Syrian people in their struggle to create a free, stable, and democratic Syria.

Question #3. No-Fly Zone.—Last week, the committee held a hearing on U.S. policy toward Syria. One proposal for more forward-leaning engagement was the implementation of a no-fly zone "light," in which Patriot missiles would be deployed along the Turkey-Syria border with signals to the Assad regime that any Syrian military plane within 50 miles would be considered a threat and dealt with accordingly.

- What are your thoughts on such a plan of action?

Answer. While this administration continues to take a hard look at every available, practical, and responsible means to end the suffering of the Syrian people, we do not believe at this time that it is in the United States best interest to provide a no-fly zone. The President has not ruled out other options, which may be contemplated if the situation worsens and the policies we are pursuing now prove insufficient. We are conscious, however, of the significant risks and costs that could be involved in any military intervention.

These include: risks to U.S. military personnel; high risk of civilian Syrian casualties; U.S. intervention could undermine the unity of the opposition and the international community, both of which are deeply divided on the question of foreign military intervention; limited military actions may not have a decisive impact and could lead us down a slippery slope of escalating involvement and greater responsibility for the conflict and its aftermath; U.S. military action could undermine our efforts toward a negotiated transition and provoke a negative response by Russia;

U.S. military strikes could invite reprisal attacks against U.S. interests or allies in the region.

Contrary to some assertions made in the press, from a technical standpoint, Patriot batteries in Turkey could only provide very limited protection to very small areas inside Syria, which would not make a significant difference in nonregime controlled areas. Furthermore, the NATO deployment of U.S., German, and Dutch Patriot batteries in Turkey is for point defense against the threat posed by ballistic missiles; the batteries were provided and are configured accordingly. The express and sole purpose of this deployment is defensive, to protect Turkey and the Turkish people from missile threats.

Question #4. I remain very concerned about Iran's nuclear ambitions and was discouraged to see that Iran came to the most recent round of P5+1 talks with no more interest in reaching a real resolution than it has previously. The negotiations seem stuck, but Iran's nuclear program is moving forward.

- What steps is the U.S. Government planning to take to increase the pressure on Iran in response to the failure of the talks?
- What is your view of sanctions that would require the acceleration of significant reductions in petroleum purchases by foreign nations or that would limit Iran's access to its foreign currency reserves?

Answer. The United States will continue to increase the pressure on Iran as we seek a diplomatic solution to international concerns over Iran's nuclear program. We have built an international coalition to increase the economic and diplomatic pressure on Iran, and we will continue to use all existing authorities and pursue new measures to further isolate Iran.

We are committed to aggressively enforcing our existing authorities, and are considering additional measures that will support our ultimate goal of finding a peaceful solution to our concerns about Iran's nuclear program.

We robustly implement all sanctions legislation, and we are taking the necessary steps to implement the sanctions under the "Iran Freedom and Counter Proliferation Act" subtitle of the National Defense Authorization Act (NDAA) 2013. These sanctions, which come into effect in July, will send a further message to Iran that sanctions will intensify without progress at the negotiating table.

On February 6, 2013, amendments to section 1245 of NDAA 2012 went into effect. One aspect of these amendments requires the few remaining countries that import Iranian crude oil to keep the payments for those imports in bank accounts in the importing country. These countries all have significant trade imbalances with Iran, meaning that Iran does not have access to a significant amount of hard currency derived from its energy sector. Iran's mismanagement of its economy, combined with sanctions' impact, has sparked severe inflation in Iran and continues to drain its foreign currency reserves. We continue to work with our partners around the world to target Iran's access to foreign currency and continue to pursue reductions in Iran's crude oil exports.

Question #5. The budget for assistance to the Western Hemisphere decreased by approximately 15 percent from FY12 levels. There are countless reasons that we should be investing more in the relationships with our neighbors. Some of the nations in the region have among the highest homicide rates in the world and the trends of crime, insecurity, and narcotics trafficking are shifting and are increasing dramatically in Central American and the Caribbean. Insecurity disrupts markets in the region with a negative impact on markets in the United States.

- With these proposed sharp budget reductions, how do you plan to demonstrate that the Western Hemisphere is a priority in our foreign policy?

Answer. While the foreign assistance budget environment is difficult and constrained overall, the FY 2014 budget request aligns with our foreign assistance priorities, especially on citizen security, which accounts for half the total WHA request.

Our growing partnerships with increasingly capable regional leaders, combined with the hemisphere's economic success over the last decade, means that U.S. foreign assistance is not as needed in as many places as before.

In areas where our partners are increasingly capable, including Mexico and Colombia, we have been able to reduce our assistance. Most of the decrease is due to: nationalization of key programs in Colombia; a continued focus on training and other capacity-building assistance in Mexico, which tends to be less expensive and have broader impact than the donations of aircraft and equipment that characterized the initial phases of our programming; and the increased capability of the Colombian and Mexican security forces and rule of law institutions.

At the same time, we have increased assistance for the Central America Regional Security Initiative by 20 percent from FY 2012 to strengthen Central American

capacity to address rule of law challenges. Central America is where we see the greatest threats to U.S. and regional interests.

President Obama and I recognize that we share common values and global markets with the Western Hemisphere, which includes some of our largest trading partners, and we view the region as critical to our economic success and prosperity.

Question #6. Are the U.S. counternarcotics strategies in the Western Hemisphere conceptualized in a strategic way—is there an administration-wide counternarcotics strategy for the hemisphere?

Answer. The National Drug Control Strategy¹, coordinated by the Office of National Drug Control Policy, is the United States Government's multiyear inter-agency strategy to address narcotics. Our vision for implementing the strategy, as well as the National Strategy to Combat Transnational Organized Crime², is to enhance citizen security throughout the hemisphere in a coordinated effort to address all forms of crime and public insecurity. President Obama has recommitted the United States to practical partnerships in the Western Hemisphere that advance shared interests and protect U.S. citizens. This cooperative approach is based on a growing understanding of both emerging and traditional threats to the safety of our citizens. It is grounded in the recognition of a shared responsibility for addressing such challenges; the critical importance of political will, the rule of law, and effective institutions of governance; and common aspirations for secure, and prosperous societies.

Transnational threats, which often blur the lines among crime, narcotics trafficking, and terrorism, shape the way security is viewed. This creates a broader, more integrated view of security, which advances citizen safety while simultaneously countering emerging transnational threats and narcotics trafficking. This approach emphasizes greater reliance on the will, capacity, and cooperation of regional partners such as Mexico and Colombia. It also recognizes that transnational, local, and white-collar (e.g., corruption) crime are interconnected, requiring an integrated approach to combat them.

Our principal mechanisms for implementing this strategic vision for enhancing citizen security, the National Drug Control Strategy, and the Strategy to Combat Transnational Organized Crime are our citizen security initiatives: the Merida Initiative, Central American Regional Security Initiative, Colombian Strategic Development Initiative, and the Caribbean Basin Security Initiative. These initiatives are developed with our partners and are aimed at protecting citizens and strengthening the institutions responsible for ensuring citizen safety.

One mechanism to help ensure that these initiatives are effectively coordinated is the Executive Committee for citizen security in the Western Hemisphere. This interagency group is chaired by the WHA Principal Deputy Assistant Secretary and includes key interagency stakeholders in each of the initiatives, bringing them together periodically to discuss lessons learned, opportunities for enhanced implementation, and opportunities for coordination across the initiatives.

Question #7. What is the path forward in Venezuela following the contested elections? What will the U.S. Government do to ensure that democratic process prevails?

Answer. The close results of the April 14 Presidential elections in Venezuela demonstrated an evenly divided electorate and a highly polarized society. Given the tightness of the result—just over 1 percent of votes cast separate the candidates—the opposition candidate, Henrique Capriles, and one member of the electoral council called for a 100-percent recount of the results and a full investigation into alleged electoral irregularities.

The Venezuelan National Electoral Council (CNE) has the responsibility under the Venezuelan Constitution to make declarations certifying the results, but the CNE's decision to declare Maduro the victor before completing a full audit remains difficult to understand. The CNE did not explain its haste to take this decision.

Acting President Nicolas Maduro previously expressed his support on election night for an audit of 100 percent of the paper ballots. Our position, shared by the European Union, continues to be that a full recount and review of alleged irregularities would be important, prudent, and necessary in ensuring that the election met the democratic aspirations of the Venezuelan people.

We have noted the Venezuelan Government's obligation to respect the rights of Venezuelan citizens to peaceful assembly and free speech. We join others in urging all parties to refrain from violence and other measures—including threatened

¹ <http://www.whitehouse.gov/ondcp/2013-national-drug-control-strategy>.

² <http://www.whitehouse.gov/administration/eop/nsc/transnational-crime>.

arrests of political leaders and journalists—that could raise tensions at this difficult moment.

We continue to believe that resolving alleged voting irregularities and appropriately responding to the several calls for a recount would do much to ensure that the Venezuelan people feel included in this process and can be confident that their democratic aspirations are being met.

We have consulted and will continue to work with regional partners, the EU and multilateral fora, such as the Organization of American States, and partners in the Union of South American Nations, to call for calm and a rapid and transparent institutional response to the current political impasse.

Question #8. The FY14 budget requests \$15 million for democracy promotion in Cuba. I note that this is a reduction from historical levels of \$20 million. Given the significant increase in detentions and arrests on the island in the past year, what is the justification for decreasing assistance to civil society in Cuba?

Answer. The U.S. commitment to human rights and democracy in Cuba is strong. We will continue our robust program providing humanitarian support to political prisoners and their families, building civil society and expanding democratic space, and facilitating the information flow in, out, and within the island.

For FY 2014, we are requesting \$15 million, the same level of assistance we have deemed appropriate for the last three fiscal cycles. The request is based on our assessment of needs on the ground, and on-island and off-island capacity to carry out programs. In addition, the combined pipeline (FY09 to FY12) for Department of State and USAID implementers is about \$44 million, sufficient funding to carry out the purposes of the program over the next 3 years.

Question #9. One of the primary challenges in the Western Hemisphere is the erosion of democratic norms in select countries. Does the administration have a strategy through which they aim to strengthen democratic institutions and uphold rule of law in the Western Hemisphere?

Answer. The administration believes engagement is a vital tool for advancing U.S. objectives throughout the world, including in support of our efforts to strengthen democratic institutions and uphold the rule of law.

Our commitment to democratic ideals is rooted in the recognition that sustainable democracies must do more than just hold elections—now the norm throughout the hemisphere. Sustainable democracies demonstrate ongoing commitment to democratic institutions, freedoms, meaningful public participation in government, and the separation of powers. Some countries throughout this region have held open, democratic elections, but have subsequently taken steps to undermine the democratic process and restrict basic democratic freedoms, such as the freedom of speech and judicial independence. We view the situations in each country as distinct and separate, and we pursue our relationships with these countries on a bilateral basis.

We employ the full range of diplomatic and U.S. assistance tools available to support the rule of law and human rights in the hemisphere. We are working with governments to support people-to-people efforts to build vibrant civil societies, and promote accountability, the rule of law, independent and capable judicial systems, and respect for human rights. Our U.S. assistance investments strengthen citizen security and bolster democratic institutions in partnership with host nations. Our diplomats engage constantly with governments, addressing issues of democracy and rule of law both publicly and privately. In bilateral and regional meetings, we press all governments to fulfill their commitments under the Inter-American Democratic Charter and other international conventions and treaties to which they are signatories. For example, we have spoken out strongly, both in international fora and directly to governments, against corruption, lack of justice, and election irregularities in Nicaragua; against severe restrictions on civil society and freedom of expression in Venezuela; and in defense of press freedom in Ecuador and elsewhere. All of our human rights reporting, including certification in Colombia, documentation on human rights criteria in Mexico, and our annual country reports, promote the rule of law and accountable democratic institutions.

Weak rule of law institutions will continue to be at the center of the citizen security challenges. The inability of governments to uphold the rule of law and provide basic services to citizens will slow their efforts to improve citizen security, reduce inequality, and foster development. We will continue to work with governments as they strengthen their institutions and secure their cities, waters, remote regions, and vulnerable populations.

Question #10. The Accountability Review Board made several recommendations to help prevent future attacks against our diplomats. Secretary Kerry, you committed to full implementation of the ARB's recommendations. This budget is a good step

toward adequately resourcing embassy and diplomatic security in the future. It is incumbent upon Congress to provide the necessary resources and authorities to support those efforts. Anything less would be a breach of faith with our brave and dedicated diplomats and aid workers stationed abroad.

- Does this budget request funding necessary to fulfill overseas infrastructure needs as identified by the Accountability Review Board?

Answer. The Department's Capital Security Construction Program addresses overseas infrastructure deficiencies by constructing new embassy and consulate buildings, and implementing security upgrades. The Department has made progress by completing the construction of approximately 100 new diplomatic facilities, but the construction program is a multiyear effort. There are more posts that will need to be addressed.

The Accountability and Review Board (ARB) recommended a \$2.2 billion level for the Capital Security Construction Program. The FY 2014 funding request of \$2.2 billion addresses needs that can be executed during FY 2014. The Department will plan for and include future needs in subsequent budget requests.

The \$2.2 billion level recommended by the ARB will ensure the Department can continue to construct facilities at a pace equivalent to the pace when the program first began. New security enhancements will be incorporated into the security upgrade program and executed as either stand-alone projects or incorporated into larger projects.

Question #11. Can you give us an update on the implementation of the recommendations of the ARB?

Answer. The independent Benghazi Accountability Review Board (ARB) made 29 recommendations in key areas such as training, fire safety, staffing, and threat analysis. To hold ourselves accountable for implementation, we divided the recommendations into discrete tasks, and then assigned bureaus with these tasks and deadlines.

To date, the Department has taken action to substantially address all of the ARB's recommendations, insofar as resources and staff training cycles permit. Some of this work—such as enhancing language and security training or constructing facilities—requires a multiyear commitment. Others—such as expanding the presence of Marine Security Guard—require ongoing interagency cooperation and continued funding. In support of these efforts:

- The Department reviewed our presence and staffing footprint at high-threat posts; and established a High Threat Board to review our presence at high-threat, high-risk posts every 6 months.
- We are improving training for our employees headed to high-threat posts, and have expanded the number of posts where such additional security training is required.
- We surveyed fire and life safety equipment, and have procured needed equipment for posts.
- All posts performed a review of tripwires to determine if any had been breached in the past year. The Department developed and issued revised guidance on responding to tripwires, and established a Washington-based "Tripwires Committee" to review tripwires upon breach.
- With congressional support, we are creating 151 new DS positions; 113 are expected to be hired this fiscal year. The remainder will be hired in FY14.
- The Department is working with the Department of Defense, and the Congress, on increasing the number of Marine Security Guard Detachments deployed to U.S. diplomatic posts overseas.
- We developed a concept for "Support Cells" for opened/reopened posts; the process is being incorporated into the Foreign Affairs Handbook (FAH).
- The Department established a six-person panel to thoroughly review DS's organization and management structure; the panel has developed draft findings.

The Department will never be "done" when it comes to security. The stark fact is that we can never truly eliminate the risks that our diplomats and development experts face as they advance America's national interests abroad. But we must always be working to find ways to minimize that risk.

Following through on our progress will, of course, require continued support from the Congress. Your support for our FY 2013 funding request to enhance embassy security—as recommended by the ARB—has been invaluable. To truly address the findings of the ARB, we hope Congress will continue to be a partner, in terms of providing resources and oversight. The FY 2014 budget requests the resources necessary to carry on this important work.

Question #12. Mr. Secretary, you and the President have traveled to Israel and the Palestinian Territories in a renewed effort to build momentum toward rekindling the Peace Process. We learned a few days ago that Prime Minister Salam Fayyad, a moderate Palestinian politician who the United States and Israel consider a valuable partner, submitted his resignation after some infighting within the Palestinian Authority.

- In your assessment, where are we in terms of prospects for bringing the two parties together in direct bilateral talks?
- How concerned are you that the Palestinians might go back to the United Nations or the ICC in the coming months?
- Has the message been delivered to them that such a move could have serious consequences?

Answer. The United States is committed to the goal of two states living side by side in peace and security. We remain clear that only through direct negotiations without preconditions between the parties can the Israelis and Palestinians address all permanent status issues and achieve peace that both deserve: two states for two peoples, with a sovereign, viable, and independent Palestinian state living side by side in peace and security with a Jewish and democratic Israel. That remains our goal.

We will continue to build on the commitment President Obama reaffirmed in Jerusalem in March. At President Obama's request, I am engaged in personal diplomacy with the leaders on both sides to find an opening for renewed direct negotiations. We will not necessarily provide the details of every meeting every step of the way, but we are still listening—and we will continue to listen—to the issues of concern to Israelis and Palestinians.

I am not aware of any currently pending efforts by the Palestinians to seek membership as a state in additional international organizations. I am concerned that pursuit of Palestinian membership as a state in international organizations will drive the parties further apart and risk hard-won progress in building Palestinian institutions. There is simply no substitute for direct negotiations.

The United States will continue to oppose unilateral actions in international bodies or treaties that circumvent or prejudge the very outcomes that can only be negotiated between the parties. And, we will continue to stand up to every effort that seeks to delegitimize Israel or undermine its security.

We will continue to consult closely with our international partners to make clear our firm opposition to one-sided actions against Israel in international fora. Further, we will continue to urge all parties to avoid any provocative actions that circumvent or prejudice outcomes that can only be negotiated, including Palestinian statehood.

The administration is seeking a waiver to allow the discretion necessary to continue to provide contributions that enable us to maintain our vote and influence within the United Nations and its specialized agencies, if the President determines that doing so is important to our national interests, and to remove from the Palestinians or their allies any ability to force a contribution cutoff and diminish our influence within these agencies.

Without a national interest waiver our ability to conduct multilateral diplomacy and pursue U.S. objectives will be eroded, and our standing and position in critical U.N. agencies will be harmed. As a result, our ability to defend Israel from unfair and biased attacks in the United Nations will also be greatly damaged.

Question #13. The transition to democracy in Egypt is marked by significant obstacles, a floundering economy, ongoing political protests, and parliamentary elections that keep getting postponed.

- What is the current focus of our bilateral engagement with Egypt? Do we need to reevaluate the balance of military and economic assistance to Egypt in an effort to reform it to reflect new realities?

Answer. Our bilateral engagement with Egypt is focused on serving the U.S. national interests of promoting regional peace and security, ensuring regional stability, and encouraging economic, democratic, and security sector reforms to help shape and advance Egypt's democratic transition. It is in our interests to have an economically and politically stable and democratic Egypt.

We have consistently made clear to the Egyptian Government that the United States supports the establishment of an inclusive and lasting democracy in Egypt that protects the universal rights of all Egyptians, including women and religious minorities. We are concerned by the ongoing political impasse and we are pressing President Morsy to build greater consensus and protect universal human rights, while also encouraging the opposition to participate in dialogue and political processes. It is also vital that Egypt have a stable economic foundation in order to help

build democratic institutions and meet the economic needs of its growing population. We continue to urge the Egyptian Government to implement economic reforms and come to an agreement with the IMF.

The budget request reflects our current military and economic assistance needs. Our security assistance has been critical in maintaining Egypt's partnership with the United States in advancing the cause of Middle East peace, meeting its treaty obligations with Israel, implementing critical counterterrorism and nonproliferation initiatives, and supporting our regional operations. Our economic assistance is a key component of U.S. engagement in support of the democratic transition and providing economic opportunities for all Egyptians, as demonstrated by the administration's \$1 billion commitment announced in May 2011. Our robust economic assistance programs are already helping to promote democratic principles and civic participation, educate Egyptian youth, improve the business climate, promote advances in science and agriculture, and achieve key health outcomes.

Question #14. I took my first trip as chairman to Afghanistan and Pakistan because I believe this region remains critical to our national security interests. The region is in transition with historic elections just weeks away in Pakistan and planning for 2014 elections underway in Afghanistan. Like you, I believe the political transition in Afghanistan is the most important milestone for the region. The results of the election will either consolidate the gains we have made the past decade or undermine them and threaten future international support.

- Please describe the administration's thinking with regard to the elections in both countries and how the United States can best support a successful transition.

Our relationship with Pakistan has been rocky these past couple of years, despite efforts to build a strategic partnership based on mutual interests and trust. Efforts such as the historic Kerry-Lugar-Berman aid legislation, which you authored, have faced an array of political and implementation problems.

- What is your vision for improving this relationship, and how can Congress best support this effort given all the challenges we face?
- Please describe proposed civilian staffing levels in Afghanistan (both in Kabul and in the field) for FY 2014. How do these levels compare to previous years?
- What steps is the Department taking to bolster Embassy security in Afghanistan? How much will be spent on embassy security in FY 2014, and for what purposes?

Answer. The 2014 Presidential election in Afghanistan will be a defining moment in the overall transition process and will set the trajectory for Afghanistan's stability and that of the region beyond 2014. A peaceful transfer of authority will send a strong and reassuring signal to Afghans and the region that Afghanistan's democratic system and institutions are an enduring reality.

Ultimately this election belongs to the Afghans. Our role is to support a fair and inclusive electoral process and encourage Afghans to reach a unifying, widely accepted outcome. The United States will not support any particular candidate.

We are providing significant financial and program assistance to help Afghans build credible and independent electoral institutions. We emphasize expanded voter participation, particularly for women, and ensuring the independence of the election commission, an independent complaints commission, and consultative procedures for commissioners. We engage intensively with Afghan officials, civil society, and political leaders to support their efforts. We coordinate closely with the United Nations and other donors on training, public information campaigns, fraud mitigation, domestic observation efforts, and improved ways to identify eligible voters.

Afghan Government and election officials, political players, and civil society understand that an inclusive electoral process is critical to Afghan stability, as well as to sustaining international commitments to Afghanistan. Key political leaders from major factions have been meeting to seek consensus on how elections should be conducted, who should run and on what platform, and how to ensure that influential political factions respect the result. We support efforts to coalesce around common interests through a political process, to preclude conflict that could threaten the viability of Afghanistan's young democracy.

An urgent priority is enacting legislation to lay a lasting foundation for a credible electoral process. We are encouraging consultations between all stakeholders regarding draft laws currently under consideration. We are urging Parliament and President Karzai to move quickly on enacting legislation and making key appointments to maintain momentum in election preparations.

Pakistan's national elections in May 2013 were a historic occasion: This is the first time since Pakistan's founding in 1947 that a civilian government has com-

pleted its term and transferred power democratically to another civilian government. The National Democratic Institute's Election Observation Mission called the election a "victory for democracy" in spite of extremist attempts to disrupt the polls. Following the May 11 vote, the Secretary stated that "these national and provincial assembly elections mark a historic step in Pakistan's democratic journey. The Pakistani people stood up resiliently to threats by violent extremists. We'll be working with the new government to advance shared interests including a peaceful, more prosperous and stable future for Pakistan and the region."

The State Department and USAID provided targeted assistance to support an improved election process in Pakistan. The U.S. Government funded the National Democratic Institute's observer mission, which includes 28 short-term observers and 10 long-term observers. We also supported the Free and Fair Election Network, a Pakistani NGO, to train up to 40,000 local election observers. Additionally, we supported an innovative program on election information management, which included a web-based system that allows election monitors to text and track polling station results, and to document election irregularities.

We have made our position clear throughout the election period: The United States supports a credible democratic process, and not any particular candidate or party. Months of concerted effort has effectively repaired our working relations with the Pakistani Government, which had sunk to a low point during 2011–2012. Very serious challenges immediately confront Pakistan's newly elected leadership, and we stand ready to work with the new government to continue building our relationship and advance our mutual interests.

Our civilian staffing levels in Afghanistan are decreasing. Our military and civilian field presences are drawing down as our military platforms are being closed. Our plan is to consolidate our civilian presence at our enduring presence locations; we are awaiting White House guidance on what the shape and scale of our civilian mission will be.

The decrease of civilian staffing levels in Afghanistan will reduce the challenge of securing our people and facilities, although the corresponding decrease in International Security Assistance Forces will limit possible U.S. military responses to threats outside the scope of the Department's internal security capabilities. The Department uses a wide array of security personnel, technical and physical security countermeasures, and threat analysis to ensure staff located at Department facilities in Afghanistan are well protected. Department security measures are continually reviewed at post and in Washington based on the threat situation and are upgraded as appropriate.

The President's FY 2014 budget request includes \$643.8 million within the Worldwide Security Operations account for security operations in Afghanistan. This funding will support local guards, movement security teams, physical and technical security operations, and support costs for regional security officers serving in Afghanistan.

It should be noted that while this funding will support security operations, it is separate from funding appropriated under the "Embassy Security, Construction, and Maintenance" (ESCM) account, which is responsible for providing U.S. diplomatic and consular missions overseas with secure, safe, and functional facilities to assist them in achieving the foreign policy objectives of the United States.

Question #15. I am concerned about the proposed \$151 million increase in the INCLE account for FY 2014, given the lack of robust metrics or assessment tools to measure the success of our justice sector programs and problems supporting rule of law in Afghanistan.

- Please describe how FY 2014 INCLE funds will be spent and what steps the Department will take to improve evaluation, accountability, and ensure funds are well spent.

Answer. The FY 2014 request reflects needs across all International Narcotics and Law Enforcement (INL) programs in Afghanistan. In FY 2014, we will continue our range of counternarcotics and corrections programs—as well as our engagement with the Afghan justice sector—including government institutions, civil society, and legal education. Our programming will remain focused on transforming donor assistance projects into sustainable initiatives led by Afghan institutions and organizations.

The Department recognizes that, in order to effectively manage INL programs and evaluate their broader value, we must develop and maintain standardized and flexible tools to collect program performance data and track how each of these projects contributes to broader INL, Department, and U.S. strategic objectives. Even in an extremely complex and insecure environment like Afghanistan, we find creative

solutions for project monitoring that lead to better program performance, such as joint project oversight between INL and international organizations.

Our basic oversight framework requires regular and consistent reporting from INL implementing partners, complemented by additional monitoring and evaluation tools—such as Performance Management Plans (PMPs). Under each PMP, all data requested by INL about a program is aligned with broader strategic goals to help program managers regularly evaluate if, how, and to what degree our initiatives help achieve core U.S. objectives. These PMPs gather a wide range of quantifiable data supplemented by qualitative reporting, and will be compared to independently gathered impact data. These tools allow us to change our programs for the better and ensure their strategic value.

INL does not implement a “one size fits all” approach to program management. Instead, the monitoring and evaluation framework varies by program. Data collection tools and reporting requirements are tailored to the implementing partner’s strengths and weaknesses, INL’s particular information needs, and our desired outcomes. For example, for complex initiatives with the societal depth and breadth of the Justice Sector Support Program (JSSP) and the Corrections System Support Program (CSSP), larger scale research is conducted to craft an accurate picture of change. In programs more centered on increasing the capacity of individual leaders, such as our LLM and Ph.D. initiative for Afghan law faculty, we gather basic data on participation, but we rely more heavily on qualitative narrative reporting and interaction with Afghan alumni to understand the long-term impact of our support and to make nuanced changes to the program design. In our work with civil society, we focus not only on the organization’s fulfillment of project goals, but also on its ability as an organization to function effectively now and into the future.

While it is often challenging in Afghanistan to link program activities to broader institutional and societal change, INL systematically collects and uses project-specific and impact-level trend data through a variety of commissioned and free sources in order to achieve this goal. When projects demonstrate sustained and positive change, we apply any relevant lessons to other projects. When the data indicate that operational problems exist, we modify our programs accordingly and intensify our oversight relationship. For example, we de-scoped regional legal training work from a contractor-supported program when security risks and Afghan laws regarding private security companies inhibited our movement. We then entered into an agreement with an international organization with a more nimble and province-based profile to carry on the work and eventually turn it over to the Afghan Government. If program performance data indicate that INL is on the wrong track, we de-scope the work and either find better alternatives for implementation or terminate unsuccessful projects. For example, when regular narrative reporting in 2009–2010 by INL’s implementing partner for the Counter Narcotics Advisory Teams (CNAT) demonstrated that the program, as designed, was not effectively transferring public outreach and drug supply reduction skills to the Afghan Government, INL terminated the contract. All INL programs have rigorous reporting requirements.

Question #16. What is the status of the Mutual Accountability Framework that was signed last July in Tokyo? Please describe the reforms the Afghan Government has taken since the Tokyo conference to meet its commitments and steps that remain.

Answer. The Tokyo Mutual Accountability Framework (TMAF), as agreed at the July 2012 Tokyo Conference on Afghanistan, remains the basis for a coordinated effort by the international community to promote necessary reforms by the Afghan Government.

To provide a roadmap for what is expected of the Afghan Government, the TMAF is also more explicit than previous documents in specifying the goals and indicative Afghan reforms that the government and the donors agree should be achieved. These cover five areas: (1) Representational Democracy & Elections; (2) Governance, Rule of Law & Human Rights; (3) Integrity of Public Finance and Commercial Banking; (4) Government Revenues, Budget Execution and Subnational Governance; and (5) Inclusive & Sustained Growth and Development.

In these areas, the TMAF seeks to establish a narrow, prioritized set of actions that the Afghan Government agreed to undertake. This set of actions draws from the IMF’s own ongoing engagement and the many Afghan commitments, many of which are still unfulfilled, that were included in previous Afghan-donor communiqués, such as London and Kabul (2010).

Donors, including the United States, have emphasized the importance of implementation of all TMAF goals. However, in the context of the ongoing political, security, and economic transitions, we have focused in particular on reforms required

to support the 2014 elections, combat corruption, strengthen domestic revenue collection, and protect the rights of women and girls.

As called for in the TMAF, donors will meet on July 3 in Kabul at the level of senior officials to assess progress to date and plan for continued constructive cooperation. We expect the Afghan Government to produce a progress report for that meeting, which will detail its progress thus far on critical reforms. In addition, international donors will outline steps to increase the percentage of assistance provided through the government's financial systems, as part of the mutual accountability framework. We will make this report and other outcome documents from the July meeting available to the committee.

Since last July, Embassy Kabul, in coordination with other key donors, has organized a series of engagements with the Afghan Government to promote the steps called for in the five areas outlined in the TMAF. There has been noticeable progress in some areas, though significant work remains.

To date, we note important progress in some areas, including the publication of an elections timeline, as well as the presentation of an operations plan by the Independent Elections Commission (IEC) for Presidential and Provincial Council elections, released to donors 1 year prior to the scheduled elections. The IEC has also sent the proposed list of polling centers to the securities ministries, providing time for security coordination. In addition, the Cabinet has approved for submission to Parliament a number of critical draft laws, including the Value Added Tax (VAT), the Minerals Law, and the Banking Supervision Law.

The indicators enumerated in the TMAF were not intended to be completed in a single year, and were structured to provide evidence of Afghan progress toward the larger, agreed goals in each area. After the July 3 meeting to assess progress, the TMAF calls for a meeting at the ministerial-level following elections in 2014. This post-elections meeting will reassess resource requirements moving forward.

Question #17. There are more than 2.7 million Afghan refugees that have fled their war-torn country. When Afghan refugees return to their country, 78 percent of returnees do not have access to sustainable self-reliance and livelihood activities. The U.N. Consolidated Appeal for Afghanistan has received less than half the resources necessary to respond to the humanitarian crises.

- What is the administration's strategy for dealing with the significant humanitarian needs in Afghanistan?
- With the significant decrease in the Migration and Refugee Account in the FY 2014 request, how will you support the needs of the millions of Afghan refugees living in neighboring countries?

Answer. The United States is the leading donor for humanitarian assistance to victims of the Afghan conflict. In FY 2012, this assistance included over \$89 million from the State Department's Bureau of Population, Refugees, and Migration (PRM) to the U.N. High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), and nongovernmental organizations (NGOs) to support Afghan refugees, returnees, and IDPs. State/PRM's obligations to date in FY 2013 include over \$24 million in assistance to Afghan refugees regionally.

The majority of this assistance is provided through UNHCR, in support of the Solutions Strategy for Afghan Refugees (SSAR), which seeks to protect existing asylum space in Pakistan and Iran while creating the conditions in Afghanistan for successful, sustainable returns. PRM provided \$47.6 million to UNHCR in FY 2012 in response to its regional appeal for Afghan refugees; in FY 2013, PRM's initial contribution to UNHCR for its regional appeal for Afghans was \$11.92 million.

In FY 2012, State/PRM also provided over \$16 million to NGOs in Afghanistan and Pakistan for programming in areas such as vocational training and the creation of sustainable livelihoods, water and sanitation, the prevention of gender-based violence, primary education, and health care. PRM is concluding the competitive process for FY 2013 NGO programming, and anticipates continuing to significant support to Afghan refugees through our NGO partners this fiscal year.

As a matter of policy, State/PRM believes that the ability to protect and provide services to women and girls among the populations we serve is a definitive measure of our effectiveness. PRM is committed to strengthening practices and policies that will prevent and respond to gender-based violence, both in crises and in protracted situations such as in Afghanistan and Pakistan. We will continue to collaborate with our international and nongovernmental organization partners in that effort.

In addition to supporting assistance programming, the State Department has sought to build the capacity of the Afghan Government to effectively deal with humanitarian issues and thus reduce reliance on the international community. As such, State/PRM funded the first year of a multiyear capacity-building program for

the Ministry of Refugees and Repatriation (MoRR), implemented through the International Organization for Migration (IOM).

Beyond Afghanistan, we will continue to engage with the Government of Pakistan on continued protection and the preservation of asylum space for Afghan refugees. In particular, the issue of Proof of Registration (POR) cards, which allow Afghan refugees to reside legally in Pakistan, will remain a focus of our humanitarian diplomacy efforts once Pakistan completes its May 2013 election and a new Pakistani Government has been established.

Question #18. Please provide the committee with an update on the Afghanistan Infrastructure Fund (AIF), including sustainability plans for all programs.

Answer. The Department of State, U.S. Agency for International Development (USAID), and the Department of Defense continue close coordination to ensure the effective and sustainable use of Afghanistan Infrastructure Funds. To date Congress has appropriated \$1.125 billion for the Afghanistan Infrastructure Fund (FY 2011: \$400 million, FY 2012: \$400 million, FY 2013: \$325 million) to support 10 initiatives, comprising 13 individual projects, including efforts to rehabilitate and expand the Northeast and Southeast Power Systems (NEPS and SEPS). In the coming weeks the Department of Defense, in coordination with the Department of State, will request AIF resources for FY 2014 to further support the overarching objectives of the AIF, which are to support the U.S. counterinsurgency strategy, the Civ-Mil Strategic Framework, and the infrastructure priorities outlined in Afghanistan's National Priority Programs. The goal of AIF is to lock in the economic and stability gains of the last 10 years and provide Afghanistan with a foundation for internal economic growth that is less reliant on external aid. To date, more than \$717 million of the available \$800 million in FY 2011 and FY 2012 AIF funding has been obligated. All FY 2011 projects are under contract and the two remaining FY 2012 contracts are expected to be awarded within the next month. Over the last year, adjustments were made in response to unforeseen cost increases—funds were realigned within the program and several projects were split into phases. All changes have been notified to Congress and briefed to the appropriate committees.

We are making every effort to ensure projects supported by the AIF are sustainable in the long term. It is worth noting, however, that the Kandahar Bridging Solution—which provides short-term stabilization and has fueled economic growth in the Kandahar region—was not intended to be sustained. It is a temporary counterinsurgency initiative designed to improve security and jump-start economic activity until long-term sustainable power projects, including the NEPS–SEPS connection and the rehabilitation of Kajaki Dam, are complete. Sustainability plans include extensive work by USAID to improve the commercial viability of the Afghan National Electricity Utility, Da Afghan Breshna Sherkat (DABS). USAID recently signed an agreement with DABS for the Power Transmission Expansion Connectivity Project, which includes commercialization activities and the AIF-funded Kabul to Ghazni transmission line. DABS has since issued tenders for these two activities; awards expected in late summer. In addition, USAID is working with the International Finance Corporation on a design for an on-budget management contract under PTEC to improve the revenue collection and service delivery of DABS Kandahar. This project is funded by ESF but complementary to the AIF-funded projects in Kandahar.

Question #19. Please explain why the Department and USAID decided to turn over the installation of Unit 2 at Kajaki Dam and the Power Transmission Expansion and Connectivity Program to the Afghan Government as on-budget assistance, given the many difficulties the United States has had in completing this project over the past years. Are we handing over programs to the Afghans such as this that are likely to fail?

Answer. We made the decision to shift the management of the Kajaki turbine installation project to the Afghan Government because we believe the relevant Afghan institutions are capable of completing the project in a cost effective, sustainable, and timely manner. Furthermore, Afghan management of the project will leverage the increased capacity of the Afghan Government to take on responsibility for its own economic and social development, a critical component to the sustainment of the country's development progress. We have not changed our plans with regard to the Power Transmission Expansion and Connectivity Project since our plan was always to conduct this project on-budget. Afghan management of these two projects is a positive reflection of Afghan leadership and its increased capacity. Our initial assessment is that it will be more effective and efficient to have DABS, the Afghan national electric utility, manage this project with continued technical and managerial support as needed. We made the decision to shift the implementation mecha-

nism of the Kajaki project to on-budget assistance through the Afghan Government after it successfully completed a number of increasingly complex projects including other rehabilitation work on the turbines at the Kajaki dam. In addition, DABS has shown impressive progress in both operational and managerial capacity: doubling its year-on-year revenues while increasing overall power distribution.

Question #20. Please describe the Department's strategy to address rising opium poppy cultivation levels for the third consecutive year. Please explain why our counternarcotics programs in Afghanistan are not having strategic impact in breaking the links between narcotics and the insurgency and significantly reducing the support the insurgency receives from the narcotics industry.

Answer. The Department's counternarcotics programs in Afghanistan are focused on achieving long-term, lasting results through a blend of sustainable alternative development, demand reduction, eradication, public awareness and engagement, and interdiction programs. These efforts—along with complementary efforts by other U.S. agencies, the Afghan Government, and coalition partners—have contributed to a net reduction in opium poppy cultivation of 20 percent since its peak in 2007. Seventeen of thirty-four Afghan provinces are poppy-free and tens of millions of dollars in revenue have been denied to the insurgency. Ninety-five percent of poppy cultivation in Afghanistan remains concentrated in a small number of provinces where governance, security, and development remain broader challenges. Over the past 2 years, economic insecurity, high opium prices, credits by traffickers, and low yields from previous years have encouraged some farmers to plant more poppy. Success in countering poppy cultivation requires a continued effort throughout the country. Sustainable reductions in poppy cultivation are possible over time with comprehensive efforts to lift rural incomes, provide licit alternatives and access to markets, increase security, and enforce the law.

Recognizing the need for a comprehensive evaluation of current counternarcotics efforts, the U.S. interagency developed a new U.S. Counternarcotics Strategy for Afghanistan, which the National Security Staff Deputies Committee approved in January 2013. The strategy has two overarching goals—(1) strengthening the Afghan Government's capacity to combat the drug trade as a critical element of securing and sustaining transition in broader stability and security matters, and (2) countering the link between narcotics and the insurgency and disrupting drug-related funding to the insurgency through and beyond the security transition.

This strategy focuses on building the capacity of the Ministry of Counter Narcotics (MCN), Ministry of Interior (MOI), Ministry of Public Health (MOPH), the Attorney General's Office, and other relevant Afghan entities to carry out counternarcotics programs. Equally important, the U.S. Embassy will continue to raise counternarcotics issues at the highest levels with Afghan Government officials and encourage the political will to take action at both the national and provincial levels, with a concrete objective of integrating counternarcotics planning and priorities into all relevant aspects of the Government of the Islamic Republic of Afghanistan's (GIROA) National Priority Programs.

The drug trade's negative impact on GIROA's ability to govern effectively is a strategic threat to U.S. Government policy and goals in Afghanistan. Enabling GIROA to independently combat the narcotics trade, with gradually increasing degrees of responsibility and ownership, will help foster an enduring United States-Afghan partnership for the long term and reinforce broader U.S. security goals in the region. This holistic approach is necessary to ensure hard-fought gains are not reversed and to achieve long-term, sustainable results in combating the Afghan narcotics trade.

Question #21. Given the approximately 14-percent reduction to civilian assistance in the FY 2014 request for Pakistan, please provide the committee with detailed descriptions of which programs will be cut and how the cuts will affect programs?

Answer. Our FY 2014 request reflects our recognition of budgetary and implementation constraints, while maintaining substantial levels during a critical period—as we transition out of Afghanistan. Our civilian assistance to Pakistan remains focused on five priority sectors: energy; economic growth, including agriculture; stabilization; education; and health. The 14-percent reduction in civilian assistance from FY 2012 factors in reductions to the education, health, economic growth, and stabilization sectors.

The largest reductions are in the education and health sectors, resulting in 58 percent and 30 percent decreases from FY 2012, respectively. While our assistance in these sectors is important to Pakistan's economic growth, health outcomes, and service provision—we front-loaded our investments in education and health and narrowed our portfolio of programs within each sector to maximize impact. Our reduc-

tions to the economic growth and stabilization sectors—20 percent and 13 percent respectively—reflect efforts to streamline the program, while enabling the continuation of critical investments in border security, infrastructure, law enforcement, and programs that support entrepreneurship and alternative livelihoods.

Question #22. Please describe proposed civilian staffing levels in Pakistan (both in Islamabad and in the field) for FY 2014. How do these levels compare to previous years?

Answer. In 2009 and 2010, Mission Pakistan experienced over 30 percent growth in authorized positions from the previous year, primarily due to growth by the Department of Defense and the U.S. Agency for International Development. In 2011 the rate of growth declined and by 2012 staffing growth had leveled off.

There are currently just over 700 authorized positions in Pakistan. The Embassy and the Washington interagency are in the process of conducting a rightsizing study; initial work on the study seems to indicate that we are likely to maintain a substantial presence in the coming years, but our rate of growth will be modest.

Question #23. What steps is the Department taking to bolster Embassy security in Pakistan? How much will be spent on embassy security in FY 2014, and for what purposes?

Answer. The Department is bolstering Embassy security in Pakistan by augmenting the Regional Security Office with DS Special Protective Security personnel who provide protection for personnel under Chief of Mission (COM) authority. The Department is also deploying additional low-profile armored vehicles for use within the country.

The President's FY 2014 budget request includes \$49.8 million within the Worldwide Security Program account for security operations in Pakistan. This funding will support local guards, movement security teams, physical and technical security operations, and support costs for regional security officers serving in Pakistan.

It should be noted that while this funding will support security operations, it is separate from funding appropriated under the "Embassy Security, Construction, and Maintenance" (ESCM) account, which is responsible for providing U.S. diplomatic and consular missions overseas with secure, safe, and functional facilities to assist them in achieving the foreign policy objectives of the United States. Physical security upgrades are being constructed in Karachi, Lahore, and Peshawar.

Question #24. How much money will be spent on cross-border programs between Afghanistan and Pakistan in the FY 2014 request? Please describe the programs.

Answer. The United States continues to use diplomatic and foreign assistance resources to promote a range of constructive cooperation between Afghanistan and Pakistan to support the stability and economic growth of both countries. Given the importance of regional integration, we anticipate substantial civilian assistance resources for cross-border programs between Afghanistan and Pakistan, including standalone projects to promote cooperation and subactivities within broader programs such as market access support within agricultural development projects. For example, a significant portion of USAID's Trade program in Pakistan supported cross-border activities with Afghanistan; this program was funded at \$6.5 million in FY 2012, and we anticipate similar funding in FY 2014. This program and a similar project in Afghanistan work to enhance economic integration and trade flows between the two countries, including improved implementation of the Afghanistan Pakistan Transit Trade Agreement (APTTA) and potential expansion of the current agreement to include other countries in the region. Funding will also help to finalize customs notifications procedures and capitalize on recent progress on issues that were until recently the greatest bottlenecks to APTTA implementation: bank guarantees for trucks, tracking devices, and customs-to-customs information-sharing.

Funds will be used to improve trade logistics by reducing barriers to trade such as informal checkpoints and will provide technical support for meetings of South Asian Free Trade Area (SAFTA) and the South Asian Association for Regional Cooperation. The United States will also help Afghanistan advocate for the expansion of the number of items eligible for special rates under these agreements. For FY 2014, the United States will also likely continue to assist the Afghan Government in processing the ratification of the SAFTA South Asian Agreement on Trade in Services and finalizing the service market access agreement offers.

In Pakistan, the United States is funding the construction and rehabilitation of roads on the Afghanistan-Pakistan border, which contribute substantially to the economic integration of the region; these roads also enhance stabilization by facilitating access to border areas by Pakistani security forces and civilian law enforcement. To date, between USAID and the State Department, U.S. assistance has funded 650 km in roads throughout the Federally Administered Tribal Areas (FATA) and Khy-

ber Pakhtunkhwa (KP) province. Our assistance is currently undertaking reconstruction of the Peshawar-Torkham highway, and we hope to fund similar rehabilitation of the Kalat-Quetta-Chaman road; the roads are two of the major transit routes between Afghanistan and Pakistan. In FY 2012 the United States dedicated \$100 million to border road construction and we estimate similar funding in the FY 2014 request.

In addition, we are exploring the possibility of sponsoring cross-border financial investigation training to improve Afghan and Pakistani capacity to detect and deter illicit financial transaction across their borders and improve bilateral coordination.

Question #25. How much money remains in the pipeline for Pakistan for FY 2009 through FY 2013?

Answer. We acknowledge the large pipeline and are addressing it, as reflected in our FY 2014 request, which is a 36-percent reduction from FY 2012. We maintain that robust levels of assistance are important for our long-term interests in Pakistan and the region, particularly during this critical transition period.

From FY 2009 to FY 2012 we allocated approximately \$4.8 billion in civilian assistance and \$2.6 billion in military assistance to Pakistan. As we are currently working on the 653a report for FY 2013, we do not yet have country allocations for that fiscal year. Approximately 88 percent of civilian assistance allocated has been obligated, and of that amount \$1.8 billion remains to be expended. USAID also recently completed an extensive analysis of its implementation mechanisms; total expenditures in the first half of FY 2013 increased by 40 percent over the prior two quarters in FY 2012, and program implementation is expected to accelerate further in FY 2014. For military assistance, approximately 73 percent has been obligated, and of that amount \$719 million remains to be expended.

Question. During your Asia trip last week you mentioned that the United States should consider diplomatic engagement with North Korea at the “appropriate moment” and under appropriate circumstances.

- Could you share with us your sense of what might constitute an appropriate moment and the appropriate circumstances?

Answer. We have made clear our openness to authentic and credible negotiations with North Korea, but North Korea must take meaningful steps to abide by its commitments and obligations related to the denuclearization of the Korean Peninsula. We will not reward North Korea simply for the absence of bad behavior nor will we accept North Korea as a nuclear state. If North Korea wants to join the international community as a responsible member, it needs to refrain from actions that threaten the peace and stability of the Korean Peninsula and Northeast Asia and comply with its commitments in the September 2005 Joint Statement of the Six-Party Talks and its obligations under relevant United Nations Security Council resolutions to abandon all nuclear weapons and existing nuclear programs.

North Korea’s choice is clear. Concrete steps toward denuclearization can lead to a path of peace, prosperity, and improved relations with the international community, including the United States. As he has said many times, President Obama came to office willing to offer his hand to those who would unclench their fists. The United States is prepared to sit down with North Korea to negotiate terms to implement the commitments that North Korea has made. But if Pyongyang instead continues to choose to defy its commitment to denuclearization and continues to engage in destabilizing provocations, it will face further international isolation.

Question #27. PEPFAR and our other global health programs have been among our most successful foreign policy initiatives in years. They have saved and are saving millions of lives. Congress last formally reauthorized PEPFAR in 2008. The Institute of Medicine recently released a report that highlighted the many successes of PEPFAR and, unlike a similar assessment in 2007, did not point out the need for statutory reforms.

- In your opinion, are statutory changes needed to sustain or improve our AIDS, TB, and malaria programs? If so, what are they?
- Are there elements that will expire without specific reauthorization that should be continued through some legislative vehicle?

Answer. The authorities to conduct assistance programs to combat HIV/AIDS, tuberculosis and malaria under the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (the Leadership Act), and pursuant to the amendments to the Foreign Assistance Act made by the Leadership Act, will not lapse in 2013. These authorities remain in effect as permanent law, and as long as the annual appropriations act appropriates needed funds for assistance, program activities will be able to con-

tinue unaltered. While a limited number of provisions in the Leadership Act will sunset after 2013, this should not affect the ability of the Office of the U.S. Global AIDS Coordinator, housed at the Department of State, and its implementing agencies to carry out assistance related to HIV/AIDS. USAID will also not be affected in its ability to carry out assistance to combat tuberculosis and malaria.

Question #28. In December 2011, the United Nations and the Government of Iraq (GOI) signed a Memorandum of Understanding to facilitate the safe and orderly transfer of Camp Ashraf residents to Camp Liberty. The relocation of the residents has successfully taken place, but concerns about their safety remain, especially in light of the fatal rocket attacks on Camp Liberty in early February 2013.

- How is the U.S. Government engaging the GOI to ensure that it provides a safe and secure environment for the residents at Camp Liberty while they are processed by the U.N. refugee agency and await possible resettlement?

Answer. Following the February 9 rocket attack targeting Camp Hurriya, the Government of Iraq has taken steps to enhance security in and around the camp. We continue to urge the government to take all possible measures to ensure the safety of Camp Hurriya residents. The United Nations Assistance Mission for Iraq (UNAMI) and the GOI are trying to work with the MEK camp leadership on security enhancements and we continue to firmly support the many efforts of the GOI and UNAMI in this endeavor. Since the attack, UNAMI reports that over 250 bunkers and nearly 600 small T-walls have been delivered to the camp and other security measures have been put into place. As we have seen from other terrorist incidents, no amount of physical structures can guarantee the safety and security of Camp Hurriya or Camp Ashraf, which clearly underscores the urgency of resettlement of residents outside of Iraq.

We join UNAMI and other nations in urging the permanent resettlement of former Ashraf residents outside Iraq. Resettlement is the only sustainable solution to ensure the safety of the residents. We remain firmly committed to supporting and assisting UNAMI, UNHCR and the Government of Iraq in their efforts to facilitate resettlement. The resettlement of Camp Hurriya residents outside Iraq requires immediate and urgent attention. We have made known to the MEK leadership and Camp Hurriya residents that Camp Hurriya remains a target and further delays in resettlement jeopardize the safety and security of residents.

Question #29. What steps is the Department taking to appropriately balance demands for security cooperation and upholding respect for basic human rights in its relations with Central Asian countries?

Answer. Our dual-track policy of engaging Central Asian governments on security issues while encouraging political liberalization has succeeded in advancing our regional security objectives as we maintain our strong support for human rights in the region. We have strengthened the Northern Distribution Network and bolstered our broader relationships with Central Asian militaries and security services. At the same time, we use our expanded relationships to continue to encourage Central Asian governments at every level to respect fundamental human rights, and to allow greater space for civil society, peaceful religious practice, and full freedom of expression, including media freedom and other fundamental rights. During our comprehensive Annual Bilateral Consultations with each of the five Central Asian states, human rights are always one of the core issues, and we have consistently stressed that human rights are an integral part of our broader bilateral relationships. We urge these governments to hold free and fair elections and to undertake necessary judicial, law enforcement, and media legislation reform to expand rights protections and the rule of law. We support a range of civil society organizations, many of which operate in extremely difficult environments as they advocate for human rights and democracy reforms. We also partner with Central Asian states and international organizations to combat trafficking in persons and forced labor by facilitating cooperation with international monitoring entities, civil society, and law enforcement organizations.

For FY 2012 we provided \$26.6 million (not including centrally managed accounts such as the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor) to support democratic reforms and human rights in Central Asia; our FY 2014 request would increase this support to \$28.6 million.

Question #30. How much money will be spent on cross-border programs between Afghanistan and Central Asian countries in the FY 2014 request? Please describe the programs.

Answer. We appreciate the committee's support for cross-border programming between Afghanistan and Central Asian countries. This type of programming is crit-

ical to supporting the development of a “New Silk Road” linking a stable Afghanistan with a prosperous and peaceful region. For the past 2 years, we have aggressively worked to facilitate Afghanistan’s economic transition by integrating it with the broader South and Central Asian region. The foundations for self-sustaining growth are taking root through the reduction of regional barriers to trade and transit, increased private investment, and the development of regional road, rail, energy, and communications linkages.

Although our assistance to Afghanistan and the Central Asian countries is largely delivered bilaterally, we also support regional economic integration and security through cross-border programs. For the FY 2014 budget, a few examples include:

- With Afghan bilateral funds, USAID’s Trade and Accession Facilitation for Afghanistan Project (soon to be renamed CARAVAN) estimates spending between USD \$7.5 and \$8.5 million annually for FY 2014 and subsequent years, and for the duration of the project on cross-border programming between Afghanistan and Central Asian countries. The project has identified important trade opportunities between Afghanistan and its three immediate northern neighbors of Turkmenistan, Uzbekistan, and Tajikistan.
- In addition, the Bureau of International Narcotics and Law Enforcement (INL)’s Central Asia Counternarcotics Initiative (\$7 million request in FY 2014) fosters cross-border counternarcotics intelligence-sharing and strengthens our international partners’ ability to monitor goods and people crossing borders. The initiative also provides support to the United Nations Office on Drugs and Crime’s (UNODC) programs to promote counternarcotics cooperation in the region, including the Central Asian Regional Information and Coordination Center.
- The President’s FY 2014 budget requests additional resources to promote regional economic integration in South and Central Asia (\$18.5 million in FY 2014). These funds will be used to increase trade and investment; improve transit; advance cooperation on energy trade; promote effective management of natural resources across the region; and develop sustainable people-to-people constituencies for regional engagement.

Afghanistan is central to all of these efforts. Our infrastructure investments in Afghanistan are helping provide the linkages to promote commerce between Afghanistan and Central Asia. Our capacity-building efforts in key Afghan ministries are providing Afghans with the tools and skills to negotiate successful transit-trade agreements (or implement existing ones) with their regional partners. We have also invested heavily in rehabilitating the Afghan electrical grid, facilitating the purchase and effective distribution of Central Asian electricity throughout Afghanistan. Our cross-border training programs in Tajikistan will empower border guards from both Afghanistan and Tajikistan to cooperate for the security of both countries.

Our cross-border programs have made real progress. Our targeted assistance has advanced technical understanding of large-scale energy projects such as CASA-1000, which would enable Kyrgyzstan and Tajikistan to sell their hydropower to Pakistan, via Afghanistan. We have facilitated energy trade between Uzbekistan and Afghanistan, and between Tajikistan and Afghanistan’s northern border region. For example, in partnership with the Aga Khan Development Program’s Pamir Energy project, we have supported the installation of new transmission lines which are powering two villages, businesses, and government buildings in Afghan Badakhshan. Power links to a third Afghan village will be completed this summer. Associated training of engineers to maintain the new lines is also taking place. U.S. assistance to small and medium-sized enterprise development, agricultural production water management, and vocational training are also beginning to expand Afghanistan’s economic ties with Central and South Asia, which we plan to build on with our FY 2014 request.

Women’s economic empowerment, in particular, has been a cross-cutting priority, and in 2011 we hosted over a hundred dynamic women business leaders from across Central Asia at the Women’s Economic Symposium (WES) in Bishkek, including then Kyrgyz Republic President Roza Otunbayeva. The participants developed a roadmap to increase women’s entrepreneurship and regional trade, and we are now supporting a range of follow-on activities, including a Central Asia-Afghanistan Women’s Business Association, proposed by WES participants. Through this diplomatic and programmatic initiative thus far, women have started an impressive 141 businesses and expanded 57 existing businesses thus far. SCA is currently funding an independent evaluation of the WES and will use the results to inform the design of future programs, including increasing participation by women in trade and building stronger links between women leaders in Central and South Asia.

We understand that our “New Silk Road” vision and regional integration efforts will only succeed if the countries of the region and international development banks take a leading role. Between fiscal years 2010 and 2014, estimated outlays from other donors, such as the Asia Development Bank and the World Bank, in support of energy transmission lines, hydropower plants, and reforms have totaled more than \$2 billion.

Question #31. Congress approves money for seven programs that benefit the Tibet people, both inside Tibet and in exile. Among these are Tibetan language broadcasts by Voice of America and Radio Free Asia, which are one of the only sources of information to Tibetans living under a smothering Chinese censorship regime.

- Do you agree that the relatively small amount spent on Tibet programs reaps a large dividend for Tibetan communities trying to preserve their culture, religion, and identity?

Answer. U.S. funding for the Voice of America (VOA) and Radio Free Asia (RFA) programs supports the mission to inform, engage, and connect people around the world. The Broadcasting Board of Governors (BBG), a U.S. independent federal agency, oversees the operations of VOA and RFA. BBG promotes the broadcasting of accurate, objective, balanced news and information about the United States and the world. VOA and RFA English and Tibetan language broadcasts reap a large dividend for Tibetan communities trying to preserve their culture, religion and identity. These broadcasts clearly advance U.S. policy and interests.

In accordance with the Tibetan Policy Act of 2002, the Department of State is continuously working in other ways as well to promote the policy of seeking to protect the distinct religious, cultural, and linguistic identity of Tibetans. Our various Tibet programs, implemented by the bureaus of Educational and Cultural Affairs (ECA), Population Refugees and Migration (PRM), Democracy Human Rights and Labor (DRL), and by USAID, promote activities that preserve cultural traditions, enhance sustainable development, expand economic opportunities and support environmental conservation, health care and education within Tibetan communities inside Tibet and for Tibetans in India, Nepal, and Bhutan. We continue to increase our people-to-people exchanges with China, and actively seek to include Tibetans in a variety of these exchanges, including the International Visitors Leadership Program. The Tibet Scholarship Program supports eligible Tibetan refugees residing in India, Nepal, and Bhutan. Our programs benefit the Tibetan people, both inside Tibet and in exile, and promote the protection of Tibetans’ distinct cultural, religious and linguistic identity in accordance with U.S. policy.

Question #32. The FY14 budget for core global climate change funding is roughly 2 percent lower than FY12 enacted.

- Can you please explain the drop in funding requested for the sustainable landscapes pillar?
- Can you also discuss what types of programs the increase in clean energy funding will support?
- Please also discuss how the State Department plans to engage and/or leverage the private sector in the programs and efforts undertaken to address global climate change.

Answer. Sustainable Landscapes (SL) remain a priority for the Global Climate Change Initiative (GCCCI). The potential for sustainable land use to mitigate climate change is enormous: Nearly one-third of global greenhouse gas emissions come from the land sector, especially from deforestation and agriculture. Just as important, sustainable landscapes provide other benefits, including biodiversity conservation, regulation of water and nutrient cycles, and livelihoods for billions of people.

The overall portion of funding for each GCC pillar varies from year to year for a number of reasons. The FY 2014 request is \$123.5 million for State and USAID SL programming, compared with the \$136.5 million figure that was enacted in FY 2012, but this should not be taken as a predictor of future requests. Since many SL programs are multiyear, the decline in FY 2014 should not affect the ambitious level of work on the ground, supporting partners around the world in improving their land use, and protecting their forests and other natural resources.

The FY 2014 request for State and USAID Clean Energy (CE) programs is \$171.5 million, compared with the \$160.5 million figure enacted in FY 2012. FY 2014 CE funding will build on, replicate, and extend the types of CE activities developed through the GCCCI over the past few years. These projects are designed with the intention of transforming energy markets in order to increase the diffusion of commercially driven clean energy technologies and practices. GCCCI CE funding serves to construct the institutional scaffolding and organizational capabilities at the bilat-

eral and plurilateral levels, working in collaboration with key public and private sector participants.

Specific projects seek to introduce policy and regulatory structures that have been proven to catalyze private sector financing and project development within the United States and other developed countries. On the energy demand side, focal areas range from industrial energy efficiency and appliance efficiency standards and labels to building code design and utility demand-side management. With respect to CE supply efforts, State and USAID work on the entire suite of renewable energy technologies and the necessary finance, policy and regulatory models that will facilitate their diffusion and adoption.

State and USAID's GCCI FY14 budget request will support programs that leverage and mobilize private investment to address climate change. The funding will support programs in developing countries that aim to build reliable national climate change policies that attract private investment in low-carbon, climate-resilient infrastructure; support efforts that close the financing gap for renewable energy projects in sub-Saharan Africa (helping to get such projects to a commercially bankable stage); and support partnerships that foster collective innovation and piloting of market-based instruments for GHG emissions reduction, that encourage private sector involvement and financing.

Question #33. This past year saw a significant growth in countries joining the Climate and Clean Air Coalition, a partnership aimed at reducing emissions from pollutants that have significant harmful effects on public health and climate change.

- Please discuss what steps will be taken this coming year to continue this momentum and how this initiative interacts with related efforts, specifically the U.S. efforts under the Montreal Protocol negotiations and within the Arctic Council.

Answer. In just over 1 year, the Climate and Clean Air Coalition (CCAC) has grown from 6 to 31 countries (with over 60 total partners) and raised pledges for funding from 9 countries, totaling over \$40 million. The CCAC is translating this commitment of human capital, political will, and financial resources into emissions mitigation actions for short-lived climate pollutants (SLCPs) at the national, regional, and global level, including through nine sectoral initiatives. These initiatives, in areas such as municipal solid waste management, heavy-duty diesel engines, oil and gas production, and brick kilns, are implementing workplans funded by the CCAC's trust fund, staffed by CCAC partners, and designed to achieve the engagement and buy-in of key stakeholders in the public and private sectors and provide the technical and other resources necessary to effect large-scale change. The CCAC is also working with countries such as Mexico, Ghana, Bangladesh, and Colombia to develop government-endorsed SLCP action plans; with the World Bank and other development institutions to pursue private sector financing arrangements for SLCP mitigation; and to build regional communities of practice in Africa, Asia, and Latin America to address SLCPs in ways that integrate their treatment with other development priorities.

The CCAC will continue recruiting additional strategic partners and coordinating with important forums such as the Arctic Council and Montreal Protocol. In the Arctic context, seven of eight Arctic Council countries are CCAC partners, and new efforts in the Council to address black carbon and methane are modeled after and consonant with the work of the CCAC. As these efforts unfold, the CCAC and the Arctic Council will seek to be mutually reinforcing. With relation to the Montreal Protocol, the CCAC has a hydrofluorocarbon (HFC) initiative that is working on enabling climate-friendly technology in HFC-intensive sectors such as refrigeration and air conditioning, areas covered by the Montreal Protocol and the proposed HFC phasedown amendment. The CCAC HFC initiative is a complementary, voluntary approach that supports the Montreal Protocol amendment efforts. The CCAC is also seeking to partner with on-the-ground implementers and financiers such as the World Bank and regional multilateral development banks to broadly target SLCP reduction opportunities in their lending portfolios.

Question #34. The United States and China are the two largest emitters of greenhouse gases. Their collaboration and leadership are critical for progress in addressing global climate change. As you know, the Climate Change Working Group with China is a means to advance cooperation between the two countries on technology, research, conservation and alternative and renewable energy. In addition, the two countries have established an effective relationship through a variety of organizations, including the U.N. Framework Convention on Climate Change, Major Economies Forum, Clean Energy Ministerial, among others.

- How will the Climate Change Working Group build on previous collaborative commitments between the two countries on climate change?
- How do you plan to work with private sector, nongovernmental groups, and other key stakeholders in these efforts?

Answer. The United States-China Joint Statement on Climate Change acknowledges the “significant and mutual benefits of intensified action and cooperation on climate change.” Our existing collaboration provides a strong foundation upon which to base new and expanded climate action. The Climate Change Working Group therefore has begun its task by taking stock of the work already underway between our two countries, in order to identify areas where those efforts might be effectively scaled up or improved upon. The Group is also working to identify potential new areas for cooperation. The recommendations of the Working Group will be presented to the fifth U.S.-China Strategic and Economic Dialogue in July.

In developing its recommendations, the Working Group is consulting with a variety of stakeholders—from both the private sector and from nongovernmental organizations.

Question #35. In 2012, the United States joined Colombia and other Western Hemisphere countries in “Connect 2022,” an initiative to collaborate on energy access by achieving universal access to electricity through enhanced electrical interconnections, power sector investment, renewable energy development and cooperation by 2022. Connect 2022 aims to provide reliable, clean, and affordable electricity to the hemisphere’s 30 million people currently without it.

- What progress has been made in the 2 years since this initiative’s start to increase energy access to this region? What are the challenges to fulfilling this goal?

Answer. The Connecting the Americas 2022 Initiative (Connect 2022) was launched during the Sixth Summit of the Americas in April 2012 by Colombia, with support from the United States. Prior to the Initiative being launched, the Western Hemisphere had made significant progress to integrate power sectors and promote cross-border trade in electricity with support from the Inter-American Development Bank (IDB), World Bank, Organization of American States (OAS), other donors, and private companies. While interconnection efforts have advanced in other regions of the Western Hemisphere (detailed below), U.S. Government efforts in the first year of Connect 2022 are focused on the Mesoamerican region that includes Mexico, Central America, and Colombia.

Due to the efforts of the Central American Electrical Interconnection System (SIEPAC) project, a power line from Guatemala to Panama is nearly complete, regional institutions to govern the regional electricity market have been established, and political will is growing in support of regional electricity trade. However, achieving the full benefits of Mesoamerican power sector integration is hindered by the lack of a functioning regional electricity market. Electricity demand in the region is growing between 5–8 percent annually, which will require an estimated \$25 billion USD in power sector investment by 2030, according to the World Bank. Success here benefits both the United States and our partners in the region through greater private sector investment, economic competition, and renewable energy integration. When the region adopts the regulations needed to encourage more private investment, U.S. clean energy exporters, power companies, and service providers will be ready to play a leading role, and U.S. finance agencies are able to support these investments.

In addition to the Mesoamerican region, high-level policy discussions occurred at the subregional level for North America, the Andes with Chile, the Southern Cone, and the Caribbean. In North America, Canada, Mexico, and the United States already trade power through existing electrical interconnections. Colombia leads the regional power integration efforts in the Andean region with Chile, an effort we and the IDB strongly support. Finally, while the Caribbean faces geographic challenges to interconnection, they recognize the value of integrating a greater proportion of locally sourced renewable energy into their matrix. The Department of State and World Bank supported feasibility studies to help inform ongoing dialogues in the Caribbean.

These discussions are essential to identify and address the policy, market, and regulatory challenges that currently prevent productive interconnection and limit power trade, which if overcome, would help attract the more than \$1.4 trillion needed (according to the International Energy Agency) in private investment by 2035 in the power sectors of the Western Hemisphere (excluding the United States) and create significant commercial opportunities for U.S. private companies.

Question #36. The Bureau of Conflict and Stabilization Operations (CSO) played significant roles in U.S. support for South Sudan's referendum and Kenya's elections. What do you see as the role and primary added value of CSO? The Budget Request foresees some half dozen high-impact engagements, 10–15 medium-sized technically focused engagements, and additional deployments to embassies as resources permit.

- What factors will guide decisionmaking on the tension between high-impact engagement and being able to contribute in a large number of situations?

Answer. The Bureau of Conflict and Stabilization Operations (CSO) executes the State Department's core mission of conflict prevention and crisis response. Through an agile approach, collaboration with local and international partners, and a focus on impact, CSO brings coherence and effectiveness to U.S. engagement in priority countries. CSO is an example of high-impact, low-cost work we do every day to make the world safer.

To focus impact where it is needed most, CSO evaluates potential country or regional engagements in light of specific criteria: U.S. national security interests, urgency for action, and opportunities for impact within 12 to 18 months. We aim to (1) select places that matter to the United States; (2) make sure the time is right; and (3) determine that CSO can make a difference on one of the two or three major challenges in that place.

For FY 2013, the Bureau is engaged in 1 major crisis (Syria), 3 large projects (Kenya, Honduras, and Burma) and at least 10 medium-sized projects. CSO's efforts to help prevent election violence in Kenya were concluded successfully on May 1, 2013, and all CSO personnel have departed the country. CSO is now in the process of identifying and selecting several new major projects for early FY 2014. To do our current work in FY 2013 and prepare for additional efforts in outyears, CSO leveraged a base operational budget of approximately \$46 million and roughly \$35 million in foreign assistance assembled from nonrenewable resources (such as the section 451 and section 1207 programs).

While the conflict landscape and CSO's engagement portfolio will change, historical patterns leave little doubt that ongoing needs will exist. Consequently, we have requested \$45 million for a base operational budget in FY 2014. If we can make the small, smart investments up front, then I believe we avoid more costly conflicts, and greater burdens down the road.

Question #37. Over the last several fiscal years, the administration's request for basic education has plummeted. Specifically, the administration's FY14 budget proposal was to cut the international basic education account by \$299 million from fiscal year 2013-enacted funding levels, a severe 37 percent decrease, and has plummeted by nearly half since the enacted level in fiscal year 2010. At your swearing in ceremony as Secretary of State, you recognized one of the agency's roles to be helping provide quality basic education for children in emergencies and for improving access to education for girls around the world.

- What assurances can you give that the administration will reverse the recent decreases in funding and prioritize resources toward basic education in order for the State Department to fulfill its role?

Answer.

- The FY 2014 request for education is \$723.3 million, which includes \$501.4 million for basic education and \$221.9 million for higher education.
- Education is a foundation of human development and critical to broad-based economic growth. Increasing access to education in crisis and conflict environments is a key component of achieving long-term stability.
- As laid out in the USAID education strategy, issued February 2011, we aim to improve reading skills for 100 million children in primary grades and to increase equitable access to education in crisis and conflict environments for 15 million learners by 2015.
- The decrease in basic education funding in the FY 2014 request should not suggest a decrease in our commitment to international education efforts. Rather, the key drivers for the reduction are (1) efforts to concentrate activities in the highest priority areas of USAID's Education Strategy and in a more focused number of countries where we feel U.S. assistance can have the most impact in the education sector; and (2) general reductions in the frontline states.

☆ In FY 2012, the Frontline States represented over 26% of the basic education funding. As overall assistance levels for Frontline States decreases in FY 2014, our large requests for basic education funding in these countries also go down.

- We are firmly committed to using foreign assistance resources in a manner that is strategic and impactful. In today's fiscal environment, we have to make tough tradeoffs to fund programs where we believe U.S. foreign assistance can most contribute to a country's overall development and stability.
- Broadly speaking, investments in youth are broader than basic education. In FY 2012, U.S. assistance includes an estimated \$149 million for youth programming, cutting across areas in education, health, social services, and assistance for especially vulnerable children.

Question #38. In July 2012, the Azerbaijani State Civil Aviation Administration said in a statement that planned flights between Stepanakert and Yerevan would represent an invasion of Azeri airspace and "taking corresponding measures in connection with that is inevitable."

- What has the United States done to prevent Azerbaijan from committing provocative acts against civil aviation? What consequences would Azerbaijan face if they threatened a civilian aircraft?

Answer. As a Cochair of the Organization for Security and Cooperation in Europe (OSCE) Minsk Group, along with Russia and France, the United States remains committed to helping the sides find a peaceful solution to the Nagorno-Karabakh conflict. I have discussed the issue of civil flights to Nagorno-Karabakh with the governments of Armenia and Azerbaijan at the highest levels. The Minsk Group Cochairs are working to help the sides find a means of resolving this issue diplomatically, and have received assurances from the sides that they will reject any threat or use of force against civil aircraft. We remain concerned about any action that could fuel tension in the region or threatens to damage the peace process.

Question #39. Members of the international community have repeatedly called for the withdrawal of snipers from the Armenian-Azerbaijani line of contact. What's the status of international efforts to accomplish this? Is it true that the Azeri Government has refused?

Answer. The United States, Russian, and French Cochairs of the OSCE Minsk Group are working to help the sides reduce tension in the region, and over the years they have proposed a number of confidence-building measures that would reduce violence and improve the climate for negotiations. Their longstanding proposal to withdraw snipers is one such measure; they noted with regret in March 2011 that it had not been implemented, and they continue urging the sides to consider such ideas. In their June 2012 statement on the Nagorno-Karabakh conflict, the Presidents of the United States, the Russian Federation, and France reiterated the need for the sides to "respect the 1994 cease-fire agreement, and abstain from hostile rhetoric that increases tension." We remain committed to helping the sides find a peaceful resolution to this conflict, and will continue to pursue measures that could bring the sides closer to making this a reality.

Question #40. The religious freedom of the spiritual head of the second-largest Christian Church in the world, Ecumenical Patriarch Bartholomew, has been severely constrained by the Government of Turkey. Secretary Hillary Clinton put particular effort into urging Turkey to allow the Church's seminary at Halki to reopen. On a number of occasions during her term as Secretary of State, she was led to believe that the seminary was on the verge of being reopened. The Bush administration was also led to believe this through public statements made by Turkish Government officials.

- Will you continue to press Turkish authorities to reopen Halki?

Answer. The United States fully supports efforts to reopen Halki Seminary, a vital institution of spiritual learning for Orthodox Christians around the world. We will continue to urge the Government of Turkey at the highest levels to reopen the seminary as a symbol of its commitment to religious freedom. I raised this issue with Foreign Minister Davutoglu during a visit to Istanbul April 21 and met separately with Ecumenical Patriarch Bartholomew I to underscore our commitment to Halki's reopening and the rights and status of the Patriarchate in Turkey. The Ambassador and officers from the U.S. Embassy and Consulate General also engage on this issue on a regular basis.

Though incremental, some progress has occurred. The Turkish Government's return of property surrounding the Seminary to the Church in January was a positive step, and the current constitutional redrafting process is encouraging an unprecedented dialogue on individual rights and religious freedom. We will continue to encourage the Government of Turkey to work cooperatively with the Ecumenical Patriarchate to pass legislation and overcome political roadblocks that are hindering

the reopening of this historic institution. We will also encourage Turkey to take additional steps to promote religious freedom, such as allowing more religious communities to own property, register their places of worship, and train their clergy.

Question #41. Should American policy stay silent on Turkey's transfer of what they claim are hundreds of thousands of Turks to Cyprus in an apparent effort to alter the demography of that country?

Answer. Any comprehensive settlement plan will need to take into account issues of citizenship and residency on the island. I believe that a settlement plan dealing with these and other questions needs to be worked out between the communities, with United Nations support, and needs to be acceptable to majorities in both of the island's communities. I strongly support the settlement process, which is the only practical way to resolve the many critical issues between the communities.

Question #42. The Turkish Foreign Minister recently sent you a letter regarding the Cyprus question. During your recent meetings in Turkey, Mr. Secretary, did you discuss the Cyprus question with Turkish officials? Did you convey that U.S. policy still continues to support the solution of a bizonal, bicommunal federation in Cyprus, based on U.N. Security Council resolutions?

Answer. In my recent meetings with Turkish officials, I discussed a range of pressing issues, including Cyprus. I expressed my support for the reunification of Cyprus as a bizonal, bicommunal federation, which has been the longstanding policy of the United States, consistent with United Nations Security Council resolutions.

Question #43. Significant natural gas finds off the coast of the Republic of Cyprus could contribute to the European Union's plans for energy diversification and future energy security. Do you continue to support the right of Cyprus to explore for natural gas in its exclusive economic zone (EEZ)? Are you concerned about threats by other countries to interfere in such exploration?

Answer. I support Cyprus' right to explore for energy in its offshore areas. Disputes over energy exploration in Cyprus must ultimately be resolved through the negotiation process, under U.N. auspices, to reunify the island. Such a settlement will help to strengthen regional stability as it would facilitate the normalization of relations between Cyprus and Turkey. I believe that the island's oil and gas resources, like all of its resources, should be equitably shared between both communities in the context of an overall settlement.

Question #44. U.S. policy has always supported a solution to the Cyprus question that involves a bizonal, bicommunal, reunified Cyprus. I am concerned that funds used for bicommunal programs on Cyprus have been obligated without appropriate advanced notification to and consultation with the Government of the Republic of Cyprus. How can we work to address this issue and ensure that USAID funding is working in concert with U.S. policy?

Answer. Every activity implemented with U.S. funding in Cyprus is designed to help Greek Cypriots and Turkish Cypriots chart a path to peace and reunification in line with the congressional mandate.

The United States is committed to consultation and transparency with the Government of the Republic of Cyprus on our foreign assistance program. We have and will continue to be transparent and sensitive to issues raised by the Republic of Cyprus. Likewise, we will continue to consult with and be sensitive to the concerns of the Turkish Cypriot community.

That said, for the U.S. foreign assistance program to be effective, neither side can be allowed to make funding decisions reserved for the U.S. Government. Indeed, it would contravene current congressional report language directing that the organizations implementing the U.S. foreign assistance program, as well as the specific nature of that assistance, not be subject to the prior approval of any foreign government.

Question #45. During Secretary Hillary Clinton's final public remarks she noted the importance of an effective and up-to-date Broadcasting Board of Governors. While broadcast entities like Radio Free Asia and Voice of America clearly do important and meaningful work on a tight budget, it is also undeniable that the organizational structure of the Broadcasting Board of Governors is in need of reform. The FY 2014 budget request includes a legislative proposal to establish a chief executive officer for all civilian U.S. international media, a reform that was also encouraged in the Office of Inspector General's recent report.

- Do you think there is more that should be done to modernize the Broadcasting Board of Governors and enhance the ability of its entities to inform and engage people around the world in support of freedom and democracy?

Answer. The Department of State fully supports the creation of a chief executive officer (CEO) position for United States International Broadcasting, as presented in the administration's budget for fiscal year 2014. This move to improve the management and efficiency of Broadcasting Board of Governors (BBG) operations was unanimously supported by the members of the BBG in January 2012, and the Department of State's Office of the Inspector General underscored the importance of such an action in a report issued this past January.

Under this plan, the CEO will be chosen by and report to a BBG board that is appointed through the White House and confirmed by the Senate, with the Secretary of State continuing as an ex-officio member. The CEO will provide critically important day-to-day executive leadership for U.S. international broadcasting, and will have management authority over the Federal and non-Federal elements of U.S. international broadcasting. The Broadcasting Board of Governors would continue to set the strategic direction of U.S. international broadcasting, as well as evaluating its journalistic quality and maintaining its journalistic integrity.

The Broadcasting Board of Governors also needs to be at full membership. It has been without a chair for more than a year. A nominee for the BBG Board chairman and another Governor are now before the Senate, and their confirmation without delay will provide an important step in restoring the Board to full strength.

Our international media operations are an important part of U.S. foreign policy. Their mission—to inform, engage, and connect people around the world in support of freedom and democracy—remains a critical element for achieving our foreign policy and national security objectives. I remain committed, both as Secretary and as a member of the Broadcasting Board of Governors, to ensuring that our international media operations have the leadership, structure, and clear vision needed to fulfill their vital mission on behalf of the American people.

Question #46. The FY 2014 budget request includes \$104 million, across a number of bureaus, to support State Department's efforts to Counter Violent Extremism (CVE).

- What mechanisms are in place to ensure that CVE efforts are coordinated across the Department and is there a standardized approach to evaluating and measuring the success of specific programming initiatives?

Answer. The Quadrennial Diplomacy and Development Review (QDDR) gave State's Counterterrorism (CT) Bureau the lead on countering violent extremism (CVE) efforts. CT was instrumental in reviewing the programmatic attributions that comprised the \$104 million level in the FY 2014 budget request. CT coordinates closely with other bureaus and offices which implement projects with CVE effects. These include the Center for Strategic Counterterrorism Communication (CSCC), Bureau of Democracy, Human Rights, and Labor (DRL), the Office of the Special Representative to Muslim Communities (SRMC), and key regional bureaus, primarily through their public diplomacy offices.

The CT Bureau helps to ensure CVE efforts are coordinated across the Department by: (1) meeting frequently with these, and other, bureaus and offices to coordinate and collaborate on CVE and CVE-relevant programming in specific countries or on particular issues; and (2) coordinating Department participation in quarterly data calls by the National Counterterrorism Center (NCTC), which collects information on interagency CT and CVE-relevant programming. CT has played a leading coordination role for the Department when it comes to specific CVE interagency efforts or guidance from the National Security Staff (NSS).

More broadly, the Department's new "J Family"—of which the CT Bureau is a part and which reports to the Under Secretary for Civilian Security, Democracy, and Human Rights—helps to align CVE-relevant efforts when multiple J stakeholders are involved. Also, the Under Secretary for Public Diplomacy and Public Affairs leads a biweekly CVE communications coordination meeting that includes senior CSCC and CT Bureau staff.

The Department has also implemented a rigorous evaluation policy requiring that all large programmatic efforts be evaluated. Unclassified evaluation reports will be posted to a new Department Web site (under construction) to assure transparency. We will continue to prioritize transparency and accountability efforts to ensure U.S. taxpayers can have easy access to information showing how U.S. foreign assistance funds are spent.

Within the CT Bureau, the CVE Program has a results-based monitoring and evaluation framework to account for projects meeting its three objectives: (1) providing positive alternatives to populations most at-risk of radicalization and recruitment; (2) countering violent-extremist narratives and views; and (3) building partner-nation (both government and civil-society) CVE capacities. The CVE Program draws on broader types of CVE-relevant metrics and tailors them to its specific

projects. The CT Bureau participates actively in the work of the Global Counterterrorism Forum CVE Working Group's work stream on measurement and evaluation to define replicable international good practices in CVE evaluation and assessment.

Within the Department, all bureaus and offices provide the Office of the Director of Foreign Assistance Resources standardized reporting on their programming objectives, progress and results. Last, the CT Bureau reviews all CVE program attributions across State and USAID and advises the Office of the Director of Foreign Assistance whether these programs are being accurately attributed to CVE goals.

Question #47. Prior to the coup in 2012, Mali was viewed by many as a democratic success. Given the events of the past year, was that assessment accurate and if not, did the international community miss specific signs of impending instability?

Answer. Mali made substantial progress in democratizing over the last 20 years, and power was successfully transferred through national elections in 1992 and 2002, but it is still a relatively fragile state in a region facing many challenges. Mali is one of the poorest countries in the world, and has suffered from repeated humanitarian crises. Adding to this vulnerability has been the longstanding conflict with the Tuareg and other nonextremist groups in northern Mali with legitimate political and socioeconomic grievances. More recently, Mali has been affected by the serious instability that emerged from Libya's revolution and regional terrorism. We will continue our focus on strengthening and deepening democratic institutions, boosting broad-based economic growth, advancing peace and security, and promoting opportunity and development in Mali. It is important to note that success in these objectives is critical to our counterterrorism goals in the region.

Question #48. U.S. officials have urged Mali to organize a peace process and hold elections as part of the transition to a more legitimate government. What is the U.S. Government doing to support the preparations for elections and what are the long-term plans for helping the Malians build institutional capacity?

Answer. The transitional Malian Government has pledged its commitment to hold inclusive, democratic elections in July. While much work remains to ensure adequate preparation for the elections, the United States is committed to supporting the Malian Government's efforts to hold elections on schedule.

Working with our international partners, we continue to urge the transitional Malian Government to press ahead with its efforts to update its voter list, register voters in refugee camps and among internally displaced populations, set up polling stations, and address the other challenges that remain in organizing elections. Mali is still subject to the post-coup legal restriction in section 7008 of the Department of State, Foreign Appropriations, and Related Programs Appropriations Act for 2012, which restricts assistance to the government. This restriction will remain in effect until the Secretary determines and certifies to the Committees on Appropriations that a democratically elected government has taken office in Mali. In the meantime, we have continued democratic elections support programming, which is exempt from the legal restriction. We are providing technical and other support to elections efforts in Mali, which includes more than \$6 million in electoral programming that we will provide to support progress on key issues such as voter education, technical assistance and training to the electoral management bodies, and national reconciliation. We are also actively encouraging the governments of neighboring countries hosting Malian refugees to cooperate fully with the transitional Government of Mali officials as they seek, with assistance from relevant international organizations, to register voters and establish polling stations in refugee camps to ensure that displaced Malians have the opportunity to vote in the upcoming elections.

Question #49. The U.S. State Department's ability to respond to urgent, unexpected TIP situations has been described as "uneven." Beyond crises, the Department receives frequent requests for assistance in drafting antitrafficking legislation, training law enforcement, and establishing shelters, often from countries that want to respond to the concerns identified in the annual TIP Report but that lack expertise or resources to do so. The recent reauthorization of the TVPA includes a provision that gives the U.S. State Department J/TIP Office the authority to establish a program in order to respond in these urgent situations.

- How will funding from appropriations be focused on building the ability to respond quickly with core expertise to urgent, unexpected trafficking in persons situations?

Answer. J/TIP's current programming model includes funds dedicated to providing targeted support to governments with identified needs to combat trafficking in persons (TIP) but that lack the resources or expertise to meet those needs. We cur-

rently provide funding to organizations with core antitrafficking expertise. For example, we support the work of the United Nations Office on Drugs and Crime (UNODC), the International Organization for Migration (IOM), and the Warnath Group, as part of a program to provide short-term emergency training and technical assistance (T/TA) focused on enhancing the capacity of governments to combat TIP. The Department works closely with U.S. Embassy counterparts and these organizations to ensure that the T/TA provided is targeted, tailored, and responsive to actual needs. Initial results from these interventions suggest that this type of assistance may be an important precursor to more sustained government support for longer term bilateral programs. Our T/TA is narrowly targeted and usually provided in response to a direct government request, and to date has produced the intended results.

In response to the very high demand for this type of assistance, we intend to align our budget to focus more on global training and technical assistance awards (particularly in FY 2013 and FY 2014), and award fewer longer term bilateral awards. In the meantime, we are working with our providers to enhance their ability to respond to urgent needs and reduce the turnaround times for service delivery.

Presently, the demand for training and technical assistance creates a particularly significant challenge within the current constrained budget environment, and can impede our ability to respond nimbly in crisis situations. The success of our work in Haiti, for example, was possible through the urgent reprogramming of prior-year funds and the receipt of funds from a supplemental appropriation. In creating a program to respond to urgent, unexpected trafficking situations, we will make every effort to keep funds available to provide swift assistance that may save lives and create the conditions for a more sustained response to the issue.

At the same time, the existing T/TA work we are doing is establishing frameworks that will enable governments not currently faced with crisis situations to better respond when unexpected trafficking emergencies arise. This targeted assistance complements another program that we operate through IOM to provide emergency direct assistance for trafficking victims overseas.

Aside from enhancing our T/TA program, J/TIP is also working with others in the Department to improve strategic planning for implementing the 2013 TVPRA provision for meeting urgent human trafficking needs in a coordinated and systematic way.

Question #50. The U.S. State Department is viewed as a global leader to combat trafficking in persons, in large part due to the TIP Report's ability to positively influence foreign governments to adopt and implement antitrafficking initiatives.

- Given its limited resources, how does the J/TIP Office plan to utilize its funding to institutionalize antitrafficking policies, procedures, and practices and to ensure that the United States remains a leader on these issues?

Answer. J/TIP operates in conformity with the Department's goals by funding programming that focuses on building institutional capacity and sustainability beyond USG intervention. J/TIP leverages support from non-USG resources to magnify the impact of our resources and to avoid duplication of effort. For example, in Jordan, J/TIP contributed funding toward victim care in a cost-sharing agreement that included requiring the Government of Jordan to contribute a significant amount of funding.

J/TIP also continues to build the capacity of antitrafficking NGOs through monitoring and technical assistance (TA). J/TIP is currently funding evaluation experts to provide targeted TA to grantees on data collection. For example, in Nepal J/TIP funded the American Bar Association to build a database system for the Attorney General's office to track and share information on TIP cases.

In addition, J/TIP prioritizes activities that lead to creating self-sustaining antitrafficking programs or that train local staff and governments to themselves become trainers. Such efforts have led to several programs being sustained beyond J/TIP funding.

Our bilateral assistance strategy is developed in conjunction with the Department's regional bureaus and according to funding priorities that heavily weigh the tier ranking and assessment of political will of a given country. We look for opportunities to use our limited funding as leverage points that will spur greater government investment in effort and resources to fight the crime and protect trafficking victims and to reward burgeoning government efforts. Most of the projects that we fund include an element of direct engagement with governments, whether by civil society or multilateral partners.

Additionally, we award funds to nongovernmental and public international organizations for 2-to-3-year projects that include measures designed to increase sustainability. We specifically encourage the submission of proposals that include strong

partnerships involving NGOs and multilateral organizations and government agencies that promote sustainable institutional development and ongoing structural impact. We require that each applicant for funding submit a logical framework that describes the relationship between its goals and objectives, and establishes performance measurement indicators that focus on outcomes over outputs. We take particular note of projects that aim to develop and institutionalize training curricula, policies, procedures, action plans, and legislation that will improve government's response to the issue and result in lasting changes. Where needed, J/TIP staff work with selected applicants to strengthen this aspect of their project design prior to award to ensure that the project goals include sustainability long past the project period.

Question #51. The U.S. State Department J/TIP Office receives recommendations of tier rankings in the annual TIP Report by regional bureaus or embassies that often prioritize issues other than the eradication of trafficking in persons. Antitrafficking experts have raised concerns about "grade inflation" in the tier ranking process.

- What steps will your Office take to reduce the influence of political concerns on the tier ranking system and to guarantee the tier rankings reflect true antitrafficking efforts?

Answer. We are aware of the concerns expressed about the TIP Report. J/TIP will continue to work collaboratively with other bureaus and offices within the Department to ensure the findings of the TIP Report are merit-based and in alignment with the requirements of the Trafficking Victims Protection Act of 2000 (TVPA), as amended. When governments do not produce results in holding those determined to be trafficking offenders accountable and providing comprehensive services to victims, these areas for improvement are documented in the report. Many governments—including some critics of the report—use the report's findings as a guide for addressing human trafficking more effectively. The overall positive impact and results of this report have been well documented.

Question #52. The administration's budget request includes a request for legislation authorizing IMF reforms, including a doubling of the U.S. quota and reorganizing the IMF voting structure, while preserving the U.S. veto. My understanding is that the net financial commitment to the United States is zero.

- Please elaborate on this, and please explain the importance of these reforms for ensuring the stability of the international monetary and financial system.

Answer. The United States worked with its international partners in 2010 to secure an agreement on quota and governance reforms that would expand core quota resources and enhance International Monetary Fund (IMF) legitimacy, while requiring no new resources from the United States and preserving our unique veto. The proposal will reduce U.S. participation in the New Arrangements to Borrow (NAB) by Special Drawing Rights 40,871,800,000 (approximately \$63 billion) and simultaneously increase the size of the U.S. quota in the IMF by an equal amount. The President's budget request does not change the net U.S. financial participation in the IMF.

Our investment in the IMF is safe and smart, and it is secured by the IMF's rock-solid balance sheet in which total assets exceed total credit outstanding. Our participation in the IMF is an exchange of equivalent assets. The U.S. reserve position is an interest-bearing and liquid asset, held as part of U.S. international reserves and available to the United States on demand.

In order to maintain our veto power and strong leadership position at the IMF, it is necessary that we implement the 2010 IMF governance reforms and quota changes. The administration looks forward to working with you and Congress generally to enact this important legislation.

Question #53. By responding to financial crises, stabilizing monetary and financial markets, fighting global poverty and promoting global growth, the IMF plays an important role in protecting U.S. markets and preserving American jobs.

- Can you expound on the positive impact the IMF and other International Financial Institutions have on our economy and the American people, and further elaborate on the ways in which the IMF supports U.S. global strategic interests?

Answer. U.S. leadership in the International Monetary Fund (IMF) promotes American core interests in three ways: as the first responder when financial crises abroad threaten jobs and growth at home, strengthening our national security, and designing rules for an open global trade and financial system.

Protecting American Jobs and Growth.—This recovery has shown the close links that tie American jobs and growth to financial conditions abroad. When financial conflagrations hit beyond our shore, the IMF provides firebreaks to limit contagion while helping our trading partners stabilize and heal their economies. By sheltering our economy from headwinds abroad, the IMF helps us to cushion the impact on U.S. jobs, business investment, and household savings for college and retirement.

Strengthening our National Security.—The IMF is an important partner in strengthening our national security—building the economic foundations for peace. The Fund's work on the ground helps prevent and mitigate the economic stresses and conditions that foster instability, extremism, and violence.

Setting Standards for an Open, Resilient International Trade and Financial System.—The IMF plays a central role in setting norms and standards for the smooth functioning of the market-based system of international trade and finance that is at the core of U.S. prosperity and stability. When countries join the IMF, they sign up for important obligations that help maintain open markets and avoid beggar-thy-neighbor policies.

Honoring our commitments will preserve our active leadership position and unique veto power and allow us to continue to promote U.S. values and interests around the world without any new U.S. financial commitment to the IMF.

Question #54. Is the administration concerned that further delay in approving these reforms could lead to a proliferation of side financial arrangements—such as the BRIC countries' recent attempt to establish a development bank—occurring outside the established global monetary system that we have great influence over?

- Could this eventually increase global financial risk and reduce the ability of the United States to respond to financial crises?

Answer. G20 leaders committed to implement the quota and governance reforms by October 2012. The vast majority of the IMF membership has now acted, and only U.S. approval is necessary for these important reforms to go into effect.

As the world's largest economy, we are the only country with a veto to shape major IMF governance and resource decisions. We should carefully steward this privilege to shape the rules of the global economy, especially as emerging economies, like China, seek greater influence in the coming years.

The 2010 quota and governance reforms involve shifting quota shares from smaller countries to emerging market countries, while preserving the U.S. veto. U.S. support for the reforms reinforces the central position of the IMF at a time when emerging economies explore establishing new and parallel financial institutions.

RESPONSES OF SECRETARY OF STATE JOHN F. KERRY TO
QUESTIONS SUBMITTED BY SENATOR BOB CORKER

Question #1. Is the leadership of the State Department and of USAID OIGs required, formally or informally, to seek approval from anyone outside of their respective OIG offices to fill vacancies (other than politically appointed positions)? If the Department requires OIG leadership to seek any sort of hiring approval, please provide additional information about the origins of this policy, and the name and position of all non-OIG personnel who are or ever have been involved in OIG hiring decisions.

Answer. The Office of Inspector General (OIG) is not required to seek approval from the Department to fill its vacancies. With regard to any sort of hiring approval by the Department:

- All potential employees who have been offered a position by the OIG must undergo a security background investigation conducted by the State Department's Bureau of Diplomatic Security.
- Senior-level employees and other employees going into filing positions who are hired by the OIG must complete legally required Conflict of Interest and financial disclosure paperwork with the Department's Legal Adviser, Office of Ethics.

These procedures are carried out in accordance with Federal laws and regulations.

Question #2. In February, Department officials indicated they were consolidating numerous lists used by the agency to prioritize embassy construction, and my staff asked for this information in order to match that against, past, present, and planned construction projects. Please provide the committee with (1) the consolidated overseas post threat list with an adequate description explaining the nature of the threat and (2) a list of all current and planned construction projects including estimated (or actual) cost, location, dates of construction/improvement initiation, current project status, and planned completion.

Answer. In March 2013, the Department developed a list of high-threat, high-risk (HTHR) posts, and the Department is reviewing HTHR posts for possible early execution of new building construction. The construction of a new Embassy or consulate compound is a complex process with long lead times between site acquisition, planning, project development, and project execution.

We would be happy to provide you a briefing on the high-threat high-risk list in the appropriate setting.

A list of current and planned new embassy/consulate construction projects is attached. The following acronyms are used in the attached list: NEC-New Embassy Compound; NCC-New Consulate Compound

Capital Security Construction Program				
Capital Security Projects Under Construction				
	Project	Construction or Design/Build Contract Award	Construction Complete	Project Budget (\$ in millions)
Abuja, Nigeria	Annex	Sep-11	Jan-15	159.5
Beijing, China	Annex	Nov-11	Jun-15	114.4
Bishkek, Kyrgyzstan	NEC	Apr-11	Jul-14	145.6
Caracas, Venezuela	MSGQ	Sep-09	Jun-13	12.6
Cotonou, Benin	NEC	Sep-12	Sep-15	178.1
Guayaquil, Ecuador	NCC	Sep-08	Oct-13	72.8
Islamabad, Pakistan	NEC	Sep-10	Jun-17	975.4
Jakarta, Indonesia	NEC	Sep-09	May-18	497.8
Jeddah, Saudi Arabia	NCC	Sep-07	Jan-15	263.0
Kabul, Afghanistan	Annex/Housing	Sep-09	Apr-17	842.9
Malabo, Equatorial Guinea	NEC	Sep-10	Jun-13	70.8
Mbabane, Swaziland	NEC	Sep-12	Jun-15	141.0
Monterrey, Mexico	NCC	Sep-09	May-14	185.0
Moscow, Russia	Annex	Sep-12	Apr-15	280.6
Oslo, Norway	NEC	Sep-11	Jan-15	243.4
Ouagadougou, Burkina Faso	MSGQ	Sep-10	Jul-13	9.3
Port Moresby, Papua New Guinea	NEC	Sep-11	May-14	77.5
Rabat, Morocco	NEC	Sep-11	Jan-15	186.9
Sanaa, Yemen	Annex/Housing	Sep-09	Jan-15	234.1
Santo Domingo, Dominican Republic	NEC	Sep-10	Dec-13	203.9
Surabaya, Indonesia	Warehouse	Sep-11	Jun-13	5.6
Taipei, Taiwan	AIT New Office Compound	Mar-09	May-15	235.3
Tijuana, Mexico	Warehouse	Sep-12	Apr-14	6.6
Tripoli, Libya	Interim Embassy Compound	Jun-12	Nov-13	43.8
Vientiane, Laos	NEC	Sep-11	May-15	144.6

FY 2013 Capital Security and OCO Projects					
	Project	Design Contract Award	Constuction or Design/Build Contract Award	Construction Complete	Project Budget (\$ in millions)
	New				
Amman, Jordan	Annex/Chancery	N/A	Sep-13	May-17	215.0
	Rehab				
Beirut, Lebanon	NEC design	Dec-13	Oct-15	Dec-19	40.0
Karachi, Pakistan	Housing	N/A	Sep-13	Nov-15	67.1
N'Djamena, Chad	NEC	N/A	Dec-13	Apr-16	234.6
Nouakchott, Mauritania	NEC	N/A	Jul-13	May-16	214.5
Paramaribo, Suriname	NEC	Sep-12	Sep-13	Mar-16	165.8
The Hague, Netherlands	NEC	Sep-10	May-13	Jun-16	298.8
Marine Security Guard Expansion at 35 Posts	MSGQ	TBD	TBD	TBD	516.6
FY 2014 Capital Security and OCO Projects					
Ankara, Turkey	NEC	TBD	TBD	TBD	394.4
Ashgabat, Turkmenistan	NEC/Housing	N/A	TBD	TBD	269.0
Belmopan, Belize	MSGQ	N/A	TBD	TBD	15.0
Erbil, Iraq	NCC	N/A	TBD	TBD	250.0
Guayaquil, Ecuador	MSGQ	N/A	TBD	TBD	15.0
Harare, Zimbabwe	NEC	N/A	TBD	TBD	246.0
Maputo, Mozambique	NEC	TBD	TBD	TBD	246.0
Nuevo Laredo, Mexico	NCC	N/A	TBD	TBD	139.0
Paris, France	MSGQ	TBD	TBD	TBD	41.5
Pristina, Kosovo	NEC	N/A	TBD	TBD	239.1
Tijuana, Mexico	MSGQ	N/A	TBD	TBD	15.0

**Capital Security Projects
Completed Since 2008**

	Project	Completed
Bamako, Mali	NEC	2008
Beijing, China	NEC	2008
Brazzaville, Congo	NEC	2008
Ciudad Juarez, Mexico	NCC	2008
Johannesburg, South Africa	NCC	2008
Kigali, Rwanda	NEC	2008
Kingston, Jamaica	Annex	2008
Port au Prince, Haiti	NEC	2008
Quito, Ecuador	NEC	2008
Tbilisi, Georgia	Annex	2008
Ouagadougou, Burkina Faso	NEC	2009
Skopje, Macedonia	NEC	2009
Addis Ababa, Ethiopia	NEC	2010
Antananarivo, Madagascar	NEC	2010
Bandar Seri Begawan	NEC	2010
Jerusalem, Jerusalem	Annex	2010
Karachi, Pakistan	NCC	2010
Khartoum, Sudan	NEC	2010
Lusaka, Zambia	NEC	2010
Sarajevo, Bosnia and Herzeg	NEC	2010
Bucharest, Romania	NEC	2011
Djibouti, Djibouti	NEC	2011
Dubai, United Arab Emirates	NCC	2011
Kyiv, Ukraine	NEC	2011
Monrovia, Liberia	NEC	2011
Mumbai, India	NCC	2011
Riga, Latvia	NEC	2011
Suva, Fiji	NEC	2011
Tijuana, Mexico	NCC	2011
Valletta, Malta	NEC	2011
Belgrade, Serbia	NEC	2012
Bujumbura, Burundi	NEC	2012
Herat, Afghanistan	IOB	2012
Libreville, Gabon	NEC	2012
Mazar-e-Sharif, Afghanistan	IOB	2012
Surabaya, Indonesia	NCC	2012
Dakar, Senegal	NEC	2013
Guangzhou, China	NCC	2013
Manila, Philippines	Annex	2013

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Question #3. During the April 18, 2013, budget hearing before the Senate Foreign Relations Committee, you testified that an internal report on Department staff culpability in the attack on the U.S. mission in Benghazi was forthcoming to you. What

is the expected date of completion? Will this report be made available, in an unredacted form, to committee?

Answer. I will be briefed on the results of the staff culpability review. After that time, I will notify you of the results by letter.

Question #4. Secretary Kerry, will you commit to providing this committee with all State Department Benghazi related materials provided to other congressional committees? Specifically, will you commit to providing this committee with all State Department materials, including cables and e-mails, related to security risks in Libya and approval and denial decisions with respect to security for USG facilities in Libya?

Answer. The Department has a strong record of cooperation with this committee and others that are reviewing the facts and circumstances surrounding the September 11–12 attacks in Benghazi. As you know, the Department has provided access to over 25,000 pages of documents to date, including documents relating to security matters in Libya prior to the attacks. These documents continue to be available for review by a number of congressional committees, including this committee.

Question #5. Secretary Kerry, will you commit to providing this committee with a copy of all interagency communications in the possession of the State Department related to the Benghazi talking points? Specifically, will you commit to providing this committee with all communications to and from the State Department regarding those talking points?

Answer. As you know, on May 15 the White House released 100 pages of e-mails and other documents related to the preparation of the talking points provided both to Congress and to Ambassador Susan E. Rice in advance of her September 16, 2012, media appearances. This set includes the e-mails and other documents created by State Department personnel in connection with their participation in the interagency process led by CIA to prepare the talking points in question. In addition, on June 7 the Department produced to the House Committee on Oversight and Government Reform 97 pages of documents responsive to the committee's May 25 subpoena regarding the talking points. We are open to also making this set of documents available to the Senate Foreign Relations Committee, should the committee so request.

Question #6. What are the six new positions that would be funded via the State Department's FY 2014 Embassy Security, Construction, and Maintenance funding request? Please provide details about (a) the breakdown between career and non-career positions, (b) whether any of these positions will be Senior Executive Services positions, (c) which Bureau would receive these new positions, and (d) any proposed or known grade or step information for these positions.

Answer. The six new positions are all overseas facility managers who will provide professional operations and maintenance support at Embassies in Seoul, Korea; Jakarta, Indonesia; Sanaa, Yemen; Paris, France; Ottawa, Canada; and Dili, Timor-Leste. These are all career Foreign Service positions in the Bureau of Overseas Buildings Operations (OBO), to be hired at the grade of FP-04 (GS-11 equivalent). None of the positions will be Senior Executive Service.

Question #7. Noting the budget request for embassy construction and security resources, does the State Department consider the construction of environmentally friendly, or "green," embassies or consulates to be of lesser, equal, or greater importance than the physical security needs of embassies or consulates?

Answer. The Department's No.1 priority consideration for embassy construction is the safety and security of personnel. The Department does not consider environmental sensitivity and physical security mutually exclusive; we strive to design and build facilities that meet all security standards, incorporate industry best practices, provide for sustainability, and reflect the best of American architecture, engineering, technology and construction. The decision to use sustainable technology includes life-cycle cost analysis which considers the overall maintenance and operations cost of a building and the return on investment for the American taxpayer over the long run.

Question #8. Does the State Department consider the construction of environmentally friendly, or "green," embassies or consulates to have any strategic or security value?

Answer. The State Department's Greening Initiative is separate from initiatives to address physical security overseas. Greening initiatives may enhance security as some may reduce or eliminate dependence on local utilities. No such initiatives will

be undertaken which in any way undermine the safety and security of our personnel and facilities overseas.

Question #9. If embassies and consulates can be constructed or improved for significantly less money by using resources other than “green” construction materials, technology, or designs, and save substantial taxpayers’ dollars in the process, will the State Department commit to doing so? If not, why not?

Answer. OBO is committed to using designs, technologies, construction methods, and materials that reduce the life cycle cost of our buildings over its entire useful life. Sometimes this means spending more initially in order to achieve better performance and lower expenses long term.

Question #10. Is all \$250 million of the FY 2014 Embassy Security, Construction, and Maintenance Overseas Contingency Operations (OCO) funding request being dedicated to the construction of the New Consulate Compound (NCC) in Erbil, Iraq?

Answer. Yes, all \$250 million in OCO funding requested under the Embassy Security, Construction, and Maintenance account is for the Erbil NCC project.

Question #11. If all \$250 million of the FY 2014 Embassy Security, Construction, and Maintenance OCO funding request is being dedicated to the construction of the NCC in Erbil, Iraq, why isn’t Erbil NCC funding included within the Worldwide Security Upgrades funding amount?

Answer. The Department’s FY 2014 Request for OCO funding reflects the requirements necessary to achieve key national security goals, which includes supporting a stable, unified Iraq. The Erbil NCC was identified as a priority project that facilitates the transition efforts and demonstrates the Department’s commitment to the region. The request to fund the Erbil NCC with OCO is consistent with previous facility projects in Iraq.

The Department recognizes that this requirement needs to be addressed outside of the Capital Security Cost Sharing program, which is funded through ESCM’s enduring appropriation for Worldwide Security Upgrades. The Erbil NCC is analogous to projects previously funded under Supplemental or OCO appropriations. The request falls within the “Ongoing Operations” component of the ESCM OCO appropriation to clarify that it is not a cost-shared project, avoiding potential confusion with other agencies and congressional committees. Operation of the current facility in Erbil is funded through D&CP OCO.

The Department would be happy to discuss this project with you in the future should you need any additional information or have further questions on this matter.

Question #12. If all \$250 million of the FY 2014 Embassy Security, Construction, and Maintenance OCO funding request is not being dedicated to the construction of the NCC in Erbil, Iraq, what are the plans for the balance of the funding?

Answer. All \$250 million in OCO funding requested under the Embassy Security, Construction, and Maintenance account is for the Erbil NCC project.

Question #13. What appropriations categories in the FY 2014 budget, other than the Diplomatic and Consular Programs category authorize use of funds for the following: (1) additional State Department-employed security personnel; (2) non-State Department security personnel, such as nongovernmental security contractors or other temporary security personnel; and (3) procurement of security vehicles and equipment?

Answer. The Bureau of Diplomatic Security (DS) receives appropriations noted below to fund State Department-employed security personnel; non-State Department security personnel such as domestic and post local guards, personal service contractors, and other third-party contractor security support personnel; and the procurement of security vehicles and equipment.

1. Diplomatic and Consular Programs:

a. Worldwide Security Protection (WSP): WSP no-year funding supports 1,900 security-related positions across 14 bureaus and at 285 locations. It supports the worldwide local guard program, high-threat protection, security technology, armored vehicles, cyber security, information security, facility protection, and diplomatic couriers. WSP funding also supports emergency preparedness programs; internal and interagency collaborations and information-sharing; and medical emergencies planning in the event of mass casualties from a biological/chemical attack.

b. Diplomatic Security: Two-year funding supports American salaries and covers a portion of DS ICASS payments.

- c. Iraq Operations: Two-year enduring funding supports armored vehicles, movement security, static guards, physical and technical security, regional security operations, training, and equipment in Baghdad.
 - d. Office of Foreign Missions (OFM): Funding supports American salaries and other support costs associated with OFM.
 - e. Overseas Contingency Operations (OCO):
 - i. Iraq: Two-year OCO funding supports armored vehicles, movement security, static guards, physical and technical security, regional security operations, training, and equipment in Iraq.
 - ii. Afghanistan: No-year OCO funding supports armored vehicles, movement security, static guards, physical and technical security, regional security operations, training, and equipment throughout Afghanistan.
 - iii. Pakistan: No-year OCO funding supports armored vehicles, movement security, static guards, physical and technical security, regional security operations, training, and equipment throughout Pakistan.
2. Border Security Program:
- a. Machine Readable Visas (MRV): No-year funding supports salaries for DS field agents investigating visa passport fraud and all related support costs.
 - b. H1B Visas (H&L): No-year funding supports salaries for Assistant Regional Security Officer/Investigators overseas and all related support costs.
3. Protection of Foreign Missions:
- Funding supports reimbursement to New York and other States that qualify for the extraordinary protection of international organizations, foreign missions and officials, and foreign dignitaries (under certain circumstances) throughout the United States. Covers events such as U.N. General Assembly, G8, etc.
4. Working Capital Fund:
- No-year funding provided to DS for the overseas Local Guard Program as part of ICASS.

In addition to funding for DS, some of our foreign assistance accounts, such as the International Narcotics and Law Enforcement account, fund not only program costs but also life support costs for personnel in the field, including direct hires and contractors. Life support costs include security.

Question #14. Diplomatic and Consular Programs.—What amount (if any) of Diplomatic and Consular Programs funding could be applied for payment of the following: (1) domestic, non-security-related State Department personnel salaries, (2) domestic, non-security-related State Department facility construction, (3) domestic, non-security-related State Department vehicles and equipment? Please express these amounts in both dollars and a percentage of overall Diplomatic and Consular Programs spending.

Answer. Approximately \$1.1 billion is included in the Diplomatic and Consular Programs (D&CP) appropriation that could be applied for domestic, non-security-related salaries. This represents roughly 15 percent of the overall D&CP spending. This amount includes all bureaus included in the D&CP appropriation except the amounts allocated to the following: Bureau of Counterterrorism, Bureau of Diplomatic Security, Bureau of International Security and Nonproliferation, Bureau of Arms Control, Verification and Compliance, Bureau of Political Military Affairs, Office of Foreign Missions, Iraq Operations, Afghanistan Operations, Pakistan Diplomatic Surge, and the Worldwide Security Protection program.

The Department does not have any funding included in the FY 2014 D&CP request for domestic, non-security-related State Department facility construction. The Department has allocated D&CP funding in prior years to the Bureau of Administration for domestic, non-security-related State Department facility construction.

Approximately \$3 million included in the D&CP allocation for the Bureau of Administration may be applied to domestic, non-security-related State Department vehicles. This represents roughly 0.4 percent of the overall D&CP spending.

Approximately \$55 million included in the D&CP allocation for all bureaus using the supplies and material budget category, except amounts allocated to the following: Bureau of Counterterrorism, Bureau of Diplomatic Security, Bureau of International Security and Nonproliferation, Bureau of Arms Control, Verification and Compliance, Bureau of Political Military Affairs, Office of Foreign Missions, Iraq Operations, Afghanistan Operations, Pakistan Diplomatic Surge, and the Worldwide Security Protection Program, may be applied to domestic, non-security-related State Department equipment. This represents roughly 0.8 percent of the overall D&CP spending.

Question #15. How does the State Department's budget reflect the administration's Asia-Pacific rebalancing initiative? Specifically, where has the administration increased, decreased and/or shifted resources to achieve its stated objectives to provide more geographic balance to "the projection and focus of U.S. power" in the Asia-Pacific?

Answer. President Obama made a strategic decision at the outset of his administration to increase focus on the Asia-Pacific and rebalance U.S. engagements, activities, and resources toward and within this vital region. Even as we face budget constraints within the Department of State and USAID, the fiscal year 2014 budget request reflects this strategic priority, sustaining key investments made throughout the President's first term and investing in new initiatives to expand and deepen a government-wide commitment across the region.

The FY 2014 budget request for the State Department and USAID provides \$1.2 billion in funding for East Asia and the Pacific, which reflects a 7.1-percent increase from FY 2012 in recognition of the rebalance. This request directly supports our core regional objectives, including strengthening ties with our allies, deepening our engagement with new partners and emerging powers such as China, shaping a robust regional architecture, expanding trade and investment, and promoting democratic values.

The FY 2014 Foreign Assistance request expands funding to the East Asia-Pacific region to \$768.3 million, from \$715 million in FY 2012, reflecting a \$53.3 million overall increase. This request focuses assistance to the region in six key areas aligned with core objectives: (1) regional security cooperation; (2) economic integration and trade; (3) expanded development in the Lower Mekong region; (4) transnational health and environmental challenges; (5) democratic development; and (6) addressing war legacies.

For example, the FY 2014 Foreign Assistance request increases Foreign Military Financing funding to the Philippines to \$50 million, reflecting an increase of \$23 million, to support regional maritime security. The budget request also provides \$31 million to deepen our support for Burma's political and economic transition, including support for the key 2015 elections, \$5 million for Vietnam in support of the Trans-Pacific Partnership, and \$13 million in new funds to expand regional economic and development programs including in cooperation with multilateral bodies such as the Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), the Lower Mekong Initiative, and the Pacific Islands Forum.

The FY 2014 request also provides an additional \$25.9 million in State Operations to expand our diplomatic platform and PD programs in the region, including funding to add 24 new domestic and overseas positions to our existing 1,008 EAP positions in order to fill critical positions at our embassies and in our regional bureau offices. Ten of these positions will be Washington-based, while the remaining 14 will be overseas. The overseas positions are for Burma (three positions), Australia (three positions), Korea (two positions), Jakarta (ASEAN—two positions), and one position each in Timor Leste, Vietnam, Brunei, and New Zealand. In addition, Public Diplomacy will add a position in Jakarta for the ASEAN Office.

An additional \$10 million in public diplomacy funds for the Asia-Pacific region will expand alumni engagement, English Language teaching and training, academic advising, and journalist training and journalist tours. Additional funding would also be used to strengthen digital outreach with youth audiences in tech-savvy Asia.

Question #16. Does the State Department have the lead for coordinating all the tools—military, diplomatic, security—of the Asia-Pacific rebalance? If so, how has the State Department reprioritized its resources to execute this responsibility?

Answer. Working closely with the White House, the Department of State coordinates foreign policy for the Asia-Pacific region with executive branch agencies involved in U.S. foreign affairs, including the Departments of Defense, Homeland Security, Commerce, and others. In the Asia-Pacific region, we also enjoy a close, cooperative relationship with Pacific Command (PACOM), and the Bureau for East Asian and Pacific Affairs participates in PACOM planning, exercises, and other events. We closely coordinate our regional strategies with agencies such as Homeland Security, the Office of the U.S. Trade Representative, and the Treasury Department. The Department has taken a number of actions to align resources with demands associated with its coordinating function and the broader U.S. rebalance to the Asia-Pacific region, including the creation of a new Deputy Assistant Secretary position for Strategy and Multilateral Affairs in 2012. The FY 2014 State Operations request provides additional resources that support the Department's expanded coordination role, including new domestic positions that will provide increased capacity in cyber security, support for the region's multilateral institu-

tions including ASEAN, coordination on force posture initiatives, and evaluation of diplomatic and assistance programs.

Question #17. Do you believe any new interagency structures are necessary to ensure a strategic “whole of government” approach to achieving U.S. goals and objectives in the Asia-Pacific?

Answer. I do not see a need for new interagency structures to achieve our goals in the Asia-Pacific region. There is currently a strong interagency collaboration and “whole of government” effort in Washington in support of the administration’s Asia-Pacific policy. This collaboration extends to our overseas missions, where our interagency country teams, under Chief of Mission authority and leadership, coordinate U.S. Government efforts. Our whole of government approach is aligned with the U.S. commitment to the East Asia and Pacific region and our multifaceted strategy that utilizes the major pillars of our foreign policy: diplomacy, development, and defense.

Question #18. What new initiatives is the administration planning to upgrade U.S. diplomatic visibility and presence in the Asia-Pacific?

Answer. We are significantly increasing the United States diplomatic engagement throughout the entire region. My predecessor began this process and I plan to continue to increase our diplomatic presence in Asia-Pacific through expanded strategic dialogues, public diplomacy programs, and the establishment of new positions and offices at our embassies in the region.

I want to reiterate that this reflects the Obama administration’s policy and is reinforced at the senior levels. In July, I will participate in the Association of South-east Asian Nations (ASEAN) Regional Forum ministerial meetings in Brunei, demonstrating U.S. support for strengthened regional institutions. At the fifth meeting of the U.S.-China Strategic and Economic Dialogue (S&ED) in Washington in July, Treasury Secretary Lew and I will be joined by our Chinese counterparts for a discussion of challenges and opportunities on a range of bilateral, regional, and global issues. In August, I will host the fourth meeting of the U.S.-China Consultation on People-to-People Exchange (CPE). In October, President Obama plans to attend the APEC summit in Bali, his third East Asia summit in Brunei, and the Global Entrepreneurship summit in Kuala Lumpur, all of which showcase our commitment to comprehensive regional engagement.

We have increased our people-to-people engagement with the region by expanding our educational and cultural exchanges. We have launched the U.S.-China CPE, the TOMODACHI initiative with Japan, and the Brunei-U.S. English Language Enrichment Project for ASEAN. With increased FY 2014 public diplomacy funds we would expand alumni engagement within the region, English-language teaching and training, academic advising, and journalist training. Additional funding would also be used to strengthen digital outreach with youth audiences in tech-savvy Asia.

We are also increasing our physical presence in the Asia-Pacific region. In June 2010, the United States became the first non-ASEAN country to establish a dedicated mission to ASEAN in Jakarta. That office has expanded to around a dozen U.S. direct hire employees and locally engaged staff, led by U.S. Ambassador David Carden, whose mission is to promote U.S. objectives in issues as broad as disaster relief, maritime security, nonproliferation, and economic cooperation. This nascent presence allows us to affect and influence policies in this region of 600 million people. We are committed to maintaining an embedded presence within both APEC and ASEAN Secretariats to provide technical assistance to their membership. Last year, we elevated our diplomatic ties with Burma by exchanging ambassadors. We also reestablished our USAID mission in Rangoon, reaffirming the United States commitment to the people of Burma.

The State Department and USAID have expanded development assistance in a number of areas, setting aside \$21 million in FY 2014 as part of a 3-year, \$50 million commitment to expand programs supporting the Lower Mekong Initiative. In FY 2014, the United States also will provide \$7 million as part of a 5-year, \$32.4 million commitment to programs focused on climate change adaptation, humanitarian demining, economic growth, and education in the Pacific Islands. In the Philippines, we are sponsoring the 5-year Partnership for Growth Program to support sustained and broad-based economic growth.

In short, the State Department is committed to aligning actions and resources with our strategic approach toward the Asia-Pacific. As such, the FY 2014 budget request also provides an additional \$25.9 million in State Operations, which includes funding to add 24 new EAP domestic and overseas positions to fill critical positions at our embassies and in our regional bureau offices. The overseas positions are for Burma (three positions), Australia (three positions), Korea (two positions),

Jakarta (ASEAN—two positions), and one position each in Timor-Leste, Vietnam, Brunei, Indonesia, and New Zealand. This increase will enhance our diplomatic platform in the region to tackle key challenges such as transnational crime and terrorism, North Korea, and supporting human rights and good governance throughout Asia and the Pacific.

Question #19. Please provide specific details on resources for the East Asia and Pacific (EAP) Bureau, including staffing at State Department headquarters and diplomatic posts as well as funds allocated for bilateral dialogues and multilateral meetings.

Answer. The FY 2014 budget request for the State Department and USAID provides \$1.1 billion in funding for EAP which reflects a 6-percent increase for EAP from FY 2012.

Increased U.S. Government engagement in the Asia-Pacific region has resulted in a sharp increase in workforce demands: dealing with the nuclear threat from North Korea; engaging a rising China; supporting the historic political and economic transition in Burma; participating in the East Asia summit; advancing the reposturing of U.S. Forces in Asia; and expanding U.S. economic and commercial interests. Beyond these ongoing challenges, EAP has seen a dramatic expansion of visa demand in China requiring sizable increases in visa operations and the conversion of the American Presence Post in Wuhan to a full-service consulate opening in 2014.

To provide the resources necessary to support the Department of State's rebalance of diplomatic activity to the Asia-Pacific region, the FY 2014 request for EAP provides an additional \$15.7 million in State Operations funds over FY 2012 to expand our diplomatic platform and public diplomacy programs, including funding to add 24 new positions to our existing 1,002 EAP positions. Ten of these positions will be Washington-based, while the remaining 14 will be overseas. The overseas positions are for Burma (three positions), Australia (three positions), Jakarta (ASEAN—two positions), South Korea (two positions), and one position each in Timor Leste, Vietnam, Brunei, and New Zealand.

EAP's Washington-based staff levels must be augmented to support expanding U.S. activity in Asia. With a new mission to the Association of South East Asian Nations (ASEAN) in Jakarta, an upgrade of U.S. relations with Burma, and the rotational deployment of U.S. military forces to Australia, EAP requires additional staff to manage and coordinate State Department policies with embassies and other U.S. Government agencies.

The requested increase in State Operations funds for Diplomatic and Consular Affairs and Public Diplomacy programs includes an additional \$8.2 million for current operating cost increases. \$1.3 million is requested to support security-driven New Embassy Compound/Consulate/Annex (NEC) projects and opening the new consulate in Wuhan, China. These increases are offset, in part, by a \$2.5 million reduction in administrative costs.

EAP spends approximately \$1.3 million annually to support participation in bilateral dialogues and multilateral meetings in the EAP region.

Question #20. The administration has undertaken efforts to upgrade our alliances and partnerships in the Asia-Pacific. What new initiatives does the administration envision in the security and economic spheres in the coming years?

Answer. The United States is an Asia-Pacific nation, and our presence has underpinned peace and security in the region for centuries. As the region's importance grows, we must lock in our investment—diplomatic, economic, strategic, and otherwise—in both the Asia-Pacific and our future. At the core of our approach is an understanding that diplomatic, security, and economic relationships in the Asia-Pacific region cannot be neatly compartmentalized—economic statecraft, traditional diplomacy, and security engagement go hand in hand.

Our five treaty alliances—with Japan, the Republic of Korea (ROK), Australia, the Philippines, and Thailand—are the cornerstone of our presence and leadership in Asia. These alliances have safeguarded regional peace and security for the past half century and support the region's remarkable economic growth. In the case of Japan, we are advancing our force realignment initiatives, including a reduced U.S. Marine Corps presence in Okinawa and operational buildup in Guam, as laid out in the June 2011 and April 2012 2+2 statements. As part of this process, the Department of Defense recently released a plan for the consolidation of our military facilities in Okinawa, and the Japanese Government took important steps toward construction of the Futenma Replacement Facility (FRF). By replacing the Marine Corps Air Station Futenma, the FRF will ease the burden on local communities in Okinawa. We are also expanding our missile defense cooperation with Japan by working together to establish a second X-band radar site in Japan to counter missile

threats from the Democratic People's Republic of Korea (DPRK). Additionally, we continue to advance security alliance coordination in the emerging areas of cyber security and space.

This year marks the 60th anniversary of our alliance with the Republic of Korea. Our cooperation has evolved over the years into a truly global partnership, and we are working together in places such as Afghanistan, South Sudan, and off the coast of Somalia. The United States is committed to the defense of the ROK, and both governments fully support the modernization of our alliance. Over the next 12 months, we are continuing preparations under the U.S.-ROK Strategic Alliance 2015 plan to advance efforts to transfer to the ROK wartime operational control of our joint South Korean forces. Strengthening our alliance includes both preparing for and deterring North Korean aggression.

Over the course of the next year, we will also deepen the U.S.-Australia alliance through continued implementation of our force posture initiatives, including by gradually augmenting the U.S. Marine rotational force in northern Australia and increasing U.S. aircraft rotations and exercises. Additionally, we intend to enhance existing trilateral engagement with partners such as Japan and expand cooperation in the Indian Ocean. Building on our successful counterterrorism partnership with the Philippines, we are expanding our security engagement to focus on building the Philippines' military and law enforcement agencies' indigenous capacity in order to address areas of common interest in maritime security, disaster relief, and non-proliferation.

As we renew our alliances to meet new demands, we are also working to build new partnerships throughout the region that can help solve shared challenges, including with emerging powers like China, India, and Indonesia. Building a positive, comprehensive, and cooperative partnership with China is a key component of our Asia-Pacific strategy. We are advancing capacity-building activities over the next year that aim to strengthen the United States ability to operate with armed forces and civilian law enforcement in the Philippines, Thailand, Vietnam, Singapore, Malaysia, and other key partner countries in the region with a strategic focus on maritime security, disaster relief and humanitarian response, countering the trafficking of people and illicit goods, and combating terrorism and violent extremism. Over fiscal years 2012 and 2013, the U.S. Government will also provide \$170 million to support the political and economic transition in Burma.

The Asia-Pacific region is linked primarily by its maritime environment, which has enabled the region's dynamic growth and facilitated greater connectivity. We recognize that challenges including territorial and maritime disputes, piracy, trafficking in illicit materials and natural disasters can threaten regional peace, stability, and prosperity. Supporting maritime security in the region therefore represents an enduring interest for the United States. The United States has consistently worked with its partners in the Asia-Pacific region to build capacity and promote cooperation on maritime security issues. In November last year, President Obama announced the U.S. intention to accede to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (RECAAP), the first government-to-government agreement to promote and enhance cooperation against piracy and armed robbery in Asia. We also continue to strongly support the Expanded ASEAN Maritime Forum (EAMF), established in 2012, to provide a platform for coordination among EAS countries on a range of maritime issues including marine environment, resource management, piracy, and capacity-building.

An important initiative that originated from the EAMF is the U.S.-led Expanded ASEAN Seafarers' Training initiative (EAST), which was announced by the President and endorsed by leaders at the November 2012 East Asia summit in Phnom Penh, Cambodia. The State Department is working closely with the Department of Transportation, the lead agency, to implement this initiative, which will seek to enhance counterpiracy training and education for seafarers in the region, specifically focusing on topics that address seafarer safety and welfare, such as surviving captivity, ransom negotiations, post-capture and release issues, treatment of post-traumatic stress disorder, and awareness of cultural and criminal aspects of piracy.

We are also taking steps to elevate our economic engagement in the region. At the East Asia summit last November, President Obama announced a new Expanded Economic Engagement initiative with ASEAN as a complement to our existing Trade and Investment Framework Arrangement. As a key element of this initiative, the State Department will host a visit from ASEAN economic ministers to the United States this year to build capacity around the key areas of focus for E3, which include business ethics and anticorruption, trade facilitation, investment principles, and information and communications technology.

The President also announced last November an initiative called the U.S.-Asia-Pacific Comprehensive Energy Partnership, which cuts across ASEAN, APEC, and

other Asian regional fora to promote sustainable energy policy and, working with the private sector, to facilitate the deployment of clean energy technologies in the region. In the coming 12 months, the Partnership's focus will be on completing capacity-building activities in the areas of markets and interconnectivity, emerging role of natural gas, renewable and cleaner energy, and sustainable development.

Question #21. What role do you envision for the State Department in paving the way for Japanese entry into the Trans-Pacific Partnership? The administration has set a target date for conclusion of the negotiations of October 2013. Will Japan's entry delay that target date?

Answer. Japan's entry into this important negotiation will help to deliver significant economic benefits for the United States, Japan, and the Asia-Pacific region. With Japan's entry, Trans-Pacific Partnership (TPP) countries will account for nearly 40 percent of global GDP and about one-third of all world trade, increasing the agreement's economic significance and its promise as a pathway toward a Free Trade Area of the Asia Pacific.

The United States and its TPP partners are determined to expeditiously complete a comprehensive, next-generation agreement. Our negotiating team worked hard in bilateral consultations with Japan, which concluded on April 12, to confirm Japan's readiness to pursue the high-standard, comprehensive objectives that the TPP countries are seeking. The administration also focused in these consultations on ensuring that Japan's participation would not slow down the negotiations. In response, and in full recognition of the goal shared among the current TPP countries to conclude the negotiations this year, Japan has confirmed that it will participate positively and constructively in the negotiations.

The State Department will continue to play an active role in the TPP negotiations and in integrating Japan into the regional trade talks. Officers from U.S. Embassies in member countries and from Washington participate in formal negotiations, inter-sessional meetings, a variety of bilateral side meetings, and the U.S. Trade Policy Staff Committee to support and complement the work of USTR negotiators by sharing their country, regional, and technical expertise.

The State Department has personnel with institutional experience on trade issues and subject matter experts who have spent years working on World Trade Organization (WTO) issues and other plurilateral and bilateral negotiations. The Department can provide context on topics that relate to the larger foreign policy agenda such as state capitalism, state-owned enterprises (SOEs), labor, the environment, and anticorruption. The Department's lawyers can also provide key guidance on general international law issues.

Japan is preparing a large negotiating team to take part in TPP negotiations. State Department officials, particularly those based at U.S. Embassy Tokyo, will seek to build contacts with this team at the working and senior levels in order to help U.S. decisionmakers understand Japan's negotiating priorities and flexibilities, how Japan incorporates TPP membership into its broader economic reform plans, and Japan's efforts to address public concerns regarding sensitive sectors.

Question #22. As you know, China has engaged in aggressive maritime behavior in the East and South China Seas. While the United States takes no position on the issues of territorial sovereignty, the administration has made clear in the past that the United States will abide by its security commitments. In January, then-Secretary Clinton made a clear statement on U.S. policy with regard to the Senkaku Islands, stating "we oppose any unilateral actions that would seek to undermine Japanese administration."

- Can you reaffirm for the record U.S. support for Japan's administrative control of the Senkaku Islands?

Answer. The United States urges all parties to avoid actions that could raise tensions or result in miscalculations that would undermine peace, security, and economic growth in this vital part of the world. Our position on this issue is longstanding—we do not take a position on the question of ultimate sovereignty over the islands and call on all parties to manage their differences through peaceful means.

The Senkaku Islands have been under Japanese administration since the reversion of Okinawa in 1972. As I reiterated in Tokyo in April, we oppose any unilateral or coercive actions that would seek to undermine Japanese administration.

I would also state, as administration officials have said numerous times, the Senkakus fall within the scope of article 5 of the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security.

Question #23. There is an unprecedented level of exchanges and dialogues between the United States and China; however, there are several irritants and chal-

lenges in strengthening our bilateral relationship. Serious obstacles remain on the economic front, including market access and intellectual property rights.

- How can we more effectively harness the framework of the U.S.-China Strategic and Economic Dialogue (S&ED) to make progress on these issues?

Answer. The week of July 8–12, Treasury Secretary Lew and I will be chairing the U.S. side of the Strategic and Economic Dialogue (S&ED), along with State Councilor Yang Jiechi and Vice Premier Wang Yang on the Chinese side. The S&ED enables the United States and China to expand our collaboration on important strategic and economic issues while providing a key platform for raising our concerns, such as the need for progress on economic issues, regional challenges, and human rights, in a candid and direct manner with China's senior officials.

The United States utilizes bilateral engagement with China, including through the S&ED, to enhance communication on areas of concern in the bilateral relationship. For example, the Strategic Security Dialogue (SSD) established at the 2011 S&ED, has for the first time provided the United States and China a forum for civilian and military representatives to discuss strategically sensitive issues in the relationship, such as cyber security and maritime security. Building on discussions of cyber policy at the 2012 SSD, the United States and China have made progress in addressing that issue. When I visited Beijing, we announced the opening of a new channel for communication on cyber policy—the Cyber Working Group, under the SSD.

Through the S&ED's economic track, the United States is expanding opportunities for American firms to export to China by increasing market access, leveling the playing field, and pressing for greater transparency. Through the S&ED, the United States is encouraging China's shift toward consumption-led growth and is seeking economic and regulatory reform in China aimed at a more open Chinese market for U.S. goods and services. The S&ED provides an important platform for strengthening U.S.-China economic and financial cooperation and understanding so that we can tackle bilateral issues as well as improve our coordination in addressing global challenges in international fora.

Question #24. The administration has devoted considerable resources to supporting the political transition in Burma, with significant congressional support for easing restrictions in response to positive steps by the Burmese Government. However, there is growing concern here in Congress that the administration has eased the pressure on the Burmese Government to demonstrate continued progress on political reforms, including engaging in a meaningful political dialogue with the marginalized ethnic groups.

- Is the administration still committed to implementing the “action for action” model with respect to further engagement with the Burmese Government and continued easing of restrictions?

Answer. The United States remains committed to a policy of calibrated engagement with the Burmese Government with the aim of ensuring further progress on political, economic, and social reforms. While we assess that the Burmese Government's commitment to reform is genuine and that the country has made remarkable progress over the past 2 years, we continue to have serious concerns about human rights, the role of the military, progress toward national reconciliation, and rule of law and accountability. We continue to emphasize to the Burmese Government the need to reach a cease-fire in Kachin State, advance political discussions with ethnic minority groups, and resolve tensions and prevent violence in Rakhine State, and the importance of promoting values of tolerance, diversity, and peaceful coexistence.

The United States engagement with Burma includes steps to match action with action, recognizing the reforms Burma has undertaken to date and incentivizing further progress. The guiding principles of the action-for-action policy have been to support reforms and promote national reconciliation; build government transparency, accountability; empower local communities and civil society; and promote value-based standards for international engagement.

The administration continues to promote these policies and principles as the fundamentals of Burma's reform. The President's trip in November 2012 demonstrated the United States resolve to support Burma in its political and economic reform efforts. On the eve of his visit, the Burmese Government articulated its commitment to 11 specific issues covering human rights, political prisoners, ethnic reconciliation, nonproliferation, good governance, and human trafficking. These commitments include forming a committee to review the remaining political prisoner cases; pursuing peace talks with ethnic minorities; meeting humanitarian needs in Rakhine State and other conflict affected areas; allowing the U.N. High Commissioner for Human

Rights to open an office in Burma; and facilitating access for the International Committee of the Red Cross to resume prisoner visits.

The Burmese Government has made notable progress on many of these commitments. We will continue to press for further progress to ensure that the Burmese Government upholds its commitments to protect and promote human dignity and strengthen democratic governance.

Question #s 25–26. Strategic Nuclear Arsenal Reduction.—The administration has indicated that it is interested in pursuing further reductions in our strategic nuclear arsenal with Russia later this year. Section 2573 of Title 22 of the U.S. Code states the following: “(b) Prohibition: No action shall be taken pursuant to this chapter or any other Act that would obligate the United States to reduce or limit the Armed Forces or armaments of the United States in a militarily significant manner, except pursuant to the treaty-making power of the President set forth in Article II, Section 2, Clause 2 of the Constitution or unless authorized by the enactment of further affirmative legislation by the Congress of the United States.”

- Can you assure us that you will honor the law and that any agreement, formal or informal, with Russia in the field of arms control based on “reciprocal unilateral measures” or multilateral nontreaty agreements will be submitted to the Senate? Can you further assure us that it remains administration policy that the United States will not negotiate any limitations to our missile defense? Can you assure us that the Obama administration will not take unilateral action to reduce the strategic arms or missile defenses of the United States without consultation and approval from Congress?
- What value does the administration place on treaty compliance? Do you believe that violators should be held accountable? Is the United States holding violators accountable? Under what conditions should the United States engage in ongoing negotiations with parties we know to be in violation of more than one treaty?

Answer. Having served proudly in the U.S. Senate for 28 years, I have the utmost respect for the Senate’s role in the treaty process. I am mindful of the language in the Arms Control and Disarmament Act, and similar language in other legislation. As always, the administration will follow the Constitution and laws of the United States. The Department of State will continue its consultations with the Congress on arms control and missile defense-related issues.

With respect to missile defense limitations, the President has consistently made clear that the United States will not accept any obligations that would limit U.S. missile defense capabilities. As ballistic missile threats continue to evolve, we cannot place limits or constraints on our ability to defend ourselves, our allies, and our partners.

The United States places a very high priority upon verifying compliance with, and detecting violations of, arms control agreements. We carefully monitor compliance with arms control agreements in order to detect and respond to any such violations in an appropriate manner. Treaty compliance is essential for creating the stability and predictability that aids international security efforts.

Our national security interests have been and will continue to be the primary consideration in any future arms control negotiations. Given the large number of pressing international security issues on the agenda, it is important to look at the current arms control regimes and our national security interests comprehensively when considering future negotiations.

REFORM TO CONSOLIDATE BUSINESS AND TRADE PROMOTION INTO A SINGLE DEPARTMENT

Question #27. Please explain why the consolidation of business and trade-promotion entities, as outlined in your budget request, is necessary? Are these agencies underperforming in the administration’s view? Could a robust interagency decision-making and accountability process akin to that of PEPFAR serve the same function? If not, why not?

Answer. This matter is not within the purview of the Department of State. The Department defers to the Department of Commerce.

Question #28. Do you have any concerns that lumping them all together could have the unintended effect of undermining their effectiveness? Can you provide data or assumptions that demonstrate a gain in effectiveness by a combined department?

Answer. This matter is not within the purview of the Department of State. The Department defers to the Department of Commerce.

Question #29. The Budget request assumes that “these changes could generate approximately \$3 billion in savings over the next 10 years, with roughly half of the savings coming from reducing overhead and consolidating offices and support functions.” How did you arrive at this number? Given the challenges that have been confronted at the Department of Homeland Security in doing something similar, do you have any concerns that, given the different missions of these agencies, you may in fact end up unnecessarily growing the bureaucracy by merging them together?

Answer. The specific consolidation activities referenced in your question are with regard to the President’s proposal to consolidate all Business and Trade Promotion into a single Federal Department solely focused on domestic economic growth, which, as currently proposed, does not directly involve shifting or consolidating Department of State bureaus and offices.

However, in the spirit of this consolidation activity, the Department of State is committed to identifying areas of overlap and duplication and implementing programs and policies designed to save American taxpayer dollars.

In accordance with Executive Order 13589, “Promoting Efficient Spending,” in FY 2013 the Department is working toward targeted spending reductions of \$182 million less than that spent in FY 2010 on travel, supplies, IT devices, printing and reproduction, executive fleet, and promotional items. Leadership at all of our overseas posts has been directed to comply with governmentwide mandates to reduce cost, scrutinize travel, review service contract requests, and hasten adoption of the top eight savings initiatives for the Department, which include: Warehousing, Voucher Processing, Utilities, TDY ICASS Cost Management, Regionalization of Support Services, Furniture Pool, Expendable Supplies and Local Transportation.

Question #30. In its budget submission, MCC highlighted the challenge that rising State Department International Cooperative Administrative Support Services costs have on program support and implementation in country.

- Are increased ICASS costing negatively affecting MCC’s ability to accomplish its goals? Is a similar impact observed by other agencies, and what processes does the Department have in place to assess the affect its policies are having in this area?

Answer. The Millennium Challenge Corporation (MCC) currently has a presence in 18 countries, up from 4 in its first year of operation in 2006. The size of its staff at each MCC post has grown as well, from an average of 3 staff per post in 2006 to about 5 staff per MCC office today. MCC has 32 U.S. direct hire employees and about 50 Foreign Service Nationals (FSNs) located in the 18 countries where they have a presence.

The total International Cooperative Administrative Support Services (ICASS) invoice for MCC in 2013 is projected at \$3.9 million, up from \$374,000 the first year. As the GAO noted in its recent review of ICASS, in order to determine if ICASS costs are reasonable, it would be necessary to compare the actual known cost of ICASS support to the cost of a hypothetical alternative support platform that a particular agency would have to fund if the ICASS shared services platform did not exist. Even where agencies asserted that they could provide services more cheaply than they pay under ICASS, none of those agencies was able to supply the GAO with data on the actual cost of such alternative operations to support this claim.

The Department continues to work with other agency ICASS partners to promote efficiency and focus on cost savings. Using ICASS governance mechanisms at both the Executive and working levels, agencies are invited to provide input on these concerns and are provided an active role in identifying the size of ICASS operating budgets each year. Beginning with the Forward Planning process that provides budget projections to agencies 2 years in advance of each operating year to enable them to include this information in their own budget submissions, the Department provides a venue for two-way communications on both the cost of operations and the impact of these costs on agency missions. Continuing that engagement, before the start of each fiscal year, agencies engage with the Department in a process that identifies the actual ICASS operating funding levels for each mission overseas. The Department’s Bureau of Budget & Planning factors agency concerns into funding determinations, and weighs their affordability along with the Department’s into recommended funding levels. Also factored into funding levels are savings from initiatives the Department has launched to control the growth of costs, initiatives that regionalize, right-size and further consolidate the overseas management platform. The final ICASS funding level for each overseas mission each year is approved by the ICASS Interagency Working Group (IWG) in Washington.

While the cost of management support competes with program operations for the same scarce dollars, all agencies want assurance that support for the diplomatic mission is successful. So, in addition to providing agencies with an active voice in

determining ICASS funding levels, an annual survey is conducted worldwide to assess the opinion of ICASS customers overseas in its ability to support their missions. That survey invites customers overseas to rate services on a 5-point scale, with 5 being the highest rating. This year, more than 54,000 customers: Americans, dependents, and Foreign Service Nationals took the survey and scored overall services at 4.09 out of 5. The Department takes the governance aspect of ICASS very seriously, and will continue to ensure that processes are in place to ensure agency input is incorporated into the system.

Question #31. Please provide to the committee an explanation of how ICASS costing is calculated.

Answer. International Cooperative Administrative Support Services (ICASS) costs are calculated and shared through a Cost Distribution system. In practice, the cost of ICASS operations is spread to all customer agencies based on their share of consumption of services as measured using cost distribution factors. These factors include headcounts for American personnel, their dependents, and locally engaged staff, space occupied in embassies and consulates, and unit counts such as the number of kilometers driven in the motor pool, or the number of procurement documents processed. Each agency's percentage share of those factors, on an annual basis, drives the percentage share of ICASS cost that they pay on their invoices. Using this system, the share of costs agencies pay relates directly to their relative consumption of services provided.

Question #32. Please explain how FY14 budget request tracks with the recent PPD and explain the coherence of this budget request with other elements of the overall strategy for sub-Saharan Africa. This should include the interrelation of CIPA, MCA, and other economic and governance programs as well as those of other U.S. agencies and international organization budgets.

Answer. The FY 2014 request closely aligns with the Presidential Policy Directive on sub-Saharan Africa (PPD), which identifies four pillars of U.S. strategy toward the region: strengthening democratic institutions; spurring economic growth, trade, and investment; advancing peace and security; and promoting opportunity and development. The request identifies the diplomatic and development resources needed to make meaningful progress in these four key areas. The PPD underscores the fact that strong, accountable, and democratic institutions grounded in the rule of law meet with greater success in generating prosperity and long-term stability, and the request includes a 12-percent increase over FY 2012 levels in resources committed to programs that promote and strengthen just and democratic governance.

The U.S. Strategy Toward Sub-Saharan Africa reflects the importance of fostering broad-based, sustainable economic growth through a variety of measures, including trade and investment. Accordingly, substantial resources (\$884 million) are requested in FY 2014 to support economic growth, including activities to spur greater agricultural productivity, expand and revitalize key infrastructure, and boost trade and investment, among other priorities.

American and African people alike are put at risk by instability and violent conflict on the continent, as are our diplomatic and development programs and investments. In line with the PPD's emphasis on advancing peace and security, roughly 7 percent of the budget request will support efforts to prevent and mitigate conflict, to counter terrorism and violent extremism, and to build African security capacity while promoting healthy civil-military relations and adherence to democratic norms. In addition, our efforts to advance peace and security are supported by the Contributions for International Peacekeeping Activities (CIPA) account, of which over \$1.61 billion is requested in FY 2014 to fund the U.S. share of assessed contributions for U.N. peacekeeping operations working to address conflicts or post-conflict situations in Liberia, Cote d'Ivoire, the Democratic Republic of the Congo, Somalia, Darfur, Southern Sudan, and the Abyei region. Since the FY 2014 budget request hearings, the U.N. Security Council has approved a new U.N. peacekeeping operation for Mali, for which there is no currently identified source of funding.

As in years past, the request also includes significant resources to support the Global Health, Feed the Future, and Global Climate Change Presidential Initiatives that seek to promote opportunity and development by transforming Africa's public health systems, strengthening its food and nutrition security, and facilitating climate-resilient development and better management of natural resources.

The FY 2014 request is a result of close collaboration within the foreign affairs interagency community. Initial input for the request comes from our missions in the field and reflects on-the-ground coordination of all U.S. Government partners under Chief of Mission authority, including Millennium Challenge Corporation (MCC) resident country representatives. From the initiation of budget planning in the field to

the completion of the President's budget request, the Africa bureaus at State and USAID work hand-in-hand and seek input from and review by other U.S. Government partners, as appropriate.

The U.S. Government's efforts to address the HIV/AIDS pandemic are a prime example of this degree of coordination. Through the President's Emergency Plan for HIV/AIDS Relief (PEPFAR), the cornerstone of the Global Health Initiative, State's Office of the Global AIDS Coordinator leads an interagency process—including USAID, the Department of Health and Human Services, the Department of Defense, and the U.S. Peace Corps—in planning and implementing a comprehensive response to HIV/AIDS in sub-Saharan Africa.

Additionally, with respect specifically to the Millennium Challenge Corporation (MCC), the Secretary of State serves as the organization's chairperson. The USAID Administrator, along with other principals from the interagency community, including the Secretary of the Treasury, the U.S. Trade Representative, and others, serve as MCC board members. This kind of collaboration and participation ensures that interagency partners' respective resources are brought to bear in order to advance common objectives and broader U.S. national interests while increasing the impact and optimizing the effective stewardship of funds.

Question #33. What is the driving interest of the United States in its engagement with the continent? How is that strategy affected by the prioritization of programs that constitute a significant percentage of the aid to Africa, such as the Global Health Initiative, Feed the Future, and Global Climate Change funding?

Answer. The driving interests of U.S. engagement in sub-Saharan Africa are multifaceted and interrelated. They include a desire for shared peace, prosperity, and development; the advancement of universal values; and efforts to counter threats to the United States and the international order. As described in the U.S. Strategy Toward Sub-Saharan Africa, the United States seeks to advance these interests by prioritizing strong democratic institutions; broad-based economic growth, including through increased trade and investment; peace and security; and opportunity and development. The FY 2014 request identifies the diplomatic and development resources, and associated programs, needed to make meaningful progress toward all of the Strategy's goals and the United States broader interests. A majority of the overall request for sub-Saharan Africa supports Presidential Initiatives: Global Health, Feed the Future, and Global Climate Change. These initiatives address critical issues on the continent and are inherently more resource intensive than programs that advance other elements of U.S. strategy toward sub-Saharan Africa. Funding for programs that advance peace and security and democratic governance continue to be high priorities, as these are important pillars of the U.S. Strategy. The requested 12-percent increase over FY 2012 levels for programs that strengthen democratic institutions is indicative of the importance placed on that priority in line with the U.S. Strategy.

Question #34. What are the central points of agreement regarding economic growth across Africa and how has the United States adjusted its economic development and trade policy to achieve improvements in sub-Saharan Africa? How would you assess the impact of existing programs such as AGOA, MCA, OPIC/EXIM in enabling greater U.S. investment and trade with Africa?

Answer. The International Monetary Fund (IMF) forecasts sub-Saharan Africa will experience growth rates over 5 percent in 2013 and that 7 of the world's 10 fastest-growing economies through 2015 will be in Africa. Africa's growth and its rising middle class offer the U.S. private sector a new market for its goods and services.

Existing U.S. programs to foster U.S. investment and trade with Africa have achieved notable results, and we are exploring new initiatives to further strengthen our trade and investment relationship with the continent. The Africa Growth and Opportunity Act (AGOA) has helped eligible countries grow and diversify their exports to the United States, create jobs in the United States and Africa, and attract investment with support from USAID's regional Trade Hubs. Last year, the Overseas Private Investment Corporation (OPIC) supported a record amount of private sector investments in Africa, more than \$1.7 billion. And in partnership with the Export-Import Bank (Ex-Im) and the U.S. Trade and Development Agency (USTDA), OPIC recently opened an office in South Africa to promote U.S. private sector investment in clean energy projects across the continent. The Millennium Challenge Corporation (MCC) has also strengthened economic growth and opportunities for U.S. businesses, notably through a focus on improving infrastructure and regulatory environments, as well as opportunities for U.S. investors and exporters.

MCC considers \$3.2 billion, or 35 percent of its overall assistance to partner countries, as “aid for trade.” While each country’s grant program is different, many MCC partner countries place a high priority on increasing competitiveness and facilitating domestic commerce as well as regional and international trade. In Africa, MCC has partnered with 14 countries, totaling over \$5 billion in compacts, to improve their capacity for trade by removing internal barriers to trade; building institutional capacity in areas such as customs and national standards; developing business skills; and building the transportation, energy, and other infrastructure needed to enable trade and business expansion that can propel economic growth.

The 2012 Presidential Policy Directive for sub-Saharan Africa spurred creation of a new “Doing Business in Africa” (DBIA) campaign to provide support for U.S. companies interested in doing business in Africa, and it highlights an emerging partnership with the East Africa Community to support Africa’s regional integration and increase U.S. trade and investment with the region. The DBIA campaign will include expanding targeted trade missions to Africa and efforts to bring more African buyer delegations to the United States.

In 2012, State launched the Direct Line Program for U.S. Ambassadors to provide on-the-ground information about a country’s business climate and opportunities to U.S. companies. U.S. embassies in sub-Saharan Africa have hosted 13 Direct Line calls to-date. In the coming months, State will roll out a new online database where U.S. companies can find timely leads on foreign government procurement opportunities, including large infrastructure projects.

State and USTR are also continuing efforts to expand the number of Bilateral Investment Treaties (BITs) with sub-Saharan Africa, to encourage U.S. investment by improving the investment climates, promoting economic reforms, and strengthening the rule of law. The United States currently has 6 BITs in force in sub-Saharan Africa out of a total of 40 worldwide, including the U.S.-Rwanda BIT—the most recent signed. Negotiations are underway with Mauritius, and exploratory discussions are being held with Ghana and Gabon as well as with the East African Community for a regional investment agreement as noted above under the rubric of the U.S.–EAC Trade and Investment Partnership.

Question #35. What are the specific metrics for the TSCTP and PRACT programs and how have they been applied over the last 3–5 years? What has changed since the most recent Mali experience?

Answer. While Africans in general have not been receptive to al-Qaeda ideology or tactics, al-Qaeda and other violent extremist groups actively seek to exploit weak governance, inadequate service delivery, poor security capacity, and large ungoverned spaces in West and East Africa. The U.S. counterterrorism strategy in Africa focuses on building and sustaining the long-term capacity of regional partners through the Trans-Sahara Counterterrorism Partnership (TSCTP) and the Partnership for Regional East Africa Counterterrorism (PRACT). TSCTP and PRACT are the U.S. Government’s multiyear, multisector programs to help regional partners engage populations at-risk of extremism, address drivers of radicalization, strengthen border and customs systems, enhance financial controls, and build law enforcement and security sector capacity.

Metrics for TSCTP and PRACT programs include output measures such as the number of host-government officials trained in specific counterterrorism capabilities and the number of countering violent extremism programs implemented in a particular country by civil society and partner governments. We also apply more outcome-oriented evaluations such as the extent to which those officials demonstrably operationalize those capabilities and the overall professionalism and readiness of the host-nation security sector in response to terrorist threats. U.S. embassies and other U.S. agencies carry out periodic assessments and site visits to evaluate how effectively partner nations are utilizing and institutionalizing U.S. counterterrorism training and equipment. Our embassies and various U.S. agencies also carry out periodic assessments and surveys to identify drivers of radicalization and determine the effectiveness of U.S. programs to counter violent extremism. These assessments help to identify vulnerabilities and best practices that shape future programming decisions.

With regard to the recent Mali experience, we believe our TSCTP programming generally has helped our African partners to confront the threat presented by Al Qaeda in the Islamic Maghreb (AQIM) and to prevent AQIM from establishing a permanent safe haven in northern Mali or the broader Sahel region. France and select African countries, which received training and equipment through TSCTP, have dealt significant blows to AQIM and pushed it out of key strongholds in northern Mali. In order to consolidate these positive trends, it is essential that Mali restore democratic governance and address the core economic and political grievances

that AQIM seeks to exploit. We continue to look for ways to enhance TSCTP programming to better address the evolving threat environment and establish effective, accountable, democratic security institutions.

Question #36. What funding sources and programming are TSCTP or PRACT-specific? What other specific funding mechanisms and programs are utilized to fund TSCTP and PRACT?

Answer. To ensure a comprehensive, multisector approach, the Department and USAID use different funding streams to advance the Trans-Sahara Counterterrorism Partnership (TSCTP) and Partnership for Regional East Africa Counterterrorism (PRACT) strategic objectives. The President's Fiscal Year 2014 budget request includes dedicated funding for TSCTP and PRACT from the following foreign assistance accounts: (1) Development Assistance; (2) Economic Support Funds (ESF); (3) Foreign Military Financing (FMF); (4) International Narcotics Control and Law Enforcement (INCLE); (5) Nonproliferation, Antiterrorism, Demining and Related Programs (NADR); and (6) Peacekeeping Operations (PKO). In addition to these specific funding allocations, TSCTP and PRACT may also benefit from other global counterterrorism funding, for example NADR antiterrorism funds support regional-focused counterterrorism projects developed by the Bureau of Counterterrorism's Regional Strategic Initiative (RSI) program. Department of Defense section 1206 funding may also be used to train and equip foreign military forces.

Question #37. Why have GAO recommendations from a 2008 report on TSCTP been accepted by State Department but no action taken to make improvements? What if any U.S. or partner constraints are there to more effective programs?

Answer. The Trans-Sahara Counterterrorism Partnership (TSCTP) remains the U.S. Government's primary program to support the long-term capabilities of the countries in West, Central, and North Africa to address the threat posed by Al Qaeda in the Islamic Maghreb (AQIM) and other violent extremist groups. The challenges in this region are great, and we believe it is critical that TSCTP employ a multifaceted approach to build partner capacity, strengthen regional cooperation, and counter violent extremism across the region. The 2008 Government Accountability Office (GAO) report recommended that the U.S. Government develop a comprehensive strategy for TSCTP with clear goals, objectives, and milestones, and seek to enhance interagency coordination. We have made progress in implementing the GAO report's recommendations. We continue to refine TSCTP's strategy based on lessons learned and our analysis of the evolving threat environment.

There is strong coordination between interagency partners, program managers, U.S. Africa Command (AFRICOM), and our embassies in the field to better ensure an integrated approach. We have put in place multiple coordination mechanisms for TSCTP, including an annual TSCTP conference, periodic field visits, and regular video-teleconference calls. The first line of coordination and oversight takes place at our embassies. While various assessments and inputs from throughout the interagency inform decisions regarding TSCTP programming, chiefs of mission must concur with all proposed activities.

Individual TSCTP programs are closely monitored and assessed in the field and in Washington. U.S. embassies and various U.S. agencies carry out periodic assessments and site visits to evaluate how effectively partner nations are utilizing and institutionalizing U.S. counterterrorism training and equipment. As noted in the referenced GAO report, establishing institutional metrics for success with our counterterrorism programming is challenging. Nevertheless, the interagency continues to explore ways to update our performance indicators and identify best practices. Our embassies and various U.S. agencies also carry out periodic assessments and surveys to identify drivers of radicalization and determine the effectiveness of U.S. programs to counter violent extremism.

There continue to be considerable challenges to designing and implementing effective programming. Many members of TSCTP are counted among the poorest countries in the world and currently lack basic capabilities to secure their borders, respond to crisis situations, and respond to aggrieved populations. However, these countries have demonstrated the essential political will to take responsibility for their own defense and have sought out long-term engagement with the United States to build up their capabilities. To the extent possible, we seek to ensure that TSCTP assistance packages are tailored to fit the priorities and needs of individual countries. At the same time, we support regional and subregional initiatives that can strengthen cooperation and interoperability.

Despite the challenges, the TSCTP approach has proven successful in Mauritania, Niger, Chad, and Burkina Faso, where willing partners have intensified their efforts to confront the AQIM threat. Due in part to TSCTP engagements, these countries

have increased their limited capabilities to more effectively monitor, control, and defend their territories against transnational threats, including terrorism. In Mauritania, for example, U.S. assistance has enabled military and law enforcement to deploy and sustain units on its eastern border, in the extremely austere frontier. Utilizing U.S.-supplied aircraft and equipment, these units have increased Mauritania's border security and interdicted terrorists. Similarly, Niger has benefited from U.S. training and equipment to bolster its efforts to protect its borders and interdict terrorists attempting to transit through its territory.

In addition to initiatives to bolster the capacities of regional military and law enforcement, several TSCTP programs aim to enhance individual and community resilience to the risk of violent extremism. For example, TSCTP supports educational and training courses in Algeria and Morocco, and extensive youth employment and outreach programs, community development and media activities in Mauritania, Senegal, Niger, and Chad. These programs continue to demonstrate a measurable effect on factors that correlate to the drivers of violent extremism such as levels of civic engagement, individual sense of identity, and perceptions of the use of violence. We continue to look for ways to make these programs more effective and targeted.

Question #38. The Global Peace Operations Initiative was intended to create an Africa peacekeeping capacity that would provide responsive and effective African peacekeepers in 5 subregional formations.

- What is the current commitment for FY14 to the GPOI ACOTA program and what are the longer term goals of sustaining such train and equip efforts? What is the status of each of the intended subregional peacekeeping contingents? How have other nations contributed to this train-and-equip program? To what extent does this program fail to meet requirements on the continent? Why?

Answer. The Global Peace Operations Initiative (GPOI) was established in 2005 to strengthen international peacekeeping capabilities, with a focus on Africa. Though we have trained African peacekeepers across the continent, our training has not focused on the African Union's subregional contingents, which comprise the AU's Standby Force. The FY 2014 request for the GPOI program is \$75M, which is consistent with the FY 2013 request of \$75M. Approximately 60–65 percent of GPOI's annual budget supports peacekeeping capacity-building activities in African partner countries, with a significant portion of the remaining funds supporting the deployment of peacekeepers from other regions to peacekeeping missions on the African Continent.

The long-term goal of our training is African partner militaries that can excel at critical peacekeeping tasks on the continent. Since 2005, we have established ACOTA partnerships with 25 African countries, 18 with which we are actively engaged in training for peacekeeping missions and the deployment of the African-Led International Military Force in Mali (AFISMA) point to the development of this capacity.

Like-minded international donors, including the European Union, United Kingdom, France, Germany, Denmark, Canada, and Japan provide individual and unit training, equipment, and advisory assistance for African military, police, and civilian peacekeepers, as well as support enhancements to peacekeeping training facilities. The Government of the Netherlands (GON) has provided the ACOTA program with over \$35 million since 2007.

Challenges to the effectiveness of our training in meeting the needs of the continent include the increasing demand for peacekeepers in light of shrinking budgets and the lack of developed institutional capacity.

Question #39. The U.S. Africa Command is approaching 5 years of full operational capability and its leadership has been tested in coordinating for combat in North Africa. It has also expended a great deal of effort in bilateral security cooperation across the continent.

- Assess the degree of coordination and collaboration between State Department and AFRICOM as it relates to the overall U.S. bilateral relationships in Africa. What specific institutionalized venues or policy vehicles exist for such coordination and collaboration and at what levels? What is lacking that would improve such coordination and collaboration?

Answer. To ensure a high degree of ongoing coordination and collaboration between AFRICOM, Office of the Secretary of Defense/Joint Staff, and the State Department, AFRICOM and subordinate command have hosted annual security cooperation planning conferences in addition to annual planning meetings which take place in the host-nation with host-nation input. Ambassadors and Deputy Chiefs of Mission, in coordination with Senior Defense Officials stationed at the embassies and with AFRICOM staff members, ensure that all military activity (e.g.,

military senior leader visits, military exercises) supports overarching bilateral political objectives. Interagency working groups have addressed specific topics (i.e, Mali, Global Security Contingency Fund).

To improve upon the effectiveness of AFRICOM/State Department coordination and collaboration, interagency planning needs to continue to focus on establishing enduring, sustainable programs with long-term effects that address areas of mutual interest and concern. Host-nations and U.S. embassies have a finite capacity to absorb military activity; thus, all the more reason to ensure the effectiveness of AFRICOM programs.

Question #40. Who is responsible for AFRICOM activities in a given mission? How is the Chief of Mission informed of AFRICOM activities and plans?

Answer. The Ambassador, or chief of mission, is responsible for approving all AFRICOM activities in his/her country of assignment. A full-time senior defense official, posted to most embassies, keeps the chief of mission informed of planned activities and the effects of past activities. The senior defense is responsible for implementing activities in close coordination with the interagency embassy country team.

Question #41. What are the greatest concerns and what are considered most valuable in relation to AFRICOM activities by the State Department, USAID, Chief of Mission, and host country officials?

Answer. AFRICOM is an important partner in advancing our strategic objectives and partnerships in Africa, including building the capacity of our partner nation militaries, reinforcing norms like respect for human rights and civilian control of the military, and reinforcing our relationships and cooperative efforts with international and regional institutions in Africa. Both the Department of State and USAID work closely with AFRICOM as it plans and develops its new initiatives and programs. In doing so, we seek to ensure that as we implement the administration's Africa policy, we properly balance the use of diplomatic, development, and security assistance tools to achieve our national objectives and assist our African partners to increase and maintain peace and stability in Africa.

AFRICOM's most valuable role on the continent is helping to build more professional, effective defense institutions that respect human rights and civilian control of the military. For instance, AFRICOM has played a critical role in the efforts to build professional defense institutions in post-conflict states like Liberia. AFRICOM participates in the Department of State's Africa Contingency Operations Training and Assistance program through the provision of military mentors and trainers, and has provided specialized counterterrorism training and equipment to peacekeepers deploying to Somalia under the section 1206 authority. AFRICOM has also provided a critical role in training troops in the Sahel region to address the threat posed by Al Qaeda in the Islamic Maghreb as part of the Trans Sahara Counterterrorism Partnership program. AFRICOM also has provided advice and assistance to Ugandan and regional African forces pursuing the Lord's Resistance Army. Finally, AFRICOM is also helping to build the capacity of African states to secure their maritime domains through programs like Africa Partnership Station, which furthers important U.S. strategic interests like Freedom of Navigation, protecting free trade routes, and inhibiting piracy and other crimes at sea.

Question #42. The United Kingdom recently conducted a study and found that a number of U.N. organizations were providing poor value for money. In light of this study, what are the top three U.N. organizations the United States currently funds that provide the least value for our investment? Is this funding a result of a congressional earmark or does State provide the funding voluntarily?

Answer. The Department receives two appropriations for International Organizations through two budget accounts: (1) Contributions to International Organizations (CIO) and (2) International Organizations and Programs (IO&P). The CIO account provides funds for U.S.-assessed contributions to 45 international organizations. The IO&P account provides for voluntary contributions to a limited number of international organizations to accomplish transnational goals (e.g., safeguarding international air traffic) or to multiply the effect of U.S. assistance through support for international programs.

The CIO account funds U.S. obligations to international organizations pursuant to a treaty, convention, or U.S. law. As part of the preparation of our annual budget process, the Department reviews how U.S. participation furthers one or more of the strategic goals outlined in the "Quadrennial Diplomacy and Development Review" (see FY 2014 Congressional Budget Justification at <http://www.state.gov/s/d/rm/c6112.htm>). Comparing the relative value of each organization is problematic, given the variety of evaluative criteria that would apply across this diverse set of organi-

zations. Further, U.S. participation in each of these organizations has strong support from numerous U.S. Federal agencies and private sector entities that rely on these organizations to advance U.S. objectives abroad. The Department addressed this challenge as part of its Report to Congress on the “Review of U.S. Membership in International Organizations,” submitted in June 2012. We have attached the report for your review and consideration (see attachment below).

The United States uses the provision of voluntary contributions, via the IO&P account, to seize opportunities to take a leadership role in areas of critical interest to the United States, such as gender issues, environmental issues, and humanitarian aid. In this way, the United States can multiply the influence and effectiveness of its support in targeted areas.

Further, under the United Nations Transparency and Accountability Initiative (UNTAI), the Department targets areas where member states can increase oversight and accountability and ensure that contributions are utilized efficiently and effectively. The United States has long led the charge on U.N. management reform, and we will continue to advocate for budget discipline, program prioritization and efficiency, and oversight.

ATTACHMENT TO ABOVE RESPONSE

REPORT TO CONGRESS

REVIEW OF U.S. MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS

This report was prepared and is being submitted in accordance with the joint explanatory statement (H. Rept. 112-331) accompanying the Department of State Foreign Operations, and Related Programs Appropriations Act, 2012 (Div. I, P.L. 112-74), which requests that the Department of State “conduct a review of United States membership in each international organization supported by [the Contributions to International Organizations] account and prioritize the United States participation in, and funding for, each organization in accordance with United States policy goals. The review should also include any recent reforms the organizations have taken to increase transparency and accountability” and provide the results of the review.

Funding for the Contributions to International Organizations (CIO) account currently enables U.S. participation in 44 international organizations (IO) that advance U.S. foreign policy objectives in every region of the world. International organizations facilitate collective action by the world community. By combining resources and expertise, international organizations can undertake coordinated multilateral efforts and be an effective alternative to acting unilaterally or bilaterally, especially in the areas of providing humanitarian assistance, eradicating disease, setting food and transportation safety standards, addressing nuclear proliferation and reaching agreement to impose sanctions on rogue states and actors.

The Administration’s commitment to strengthening and working through international organizations to jointly address shared challenges is laid out in the National Security Strategy as a vital instrument of diplomacy and foreign policy.

Prioritization

Participation in IOs has strong support from U.S. federal agencies, Congress and private sector entities that rely on these IOs to advance their objectives abroad. The justification for continued membership in each IO is the product of a collaborative effort between the U.S. Department of State and other agencies that send delegations to represent the United States in these bodies and otherwise take advantage of opportunities to promote U.S. interests at these organizations. The agencies that participate in these IOs include the Departments of Defense, Homeland Security, Treasury, Commerce, Agriculture, Transportation, Labor, Education, Interior, and Health and Human Services, among others.

Each IO advances one or more of the following strategic goals (SG) outlined by the Secretary of State in the Quadrennial Diplomacy and Development Review:

- SG 1—Counter threats to the United States and the international order, and advance civilian security around the world.
- SG 2—Effectively manage transitions in the frontline states.
- SG 3—Expand and sustain the ranks of prosperous, stable and democratic states by promoting effective, accountable, democratic governance; respect for human rights; sustainable, broad-based economic growth; and well-being.
- SG 4—Provide humanitarian assistance and support disaster mitigation.
- SG 5—Support American prosperity through economic diplomacy.

- SG 6—Advance U.S. interests and universal values through public diplomacy and programs that connect the United States and Americans to the world.

As part of the preparation of our annual budget request for the CIO account, the Department reviews how U.S. participation in each IO furthers U.S. policy goals. Specifically, in our FY 2013 Congressional Budget Justification (CBJ) ([http:// www.state.gov/documents/organization/156215.pdf](http://www.state.gov/documents/organization/156215.pdf)), we describe how each IO is linked to the Department's strategic goals. Continued participation in each of these 44 IOs has been determined to be in the national interest and contributes to U.S. strategic priorities.

U.S. membership and participation in, as well as contribution to, any individual international organization varies by size, scope, and mission. Because of these various factors, conducting a comparison of the relative value of each organization is subjective. For example, the U.S. assessed contribution to the World Health Organization (WHO), which works to eradicate diseases and address health issues, is \$109 million. In contrast, the U.S. assessed contribution to the International Tropical Timber Organization (ITTO), which focuses on sustainable development of tropical forests with a far-reaching impact on sustaining the U.S. wood products industry, biological diversity, and conservation of a dwindling resource, is about \$300 thousand. Although the U.S. contributions to these two international organizations are markedly different, U.S. participation in them remains a priority.

It should be noted that over the years, the United States has withdrawn from membership in IOs for a variety of reasons and after consultation with stakeholders and partners. As recently as last year, the United States withdrew its membership in the International Rubber Study Group (IRSG), in which the United States had been a member since its inception in 1946. In assessing impact of possible U.S. withdrawal from the IRSG, in 2009 and 2010, the Departments of State and Commerce sought views from agencies with potential interests in maintaining our participation. None of the agency partners expressed concern over withdrawal. The Department of Commerce also sought views from industry and trade associations that participated in the IRSG and did not receive broad expressions of support for maintaining U.S. membership in the Group. Going back further, the U.S. withdrew our membership in the International Office of the Vine and Wine in 2001 and in the Inter-American Indian Institute in 2000. The United States withdrew from these IOs either because of an unclear purpose and function or waning ability to address U.S. concerns.

Reforms

The Department of State has spearheaded reforms to improve efficiency and responsiveness at the U.N. and other IOs through the U.S.-sponsored United Nations Transparency and Accountability Initiative (UNTAI). Phase I of UNTAI was launched in 2007 for the purpose of extending reforms already in place at the U.N. Secretariat to the rest of the U.N. system. As a result, many U.N. organizations have strengthened internal oversight and transparency, established ethics offices, made more information publicly available online, and updated financial systems.

In 2011, the Department of State worked with the U.N. to launch UNTAI Phase II (UNTAI-II) to target further areas where member states can increase oversight and accountability and ensure that contributions are utilized efficiently and effectively. Specifically, UNTAI-II seeks to make reforms in the following areas: (1) effective oversight arrangements; (2) independent internal evaluation function; (3) independent and effective ethics function; (4) credible whistleblower protections; (5) conflicts of interest program; (6) efficient and transparent procurement; (7) enterprise risk management; and (8) transparent financial management.

The Department of State assesses IOs' progress annually. Initial assessments under UNTAI-II took place in late 2011 and show that most U.N. organizations continue to make progress on oversight and ethics reforms. These assessments also indicate that reforms of internal evaluation, procurement, and risk management, which are new goals under Phase II, are still in their early stages, but work is ongoing. Specific examples are as follows:

The U.N. is implementing the following management reforms to promote accountability and transparency: (1) adoption of International Public Sector Accounting Standards (IPSAS); (2) strengthening of internal controls related to the U.N.'s procurement systems; (3) improvement in the training program for procurement officers; and (4) establishment of an independent bid protest system.

The Food and Agriculture Organization (FAO) is in the process of implementing the recommendations of the Independent External Evaluation (IEE), released in 2007 and approved by FAO's members in 2008. In terms of management, the IEE recommended reform of human resources, ethics, finance, reporting structures, and organizational cultural change.

In 2011, the International Atomic Energy Agency (IAEA) implemented the first phase of a new Enterprise Resource Planning (ERP) system, partly financed with extra budgetary contributions from the United States. The organization's first IPSAS compliant financial statements were issued in December 2011.

International Civil Aviation Organization (ICAO) is implementing key budget and management reforms, including adopting an ethics framework with whistleblower protections fully implementing International Public Sector Accounting Standard (IPSAS); and drafting risk registers related to Enterprise Risk Management.

International Labor Organization (ILO) introduced a new pilot procedure to rigorously track evaluation recommendations, a system of follow-up audits to vetify management action to implement recommendations, and new procurement rules and procedures to bring ILO closer in line with other U.N. organizations. ILO is also establishing the Independent Oversight Advisory Committee as a permanent advisory committee to the ILO governing body and updating its terms of reference in the process.

The International Maritime Organization (IMO) Council recently adopted an internal audit disclosure policy by which member states can request access to internal audit reports from the Head of Internal Oversight Services.

International Telecommunication Union (ITU) recently implemented several management reforms, including establishing an independent audit committee; adopting policies on financial disclosure and whistleblower protections; and adopting results-based budgeting to link resources to operational plans.

The U.N. Educational, Scientific and Cultural Organization (UNESCO) received approval from the General Conference to begin implementing the first phase of the decentralization strategy, which aims to streamline the field network and encourage greater collaboration among field offices. UNESCO has also begun to implement a new human resources management strategy for 2011-2016: which is comprised of three core objectives: improve the delivery capacity of UNESCO, strengthen the field presence, and human resources planning.

In 2011, the Universal Postal Union (UPU) Council of Administration (CA) adopted proposals to outsource the functions of the UPU Secretariat's ethics officer to another U.N. specialized agency and the work of its internal auditor to a multinational accounting firm and approved plans by the Secretariat to seek the services of an ombudsman from an outside source. The Secretariat produced administrative instructions on whistleblower protection and harassment prevention.

WHO convened a special session of the Executive Board to address organization-wide reform, including streamlining of recruitment/selection processes, improving performance management processes, implementing a mobility and rotation framework and enhancing staff development. WHO developed a comprehensive and integrated risk management approach for its administrative functions.

The World Meteorological Organization (WMO) implemented IPSAS, adopted an independent audit committee, approved a risk management policy, and developed a new integrated budget model. WMO is requiring financial disclosure by all senior officials with fiduciary responsibilities; formalizing a process to select an External Auditor; filling the role of ethics officer; and implementing a program monitoring and evaluation plan.

Organization of American States (OAS) established a working group on the review of OAS programs to assess its programs, general standards budget, income sources, and mandates. OAS is continuing its work to institute a results-based budget based on a thorough review of Member States' priorities to demonstrate results; modify the indirect cost recovery policy; address building repairs, fundraising and increasing transparency in hiring/promoting staff; and strengthen the inspector general functions.

The Pan American Health Organization (PAHO) focused on strengthening its ethics office, which also acts as the coordinator for PAHO's Integrity and Conflict Management System, oversees the ethics help line, and serves on the Standing Committee on Asset Protection and Loss Prevention. In addition, the Director has initiated changes to the criteria for selecting a chair for the Board of Appeal, which resulted from a comprehensive review of PABO's Integrity and Conflict Management System.

Also, in our FY 2013 Congressional Budget Justification, the Department included details about recent accomplishments, priorities and reforms for each of the 44 IOs funded by the CIO account, along with the principal partners and benefits of each organization.

Question #43. Over the past 10 years, the U.N.'s International Civil Service Commission (ICSC) has recommended salary increases for New York-based U.N. employees above the margin for which they are calculated.

- Considering member states, including the United States, have had to freeze salaries for civil service employees, what action has the administration taken to oppose increases in U.N. employees' salaries? Additionally, what action has the administration taken to urge the ICSC to clarify and publish the assumptions regarding how salary adjustments are calculated for the purposes of transparency and accountability?

Answer. The United States has led a vigorous effort to control staff salaries at the United Nations. Due to lobbying by the U.S. Mission to the United Nations (USUN), the Fifth Committee approved the first-ever pay freeze for New York-based U.N. professional staff from August 1, 2012–January 31, 2013, despite intense opposition by some countries.

The United States has also led the charge to clarify the complex methodology that the United Nations uses to set and adjust U.N. salaries and benefits. Due to lobbying by USUN and other member states, the Fifth Committee requested the International Civil Service Commission to conduct a comprehensive review of the U.N. compensation package and the underlying methodology behind it. The intent of this review is to recommend to the General Assembly what is needed to attract and retain talent while taking into account that U.N. organizations face financial constraints and will recommend ways to streamline the methodology to make it more clear and accountable to member state oversight.

Question #44. What is the total request for funding for global climate change programs in the Function 150 Account? What is the breakdown by agency?

Answer. The President's FY 2014 Budget requests \$836.6 million for the Global Climate Change Initiative (GCCCI), of which \$481 million would be programmed through the Department of State and USAID and \$355.6 million would be programmed through the Department of Treasury.

Question #45. In what ways are the Department of State and USAID conducting climate change programs or initiatives that are duplicated by multilateral organizations to which we contribute, including the United Nations and its affiliated agencies? Please provide a description of each multilateral program to which we contribute for these purposes, the U.S. funding level, and the percentage of total funding that the U.S. contribution comprised.

Answer. The United States provides support to multilateral organizations to accomplish goals where solutions to problems can best be addressed globally. Climate change is one of these areas. U.S. support to multilateral organizations for climate change work advances U.S. strategic goals by increasing coordination with and leveraging resources from other countries. The Department of State, USAID, and the Department of Treasury coordinate closely to ensure the coherence of international climate programming. Working together through the Global Climate Change Initiative (GCCCI) enhances our ability to design bilateral, plurilateral, and multilateral programs that are complementary to and nonduplicative of efforts underway through multilateral channels. Both the Department of State and the Department of Treasury fund climate work through multilateral organizations.

DEPARTMENT OF STATE

The Department of State provides funding to the following multilateral programs in support of U.S. climate change objectives:

1. Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF)

For FY 2014, the Department of State plans to use the \$34 million requested for Adaptation for the Bureau of Oceans and International Environmental and Scientific Affairs (OES) to maintain support for climate adaptation through the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF). The Global Environment Facility (GEF) operates the LDCF, with the World Bank as Trustee for the fund. The GEF develops its projects through 10 implementing agencies: the U.N. Development Program (UNDP), the U.N. Environment Program (UNEP), the World Bank, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Fund for Agricultural Development, the U.N. Food and Agriculture Organization, and the U.N. Industrial Development Organization. The LDCF supports the 49 least-developed countries, which are especially vulnerable to the adverse impacts of climate change, in responding to urgent adaptation needs in key development sectors. The SCCF also assists countries in implementing adaptation measures that increase the resilience of key development sectors to the adverse impacts of climate change; however, the SCCF is accessible

to all developing countries, including non-LDC small island developing states and glacier-dependent countries.

Both funds have concentrated on sectors that are particularly vulnerable to the impacts of climate change, such as agriculture and water. U.S. support for these funds helps increase the number of projects funded and enables countries to integrate adaptation into larger development programs that address multiple sectors and are therefore anticipated to result in more substantial and long-lasting resilience to severe climate risks. Depending upon the performance and speed of disbursements by these two funds and other needs, some portion of this request may support other adaptation programs.

Since FY 2010, the United States has contributed \$55 million to the LDCF or nearly 11 percent of the total and \$30 million to the SCCF or nearly 14 percent of the total.

2. Incentivizing Sustainable Landscapes

The Department of State also plans to provide a portion of the \$10 million requested in FY 2014 for Sustainable Landscapes funding implemented through the World Bank for OES to a multilateral fund to support reducing emissions from deforestation and forest degradation in developing countries (REDD+). World Bank funds that may be considered for U.S. assistance include the BioCarbon Fund, the Forest Carbon Partnership Facility (FCPF), or the Forest Investment Program (FIP).

The BioCarbon Fund supports projects that sequester or conserve carbon in sustainable forest and agroecosystems. The FCPF provides incentives to developing countries to reduce emissions through forest conservation and restoration as part of REDD+. The FIP supports developing country efforts to reduce deforestation and forest degradation and promote sustainable forest management as part of REDD+ implementation. All three funds focus on programs that generate significant additional benefits, including water resource protection, biodiversity conservation, and livelihood generation.

Multilateral sustainable landscapes programming complements bilateral efforts and enables the United States to leverage significant additional funding from other donors, facilitate larger programs, generate access to additional expertise, and support critical fora for capacity-building for policymakers, stakeholders, and practitioners working to implement sustainable land use programs on the ground.

3. Intergovernmental Panel on Climate Change (IPCC) and U.N. Framework Convention on Climate Change (UNFCCC)

The FY 2014 request also includes \$13 million for the Intergovernmental Panel on Climate Change (IPCC) and the U.N. Framework Convention on Climate Change (UNFCCC). The IPCC reviews and assesses the most recent scientific, technical, and socioeconomic information relevant to the understanding of climate change. It does not conduct any research nor does it monitor climate related data or parameters. The U.S. contribution to the IPCC in 2012 amounted to approximately \$2 million or 22 percent of the total. The UNFCCC Secretariat is charged with supporting the operation of the international climate treaty framework. U.S. support includes contributions to the work of the Adaptation Committee. The United States contributed nearly \$6.9 million to the UNFCCC in 2012. This figure is 21 percent of the total. Department of State funding also will support efforts to unlock low-carbon energy investments in developing countries and to enhance coordination and cooperation among countries and international programs to advance low-carbon growth. Funding for the IPCC, the UNFCCC and related bodies supports diplomatic and scientific efforts necessary for international consensus and action.

4. Montreal Protocol Multilateral Fund

The FY 2014 request includes \$25.5 million for the Montreal Protocol Multilateral Fund. The Montreal Protocol Multilateral Fund is an effective mechanism for large-scale reductions of the world's most potent greenhouse gases. The main objective of the fund is to assist certain developing country parties to the Montreal Protocol in complying with the control measures of the Montreal Protocol, which aims to reverse the deterioration of the ozone layer. As at November 30, 2012, U.S. contributions for 2011 to the Montreal Protocol Multilateral Fund amounted to \$29.3 million or nearly 22 percent of the total.

DEPARTMENT OF TREASURY

The Department of Treasury provides funding to the following multilateral programs in support of U.S. climate change objectives:

1. *Global Environment Facility (GEF)*

Department of State assistance is complemented by the Treasury Department request for support of sustainable landscapes and clean energy activities through the Global Environment Facility (GEF). The GEF is the largest funder of projects to benefit the global environment, providing grants to address issues of biodiversity, clean energy, sustainable landscapes, oceans, land degradation, and chemicals. The GEF supports innovative, cost-effective investments that can be replicated and scaled up by the public and private sectors. The FY 2014 request by the Department of Treasury includes approximately \$143.8 million for the GEF, of which 50 percent—or approximately \$71.9 million—is attributable to the Global Climate Change Initiative.

Since 1991, the GEF has allocated \$10.5 billion, supplemented by more than \$51 billion in cofinancing, to fund more than 2,900 projects in 168 developing countries. The United States pledged \$575 million over 4 years for the Fifth Replenishment of the GEF. Our cumulative unpaid commitments to the GEF totaled \$229 million at the end of FY 2012, the largest of any donor.

2. *Climate Investment Funds (CIFs)*

Department of State support for multilateral organizations is also complemented by the Department of Treasury's support for the CIFs. The United States has pledged a total of \$2 billion to the CIFs, which include the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). The World Bank serves as trustee for the CTF and the SCF. The FY 2014 request by the Department of Treasury includes \$215.7 million for the CTF and \$68 million for the SCF.

• A. Clean Technology Fund (CTF)

The CTF targets 18 emerging market countries with rapidly growing energy demand, including Mexico, Turkey, India, and South Africa. The CTF supports U.S. economic, national security, and environmental objectives by incentivizing countries to deploy renewable energy and clean transport and to increase energy efficiency throughout the economy by reducing greenhouse gas emissions, enhancing energy security, and opening up new markets for green technologies. The CTF trustee reports that, as of December 2012, nine donors had pledged a total of \$4.9 billion to the CTF. FY13 appropriations of \$175.3 million will shortly be transferred to the CTF, bringing cumulative U.S. CTF payments to approximately \$889 million (or 21 percent of the total payments). The United States is the only donor that has not yet contributed its full pledge amount.

• B. Strategic Climate Fund (SCF)

The SCF is funded by donor pledges of \$2.4 billion and is comprised of three programs: The Pilot Program for Climate Resilience (PPCR) works with 19 countries to increase their resilience to the environmental drivers of instability; the Program for Scaling-Up Renewable Energy in Low-Income Countries (SREP) helps eight countries use renewable energy to expand energy access, stimulate economic growth, and reduce vulnerability to energy shocks; and the Forest Investment Program works with national governments, the private sector, indigenous people, and local communities in eight countries to reduce deforestation and forest degradation. SCF funds benefit the United States by providing a single channel to promote diverse solutions to myriad challenges faced by 33 countries that struggle to balance economic growth and environmental pressures. The SCF trustee reports that, as of December 2012, 13 donors had pledged approximately \$2.3 billion to the SCF. FY 2013 appropriations of approximately \$47.4 million will shortly be transferred to the SCF, bringing cumulative U.S. SCF payments to approximately \$247 million or 12 percent of total payments. The United States is the only donor that has not yet contributed its full pledge amount.

Question #46. What appropriations categories in the FY 2014 budget, other than the Educational and Cultural Exchange Programs category, authorize any use of funds for education programs or opportunities, including (but not limited to) the following: (1) Programs that cover the expenses of visiting foreign nationals or other cultural exchange programs, and (2) U.S. citizen or foreign national scholarships? What is the Department doing to reduce or eliminate the duplication of effort for these activities in other Departments and consolidate this activity to reduce cost and eliminate waste?

Answer. Educational programs for visiting foreign nationals, as distinct from cultural exchange programs, can be funded with a number of different appropriations categories in the FY 2014 budget, including Development Assistance (DA), Economic Support Fund (ESF), International Narcotics Control and Law Enforcement (INCLE), and Nonproliferation, Anti-Terrorism, Demining and Related Activities

(NADR). In all such cases, the visiting foreign nationals would be participating in an educational program designed to accomplish a specific foreign assistance goal authorized by the appropriation used. Unlike programs providing an educational benefit in support of a foreign assistance program, cultural exchange programs are funded exclusively from the Educational and Cultural Exchange Programs account.

Scholarships for foreign nationals can be funded from an appropriate foreign assistance account. ESF and DA funds can be used to fund the education of foreign nationals at universities or community colleges, either in their home countries, third-countries, or in the United States. In addition, INCLE funds might be used to fund a study tour for foreign prison officials to learn best practices in prison management. In such cases, the educational advancement of the foreign national supports the broader educational goals for the foreign country. Scholarships for U.S. citizens to study in a foreign country would be funded with Educational and Cultural Exchange funds, as scholarships for U.S. citizens do not generally support a foreign assistance goal. In limited circumstances, when it has been determined that a U.S. citizen's activities would be directly contributing toward a foreign assistance goal in the foreign country during his or her tenure there, Economic Support Funds have been used to provide fellowships or other funding to U.S. citizens who may receive some type of academic credit for their overseas activities.

Bureaus and embassies interested in providing educational programs in the United States for foreign nationals to further a foreign assistance purpose frequently coordinate their efforts with the Educational and Cultural Affairs Bureau in order to capitalize on that Bureau's expertise in exchanges.

Question #47. What percentage of Educational and Cultural Exchange Programs funding is disbursed directly to foreign governments or international nongovernmental organizations to distribute for educational or cultural purposes? Please provide a list of each disbursement for the past 5 years including recipient's name, total funding, purpose of the funding, performance targets and baselines, and whether or not the targets were met.

Answer. The Bureau of Educational and Cultural Affairs (ECA) does not disburse Educational and Cultural Exchange Programs funding directly to foreign governments or international nongovernmental organizations to distribute for educational and cultural purposes. ECA awards grants and cooperative agreements only to U.S. public and private nonprofit organizations meeting the provisions described in Internal Revenue Code section 26 U.S.C. 501(c)(3) to support educational and cultural exchanges.

Question #48. Can the State Department use any other appropriations, other than those provided via the Educational and Cultural Exchange Programs category, to fund any domestic or international educational and cultural exchange programs? If the answer is yes, please identify the source(s) and then provide the amount(s) both in dollars and as a percentage.

Answer. Educational exchange programs for visiting foreign nationals, as distinct from cultural exchange programs, can be funded with a number of different appropriations categories in the FY 2014 budget in addition to the Educational and Cultural Exchange Programs account, including Development Assistance (DA), Economic Support Fund (ESF), International Narcotics Control and Law Enforcement (INCLE), and Nonproliferation, Anti-Terrorism, Demining and Related Activities (NADR). In all such cases, the visiting foreign nationals must be participating in an educational program designed to accomplish a specific foreign assistance goal authorized by the appropriation used. ESF and DA funds can also be used to fund the education of foreign nationals at universities or community colleges, either in their home countries, third countries, or in the United States. Unlike programs providing an educational benefit in support of a foreign assistance program, cultural exchange programs are funded exclusively from the Educational and Cultural Exchange Programs account.

In FY 2014, we are requesting \$221.9 million for higher education activities via the DA, ESF and the Middle East and North Africa—Incentive Fund (MENA-IF) accounts. These programs are essential to our efforts to foster and improve the quality, contributions and accessibility of higher education in developing countries. I am happy to have my staff talk to your staff in more detail about what types of programs that funding supports.

Question #49. Are any current Educational and Cultural Exchange Programs funds being used to fund scholarships or provide other financial benefits for individuals who are illegally present in the United States? Does the Department vet participants according to their legal status in the United States?

Answer. No Educational and Cultural Exchange Programs funds are used to provide scholarships or other benefits to individuals who are illegally present in the United States. U.S.-based participants are required to obtain valid travel documents in advance of their exchange programs, which individuals illegally present in the United States cannot do.

Question #50. What appropriations categories in the FY 2014 budget, other than the International Narcotics Control and Law Enforcement category, authorize use of funds for the following: International drug enforcement efforts (including related training); non-drug-related international law enforcement support (including related training); for international judicial system support and development (including related training); international anticrime efforts (including related training); and international drug enforcement efforts (including related training)?

Answer. The International Narcotics Control and Law Enforcement (INCLE) account is authorized to fund assistance for counternarcotics and other anticrime programs. In addition, however, other foreign assistance accounts may have broad mandates that would allow those funds to be used for certain of these types of activities. Thus, accounts such as Development Assistance (DA) funds and Economic Support Funds (ESF) can also be used to provide assistance to develop foreign government capacities, including in the area of rule of law, judicial system support, and certain, limited law enforcement activities (such as community policing programs). The Antiterrorism Assistance (ATA) program funded under the Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) account is authorized to provide assistance to enhance the capacity of foreign law enforcement forces to combat terrorism.

Question #51. What amount (if any) of International Narcotics Control and Law Enforcement funding will be dedicated specifically to the following: non-drug-related international law enforcement support (including related training), international drug enforcement efforts (including related training), international judicial system support and development (including related training), and international anticrime efforts (including related training)? Please express this amount in both dollars and a percentage of overall International Narcotics Control and Law Enforcement spending.

Answer. The total FY 2014 International Narcotics Control and Law Enforcement (INCLE) request is \$1.47 billion. Of this amount, \$582 million, or 40 percent of the request, is related to international judicial system support and development (with Afghanistan accounting for \$337 million or 58 percent of this portion of the request, specifically in the area of rule of law and human rights); \$472 million, or 32 percent, is related to international drug enforcement efforts; \$331 million, or 23 percent, is related to non-drug-related international law enforcement support; \$67 million, or 5 percent, is related to international anticrime efforts. All training related to each category is included in these estimates.

Question #52. Are any of the nongovernmental organizations that receive International Narcotics Control and Law Enforcement funding required to submit performance metrics or other performance data to the State Department or any other Federal agency in order to continue to be eligible for subsequent funding?

Answer. Yes, nongovernmental organizations (NGOs) that receive International Narcotics and Law Enforcement (INL) funding are required to submit performance metrics or other performance data. These reporting requirements are outlined in the grant with an NGO or indirectly through interagency agreements (IAAs). Under such an agreement, the IAA partner may fund an NGO for services to implement the interagency agreement. Submission of required reports and performance metrics are key factors in the determination of whether or not to continue the grant or agreement.

Question #53. What is the State Department's position with respect to preserving more traditional forms of broadcasting, such as shortwave radio transmissions, given that many of the poorest parts of the world that are most in need of freedom broadcasting rely on shortwave technology and may not have access to Internet technology or social media resources?

Answer. We believe that the U.S. international media effort needs to utilize a range of communication technologies in order to most effectively inform and engage foreign audiences. Shortwave radio transmission should be considered as one option where appropriate, along with other radio broadcasting techniques, television broadcasts, and digital engagement via the Internet and social media channels.

The FY 2014 budget proposal for the Broadcasting Board of Governors (BBG) maintains shortwave service to high-priority target areas where shortwave trans-

missions will continue to be important to satisfy BBG mission requirements. Short-wave radio broadcasts would continue in many regions that lack access to digital technologies, including North Korea, Darfur, and Tibet. The BBG budget proposal also builds upon the agency's efforts to evolve international broadcasts in places where shortwave is no longer popular, by converting to digital tools (satellite and Internet radio, mobile phone technologies, and Internet-based social media) that are increasingly utilized by certain audiences.

Question #54. Does the State Department agree or disagree with the Broadcasting Board of Governors that there should be a chief executive officer (CEO) position to run top-level functions, and that this CEO should both be chosen by the Board and answerable only to the Board?

Answer. The Department of State fully supports the creation of a chief executive officer (CEO) position for United State International Broadcasting, as presented in the administration's budget for fiscal year 2014. This move to improve the management and efficiency of Broadcasting Board of Governor (BBG) operations was unanimously supported by the members of the BBG in January 2012, and the Department of State's Office of the Inspector General underscored the importance of such an action in a report issued this past January.

Under this plan, the CEO will be chosen by, and report to, a BBG board that is appointed through the White House and confirmed by the Senate, with the Secretary of State continuing as an ex-officio member. The CEO will provide critically important day-to-day executive leadership for U.S. international broadcasting, and will have management authority over the Federal and non-Federal elements of U.S. international broadcasting. The Broadcasting Board of Governors would continue to set the strategic direction of U.S. international broadcasting, as well as evaluating its journalistic quality and maintaining its journalistic integrity.

Question #55. On Thursday, April 18, 2013, in testimony before this committee, you indicated that the State Department would evaluate complaints that foreign governments or foreign officials were illegally or inappropriately using foreign assistance funds. Does the Department already possess any reports or assessments of foreign governments or foreign officials illegally or inappropriately using foreign assistance funds?

Answer. For all forms of assistance, including direct government assistance, the Department and USAID rely on internal monitoring and evaluation teams to identify any misuse of funds. When permitted by security and geographic conditions, monitors are sent into the field to ensure programs are being implemented for their intended purposes and achieving results. We also rely on our inspector generals (IGs), special IGs, and the Government Accountability Office to identify illegal or inappropriate use of foreign assistance by foreign governments.

Unfortunately, there have been instances where the illegal or inappropriate use of foreign assistance funds has been identified. In these cases, we have immediately taken the steps necessary to prevent further fraudulent use of funds.

Question #56. If the State Department already possesses such reports or assessments, has the Department used that information in any way to adjust foreign assistance funds to violating countries?

Answer. The Department and USAID are committed to taking the steps necessary to protect against illegal or inappropriate use of foreign assistance funds. These include thorough reviews of any agency receiving funds to ensure they are capable of tracking the funds, establishment of separate dollar accounts for U.S. funds where appropriate, and careful monitoring of the use of funds once transferred.

In situations where official corruption has been identified, we review our assistance mechanisms and take actions to prevent the diversion of our assistance, including ceasing assistance through a particular ministry or organization if necessary. A significant portion of our assistance is implemented through contractors and grantees who provide a variety of services, such as training, commodities, and technical assistance, directly to the people of the benefiting country rather than government officials.

There are several examples where we have become aware of the inappropriate use of funds through investigations by USAID or State Inspectors General, Special Inspectors General for Iraq Reconstruction, the Special Inspector General for Afghanistan Reconstruction, or the Government Accountability Office. In each case, we have taken the steps necessary to protect the funds from improper use.

Question #57. Would the State Department be willing to dramatically reduce or eliminate altogether foreign assistance funds if it can be clearly demonstrated, via legal judgment or some other fact-based determination, that foreign governments or

foreign officials are in fact using foreign assistance funds illegally or inappropriately?

Answer. The Department and USAID take the necessary measures to prevent officials from misusing U.S. funds. When providing assistance directly to foreign governments, the Department and USAID work to ensure funds are used for their intended purpose, and on the rare occasion when funds are determined to have been used improperly, we immediately take steps to address the problem.

As required by the FY 2012 Appropriations Act and carried forward by the FY 2013 Continuing Resolution, the Department and USAID do not provide assistance to countries that do not meet the minimal standards of fiscal transparency unless the Secretary determines it is in the national interest to do so. In those cases, the Department puts forward recommendations on how the particular country can take steps to improve its fiscal transparency and tracks a country's actions on the path to improved fiscal transparency.

In addition, as required by the FY 2012 Appropriations Act, the Department and USAID only provide direct government-to-government assistance if each implementing agency or ministry to receive assistance has been assessed and is considered capable to manage such funds; has adopted competitive procurement policies; and has effective monitoring and evaluation systems in place. State and USAID also enter into agreements with the government of the recipient country on the objectives of any such assistance.

The law also calls for the USAID Administrator or the Secretary of State to suspend any such assistance if the Administrator or the Secretary has credible information of material misuse of such assistance.

Question #58. The administration's budget requests the Congress pass legislation to implement the 2010 IMF governance reforms and quota changes. The FY 2014 Budget Request Justification for Appropriations, U.S. Department of the Treasury, International Programs, states that "the net cost of the proposed IMF legislation is zero, both in terms of budget authority and outlays." Please explain in more detail why moving these funds from the New Arrangements to Borrow (NAB) to the quota system will have no cost?

Answer. At the height of the global crisis in 2009, Congress provided critical leadership by approving the administration's request for a permanent increase in U.S. participation in the International Monetary Fund's (IMF) New Arrangement to Borrow (NAB)—a standing backstop to safeguard the stability of the international monetary system. This strategy worked: it arrested a steep fall in trade and a sharp reversal of capital flows in many emerging markets.

As global financial conditions eased, we worked with our international partners in 2010 to secure an agreement on IMF quota and governance reforms. We found a solution that would expand core quota resources and enhance IMF legitimacy, while requiring no new resources from the United States and preserving our unique veto.

The proposed legislation will reduce U.S. participation in the NAB by Special Drawing Rights 40,871,800,000 (approximately \$63 billion) and simultaneously increase the size of the U.S. quota in the IMF by an equal amount. Thus, the U.S. quota increase would be offset by a 1:1 reduction in U.S. participation in the NAB. The President's budget request includes this commitment in a way that is fully offset and does not change the net U.S. financial participation in the IMF.

I defer any further questions on the 2010 IMF Quota Reform to the U.S. Treasury.

Question #59. In Egypt, has the Department of State officially raised the matter of renationalization with the Morsy government? If so, were any solutions proposed for stemming the outflow of foreign capital caused by these local court cases?

Answer. I conveyed U.S. concern about renationalization directly to President Morsy when we met in Cairo on March 3. I said that any renationalization serves as a disincentive to international investment in Egypt. I told President Morsy that fair and equitable reconciliation arrangements with key Egyptian and foreign investors are necessary and in his country's best interests. Ambassador Patterson had raised the same issues previously at senior ministerial levels.

Question #60. E.U. member states' ambassadors to Egypt have expressed concern about the deteriorating business environment in Egypt, specifically due process violations in court cases that have been brought against past privatizations of state-owned companies. Do you share these concerns about the risks of renationalization of companies currently owned by foreign investors? If so, what steps are you taking to ensure a fair adjudication process for protecting the rights of foreign investors?

Answer. I registered U.S. concern about the renationalizations with top officials in both Europe and the Middle East. We view the renationalizations as a disincentive to international investment in Egypt. Ambassador Patterson and her team in Embassy Cairo have raised cases of due process violations, and State Department officials have met with U.S. companies who may be subject to such renationalizations. The Embassy monitors civil suits filed by Egyptians alleging damages due to privatizations and continues to make clear to the Egyptian Government that fair and equitable reconciliations with key domestic and foreign investors are essential and in Egypt's best interests.

Question #61. Noting your testimony that the President is committed to completing the Transatlantic Trade and Investment Partnership, and with the understanding that USTR will play the lead agency role in these talks, please describe the role the State Department will be playing in these negotiations. Specifically, how will your State Department team be adding value in these negotiations?

Answer. The United States Trade Representative (USTR) will lead a broad inter-agency team, on which the State Department will play a prominent role. The Department will provide substantial contributions to the talks, building on its extensive network of diplomatic, business, consumer, academic, and other contacts in Brussels and throughout the European Union, to advocate U.S. views and to engage with the EU public. The Department also has technical expertise in the areas covered by the negotiations, including trade, investment, and related issues such as international environmental matters, labor standards, state-owned enterprises, and other elements of the ambitious, comprehensive, and high-standard agreement we are seeking to conclude. Our subject matter experts have spent years working on these issues at the World Trade Organization as well as in many other multilateral and bilateral negotiations.

Question #62. In response to questions I submitted for the record during your nomination hearing process regarding PEPFAR and PMI, you responded that the administration would continue consult with Congress as to whether to pursue reauthorization of the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 this year. You also noted that "If Congress chooses to pursue reauthorization of the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 . . ." This wording seems to indicate that the administration does not intend to ask Congress to renew the law or otherwise reauthorize the programs.

Does the administration intend to pursue reauthorization of PEPFAR and PMI, in part or in full? If not, why not? If so, would you please give some indication of your plans and timing.

Answer. The State Department and USAID will continue the dialogue within the administration and with the U.S. Congress regarding the reauthorization of the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act. The administration strongly supports the President's Emergency Plan For AIDS Relief, President's Malaria Initiative, and Tuberculosis TB programs and will work with Congress on our shared priorities for the continued operation of our U.S. global health programs.

Question #63. If the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 is not renewed, what specific authorities would lapse or otherwise expire? How would expiration affect existing programs, and what are the specific changes you are planning in the way the administration implements HIV/AIDS, malaria, and tuberculosis programs?

Answer. The authorities to conduct assistance programs to combat HIV/AIDS, tuberculosis and malaria under the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (the Leadership Act), and pursuant to the amendments to the Foreign Assistance Act made by the Leadership Act, will not lapse in 2013. These authorities remain in effect as permanent law, and as long as the annual appropriations act appropriates needed funds for assistance, program activities will be able to continue unaltered. While a limited number of provisions in the Leadership Act will sunset after 2013, this should not affect the ability of the Office of the U.S. Global AIDS Coordinator, housed at the Department of State, and its implementing agencies to carry out assistance related to HIV/AIDS. USAID will also not be affected in its ability to carry out assistance to combat tuberculosis and malaria.

Question #64. Does the administration intend to observe the cap on U.S. contributions to the Global Fund at one-third of the total contributions for the Global Fund “replenishment” process for 2014–2016, either on an annual basis or otherwise?

Answer. We will continue to ensure that the U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) represents no more than one-third of the cumulative donations to the Global Fund. The FY 2014 budget, with a request of \$1.65 billion, maintains our strong commitment to the Global Fund and recognizes the crucial role that the Fund plays in the success of global health strategy. U.S. funding requests for the Global Fund beyond FY 2014 will depend in large part upon (1) other donors stepping up to match the U.S. investment 2 to 1 that no more than one-third of the total donations are from the United States, and (2) the Fund’s continuing implementation of its ambitious reform agenda.

U.S. Global Health programs and Global Fund financed programs are, to an even greater extent than ever before, complementary and deeply intertwined. Better program coordination, decreased costs, and greater efficiencies between Global Fund and U.S. Global Health investments are helping to increase coverage of essential services and save more lives.

We are pleased with the Fund’s progress in undertaking a needed reform process, which was spurred in part by the leadership of the United States. We are excited by the potential of the new funding model to maximize the impact of Global Fund dollars and look forward to seeing the reforms as they start to positively impact programs on the ground.

Question #65. What is the goal of the administration in coming years in terms of the proportion of global HIV/AIDS funding that will be programmed bilaterally versus that programmed multilaterally, especially through the Global Fund? Does this shift from bilateral to multilateral provide savings to the United States? If so, could you please identify those savings and provide the analysis or assumptions behind any projected savings?

Answer. The U.S. Government’s bilateral and multilateral investments are mutually supportive, increasingly integrated, and programmatically interdependent. Together, these investments save lives and build country ownership and capacity to lead and manage national responses over the long term. The U.S. contribution to multilateral programs, including the Global Fund, helps us achieve the objectives of our bilateral programs, while reaching more people with quality services, leveraging contributions from other donors, expanding the geographic reach of bilateral U.S. investments, and leading the way to promote a shared responsibility among donors and implementers. The distribution of health funding between bilateral and multilateral programs is reviewed annually. In order to maximize results and coverage, decisions are made across the President’s Malaria Initiative, the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR), and Tuberculosis programs based on country strategies for each of the three diseases as well as contributions from both government and other donors.

We’re working more closely with the Global Fund to ensure that we are providing complementary services and not duplicating efforts. PEPFAR and other U.S. Government health agencies have entered a new era of cooperation with the Global Fund, which institutionalizes joint planning and implementation in countries where both organizations are making investments. Increasing program coordination and creating efficiencies between Global Fund and U.S. investments will help to increase coverage and save more lives.

Question #66. Would the administration support legislation that would seek to provide the necessary authorities and structures to implement the President’s Global Health Initiative, which was last year effectively scrapped?

Answer. We appreciate the strong interest in and support for our global health programs. No new authorities are needed to implement the principles of the administration’s Global Health Initiative.

RESPONSES OF SECRETARY OF STATE JOHN F. KERRY TO QUESTIONS
SUBMITTED BY SENATOR ROBERT P. CASEY, JR.

Question. As we approach the political and security transition in Afghanistan, preserving the gains made by Afghan women and girls is paramount to long-term stability and democracy in Afghanistan. I am pleased to see that this budget request would create a new fund for women’s initiatives, but I do not want us to lose sight of integrating the security of women and girls into our security assistance and training to the Afghan National Security Forces.

- What role does the State Department play in working to ensure that women's rights are protected as part of ANSF training?

Answer. With the tireless efforts of Afghan women and consistent support from the international community, Afghanistan has made significant progress toward realizing the potential of women and girls in all aspects of society. Girls now make up more than a third of enrolled students throughout the country, and women are represented in Parliament and on provincial councils. Businesswomen and female entrepreneurs are playing a key role in the economic development of their country, and life expectancy for women has risen from 44 years in 2001 to 64 years today. Female activists are actively advocating for social justice and seeking a peaceful resolution to the Afghan conflict. However, the progress that has been made is fragile and challenges still remain.

Given the importance of this issue, the United States has made consistent and concerted efforts to integrate women's rights into its overall policies and strategy in Afghanistan. Our concerns about Afghan women's rights have not only been at the top of the agenda for our own policies and programs, but we have consistently encouraged President Karzai and Afghanistan's civilian and military leaders to promote women's rights and to incorporate gender issues into all aspects of their government's policies. U.S. Embassy Kabul recently adopted a new "Gender Strategy" that highlights the need to mainstream gender issues into all of our policies and programs through transition and the transformation decade. The gender strategy focuses missionwide resources on five key areas: health, education, economic development, leadership opportunities, and security and access to justice, all of which are consistent with the five cross-cutting priorities of UNSCR 1325 on Women, Peace, and Security. In implementing the strategy, we not only measure the effectiveness of U.S. Government programs in these areas, but also track overall progress and/or backsliding in key priority areas. Implementation of this strategy will also help to ensure that women are not disproportionately affected by any decreases in U.S. funding in Afghanistan.

While the Department of State and USAID administer the majority of women's initiatives in Afghanistan, DOD has the lead for women's issues related to Afghan National Security Forces (ANSF) development. However, the State Department is working closely with DOD to ensure that the ANSF has adequate training on gender issues, the Elimination of Violence Against Women (EVAW) law, and that security institutions are equipped to ensure women's rights are protected. An immediate priority is improving the recruitment of women into the ANSF, their status and treatment within the ANSF, and the ANSF's treatment of female civilians across Afghanistan. ISAF, the Afghan Ministry of Defense (MOD) and Ministry of Interior (MOI) have a large number of programs aimed at protecting women's rights and promoting women in the ANSF. For example, the MOD recently stood up the Human Rights and Gender Integration Directorate, which will coordinate an enhanced Afghan National Army (ANA) recruiting plan for women and will provide better oversight of female integration issues within the MOD. Support from Afghan leadership is essential, and we will continue to press forward with high level and working level diplomacy to encourage the Afghan Government to make progress in this critical area.

We are also working very closely with our Department of Defense colleagues to provide you a detailed report on our efforts to promote women's security as required by the Afghan Women and Girls Security Promotion Act (AWGSPA). The United States will continue to prioritize promoting Afghan women's rights to ensure that the positive gains made since 2001 are not reversed.

Question. I am deeply concerned about the humanitarian crisis resulting from the ongoing conflict in Syria and am pleased that the administration has already provided \$385 million to respond to the crisis. My bill, the Syria Democratic Transition Act, would authorize the administration to do more.

- How will additional assistance, like the MENA Incentive Fund, be used to support the Syrian opposition and increase their ability to govern in liberated Syria?
- Will you route a greater proportion of assistance to organizations working across Syria's borders, instead of through the United Nations, which is hampered by the lack of a mandate to operate across Syrian borders?

Answer. Syria remains a tremendous challenge. We are strengthening our non-lethal support to the opposition and making inroads with local organizations responding to the needs of their communities and laying the foundation for transition in areas from which the regime has retreated in whole or in part. We must be ready in FY 2014 for the transition in Syria to a post-Assad government deserving of our support, but cannot now predict what support may be required. The po-

tential of an extremely challenging transition in Syria has informed our Middle East and North Africa Incentive Fund (MENA IF) request level, particularly for contingency resources.

No bilateral foreign assistance is included in our FY 2014 request; the request assumes other sources, including global contingency resources such as the humanitarian assistance accounts and MENA IF, will be tapped for future needs. The MENA IF will give the U.S. Government critical tools to respond both to contingency and stabilization needs, including support to interim governments and emerging civil society; and short-term economic stabilization, support for elections, humanitarian assistance, short-term security sector support, weapons abatement, and deployment of additional staff. It also makes resources available to support long-term political, economic, and security sector reform efforts.

Question. U.N. High Commissioner for Refugees Guterres projected that refugee flows into Turkey, Lebanon, and Jordan could exceed 1 million in each country by the end of 2013. How are the State Department and USAID planning to address this contingency, which could have disastrous effects on the host nations?

Answer. We are closely following refugee outflows into the neighboring countries and the repercussions for local host communities. The pace at which numbers of Syrians have become refugees is alarming—the numbers have risen from 66,000 a year ago to 1.4 million today. The generosity of neighboring countries has been inspiring, but the capacities of local governments, families, social services, and civic organizations are severely strained as they seek to accommodate this flood of new arrivals. The State Department's Bureau of Population, Refugees, and Migration (PRM) and USAID are working to provide assistance to address needs in host communities in Jordan, Lebanon, and Turkey where refugees are living. These cities and villages are suffering from financial strain, reduced public services, and growing tensions as a result of hosting large numbers of refugees.

The Department is concerned about the growing numbers of refugees, and we continue to work closely with the United Nations High Commissioner for Refugees (UNHCR) to plan for future outflows based on current conditions. Projecting refugee outflows is not an exact science, however, and no one can predict with certainty events inside Syria that will prompt refugees to flee. That said, in addition to the widespread violence, the collapse of basic services inside Syria, including the education and health systems, is likely to be a major driver pushing more Syrians to flee to neighboring countries.

The United States has provided \$409 million in humanitarian assistance and continues to work with the U.N. to rally financial support from other international donors. For example, the Government of Kuwait, cohost of the Syria pledging conference on January 30, recently fulfilled the entirety of its pledge of \$300 million through contributions to U.N. agencies, the International Committee of the Red Cross (ICRC), and the International Organization for Migration (IOM).

We must make smart, well-informed funding decisions. This puts a premium on contingency planning, on all donors coordinating with the U.N. and on providing assistance in a manner that meets international standards.

Overall, we are pursuing a multipronged approach: First, we are consulting with key aid agency partners. In our discussions with organizations we fund, such as UNHCR, we ask them to identify how they are targeting the most vulnerable, meeting the needs of the majority of refugees who live outside of camps, and incorporating more robust support for overburdened host. We discuss their respective contingency plans, including topics related to: their humanitarian stockpiles in the region; guarding against aid pipeline breaks; preparing for health-related and weather-related challenges; and plans for responding to major incidents that could result in large surges of refugees.

Second, PRM and USAID have also been working with the Department's and President's budget offices to ensure that the U.S. Government is able to continue to provide sufficient funds to humanitarian partners.

We are looking at ways to boost support for host countries beyond emergency humanitarian assistance, so that host communities can continue to support refugees fleeing violence in Syria. The international community needs to increase support to host countries' core community infrastructure, including health, education, energy, and water to minimize the burden of hosting up to 4 million Syrian refugees in the region by the end of the year.

Third, we engage in humanitarian diplomacy. For example, we continue to urge all host countries to keep their borders open to all vulnerable refugees fleeing Syria, including Iraqis and Palestinians.

We also regularly consult with officials from refugee-hosting countries to understand the relative priority they place on particular kinds of assistance, so we can

synchronize our aid as much as possible and encourage them to engage in best practices when applicable. For example, camp construction has begun following a Government of Jordan decision to open an additional refugee camp in Azraq to respond to new arrivals and ease the burden on refugee-hosting communities in northern Jordan. We intend to provide additional assistance to support this goal.

In Turkey, the government has played a strong and commendable role, providing ample support to nearly 200,000 refugees living in camps, and limited support to over 100,000 in urban areas. We are working with the Government of Turkey, UNHCR, and other partners to address basic needs as the numbers swell.

Finally, we liaise with international organizations, NGOs, and the Syrian Opposition Council's Assistance Coordination Unit to evaluate how partners are performing and the extent to which there are gaps in the international humanitarian response. This information is then incorporated into our planning/programs.

The U.S. Government is committed to continuing to help Syria's neighbors as they cope with refugee inflows. It is critical to regional political stability and to keep borders open to all those fleeing the violence in Syria that we demonstrate that they are not in this alone.

Question. Aside from the President's stated "redline" on the use of chemical weapons by the Syrian regime, are there any other redlines the administration has that would trigger stronger intervention? What kinds of intervention, military or otherwise, would the administration use if Assad did definitively use chemical weapons?

Answer. At the President's direction, the United States Government has been closely monitoring the potential use of chemical weapons within Syria.

Our intelligence community does assess with varying degrees of confidence that the Syrian regime has used chemical weapons on a small scale in Syria, specifically the chemical agent sarin. This assessment is based in part on physiological samples. Our standard of evidence must build on these intelligence assessments as we seek to establish credible and corroborated facts. For example, the chain of custody is not clear, so we cannot confirm how the exposure occurred and under what conditions. We do believe that any use of chemical weapons in Syria would very likely have originated with the Assad regime. Thus far, we believe that the Assad regime maintains custody of these weapons, and has demonstrated a willingness to escalate its horrific use of violence against the Syrian people.

The President has made it clear that the use of chemical weapons—or the transfer of chemical weapons to terrorist groups—is a redline for the United States of America. We have communicated that message publicly and privately to governments around the world, including the Assad regime.

We have also provided information and equipment to the region to help protect Syrians and support humanitarian workers in their life-saving work. However, precisely because the President takes this issue so seriously, we have an obligation to fully investigate any and all evidence of chemical weapons use within Syria.

That is why we are pressing for a comprehensive United Nations investigation that can credibly evaluate the evidence and establish what took place. We have offered information, expertise, and resources to the United Nations to support this investigation, and we are urging others in the international community to do the same.

We are also working with our friends, allies, and the Syrian opposition, to procure, share, and evaluate additional information associated with reports of the use of chemical weapons so that we can establish the facts. Given the stakes involved, and what we have learned from our own recent experience, intelligence assessments alone are not sufficient—only credible and corroborated facts that provide us with some degree of certainty will guide our decisionmaking; the intelligence assessment is only one part of a broader process.

Question. The State Department has now led two U.N. Human Rights Council resolutions on Sri Lanka, and I continue to believe that an independent, international investigation is needed for reconciliation. Meanwhile, the Sri Lankan Government reportedly continues to commit human rights violations, especially against journalists and students.

- How will the State Department leverage its IMET training programs to bolster a new generation of Sri Lankan military leaders, who respect human rights, and to press the Government to allow for an independent investigation?
- What is the State Department vision for the future of security cooperation with Sri Lanka?

Answer. The Department continuously reviews its security cooperation programs with Sri Lanka to make sure they are appropriately calibrated to the rest of the bilateral relationship and broader U.S. objectives in Sri Lanka. U.S. military

engagement with Sri Lanka is both limited and focused on our strategic goals. Currently, our efforts are focused on positively influencing the next generation of military leaders, strictly adhering to Leahy vetting requirements, and promoting Sri Lanka's ability to maintain security in its maritime domain, an area that is a key U.S. interest and has ramifications for the security of the broader region.

IMET-funded courses expose defense establishment personnel to U.S. military doctrine and values. The courses promote democratic values, build capacity in key areas, increase the professionalization of the forces, and build lasting military-to-military relationships. We review IMET funding allocations carefully each year to ensure each program supports U.S. efforts to positively influence the Sri Lankan military in support of our strategic goals in the region. IMET funding in Sri Lanka has decreased over the past 3 years, from \$952,000 in 2011 to \$626,000 in FY 2013, in response to our concerns over the Sri Lankan Government's lack of progress reconciliation and accountability.

Question. After 2 years of protests, dialogue between the Government of Bahrain and the opposition remains stalled. Meanwhile, reports of human rights violations against opposition protestors are concerning. The FY14 budget requests \$10 million in Foreign Military Financing and an increase in the International Military Education and Training account.

- How will you use this assistance to encourage the Government of Bahrain to pursue real dialogue and end its crackdown on protestors?
- What else is the administration doing to press the Bahraini Government to fully implement the recommendations of the Bahrain Independent Commission of Inquiry?

Answer. Making a strong case both publicly and privately for why political dialogue, reform, and the protection of human rights are in the long-term interests of Bahrain and the United States is a critical component of our bilateral relationship, as is continued engagement in support of a strong security partnership in the face of serious regional threats. We see the dialogue as a positive step in a broader process that needs to result in meaningful reform that meets the aspirations of all of Bahrain's citizens. We are pressing the Bahraini Government and opposition to explore confidence-building measures as the dialogue continues. We continue to urge the Bahraini Government to implement the full range of recommendations in the Bahrain Independent Commission of Inquiry report.

We have seen some progress on these fronts, including the establishment of an ombudsman's office within the Ministry of Interior and the Police Code of Conduct, but more remains to be done. We continue to withhold the export of lethal and crowd-control items that could be used against peaceful protesters in Bahrain. We review all credible information documenting human rights violations and continue to press for investigations into, and accountability for, these violations, including effectively utilizing the Leahy amendment to ensure security assistance isn't provided to human rights violators in Bahraini security forces. Maintaining Bahrain's Foreign Military Financing (FMF) account and increasing support for International Military Education and training (IMET) course—courses that include human rights modules and whose participants are screened for potential human rights abuses in accordance with Leahy vetting—will allow us to maintain a strong partnership with the Bahraini Government as it continues to move forward on reforms.

The United States and Bahrain have a long history of friendship, and the Government of Bahrain has continued to be a critical partner in maintaining regional security.

Question. While energy-rich and key to our operations in Afghanistan, the Central Asian countries have in common pervasive violations of human rights and poorly performing democratic institutions. What is the administration's strategy to encourage these regimes to treat their people with justice and strengthen the rule of law?

Answer. We closely follow developments in human rights and democracy in central Asia, and promotion of democratic reform and greater respect for human rights is a top priority in this administration's strategy for central Asia. We continue to encourage central Asian governments at every level, including in every high-level visit to the region, to respect fundamental human rights, and to allow greater space for civil society, peaceful religious practice, and full freedom of expression, including media freedom. We urge these governments to hold free and fair elections and to engage in judicial, law enforcement, and media legislation reform. We support civil society organizations that use education and community development initiatives to help mitigate interethnic tensions and reduce regional vulnerabilities to violent extremism. We partner with central Asian states and international organizations to combat trafficking in persons and forced labor by facilitating contact with inter-

national monitoring entities, civil society, and law enforcement organizations. We also provide assistance to support democratic reforms and human rights. For FY 2012 we provided \$26.6 million (not including centrally managed accounts such as the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor) to support democratic reforms and human rights in central Asia; our FY 2014 request would increase this support to \$28.6 million.

RESPONSES OF SECRETARY OF STATE JOHN F. KERRY TO
QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

AFGHANISTAN SPECIAL IMMIGRANT VISAS

Secretary Kerry, on April 15, the New York Times reported on the growing backlog of immigration visa applications for Afghans pending with the State Department. These individuals have, at tremendous risk to their own lives and to the lives of their family members, assisted the United States and NATO as translators in Afghanistan. The Taliban, as you know, puts a high price on their heads for helping Western forces.

Given the clear threat these brave individuals face and the ongoing U.S. withdrawal from Afghanistan that increases that threat, I believe we owe it to them to address this backlog immediately and move these applications along.

Question. How large is the current backlog of Special Immigrant Visas for Afghan principal applicants and eligible family members under section 1244 and section 1059 at the State Department?

Answer. Afghan Special Immigrant Visas are issued under Section 602(b) of the Afghan Allies Protection Act of 2009 and Section 1059 of the National Defense Authorization Act of FY 2006. As of April 29, there are approximately 2,000 Afghan principal applicants and eligible family members who have been interviewed and are in administrative processing pending the completion of the interagency screening process. There are 480 Afghan principal applicants and eligible family members scheduled for SIV interviews in May with 1,934 waiting to be scheduled for interviews as openings become available in upcoming months. There are an additional 2,032 principal applicants and family members whose cases have been assigned to a consular section and will be scheduled for interviews once the applicants submit the required documents.

Question. What are the major obstacles to processing these applications more quickly?

Answer. The two major obstacles to processing these applications more quickly are the interagency screening process and preliminary approval at post by the Chief of Mission due to setbacks in the establishment of the recommendation committee in Kabul at the onset of the program. The screening process takes the most time and the Department of State is working constantly with our interagency counterparts to streamline this comprehensive and essential process while eliminating bottlenecks. We have added additional staff to address the delays in the Chief of Mission approval process and quickly process pending cases. A legislative extension of the program would allow additional time to process the cases that remain in the pipeline.

Question. Will you make the reduction of this backlog a priority?

Answer. Yes. Finding ways to streamline the process, without compromising national security, has been a Department priority since the inception of the program. We are working with National Security Council staff and the interagency to address the challenges. We recognize that many who are employed by, or work on behalf of the U.S. Government in Afghanistan and their families, face real threats as a result of their U.S. Government affiliation. We take these threats, and the concerns of those who work with us, very seriously and we are committed to providing them with the benefits for which they legally are eligible. At the same time, we must ensure that recipients of SIVs—like all others who seek to enter the United States—do not pose a threat to our security. Embassy Kabul has redirected and increased resources to improve efficiency at all stages of the SIV process and reduce processing backlogs without compromising security. The consular section has increased staffing to meet the increased demand for visa appointments and the Embassy has increased staffing to more expeditiously process Chief of Mission reviews, which are required as the first step of the application process.

Question. As you know, the SIV program currently is set to expire at the end of this fiscal year. Do you support the program's extension beyond September 30?

Answer. Our authority to issue SIVs to Iraqis under the National Defense Authorization Act of 2008 expires at the end of this fiscal year. Our authority to issue SIVs to Afghans under the Afghan Allies Protection Act of 2009 expires at the end of fiscal year 2014. We have been working with our interagency partners and interested Members of Congress to extend our authority to allow for the continued issuance of SIVs after those dates. We fully support each program's extension and welcome any action by Congress to extend the programs. The FY 2014 NDAA request includes provisions extending the program, as does S. 744—the Senate Comprehensive Immigration Reform legislation.

COOPERATIVE THREAT REDUCTION AND NONPROLIFERATION IN MENA

Secretary Kerry, at an April 16 Senate Armed Services hearing, Secretary Hagel announced that the administration is utilizing the Department of Defense's Cooperative Threat Reduction authorities to work with Jordan to help them counter the threat from Syria's chemical weapons.

I believe that the Middle East and North Africa region is our next real proliferation challenge when it comes to WMD-related materials. I believe we should be supporting more cooperative threat reduction and nonproliferation resources to this region. DOD is obviously responsible for the CTR program; however, State does have a number of important nonproliferation programs that could be ramped up to meet the threat posed in this region.

Question. Do you believe we are doing enough to work with our partners on cooperative threat reduction in the region—particularly with respect to Syria's chemical weapons stockpile?

Answer. Given the dynamic situation in the region, mitigating the chemical weapons threat emanating from Syria requires a multifaceted and tailored engagement strategy. The Department of State is working closely with other U.S. Government agencies, including the Department of Defense, and regional allies to address these threats by strengthening the ability of our partners to prevent, detect, and respond to a chemical event. The Department's Global Threat Reduction (GTR) program is leveraging current partnerships to develop regional and country-specific activities tailored to address the evolving Syrian threat. GTR works closely with partners in Jordan, Turkey, Iraq, and elsewhere in the region to build capacity in the areas of chemical security, detection, and forensics for technical and law enforcement audiences.

Question. Could we be doing more to support assistance efforts like upgrading border controls or increasing some of our allies' capacities to prevent, detect, or interdict chemical weapons technology or materials in this region?

Answer. The Department of State is actively working with allies in the region on a broad range of efforts to address the threat of chemical weapons and other border security challenges emanating from the conflict in Syria. We have an extensive border security engagement program and work closely with our Department of Defense and other U.S. Government stakeholders to continually address and respond to the evolving threat. Furthermore, we are in close coordination with our international partners to coordinate assistance in the region to ensure that activities are complementary and not duplicative. In particular, through our Export Control and Related Border Security (EXBS) program, we are providing inspection and detection equipment and training for border security units to enhance their capabilities to detect and interdict weapons of mass destruction (WMD) technology and related materials.

For example, the EXBS program is providing fixed imaging systems, night vision binoculars, mobile x-ray vans, personal radiation pagers, and basic inspection tool kits to our partners in the region. EXBS is also providing training in WMD interdiction, targeting and risk management, and other border interdiction related skills to Syria's neighbors.

NONPROLIFERATION

More generally, I'm concerned about the decrease in funding for nonproliferation reflected in the President's budget. I think we need to be ramping up nonproliferation efforts around the globe—particularly as the proliferation threat becomes more complex and diffuse.

Question. Do you believe that the current budget for FY 2014 nonproliferation activities is adequate to meet the challenge of the nonproliferation of nuclear, chemical, and biological weapons and materials around the globe?

Answer. As we reduced the overall State Department budget to help meet our country's fiscal problems, it was necessary to also reduce the budget for our nonproliferation foreign assistance programs. However, we limited the reduction to less than 10 percent (compared to FY 2012 funding levels). While this reduction will force some of our programs to make difficult decisions, we are confident that the budget will ensure funding for our highest nonproliferation priorities, including our contribution to the International Atomic Energy Agency's safeguards program, and our program to improve strategic trade and export controls in key partner states.

NDI'S CHALLENGES AND CRACKDOWN IN AZERBAIJAN

Secretary Kerry, it has come to my attention that the United States funded National Democratic Institute and other pro-democracy nongovernmental organizations are experiencing intense and increasing harassment from the Government of Azerbaijan. The Azeri government has submitted a formal request to the Organization for Security and Cooperation in Europe to downgrade its presence in the country. In addition, last week, the Government of Azerbaijan closed the U.S.-funded Free Thought University, which provides lectures and open dialogue for Azerbaijani youth on economics, human rights, government reforms, and culture.

I am deeply concerned by these troubling developments in Azerbaijan and the implications of what appears to be a broader antidemocratic push taking place.

Question. In light of the Azeri government's crackdown and widespread harassment of civil society groups, how is the State Department responding to Azerbaijan?

Answer. The State Department has raised concerns privately and publicly about Azerbaijan's crackdown on and harassment of civil society groups. For example, in a series of statements in recent weeks, Ambassador Morningstar has made plain how troubling the United States has found the closure of Free Thought University's facilities and the government's reaction to peaceful protests in January and March. Both the State Department spokesperson and the U.S. Mission to the Organization for Security and Cooperation in Europe (OSCE) have made similar statements. We regularly raise our concerns directly with senior Azerbaijani Government officials in Baku and Washington. While in Baku April 17–18, Democracy, Human Rights and Labor Deputy Assistant Secretary Thomas Melia conveyed our concerns in meetings with President Aliyev and Foreign Minister Mammadyarov, while publicly demonstrating support for civil society activists in several meetings and with the press.

The Department will continue to encourage meaningful dialogue between the Azerbaijani Government and its citizens to address legitimate grievances and also encourage authorities to respect citizens' freedom of assembly, expression, and association.

Question. What is the State Department and the U.S. Embassy in Baku doing to impress upon Azeri political leaders the need to improve their human rights record and work to realize Azerbaijan's potential as a responsible stakeholder in the international community?

Answer. We have repeatedly raised these concerns in public statements and in meetings with high-level officials in Baku, including President Aliyev.

For example, in December and again in April, Deputy Assistant Secretary of State for Democracy, Human Rights, and Labor Thomas Melia led interagency visits to Azerbaijan with the Department of Justice and USAID. In meetings with the President, Foreign Minister, human rights activists, and civil society, the team emphasized the need for meaningful democratic reform, including increased respect for human rights, fundamental freedoms, due process, and the rule of law.

Question. On April 16, President Aliyev stated publicly "We are building relations with all countries on the basis of mutual respect and with no interference in each other's affairs . . . We do know how to run our country. We do not need advice from the sidelines." Given this recent statement, how do we work with President Aliyev to convince him that democracy promotion organizations and other U.S.-funded civil society efforts are good for Azerbaijan and in high demand by the Azeri people?

Answer. We have expressed our concern at the highest levels about actions taken by the Government of Azerbaijan, including harassment of democracy promotion organizations such as the National Democratic Institute (NDI) and the closure of Free Thought University's facilities. As Ambassador Morningstar reiterated in his remarks in Baku on April 11, "Our closest relationships are with democratic states that respect the full range of human rights of their citizens." We will continue to make these points in our interactions with all of our contacts inside and outside of the government in Azerbaijan.

RESPONSES OF SECRETARY OF STATE JOHN F. KERRY TO
QUESTIONS SUBMITTED BY SENATOR JAMES RISCH

Question. Your budget requests \$133.2 million to realign Regional Security Officer positions. Will this include rebalancing personnel to ensure the RSOs with the greatest experience are placed in the locations that need the most seasoned experts?

Answer. In an effort to create greater transparency on how DS positions are funded, the Department is proposing to realign funding for DS overseas positions from the Diplomatic and Consular Programs (D&CP) 2-year account to the Worldwide Security Protection no-year account. Currently overseas positions are funded out of both funding sources. This realignment is consistent with how the Department handles American salaries under other Bureaus such as Consular Affairs and Overseas Buildings Operations.

The Department has looked at staffing issues for high threat posts, and we believe that the overall availability of experienced staff will remain a challenge given hiring shortfalls in previous years. We have evaluated the use of temporary, experienced staff, but believe only hiring, training, and assigning adequate permanent staff will provide a long-term solution to the identified experience gap. However, we are making progress on this front as the FY 2013 continuing resolution provided funding to hire additional Diplomatic Security personnel, including more RSOs.

Question. On 21 March 2013, six of my colleagues and I sent you a letter on arms control compliance and verification issues. When can we anticipate a response?

Answer. The Department will provide a response shortly.

Question. Could you provide more details on the U.S. economic package to the Palestinians that you mentioned while you were in the region? Will the resignation of Prime Minister Fayyad have an impact on this?

Answer. We are still working on the economic initiative for the Palestinians. The U.S. Government, through USAID, is already the leading provider of bilateral economic assistance to the Palestinian people. This initiative will complement the work that we have underway across a variety of sectors. We want to consult with the many interested parties prior to making any final decisions.

There will be a heavy emphasis on leveraging the private sector, and we do not envision the need for any additional U.S. budgetary resources for this initiative. As soon as decisions are reached, we will of course brief Congress on the details.

At the same time, economic efforts are not a substitute for the political track. We remain focused on creating the conditions needed to reestablish productive negotiations between the parties with the goal of two states for two peoples living side by side in peace and security.

The Palestinian Authority has made tremendous strides in revitalizing the Palestinian economy and reforming its institutions to better serve the Palestinian people. We look to all Palestinian leaders and the Palestinian people to continue these reform and revitalization efforts, and we are committed to moving forward with economic and institution-building efforts in the West Bank. The resignation of Prime Minister Fayyad should not derail this economic initiative or our efforts to promote peace and security.

Question. Please explain the efforts of the administration to promote democracy, the rule of law, civil society, and human rights in Russia, particularly in the wake of closing the USAID office and the government's ongoing crackdown on independent civil society groups?

Answer. The United States is firmly committed to promoting democracy, the rule of law, civil society, and human rights in Russia. We have raised our concerns in public statements and private discussions about the regrettable closure of USAID, disruptive government inspections of hundreds of NGOs across Russia, an array of new laws aimed at intimidating civil society, and the prosecution of political and civil society leaders. We have frequently joined with the international community in urging Russian officials to protect the fundamental human rights of all citizens.

The decision by the Russian Government that USAID should close its mission in Moscow marked the beginning of a transition for how we will support civil society, human rights, and democracy in Russia, but it has not altered our goals or our commitment. As in all countries in which our civil society partners face severe impediments to carrying out their work, the United States is putting in place a tailored strategy that is sensitive to the specific context, needs, opportunities, and challenges. I would be happy to have State Department officials brief you on the specifics of our approach to support for civil society.

Question. With the recent announcement of a merger between Al Qaeda in Iraq and Jabhat al-Nusra, please identify what connections exist between al-Nusra and Al Qaeda in Pakistan.

Answer. On April 10, al-Nusra leader Abu Muhammad al-Jawlani publicly pledged allegiance to al-Qaeda leader Ayman al-Zawahiri, but said he was not consulted on Al Qaeda in Iraq's (AQI) April 9 public announcement of a merger between AQI and al-Nusra. Al-Nusra is part of Zawahiri's al-Qaeda network, as is AQI.

RESPONSES OF SECRETARY OF STATE JOHN F. KERRY TO
QUESTIONS SUBMITTED BY SENATOR JEFF FLAKE

Question. The Executive Budget Summary notes that the request for State and USAID “strikes the balance between fiscal discipline and sustaining and advancing America’s global leadership—and is 6 percent less than in FY 2012.” But, looking at the breakdown, it appears that base budget funding in FY 2012 totaled \$39.6 billion, while base budget funding in the FY 2014 request totals \$43.9 billion, roughly. It would seem to me that any savings claimed here comes strictly from a reduction in OCO funds, and in fact the Department is asking for additional base budget funds this year. Is this the case?

Answer. The FY 2014 budget request for the Department of State and USAID totals \$47.8 billion, which is a decrease of \$3.1 billion from FY 2012, or 6 percent. The reduction is largely a result of our efforts to rightsize our presence and programs in Afghanistan, Pakistan, and Iraq, yielding savings of \$4.2 billion from FY 2012. The FY 2014 budget prioritizes how we use our limited resources so they are effective investments in solving the problems of today and shaping the world of tomorrow, protecting the American people and bolstering the U.S. economy.

Due to the breadth of the FY 2012 Overseas Contingency Operations (OCO) appropriation, which shifted some base programs to OCO, the overall topline is the most accurate comparison of programs from FY 2012 to FY 2014. In FY 2012, Congress provided \$11.2 billion in OCO, \$2.5 billion (29 percent) more than the administration had requested, and expanded the definition of OCO beyond the Frontline States of Afghanistan, Pakistan, and Iraq. Consistent with the FY 2012 and FY 2013 requests, the FY 2014 request returns to the administration’s approach of using State/USAID OCO for the temporary and extraordinary costs of operations and programs in the Frontline States.

Question. Before the wars in Iraq and Afghanistan, the Department of Defense maintained an account within its budget called the “overseas contingency operations transfer fund,” which was used to pay for operations in places like the Balkans, and other places where the United States ran operations on a temporary basis. DOD still maintains this fund although it has not received any recent appropriations from Congress, and it is a separate account from the OCO title which is now funded with tens of billions of dollars, none of which is subject to spending caps.

The State Department began requesting OCO funds outside of its “base budget” in FY 2012. It has been used to pay for State Department operations in Iraq, Afghanistan, Pakistan and “to a limited extent in other fragile regions,” according to a response I received from your office. Certainly the State Department has operated in “fragile regions” long before the existence of this extra-budgetary account, and I am sure that even after the war in Afghanistan winds down, the Department will continue to operate in these regions.

- Do you intend to continue requesting OCO funding outside of the regular budget to pay for these operations interminably?
- Would the Department benefit from creating an on-budget OCO account, similar to the one operated by the DOD?

Answer. We appreciate the flexibility that the Congress provided in the FY 2012 Overseas Contingency Operations appropriation. Our FY 2014 request reflects the administration’s intent that OCO for the Department of State and USAID include only the temporary and extraordinary costs related to the civilian responsibilities in the Frontline States (Afghanistan, Pakistan, and Iraq). We do expect to continue programs in these countries in the long term, but at more reduced levels.

The size of the State/USAID OCO request will change, as reflected in the FY 2014 President’s budget, as circumstances on the ground warrant, with the general goal of decreasing OCO funding over time.

Since FY 2012, OCO funding governmentwide has decreased by \$34 billion. The administration has capped OCO spending through 2021 at \$450 billion to ensure

that OCO funds are used judiciously, in a fiscally responsible way, and only for the extraordinary needs for which they were designed.

Question. In FY 2012, the Department requested \$8.7 billion in OCO funds but received more than \$11 billion from appropriators. The FY 2013 CR continues those levels.

- How has the Congress' decision to designate more of the State Department's "base budget" as OCO funding affected the Department's budgeting process?

Answer. The FY 2013 Continuing Resolution (CR) provides the Department and USAID with \$10.6 billion in Overseas Contingency Operations (OCO) funding, \$559 million less than the FY 2012 OCO appropriation. The Department and USAID appreciate the flexibility Congress has provided within the OCO title and has used that authority judiciously to respond to emerging and unanticipated contingencies, which are consistent with the intent of OCO funds, including responding to the crises in Syria and Mali.

Question. OCO funds have been reprogrammed to pay for operations to Syria and Mali, and perhaps even elsewhere.

- Do you know approximately how much money has been transferred within the OCO account to pay for these operations? Can you tell me what else, apart from Mali and Syria, these funds have been used for?
- If not, can you please provide that to my office?

Answer. We are dealing with complex crises at a time when resources are scarce. The Department of State/USAID budget prioritizes how we use our limited resources so they are effective investments in solving the problems of today and shaping the world of tomorrow, protecting the American people and bolstering the U.S. economy.

The transfer authority provided in the OCO title has enabled the Department and USAID to respond to emerging needs in Syria and Mali and elsewhere. The transfer authority has also allowed us to meet priorities of the Congress.

We will provide a list of programs we have used OCO authority to fund to your staff. We look forward to working with the Congress to determine how best to maintain flexible authorities and sufficient resources to meet emergent needs in the out years.

Question. The FY 2013 request asks for \$77.7 million in funding for UNESCO, despite the decision of that entity in October of 2011 to award the Palestinian Authority full member status in its organization. UNESCO went through with this vote knowing full well that doing so would result in a cessation of contributions to it from the United States, pursuant to existing U.S. law. You have also said that, "if confirmed, I will continue the administration's policy of opposing firmly any and all unilateral actions in international bodies or treaties that circumvent or prejudice the very outcomes that can only be negotiated, including Palestinian statehood."

- Why have you again requested both funding for UNESCO as well as a waiver to allow the administration to ignore the current laws that prohibit assistance to UNESCO?

Answer. The administration is seeking a waiver to allow the discretion necessary to continue to provide contributions that enable us to maintain our vote and influence within the United Nations and its specialized agencies, if the President determines that doing so is important to our national interests, and to deny the Palestinians or their allies any ability to force a contribution cutoff and diminish our influence within these agencies.

Without a national interest waiver our ability to conduct multilateral diplomacy and pursue U.S. objectives will be eroded, and our standing and position in critical U.N. agencies will be harmed. As a result, our ability to defend Israel from unfair and biased attacks in the United Nations will also be greatly damaged.

The most effective way to wield U.S. influence in international organizations is from within. By withholding our contributions, not only do we cut off support for important programs that advance U.S. interests, we weaken our ability to promote our priorities, risk losing altogether our voting rights, and effectively empower others to determine how and when America engages.

Congress has passed legislation that provides the United States with additional tools that are much better suited for the purposes of deterrence than the contribution cutoff mechanism. Legislation passed in the aftermath of the Palestinians' successful UNESCO bid, if triggered, would place limits on U.S. economic support to the Palestinian Authority and would require the closure of the Palestinians' Washington, DC, office if they obtain membership as a state in a U.N. specialized agency going forward. These requirements are, appropriately, directed at the Palestinians

in the event they engage in conduct that we are seeking to discourage. By contrast, the implications of the contribution cutoff will be most felt by the United States and the partners whose interests we defend across the spectrum of the U.N. system.

Ironically, current legislation penalizes U.N. institutions which do not have a role in membership votes. The vote to admit the Palestinians was taken by other member countries, not U.N. officials.

Question. In response to an inquiry from my office when your confirmation was pending, you stated that, in fact, you would seek these funds [for UNESCO] along with the waiver because, “I believe that our country cannot afford to be on the sidelines of organizations that help advance American national interests.”

- What national interests are served by UNESCO?
- If the United States does not follow through on its word to withhold these contributions, do you think this would encourage other organizations to take actions similar to those taken by UNESCO?
- What kind of a message does it send to our allies when the United States reneges on its word?

Answer. UNESCO promotes U.S. national interests. At its core, UNESCO is an antiextremism organization, and one that uses cooperation to address shared challenges. The work that UNESCO carries out in order to promote peace, intercultural dialogue, tolerance, and education for all is essential to combating violent extremism. UNESCO’s coordination of the global tsunami warning system has already proven invaluable for helping prevent massive casualties from deadly tsunamis, some of which threaten large populations along the U.S. coastline.

UNESCO also serves U.S. free market goals. Many American companies—including Google, Apple, Microsoft, and Procter and Gamble—have partnered with UNESCO to advance core American values, such as press freedom and access to education. At the same time, these companies are expanding their global reach into new and untapped markets.

In addition, UNESCO supports and furthers fundamental American values, including promoting literacy for women and girls, promoting tolerance and respect for all by creating curriculum programs for global dissemination, and supporting Holocaust education as a means to combat anti-Semitism and prevent future atrocities. UNESCO also plays a critical leading role in promoting freedom of the press and safety for journalists globally.

The United States remains a steadfast ally of Israel at UNESCO, and has been able to successfully advocate for Israel within the Organization. The most recent example is at the UNESCO Executive Board meeting in April, where the United States played an instrumental role in negotiating a compromise between the Israelis and Palestinians, resulting in the deferred consideration of five contentious recurring resolutions on cultural sites in the region.

This latest example of U.S. engagement on behalf of Israel in the U.N. system underscores the critical importance of a continued strong U.S. presence at UNESCO. However, without resuming payment of assessed contributions due to UNESCO, the United States will lose its vote at the 37th General Conference in November 2013—an unprecedented consequence that will harm both U.S. interests and those of our allies.

At the same time, we continue our active engagement across the spectrum of U.N. agencies and directly with the Palestinians to underscore that similar efforts to pursue status as a member state will only risk undermining a return to direct negotiations which remain the only path forward to a just, lasting, and comprehensive regional solution to end the conflict.

We believe that our actions must be determined by our own national interest both in a just, lasting, and comprehensive regional solution and in a responsible and capable U.N. system. We remain convinced that the best way to advance these interests is to demonstrate our commitment to Middle East peace and to maintain our investment in and our leadership within the U.N. system.

Many of our allies have given us a clear message—including through statements at the UNESCO Executive Board that just ended in Paris—that they want the United States to remain an active player at UNESCO and in the multilateral system more broadly. They see the United States as a vital and powerful voice for freedom and democratic values.

As you will recall, it was under the leadership of President George W. Bush that the United States rejoined UNESCO in 2003 following a prolonged absence. In a bipartisan effort, President Bush and the late Representative, Tom Lantos, led the charge in convincing members on both sides of the aisle in Congress that the United States is far better off being at the table at UNESCO. By withholding our contributions, not only do we cut off support for important programs that advance U.S. in-

terests, we weaken our ability to promote our priorities, risk losing altogether our voting rights, and effectively empower others to determine how and when America engages. As a result, our ability to defend Israel from unfair and biased attacks in the United Nations will also be greatly damaged.

Question. A total of \$836.6 million has been requested for the Global Climate Change Initiative in FY 2013 [sic]. The Executive Budget Summary says that the programs which receive these funds will work to “improve the resilience of countries that are most vulnerable to climate and weather-related disasters; support fast-growing economic and regional leaders in their transition to clean energy; and limit greenhouse gas emissions from deforestation and forest degradation.”

- What countries will be receiving funds to combat climate change?
- Can you please provide my office with a complete list of countries and programs which will receive these funds?

Answer. Funding for the Global Climate Change Initiative (GCCCI) is requested for programs implemented by the Department of State, USAID, and the Department of Treasury. The President’s FY 2014 budget requests \$836.6 million for GCCCI, of which \$481.0 million would be programmed through the Department of State and USAID.

The Department of State’s programs focus on diplomatic initiatives and are generally global in scope. USAID’s programs focus on regional and bilateral programs. GCCCI funds do not provide cash transfers to foreign governments; they provide technical assistance to public and private stakeholders in partner countries. In the case of USAID bilateral funding, the FY 2014 budget request seeks funding to support the following countries: Ethiopia, Kenya, Malawi, Mali, Mozambique, Rwanda, Senegal, South Africa, Tanzania, Uganda, Zambia, Cambodia, Indonesia, Philippines, Timor-Leste, Vietnam, Georgia, Ukraine, Bangladesh, India, Kazakhstan, Maldives, Nepal, Colombia, Dominican Republic, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Peru, and Barbados. Additionally, funding is requested for State Western Hemisphere Regional and the following USAID regional programs: Africa Regional, Central Africa Regional, East Africa Regional, Southern Africa Regional, West Africa Regional, Regional Development Mission—Asia, Europe and Eurasia Regional, Central America Regional, Latin America and Caribbean Regional, and South America Regional. Details on the requested funding levels for each bilateral and regional program will be provided in the Congressional Budget Justification.

Funding programmed through the Department of State is generally either transferred to other USG agencies utilizing USG technical and functional expertise and leadership, or provided to international organizations including the Intergovernmental Panel on Climate Change, the Montreal Protocol Multilateral Fund, the U.N. Environment Program, the U.N. Framework Convention on Climate Change (UNFCCC), and the World Bank.

In FY 2014, the Department of State plans to fund the following programs through the GCCCI in the areas of adaptation, clean energy, and sustainable landscapes. Where possible, a list of countries that benefit from these multilateral programs is provided.

ADAPTATION

Least Developed Countries Fund (LDCF)

The LDCF supports the 49 least developed countries, which are especially vulnerable to the adverse impacts of climate change, in responding to urgent adaptation needs in key development sectors. The Global Environment Facility (GEF) operates the LDCF, with the World Bank as Trustee for the fund. The GEF develops its projects through 10 implementing agencies: the U.N. Development Program (UNDP), the U.N. Environment Program (UNEP), the World Bank, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Fund for Agricultural Development, the U.N. Food and Agriculture Organization, and the U.N. Industrial Development Organization. The current list of 49 least developed countries (LDCs) eligible for funding under the LDCF are Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burma, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Timor-Leste, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Togo, Tanzania, Tuvalu, Uganda, Vanuatu, Yemen, and Zambia.

Special Climate Change Fund (SCCF)

The GEF operates the SCCF, with the World Bank as Trustee for the fund. The GEF develops its projects through 10 implementing agencies: the U.N. Development Program (UNDP), the U.N. Environment Program (UNEP), the World Bank, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Fund for Agricultural Development, the U.N. Food and Agriculture Organization, and the U.N. Industrial Development Organization. Unlike the LDCF, which is specifically dedicated to the urgent and immediate needs of the LDCs, the SCCF is open to all vulnerable developing countries (defined as all non-Annex I parties to the UNFCCC). All developing countries that are party to the Convention are eligible to receive financial support for adaptation interventions to be integrated into development activities.

Intergovernmental Panel on Climate Change/U.N. Framework Convention on Climate Change

The Intergovernmental Panel on Climate Change (IPCC) assesses the state of our understanding of the science, impacts, and possible response strategies to address climate change. U.S. contributions to the IPCC do not support country programs. The U.N. Framework Convention on Climate Change Secretariat provides organizational and technical support for negotiation and implementation processes under the U.N. Framework Convention on Climate Change. The nearly 200 Parties to the Convention are divided into three main groups according to differing commitments: Annex I Parties, which are the industrialized countries that were members of the Organization for Economic Co-operation and Development in 1992, plus countries with economies in transition (the EIT Parties), including the Russian Federation, the Baltic States, and several Central and Eastern European States; Annex II Parties, which include the OECD members of Annex I, but not the EIT Parties; and Non-Annex I Parties, which are mostly developing countries. The 49 Parties classified as least developed countries (LDCs) by the United Nations are given special consideration under the Convention due to their limited capacity to respond to climate change and adapt to its adverse effects.

CLEAN ENERGY

The Global Methane Initiative (GMI)

The GMI is implemented through the Environmental Protection Agency (EPA). EPA develops its GMI implementation plan on an annual basis, based in part upon the interest and capacity of partner country governments to support methane reduction activities. GMI activities utilizing FY 2014 funds may include work with the following countries: Argentina, Brazil, Bulgaria, Chile, China, Colombia, Dominican Republic, Ecuador, Ethiopia, Georgia, Ghana, India, Indonesia, Jordan, Kazakhstan, Mexico, Mongolia, Nigeria, Philippines, Peru, Poland, Russia, Serbia, Sri Lanka, Thailand, Turkey, Ukraine, and Vietnam.

The Climate and Clean Air Coalition (CCAC)

The CCAC is implemented through EPA and the United Nations Environment Program. Country engagement primarily focuses on developing countries that are formal partners of the CCAC, including Bangladesh, Benin, Chile, Colombia, Cote d'Ivoire, Dominican Republic, Ethiopia, Ghana, Jordan, Maldives, Mexico, Nigeria, and Peru, but could also include select other countries that are not currently partners.

The Renewable Energy Deployment Initiative (Climate REDI), Clean Energy Ministerial (CEM), and Major Economies Forum (MEF)

Climate REDI is implemented through the Department of Energy and is the primary vehicle through which the United States sponsors activities in support of the CEM and MEF. Primary recipients are developing and emerging market countries that are members of the CEM, including India, Indonesia, Mexico, and South Africa. Other emerging market CEM members include China and Russia, which have not received funding to date but could benefit from funding in the future. Some Climate REDI programs, such as the Clean Energy Solutions Center, benefit a much wider group of developing countries that reach out to the Solution Center's "Ask an Expert" staff for policy support. Additional countries that have received assistance through such ad-hoc requests to the Solutions Center include: Argentina, Chile, Ethiopia, Ghana, Guyana, Iraq, Kazakhstan, Kenya, Laos, Micronesia, Morocco, Namibia, Nepal, Sierra Leone, St. Kitts, St. Vincent, Suriname, Uganda, and Vietnam.

Enhancing Capacity for Low Emission Development Strategies (EC-LEDS)

EC-LEDS, which is primarily funded through USAID, provides technical assistance and support to developing countries for the development and implementation of low emission development strategies. These strategies assist countries to achieve their economic and social development objectives while reducing greenhouse emissions over the longer term. The EC-LEDS program works in the following countries: Albania, Bangladesh, Colombia, Costa Rica, Gabon, Georgia, Guatemala, India, Indonesia, Jamaica, Kazakhstan, Kenya, Macedonia, Malaysia, Malawi, Mexico, Moldova, Peru, Philippines, South Africa, Serbia, Thailand, Ukraine, Vietnam, and Zambia.

Montreal Protocol Multilateral Fund

The purpose of the Montreal Protocol Multilateral Fund is to assist what are referred to as Article 5 Parties to implement the Protocol's obligations for those countries. Article 5 countries are developing countries whose annual level of consumption of ozone depleting substances (ODS) was less than 0.3 kilograms per capita at the time of entry into force of the Protocol for them. A list of these countries can be found in the following link: http://ozone.unep.org/new_site/en/parties_under_article5_para1.php. The Department of State does not plan to provide funds to all of these countries. For example, the Department of State does not fund the Republic of Korea and the United Arab Emirates, both Article 5 countries. In addition, Section 307(a) of the Foreign Assistance Act of 1961, as amended, requires the United States to withhold its proportionate share of expenditures for programs funded by the International Organizations and Programs account for Iran, Cuba, Burma, North Korea, and the PLO or entities associated with the PLO. Funding for the IPCC and UNFCCC falls under both the Adaptation and Clean Energy pillars of the GCCI. These two programs are also funded from the IO&P account and are subject to the same legislative restriction cited above as the Montreal Protocol Multilateral Fund.

SUSTAINABLE LANDSCAPES

FY 2014 Sustainable Landscapes funding implemented through the World Bank will support work in developing countries seeking to reduce net emissions by improving land use through sustainable landscapes, REDD+, LEDS, or related strategies. The Department of State also plans to provide a portion of its \$10 million in Sustainable Landscapes funding to a multilateral fund to support reducing emissions from deforestation and forest degradation in developing countries (REDD+) with FY 2014 funds. Funds that may be considered for U.S. assistance include the BioCarbon Fund, the Forest Carbon Partnership Facility (FCPF), or the World Bank Forest Investment Program (FIP). Countries that will benefit from this work will depend on the fund to which assistance is provided.

Question. The MCC takes a different approach to foreign assistance than many competing agencies in that it requires a recipient country to meet certain indicators to qualify for varying levels of assistance. It also requires that recipient countries have some stake in their compacts, as well.

The budget request for the MCC has been consistently less robust than it used to be for at least the last 4 fiscal years. I understand better than most that budgets are constrained these days, but these lower requests occurred before the current fiscal crisis had really set in. And while the budget request for MCC has been less robust, budgets for USAID have grown.

- What is the reason that the budget requests for the MCC has been decreased, while USAID's has been increased?

Answer. Millennium Challenge Corporation (MCC) is a critical component of the U.S. Government international programs. With its selective approach and focus on broad-based economic growth and democratic governance, MCC advances countries along the path to reliance on domestic resources, foreign investment, and trade rather than foreign aid. The entire U.S. Government development community is learning and applying broader lessons from MCC about economic analysis, growth, evaluation, the cost-effectiveness of development investments, monitoring and evaluation, and data-driven approaches to decisions.

All development agencies currently face a very constrained budget environment and, as a result, the overall FY 2014 foreign assistance request is 6 percent below the FY 2012 enacted level. The request addresses many foreign assistance priorities that are not within the scope of MCC programs, including humanitarian assistance, aid to support post-crisis transitions from armed conflict, and security assistance. The level of USAID funding also reflects that Agency's role in implementing the

administration's key development programs: the Global Health Initiative, Feed the Future, and the Global Climate Change Initiative. The administration will continue to support MCC and the unique skills and strengths it provides.

