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REVIEW OF RESOURCES, PRIORITIES AND PROGRAMS IN THE FY 2016 STATE DEPARTMENT BUDGET REQUEST

UNITED STATES SENATE COMMITTEE ON FOREIGN RELATIONS

ONE HUNDRED FOURTEENTH CONGRESS, FIRST SESSION

HEARING CONTENTS:

MEMBER STATEMENTS:

Sen. Bob Corker (R-TN) [\[view pdf\]](#)
Chairman, Committee on Foreign Relations

Sen. Bob Menendez (D-NJ) *[no pdf available, 23:48 of [webcast](#)]*
Ranking Member, Committee on Foreign Relations

WITNESSES:

Hon. John F. Kerry [\[view pdf\]](#)
Secretary, U.S. Department of State

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United States Senate Committee on Foreign Relations

**Hearing: Review of Resources, Priorities and Programs in the FY 2016 State Department
Budget Request**

Witness: Secretary of State John Kerry

Tuesday, February 24, 2015

U.S. Senator Bob Corker (R-Tenn.), Chairman

Opening Statement

Mr. Secretary, I know you've been doing a lot of traveling around the world and have a lot of important issues to deal with. And we appreciate very much you coming in today to talk about your budget and your testimony today.

As you know, the purpose of this hearing is to learn more about the State Department's FY 2016 budget request. I know that these hearings also become a time in many cases to talk about public policy issues. I think you know there may be some questions about the AUMF and other issues that you're dealing with at this time. So we appreciate you answering all of those.

One of our top priorities is to pass a State Department authorization that helps the department become more efficient and effective within a sustainable budget.

Chairman Perdue will be taking on that effort. I know we met yesterday with Heather Higginbottom with the State Department and had a good meeting to launch that. I think all of us want to make sure that as we're dealing with the many crises that we're dealing with around the world that the State Department is set up in a way to leverage our efforts and to ensure that we are doing on a daily basis everything we can to make sure that we continue to pursue our national interests in so many ways. And that's the purpose of doing that.

Obviously the president has sent forth a budget that increases spending by \$74 billion, and I think all of us understand that is not where we are going to be. I know you are here to talk about your component of that, but we all know that that is not where the budget is going to end up. It is going to be a greatly reduced number.

We know we have some challenges in front of us, and we appreciate, again, you being here for us to talk with you about those.

The State Department is also proposing some increases in foreign aid. Not just in foreign ops. And yet in many cases there is a difficulty in trying to evaluate the effectiveness of that. And again, I think that is one of the important reasons for having an authorization.

Our overseas contingency operations funding still compose about 14 percent of spending. And at some point, I think we all know that we have to move away from funding through OCO

(Overseas Contingency Operations) to getting things on an enduring budget. And again, that is something through the budget process we are going to attempt to do this year.

I do have four things that I would like to highlight. And that is:

- The State Department right now has an overreliance on OCO and carryover balances. And I think there is a great concern that those carryover balances create a lack of discipline within the department.
- The budget's misalignment with strategic planning efforts, such as the quadrennial diplomacy and development review process. Those not being linked up in an appropriate way seem to miss an opportunity to make sure that we are aligned properly.
- We have a massive increase in peacekeeping that betrays previous agreements with the United Nations on the U.S. share of funding.
- And we have a failure to reprioritize resources in line with the Asia rebalance. There has been a lot of discussion about that, but it is very difficult to see the resources that are being put forward to deal with that.

So we look forward to your testimony. I know there will be numbers of questions, not just about the budget, but other activities that you have been dealing with this.

We thank you for your service to our country. We thank you for taking time out to be with us today.

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Secretary of State John Kerry
Before the Senate Committee on Foreign Relations
Tuesday, February 24, 2015

Mr. Chairman and Members of the Committee; thank you for the opportunity to testify today regarding America's international leadership and the Administration's budget request for the State Department and related agencies for the 2016 fiscal year.

Last month, in his State of the Union Address, President Obama said that we "lead best when we combine military power with strong diplomacy; when we leverage our power with coalition building; [and] when we don't let our fears blind us to the opportunities that this new century presents."

It is with that guidance in mind that we submit our budget to you this year and ask for its fair consideration and approval. We do so at a time and in a world that is marked both by stark tragedy and by great promise, a world where America's role is critical as are the resources that only Congress can provide. So we ask for your help. America must lead, but cannot do so on the cheap. The money we devote to the entire range of foreign policy programming, everything from embassy security to our counter-terrorism and nonproliferation initiatives, amounts to only about one percent of the federal budget, yet it may impact fifty percent of the history that will be written about this era. So we all have a job – to do everything we can, working together, to shape that history in ways that advance our nation's interests and uphold the values of the people we represent.

Mr. Chairman, within the FY 2016 President's budget request, the Department of State and USAID are seeking a total of \$50.3 billion in discretionary funding, including \$7.0 billion for Overseas Contingency Operations. Our requests for all accounts include:

- \$3.5 billion to counter the terrorist network known as ISIL, address the crisis in Syria, bolster regional security, and respond to the humanitarian catastrophe brought on by the crises in Syria and Iraq;
- \$3.1 billion in continued support for our democratic partner, Israel;

UNCLASSIFIED

- 2 -

- \$639 million to help our friends in Ukraine, Georgia, and Moldova as they seek to strengthen their democracies, withstand pressure from Russia, and to integrate more closely into Europe;
- \$1.4 billion to support our activities in and to implement the President's strategy to rebalance to the Asia-Pacific region;
- \$1 billion to address the root causes of illegal migration from Central America to the United States, including the inhumane and perilous migration of unaccompanied children;
- \$5.4 billion to finance our leadership and support for international organizations and peacekeeping efforts and thereby ensure that other nations will share the costs and burdens of maintaining global stability and strengthening consensus principles and norms;
- \$3.4 billion to reinforce our partnerships and diplomatic engagement with Afghanistan and Pakistan;
- \$4.8 billion for Embassy Security that will enable the Department to support overseas security requirements for our personnel and facilities, and continue implementing the recommendations of the Benghazi Accountability Review Board. These critical investments make possible the work of our diplomats to advance American interests worldwide, assist our citizens, and promote our ideals;
- \$1.2 billion to support public diplomacy and exchanges;
- \$8.2 billion for global health, including programs to end preventable child and maternal deaths; combat infectious disease through the Global Health Security Agenda; and create an AIDS-free generation;
- \$808 million to invest in clean energy, sustainable growth, and measures to curb the harmful impacts of global climate change; and
- \$978 million for the President's Feed the Future initiative to promote agriculture-led development and help reduce poverty and hunger.
- \$390 million for the President's Counterterrorism Partnerships Fund to support counterterrorism activities, countering violent extremism, and crisis response, as well as provide enabling support to partners engaged on the front lines against terrorism.
- Over \$2 billion for democracy, human rights, and governance programs that support governments and citizens to build societies where people can address

UNCLASSIFIED

- 3 -

legitimate grievances through the democratic process and express themselves through strong civil societies.

Mr. Chairman, decades ago, in the aftermath of World War II, Dean Acheson wrote that the problems that bedevil American foreign policy are not like headaches that can be cured by taking an aspirin and getting a good night's sleep. "They will," he asserted, "stay with us until death. We have got to understand that all our lives the danger, the uncertainty, the need for alertness, for effort, for discipline will be upon us. This is new to us. It will be hard for us. But we are in for it and the only real question is whether we shall know it soon enough."

Secretary Acheson's words remind us that we long ago entered into an era of virtually nonstop danger, whether in one part of the world or another or regarding one type of challenge or another. The test for our leadership has never been to entirely eliminate those risks, because that is not possible; the test has been whether we can manage them decisively over time in ways that reduce the peril and strengthen the forces of democracy, humanity, justice, and law.

That is precisely the task that confronts us today just as it has confronted earlier administrations and generations. And I believe that, once again, our country is answering the call. We can see that leadership in the brave service of our fighting men and women on duty in strategic outposts and waterways across the planet. We can see it in our citizens who contribute to international civil society and who work hard every day to address and ease global challenges from extreme poverty to women's rights and the protection of religious liberty and other precious freedoms. We can see it in the work of our development professionals who are helping millions of people overseas to build strong communities, expand markets, and contribute to shared prosperity. We can see it in the Members of Congress from both parties who devote countless hours to meeting with international partners and to thinking about how best to harness our resources and relationships to address shared problems. And we can see it in the daily efforts of our diplomats to defend America's interests, advocate our principles, and strengthen our country's position in the world.

UNCLASSIFIED

- 4 -

Mr. Chairman and members of the Committee, there can be no question that our diplomatic engagement around the globe today is as deep and as strong as it has ever been. Let me point to just a few examples of where our leadership backed by our resources is making an important difference.

To begin, our country's leadership is on display in mobilizing actions across the globe to counter and prevent violent extremism. Just last week, the White House convened a landmark conference to build solidarity and identify concrete plans to address both the immediate and long term challenges. The United States is committed to helping countries in vulnerable regions to enhance their capacity to defeat terrorist networks and to rebut the radical ideologies that drive those networks. We have also taken the lead in a robust international effort to combat the terrorist group known as ISIL. Frankly, coalition building is a natural fit for the State Department – we're in the business of bringing other countries to the table to support mutual interests. And because ISIL is a threat to us all, this menace has galvanized a Coalition with more than 60 members, a Coalition that is as diverse as it is dedicated.

Already, nine countries are contributing to air strike operations in Iraq and a dozen have committed to train security forces there. Coalition partner pilots are also flying strike missions in Syria, and hosting the train and equip program for the moderate opposition. Meanwhile, we're pooling information and resources to cut ISIL's profits from smuggling and to block access to banks. Our air strikes have reduced ISIL's ability to profit from oil sales. To slow recruiting of foreign terrorist fighters, we're engaged in capacity building in the Balkans, criminal justice reform in North Africa, helping high-risk communities in the Middle East, and tightening security at airports. These efforts are in addition to the humanitarian aid that the United States and many other countries have contributed to care for refugees and displaced persons in Jordan, Lebanon, Syria, and elsewhere in the region.

We are doing much; but we're still in the early stages of a multi-year campaign. Going forward, we must turn up the heat. Thus far, whenever our local partners have engaged the enemy on the ground with Coalition support from the air, we have prevailed. And the fact is that ISIL's momentum – which some called

UNCLASSIFIED

- 5 -

unstoppable just a few months ago – has dissipated. A key supply line has been severed. Terrorist fighters can no longer mass and maneuver in large convoys due to Coalition airstrikes.

Throughout, the Coalition has been working closely with the government of Iraq and with moderate elements of the Syrian opposition. Success on the ground will depend on strong and legitimate local partners. That's why this year's request includes \$355 million to support critical governance and security reforms in Iraq. Nothing will contribute more to the defeat of ISIL than an Iraqi government that governs inclusively, respects the rights of and protects all of its citizens with the help of a professional security force, and as a result enjoys the full support of its people.

Success will also be more likely if America is able to speak with one voice in our determination to defeat ISIL. Earlier this month, the President transmitted to Congress a draft Authorization to Use Military Force that provides just such an opportunity. As someone who served on Capitol Hill for almost thirty years, I welcome this step and look forward to discussing all aspects of this very important proposal with you. The approval of this authorization would provide a clear and powerful signal of American unity and resolve.

The fight against violent extremism also continues in Central and South Asia.

This year, Afghanistan will exercise full responsibility for its security forces, making possible a significant reduction in the U.S. military presence. We will, however, continue to consult with Kabul on security matters, and to administer a robust train, advise, and assist mission. We are also requesting \$1.5 billion to support the new Afghan unity government as it strives to implement reforms and improve economic performance. This aid will be targeted at helping Afghanistan to move ahead through better governance, investments in health, education, and infrastructure, and the equitable treatment of women and girls.

In Pakistan, the United States is working with the government to counter terrorist groups that threaten our shared security. Last month, I met with the country's leadership for our annual Strategic Dialogue and found – in the wake of the

December 16 terrorist attack on the military school that murdered 132 children – a vigorous commitment to take on and defeat violent extremist groups. In recognition of our long-term engagement with the Pakistani people, we're also helping to promote development, energy security, health, and education.

At the same time, through constant diplomacy and the exchange of historic visits by our heads of government, we've strengthened our ties with India, the world's largest democracy, on economic issues, security cooperation, science, and clean energy.

Closer to home, in Europe, we have been steadfast in supporting Ukraine's recently-elected government against illegal intervention by Moscow and violence from the armed separatists that Moscow backs. Working closely with our international partners, we have approved targeted sanctions – including against Russia's financial, energy, and defense sectors – that have imposed a clear cost on the Russian economy and brought Kremlin leaders back to the bargaining table. The package of measures signed earlier this month to implement the September 2014 Minsk Protocol mandated a ceasefire and the pullback of heavy weapons. We have called for full implementation of the Minsk documents, including the withdrawal of all foreign equipment and troops from Eastern Ukraine, the full restoration of Ukrainian control of the international border, and the release of all hostages. To date, neither Russia nor the forces it is supporting have come close to complying with their commitments. If that failure continues, there will be further consequences – consequences that would place added strains on Russia's weakened economy.

Meanwhile, the United States is backing Ukraine's economic reforms through a \$1 billion loan guarantee (and the possibility of another if reforms continue) and support for a \$17.5 billion financial package from the IMF. Although the situation in eastern Ukraine remains very difficult, we are working to help the country emerge from this crisis united, and with the chance to decide its own future in a Europe where NATO is reinvigorated and leaders in the Kremlin are judged solely by their actions, not their words.

UNCLASSIFIED

- 7 -

Mr. Chairman, President Obama has made it clear that Iran will not obtain a nuclear weapon. Since late 2013, we have been testing whether that goal can be achieved through determined multilateral diplomacy. The so-called P5+1 talks have made considerable progress but have not yet reached a satisfactory consensus on all critical questions. During our deliberations, for the first time in a decade, we've halted the progress of Tehran's nuclear program and even rolled it back in key respects. We will know soon whether we will be able to reach a verifiable and comprehensive plan to ensure that Iran's nuclear program is wholly peaceful. We will continue to consult closely with you as our efforts progress. Although I cannot predict the outcome, I do believe that an agreement of the type we seek would advance America's interests and that of our allies in the Middle East, strengthen the global nonproliferation regime, and serve the cause of international stability and peace.

In our own hemisphere, we are requesting \$1 billion to help our friends in Central America make the difficult reforms required to address the region's interlocking security, governance and economic problems. In recent years, the combination of limited educational and employment opportunities, epic levels of violence, a lack of sufficient investment, and corruption have held these countries back while also spurring attempts at illegal migration to the United States. An estimated six million young Central Americans will enter the work force in the next decade. If opportunity isn't there, our entire hemisphere will feel the consequences.

Last December, President Obama announced a change in U.S. policy to increase communications, commerce, and travel between our country and Cuba and to initiate the process – supported by this budget – of normalizing diplomatic relations with Havana for the first time since 1961. In January, Assistant Secretary of State Roberta Jacobson went to the island for a first round of meetings with government officials and representatives of independent civil society. She conveyed the message – reinforced before and since by many Members of Congress – that America's support for democratic reforms, human rights, Internet freedom, and the release of political prisoners is absolutely firm. We believe very strongly that the time is right to deprive Cuban authorities of their longstanding crutch – so that they can no longer blame U.S. policy rather than their own failures for the hardships faced by the brave people of Cuba.

This budget also supports the President's rebalance to the dynamic region of East Asia and the Pacific. Based on President Obama's strategic commitment, we have modernized our alliances with Japan and South Korea, strengthened our partnerships with other regional powers, and supported democratic progress and respect for human rights in Thailand and Burma. A key element of our policy has been to build a comprehensive relationship with China that supports its rise in a manner compatible with international law and respectful of the concerns and rights of its neighbors. The United States remains committed to the peaceful denuclearization of the Korean Peninsula and will continue – in close consultation with our allies – to bring pressure to bear on North Korea in support of that goal.

Last August, President Obama hosted a summit attended by some 50 African leaders, during which we discussed plans for future cooperation and progress. U.S. policy toward the region reflects the continent's diversity and includes the promotion of investment and trade, energy access, youth leadership, and the economic participation of women.

Mr. Chairman, American leadership has also been evident in the fight to halt the deadly spread of Ebola – and it was a team effort. The State Department, the U.S. military, USAID, the Department of Health and Human Services (including the Centers for Disease Control and Prevention, and the National Institutes of Health, and the U.S. Public Health Service Commissioned Corps), state and city governments, civil society, citizen volunteers, and Members of Congress all contributed. Together, we worked with international partners and with the brave communities and caregivers of West Africa to confront and contain this virus. The struggle won't be over until new infections are reduced to zero. But consider that five months ago, experts predicted that the number of active cases in West Africa would be 1.4 million. The actual level is less than two percent of that number. This is still a terrible human tragedy – but it is also an impressive demonstration of what international partnerships can accomplish. We have committed over the next three years to build on these partnerships, through the Global Health Security Agenda, to strengthen health systems in these vulnerable countries to prevent a tragedy of this scale from happening again.

UNCLASSIFIED

- 9 -

We also serve our interests when we exercise leadership within the UN and other international organizations. The United States isn't everywhere and we shouldn't be everywhere, and so it's a great help to us when the UN is able to contribute to international security and stability through its peacekeeping and political missions, conflict-resolution, development, and humanitarian activities. As we continue to press for reforms within the UN system, it is essential that we meet our own obligations to pay our bills in full and on time. We demand that of others; we should be consistent in meeting that standard ourselves.

These are just some of the issues that we're focused on each and every day. But they're not the only ones. Programs to support democratic governance contribute to the development of societies that are peaceful, more prosperous and stable, and better partners for the United States. As more people around the world stand up for their fundamental freedoms, demands for U.S. support grow. Unfortunately, this has coincided with declining funding in recent years. This year, to meet the growing needs and advance our interests, the President has requested over \$2 billion, a significant increase in democracy and governance funding.

Our military training and education enhances our security relationships while exposing students from friendly nations to U.S. values and respect for internationally-recognized human rights. Training foreign law enforcement and counterterrorism officials in American investigative techniques increases their capability and our security. Implementing stricter export controls, training weapons inspectors, improving global nuclear, biological and chemical security, and securing our borders allows us to guard against the most pernicious of threats: the possibility that terrorists might one day attack our homeland or our allies with a weapon of mass destruction.

Our global presence does something else: it creates jobs. Through our contributions to international financial institutions like the World Bank, we don't just lift the economies of low-income countries; we open markets for American businesses. Foreign policy is economic policy, and so the State Department is fully geared toward helping American entrepreneurs to build prosperity at home and across the globe. To that end, we're pursuing ambitious, 21st century trade agreements such as the Transatlantic Trade and Investment Partnership and the

UNCLASSIFIED

- 10 -

Trans-Pacific Partnership that will establish landmark labor and environmental standards and help our manufacturers, farmers, ranchers, and service providers to increase what they are able to sell abroad.

We're also leading on the environment, on the oceans and marine sanctuaries, and in addressing the potentially devastating consequences of climate change. In November, the leaders of the United States and China, the world's two largest emitters of greenhouse gases, came together to announce ambitious targets to limit carbon emissions in the post-2020 period. Our budget and our diplomacy are focused on helping nations to grow in sustainable ways, and to mobilize countries everywhere to achieve a truly meaningful agreement on climate change in Paris this December. And here I want to stress the connection between climate change and other goals. For example, our investments to protect global food and water supplies are critical. But none of those efforts will succeed over time if we don't also concern ourselves with what we put in the air; food security simply will not happen if we fail to curb the harmful effects of climate change.

All this speaks to why our budget proposals aren't just a collection of numbers – they're the embodiment of our values and priorities. After serving in public life for over three decades, I am aware that there are few more reliable – or damaging – applause lines than promising to slash the budgets of the State Department and USAID. President Reagan once lamented that, “Foreign aid suffers from a lack of domestic constituency.” And it's true that, in Washington, long-term goals can often lose out to more visible short-term projects. But that's exactly why we need your help – to take the long view and to recognize how the relatively modest investments we make now can improve the world and enhance our own security for generations to come.

As we have learned through history, the success or failure of America's international leadership is not only relevant; it will be a determining factor in the quality of the lives of our citizens. Foreign policy can help our workers to find a job or lose one; it can start a war or forge a peace; it can safeguard our families or expose them to grave risk; it can enable us to look forward with confidence or it can place a shadow over the future in which our children and their children will grow up.

UNCLASSIFIED

- 11 -

Mr. Chairman and members of the committee, even though the globe seems at times to be awash in difficulties, the truth is that many international vital signs today are positive. Worldwide, extreme poverty is down and so is child mortality. More babies are being born healthy; more boys – and girls – are attending and staying in school; and with U.S. contributions leading the way, we are making welcome progress in protecting the vulnerable from HIV/AIDS and other infectious disease.

Meanwhile, each day in diplomatic outposts across the globe, America's representatives make known the high value our people place on democratic institutions, human rights, religious liberty, and the freedoms of speech and press.

So make no mistake, America is leading – with partners when possible, but alone when necessary. Leading against terror and proliferation. Leading in support of embattled friends from Ukraine and Afghanistan to Central America and Somalia. Leading to promote peace in the Middle East and Africa. Leading to create jobs domestically and protect the environment globally. Leading against the axis of suffering – hunger, ignorance, and disease. Leading to build a more free, just, and humane world. We are leading as one country, including the administration, Congress, our armed forces, our businesspeople, our citizen activists, and our volunteers.

Scanning the horizon, we are under no illusions about how difficult the demands of leadership are. Like Secretary Acheson, we have had our share of headaches. Setbacks along the way are inevitable. Engagement on all fronts will be required. But we draw strength from our democratic ideals, inspiration from the example of our predecessors, and courage from the conviction that the values guiding us are the right ones. In an era of uncertainty, one thing remains sure: America will continue to answer the call.

Thank you and now I would be pleased to respond to any questions you might have.