
Tuesday, July 10, 2018

BUSINESS MEETING

U.S. SENATE
COMMITTEE ON FOREIGN RELATIONS
115TH CONGRESS, SECOND SESSION

BUSINESS MEETING

Tuesday, July 10, 2018

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

1 The committee met, pursuant to notice, at 2:25 p.m., in Room S-116 the Capitol
2 Building, Hon. Bob Corker, chairman of the committee, presiding.

3 **PRESENT.** Senators Corker [presiding], Risch, Rubio, Johnson, Flake, Gardner,
4 Young, Barrasso, Paul, Menendez, Cardin, Shaheen, Coons, Udall, Murphy, Kaine,
5 Markey, and Merkley.

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

6 **THE CHAIRMAN.** This business meeting of the Senate Foreign Relations
7 Committee will come to order.

8 On the agenda today there are two pieces of legislation, three nominees, and
9 three FSO lists. We noticed S. Res. 557, which expresses the sense of the Senate
10 regarding the strategic importance of NATO to the collective security of the
11 transatlantic region, and urges its member states to work together at the upcoming
12 summit to strengthen the alliance. I have received a letter to hold over this resolution,
13 and so we will consider it at the next business meeting, which will be tomorrow, right
14 after the first vote.

1 S. 2497, the U.S.-Israel Security Assistance Authorization Act of 2018, would
2 enact into law the 10-year memorandum of understanding that President Obama
3 reached with Israel in 2016 regarding defense assistance and strategic cooperation. The
4 bill authorizes \$3.3 billion per year in military aid to Israel through 2028. It also
5 encourages American-Israeli cooperation in space exploration, international
6 development, and the countering of drone threats. More broadly, since a Republican-led
7 Congress is now taking up a generous aid package that a Democratic Administration
8 assembled, this bill reflects America's strong bipartisan support for our partner Israel. I
9 would like to thank Senators Rubio and Coons for introducing this bill and for working
10 with us on the substitute amendment, which I will be supporting.

11 Senator Menendez, do you have any comments?

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

12 **SENATOR MENENDEZ.** Yes, Mr. Chairman. I am deeply disappointed that we are
13 not going to consider the NATO resolution, but I want to thank you for working with
14 us to get this important resolution on the agenda, and I look forward to it being on a
15 special meeting tomorrow, which I would certainly urge all my colleagues to attend.
16 NATO has been a pillar of America's security for decades, and it was our NATO allies
17 who rushed to defend us in the first and only invocation of Article 5 of the NATO treaty
18 after the tragic events of September 11th. This was the first and only time Article 5 was
19 called.

1 NATO partners continue to put their lives on the line alongside Americans to
2 safeguard our common security. We need renewed efforts by the United States to
3 reinforce the alliance, not diminish it. So, I will strongly support that resolution
4 tomorrow. I also will support the chairman's important amendment since I think we are
5 not going to have as much time tomorrow, Mr. Chairman, so I will do this now.

6 Unequivocally supporting the sovereignty, independence, and territorial
7 integrity of Ukraine and condemning Russia's illegal occupation of Crimea. Along with
8 Senator Portman, I am introducing a separate resolution calling for an end to the human
9 rights abuses suffered in Crimea under Russia's illegal occupation, which the Kremlin
10 would love for us and others to forget.

11 As it relates to the U.S. Security Assistance bill, I am a co-sponsor and a strong
12 supporter of the legislation. Israel is our closest ally in the Middle East, and it is facing
13 mounting threats on all borders. We will ensure that Israel has the resources, assistance,
14 and cooperation to respond to threats on any of their borders. And I am heartened that
15 even though we on this committee are pushing back against assistance cuts to nearly
16 every other account and in every other country and every other crisis, at least when it
17 comes to Israel, there is no daylight or dispute that U.S. assistance is in our national
18 security interests.

19 I support all of the veteran career State Department nominees before us today.
20 They serve their country well, and I support their swift confirmation.

1 **THE CHAIRMAN.** All right. Just to follow up on the NATO piece, we were just in
2 the region last week, especially with countries on the border of Russia. I think it is really
3 important that we weigh in on this resolution and pass it. I do hope everybody can stop
4 by after the first vote tomorrow to make sure we have a quorum to do so. And I, too,
5 regret that it is being held over.

6 Are there any other comments?

7 **SENATOR CARDIN.** Mr. Chairman, if I might, I just really want to underscore and
8 thank you for convening us tomorrow in regards to the NATO resolution. It is critically
9 important that we speak on this. This is one of the critical issues of our time. This
10 resolution, I want to thank Senator Wicker, who I worked with on this resolution,
11 Senator Tillis, and Shaheen, and others.

12 I am disappointed we cannot do this in this meeting here while we can have all
13 the normal type of discussion about it and listen to each other, but that is the right of
14 any senator. And I thank you for being willing to bring this up tomorrow.

15 **SENATOR SHAHEEN.** I would just like to add to that. Senator Tillis and I are going
16 to the NATO summit. We are leaving tomorrow, and we will be there on Thursday.
17 And I think it would be really important for us to be able to have a copy of that
18 resolution that we can share with our NATO allies to let them know that Congress, at
19 least the Senate, feels very strongly about the importance of NATO to our national

1 security. So, I really agree with everyone who said we hope we can pass this tomorrow
2 because it is a very important message to be sending to the summit.

3 **THE CHAIRMAN.** Senator Rubio?

4 **SENATOR RUBIO.** Are we talking about everything or just NATO?

5 **THE CHAIRMAN.** Why do we not go ahead and do that? Let us talk about --

6 **SENATOR RUBIO.** Well, I just want to thank you and the ranking member for
7 putting up the U.S.-Israel Security Assistance Authorization Act. I think we are up to 70
8 co-sponsors. You have described what the bill does, and I think it is important for us to
9 continue to reassert the importance of that relationship given the threats that Israel now
10 faces emanating not just in general from the -- from the region writ large, but now also
11 incredible the instability among the Palestinian Authority, and also now on their
12 northern border going into Syria with all that is happening there. Iranian forces and
13 Hezbollah are now deployed closer to Israel than at any time in recent history, perhaps
14 at any time ever.

15 And on the NATO resolution, I just want to echo whatever has already been said,
16 and I look forward tomorrow to having that vote.

17 **THE CHAIRMAN.** Thank you. Senator Coons.

18 **SENATOR COONS.** One thousand and forty-four. That is the number of NATO
19 combat deaths, non-U.S. NATO combat deaths, in Afghanistan. And as you know, Mr.
20 Chairman and Senator Flake in a recent trip to visit several northern European NATO

1 allies, they are gravely concerned that in a fight over getting to 2 percent GDP,
2 somehow the United States no longer appreciates and respects that enormous sacrifice. I
3 am grateful you are pushing forward tomorrow. I think it is incredibly important that
4 we adopt a resolution sending a clear and strong signal of support and respect and
5 appreciation for the sacrifices of our NATO allies.

6 And I want to thank you, Mr. Chair and Ranking Member, for making it possible
7 for Senator Rubio and me to work well together on the U.S.-Israel Security Assistance
8 Authorization Act, and express gratitude for our 68 co-sponsors. I think it is vitally
9 important that we send signals to our allies around the world we continue to keep our
10 commitments.

11 **SENATOR RISCH.** Mr. Chairman?

12 **THE CHAIRMAN.** Yes, sir?

13 **SENATOR RISCH.** Mr. Chairman, in response to Senator Coons, I could not agree
14 with you more about the NATO alliance being the most successful military alliance in
15 the history of the world. Having said that, I also understand that the Europeans have
16 been nervous because the President has not been as excited perhaps as other presidents
17 have been about that alliance. I think most of us who have worked with it for years and
18 years and years do have excitement about alliance.

19 But having said that, that does not excuse the Europeans really looking the other
20 way when it comes to their obligations. I mean, this thing is -- was set up certainly for

1 our good, but they have got a lot more to lose than we do where they are right on the
2 front line. And it is good to see them upping their game, and I think we should all
3 congratulate them for that. But I do not think we should -- I do not think we should in
4 any way take the pressure off from urging them to do what they should be doing. So, I
5 think we are all in the same boat on this, but I think they need to hear -- I think they
6 need to hear --

7 **THE CHAIRMAN.** That is why the resolution specifically states that they need to
8 move --

9 **SENATOR RISCH.** Exactly. Exactly.

10 **THE CHAIRMAN.** Okay, so that is -- we can --

11 **SENATOR RISCH.** I appreciate that, no. I think we are on all the same page on this,
12 I really do.

13 **THE CHAIRMAN.** Any other comments?

14 [No response.]

15 **THE CHAIRMAN.** We will now move to S. 2497, the U.S.-Israel Security Assistance
16 Authorization Act of 2018. First, I would like to consider the substitute and Udall
17 Amendment 1. Would any members like to speak to either of these amendments?

18 [No response.]

19 **THE CHAIRMAN.** Is there a motion to approve the substitute and the Udall
20 Number 1 Amendment to the substitute, en bloc, by voice vote?

1 **SENATOR RISCH.** So moved.

2 **THE CHAIRMAN.** Second?

3 **SENATOR MENENDEZ.** Second.

4 **THE CHAIRMAN.** It is so moved and seconded. The question is on the motion to
5 approve these amendments en bloc.

6 All those in favor, say aye.

7 [A chorus of ayes.]

8 **THE CHAIRMAN.** Opposed?

9 [No response.]

10 **THE CHAIRMAN.** With that, the ayes have it, and the amendments are agreed to.

11 Are there further amendments?

12 **SENATOR PAUL.** Yes, I have an amendment. We have a \$21 trillion debt. We
13 borrow about \$2 million every minute. Admiral Mullen and others have stated that the
14 number one threat to our national security is actually our debt. We are accumulating it
15 at an alarming pace. I think that we need to reassess and debate as a country whether or
16 not it makes economic sense for us to borrow money from China to send it to other
17 countries. Even if these countries are our allies or our friends, does it make sense to give
18 or send them money that we have to borrow from somewhere else?

19 Interest on our debt is about \$300 billion now. It is the second-largest item only to
20 military spending in our budget. Within the space of the next 5 to 10 years, interest even

1 at low interest rates will overtake military spending in our budget. We have sort of a
2 doomsday scenario coming with regard to our spending habits in which interest and
3 our debt will crowd out all of the spending. So, I think we do need to re-look at our
4 spending both to Israel as well as to Egypt, to the PLO, to all entities really that we are
5 borrowing money, basically from China, to send to these countries.

6 Even many in Israel have begun to question whether or not this makes Israel
7 stronger. Benjamin Netanyahu said before a joint session of Congress, "I believe that we
8 can now say that Israel has reached childhood's end, that it has matured enough to
9 begin approaching a state of self-reliance. We are going to achieve economic
10 independence from the United States." This was a great and forward-looking comment.
11 It is from 1996. We have not gotten very far since then at reassessing how much money
12 we send.

13 We have sent over time \$134 billion to Israel, I think \$78 billion to Egypt. In
14 Egypt's case, quite a bit of it was directly stolen by the Mubarak family who are said to
15 be worth between \$15 and \$20 billion, and were worth nothing before the aid began to
16 flow in the 70s and 80s.

17 Also from Egypt, Naftali Bennett said in recent years when he was serving as the
18 Israeli minister of economics and leader of the Home Party, he said, "Today U.S.
19 military aid is roughly 1 percent of Israel's economy. I think generally we need to free

1 ourselves from it. We have to do it responsibly, but our situation today is very different
2 from 20 to 30 years ago."

3 If you look at Israel's economy, they have become much stronger over time. With
4 a \$373 billion economy, the per capita income is over \$37,000. They are easily the richest
5 country in the Middle East. If you look at the dominance of Israel's military,
6 unquestionably probably tenfold greater than anybody in the region. I am not saying
7 that we pull back on our strategic alliance with them or that we do not sell them
8 weapons. I am just saying that perhaps we have got to reassess whether or not we
9 should borrow money from China to send it to them.

10 There are other members of Israel's populace and punditry who argue that it
11 actually in some ways weakens Israel's defense industry. Yarden Gazit of the Jerusalem
12 Institute for Market Studies writes that, "The requirement that Israel purchase U.S.
13 weapons raised Israeli acquisition costs." Gazit estimates that America's gift may cost
14 around \$600 million, about a fifth of the aid that they are receiving. Gazit goes on to say
15 that "In some cases, the Israeli government has to go with U.S. weapons even if the
16 domestic products or the domestic producer of the weapons are better, cheaper, or both.
17 Efficient Israeli producers of arms lose government contracts and, consequently,
18 economies of scale."

19 Raz Rafaeli also maintains that continuing to send money to Egypt forces Israel
20 to spend more money than perhaps they even need to, but for whatever reason they

1 have to react to the money that we send to Egypt. He estimates that for every dollar we
2 send to Egypt, that Israel has to come up with a \$1.30 to a \$1.40 more to counteract the
3 money we send to Egypt because they still feel they need to have a competitive
4 advantage over Egypt. And so, when we send money to Egypt, it causes more money to
5 have to be spent in Israel as well.

6 So, the proposal that I have put forward is, I think, actually a moderate proposal.
7 It is not to end Israel's military aid, but it is to gradually reduce it over a period of 10
8 years by 10 percent each year. It would do the same to Egypt's aid, and then with the
9 PLO's aid we would go ahead and just end it. I know this is not going to be popular
10 with those who are on the committee or those who serve in the Senate, but I think that
11 there has to be some voice who does say, and mention, and reiterate that debt is a
12 problem for our country. And there is going to come a time and there will be a day of
13 reckoning when this all catches up to us, and let it not be said that there was not at least
14 one voice saying that we should reevaluate the money that we send overseas.

15 **SENATOR MENENDEZ.** Mr. Chairman?

16 **THE CHAIRMAN.** Yes, sir.

17 **SENATOR MENENDEZ.** Mr. Chairman, I strongly oppose this amendment. Ten
18 percent a year over 10 years is zero at the end. So, we are sending a message to one of
19 our most significant allies in the region that in 10 years you will get nothing from us, at
20 a time at which there is even greater challenges to Israel from Hezbollah in Lebanon

1 and Syria, where I am not sure whether the Administration is ready to advocate our
2 efforts in Syria, and, therefore, creates a challenge with Iranian forces in Syria, and a
3 possible pincer movement against Israel going from both sides.

4 And I worry about that, too. But, you know, maybe those who voted for \$2
5 trillion worth of tax cuts that were totally unpaid for should have worried about China
6 then and should have been worried about the consequences of that, but evidently that
7 was not a concern then. So, I strongly oppose this, and I think it is all the wrong
8 messaging, not to mention that the legislation requires and calls for a series of other
9 actions that are not about money, but are about our collective security.

10 **THE CHAIRMAN.** Any other comments? Yes, sir.

11 **SENATOR RUBIO.** And Senator Menendez touched on a lot of it. The three things I
12 would point out about Israel which are interesting. First is their economy is very
13 successful, and if they were located in some other part of the world, I would say some
14 of these arguments would be very valid. The problem is that despite the success of their
15 economy and their ability to fund a lot, the threats they face are extraordinary and
16 multifaceted, growing from all around the region basically. They are surrounded with
17 constantly-evolving threats all aimed at them.

18 The second is, it is an interesting statistic, but roughly 75 percent of the security
19 assistance that we provide to Israel is spent in the United States with our defense
20 industry and the jobs that help create that. And I think the third thing that we should

1 not forget, and Senator Menendez touched on it is, if we were to send a message that
2 the U.S. commitment to Israel is in a glide path to being reduced, that actually in that
3 part of the world is an incentive to attack Israel. It creates the perception the United
4 States is beginning to walk away from that relationship, and it, in fact, incentivizes its
5 enemies and opponents to ratchet up the pressure that they could bring to bear. So, that
6 is why I strongly oppose this amendment. I think it would be, quite frankly, devastating
7 to our relationship.

8 **THE CHAIRMAN.** Any other comments?

9 [No response.]

10 **THE CHAIRMAN.** I oppose the amendment also. Would you like a roll call vote?

11 **SENATOR PAUL.** Voice vote is fine.

12 **THE CHAIRMAN.** Okay. All those in favor of the Paul Amendment, please signify
13 by saying aye.

14 [A chorus of ayes.]

15 **THE CHAIRMAN.** All opposed, nay?

16 [A chorus of noes.]

17 **THE CHAIRMAN.** It apparently fails.

18 Are there any further amendments? I don't think there are.

19 Is there a motion to approve the legislation, as amended?

20 **SENATOR CARDIN.** So moved.

1 THE CHAIRMAN. Second?

2 SENATOR SHAHEEN. Second.

3 THE CHAIRMAN. So moved and seconded. The question is on the motion to
4 approve S. 2497, as amended.

5 All in favor will say aye.

6 SENATOR MENENDEZ. Mr. Chairman, I would ask for a recorded vote.

7 THE CHAIRMAN. All those in favor -- call the roll, Clerk.

8 [Laughter.]

9 THE CLERK. Mr. Risch?

10 SENATOR RISCH. Aye.

11 THE CLERK. Mr. Rubio?

12 SENATOR RUBIO. Aye.

13 THE CLERK. Mr. Johnson?

14 SENATOR JOHNSON. Aye.

15 THE CLERK. Mr. Flake?

16 SENATOR FLAKE. Aye.

17 THE CLERK. Mr. Gardner?

18 SENATOR GARDNER. Aye.

19 THE CLERK. Mr. Young?

20 SENATOR YOUNG. Aye.

1 THE CLERK. Mr. Barrasso?

2 SENATOR BARRASSO. Aye.

3 THE CLERK. Mr. Isakson?

4 THE CHAIRMAN. Aye by proxy.

5 THE CLERK. Mr. Portman?

6 THE CHAIRMAN. Aye by proxy.

7 THE CLERK. Mr. Paul?

8 SENATOR PAUL. No.

9 THE CLERK. Mr. Menendez?

10 SENATOR MENENDEZ. Aye.

11 THE CLERK. Mr. Cardin?

12 SENATOR CARDIN. Aye.

13 THE CLERK. Mrs. Shaheen?

14 SENATOR SHAHEEN. Aye.

15 THE CLERK. Mr. Coons?

16 SENATOR COONS. Aye.

17 THE CLERK. Mr. Udall?

18 SENATOR UDALL. Aye.

19 THE CLERK. Mr. Murphy?

20 SENATOR MURPHY. Aye.

1 **THE CLERK.** Mr. Kaine?

2 **SENATOR KAINE.** Aye.

3 **THE CLERK.** Mr. Markey?

4 **SENATOR MARKEY.** Aye.

5 **THE CLERK.** Mr. Merkley?

6 **SENATOR MERKLEY.** Aye.

7 **THE CLERK.** Mr. Booker?

8 **SENATOR MENENDEZ.** Aye by proxy.

9 **THE CLERK.** Mr. Chairman?

10 **THE CHAIRMAN.** Aye. The clerk will report.

11 **THE CLERK.** Mr. Chairman, the yeas are 20, the nays are 1.

12 **THE CHAIRMAN.** The legislation, as amended, is agreed to.

13 Finally, we will consider all of the nominations and the three FSO list, as
14 modified, on the agenda, including Mr. Randy Berry to be ambassador to Nepal, The
15 Honorable Donald Lu to be ambassador to the Kyrgyz Republic, and the Honorable
16 Alaina Teplitz to be ambassador to Sri Lanka and the Maldives. Is there a motion to
17 favorably -- to report favorably these nominations and the three FSO lists, as modified?

18 **SENATOR MENENDEZ.** So moved.

19 **THE CHAIRMAN.** Is there a second?

20 **SENATOR RUBIO.** Second.

1 **THE CHAIRMAN.** So moved and seconded. The question is on the motion to report
2 favorably the nominations and the FSO lists.

3 All those in favor, say aye.

4 [A chorus of ayes.]

5 **THE CHAIRMAN.** Opposed?

6 [No response.]

7 **THE CHAIRMAN.** With that, the ayes have it. The nominations and FSO lists are
8 agreed to.

9 That completes our committee's business. Please remember the committee
10 meeting tomorrow. If people would please attend -- it will be very brief.

11 **SENATOR CARDIN.** In this room?

12 **THE CHAIRMAN.** Right after the vote, in this room.

13 **SENATOR SHAHEEN.** What time?

14 **THE CHAIRMAN.** Right after the vote tomorrow, I think. We will move out the
15 NATO legislation. I ask unanimous consent that staff be authorized to make technical
16 and conforming changes.

17 Without objection, so ordered.

18 With that, the committee is adjourned.

[Whereupon, at 2:43 p.m., the hearing was adjourned.]