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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

March 10, 2017

Senator Mike Enzi
Chairman
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, DC 20510

Senator Bernie Sanders
Ranking Member
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

I am writing to share my views on the FY2018 International Affairs budget and programs under the jurisdiction of the Committee on Foreign Relations, as required by Section 301 (d) of the Congressional Budget Act of 1974.

To say I am deeply concerned about the proposed thirty-seven percent cut to the State Department and foreign assistance budget suggested by the Trump Administration is a gross understatement. Such a blunt broadside, if enacted, would leave the United States less safe and less secure in an increasingly complex world, unable to advance our ideals or to secure our prosperity. To claim that one is strengthening national security while at the same time cutting the budget for front-line national security departments and agencies is nothing but a Ponzi scheme, one certain to fail and at great cost to the American people. Even spreading the cuts out over several years to smooth the transition as the Secretary of State has suggested is no less hazardous and creates the same risks, arriving at the same destination, having fatally underfunded key national security agencies.

As I expressed in a bipartisan letter to OMB Director Mulvaney on March 2 with my colleagues, our foreign affairs and foreign assistance budgets are every bit as essential to ensuring America's national security as funding for the Department of Defense, the Intelligence Community, and law enforcement. At a time when the United States faces an array of complex global challenges, including Russia's blatant attack on our democracy and those of our allies and partners in Europe, we must fully fund *all* our national security agencies and departments, not just some.

Indeed, an approach to national security budgeting that focuses on just one element of national security strategy but fails to address political, economic, diplomatic and ideological dimensions of the challenge is shortsighted and doomed to fail. As Secretary of Defense James Mattis once wrote, “If you don’t fund the State Department fully, then I need to buy more ammunition, ultimately.” An approach to foreign policy that fails to provide robust resources for good governance, anti-corruption, development assistance, trafficking, building partner capacity, eradicating disease, and preventing conflict will ultimately increase the risks to America.

Although Congress has yet to be provided an official budget proposal from the administration, my understanding is that the “OMB Passback” for State and USAID is \$34.6 billion, 37 percent below the FY 2017 annualized Continuing Resolution (CR) that includes the funds appropriated in the D-ISIS supplemental. Specifically, the Passback for foreign assistance is \$23.2 billion, which is 38 percent below the FY 2017 CR level.

While I am mindful of the need to assure that the Department of State and our foreign assistance programs are run in the most efficient and effective way possible, cuts of this magnitude will wholly incapacitate core economic and development accounts, devastate security assistance, and for all intents and purposes end meaningful humanitarian aid. The Budget Committee, as it considers the FY18 Budget Resolution, must reverse these ruinous administration proposals and assure that the International Affairs budget provides resources commensurate with our urgent national security needs and continued U.S. global leadership, and match the scale of the challenges we face around the globe.

Specifically:

- The overall FY18 Function 150 budget allocation should be no less than \$60 billion;
- Economic and Development Assistance (ESF, DA, INCLE, and IO&P) should be restored to the FY16 Enacted level;
- At least \$2.9 billion should be provided to support human rights, governance and anti-corruption work through the DRL bureau at State, \$200 million for the National Endowment for Democracy, as well as \$2.75 billion for democracy and governance programs through Development Assistance and Economic Support Funds;
- At least \$736 million for the Assistance for Europe, Eurasia and Central Asia Account, including for programs to counter Russian Aggression;
- Anti-ISIL Funding for State Department and USAID counter-ISIS activities should be no less than \$6 billion to ensure that critical de-mining, stabilization, reconciliation, and post-conflict peace building activities can quickly follow battlefield successes;
- FMF should be maintained at the FY16 Enacted level, with \$3.1 billion protected for the security assistance commitment for Israel. Moreover, it is critical for US national security to maintain FMF as grants, not, as reportedly under consideration, loans;
- The Global Engagement Center’s (GEC) FY18 funding should be pegged at \$75 million to be able to fully execute the GEC’s Countering Violent Extremism (CVE) mission, as well as handle the additional duties of countering foreign propaganda efforts mandated by the FY17 NDAA;
- Funding for United Nations related accounts, including CIPA, CIO, CIO- UN Regular Budget, PKO and MPOR, should be supported at a minimum of \$5.75 billion;

- Maintain support for the Green Climate Fund, the Global Climate Change Initiative and other bilateral climate change programs by funding programs at FY16 requested levels, including \$750 million for the Green Climate Fund, and \$484 million for the Global Climate change initiative;
- Global Health Programming should be set at least at \$8.5 billion for the Global Health Account, including \$2.9 billion for Global Health Programs-USAID and \$5.6 billion for Global Health Programs;
- Humanitarian Assistance accounts should be funded at \$9 billion; and,
- USAID's operating expenses should be funded at \$1.4 billion.

I urge the committee to build on our investments to advance global peace and stability by fighting corruption, empowering individuals and organizations striving for freedom, and sustaining institutions in fragile democracies, including: not less than \$2.9 billion to be made available for democracy programs through the DRL bureau at State; \$200 million for the National Endowment for Democracy (NED); as well as \$2.75 billion for democracy and governance programs through Development Assistance and Economic Support Funds. Support for democracy assistance is a cost-effective way to promote U.S. foreign policy. We know from experience that if countries fail politically, the costs for the United States is much greater than the investments we make in assuring that emerging democracies are stabilized so that they don't become terrorist havens or spawn humanitarian or refugee crises. Building strong institutions to create a business climate conducive to U.S. exports helps provide economic security, and a good "return on investment" of our foreign assistance dollars.

In addition, I am deeply alarmed that President Trump has proposed large cuts to foreign aid. They would come at a time when the world is facing proliferating conflicts with record-breaking levels of displacement and unprecedented levels of food insecurity in South Sudan, Yemen, Northern Nigeria, Venezuela, and famine conditions in Somalia. The United States is the world's largest donor of humanitarian assistance and it remains a national security imperative that the United States continue to robustly fund life-saving assistance through the humanitarian accounts including International Disaster Assistance, Emergency Refugee and Migration Assistance, Food for Peace, and Migration and Refugee Assistance.

I also urge the committee to continue to strongly support development programs like Feed The Future that build resilience, spur economic growth, and reduce hunger and poverty. Feed the Future is a model for achieving cross-sectoral international development goals and is a critical part of our development agenda.

Lastly, I remain concerned that over the previous several years the Department of State has continually relied upon Overseas Contingency Operations (OCO) funding to supplement base funding, when appropriated funds do not meet the needs of the Department. This dynamic is setting up what may potentially be a very painful day of reckoning unless Congress and the Executive make the base Function 150 budget whole. I am deeply concerned that the massive cuts proposed by the administration will further compound this problem, not alleviate it.

The United States of America's budget is ultimately a statement about American values, yet the Administration's proposed cuts to the State Department and to the foreign assistance budget are an unreasonable and unjustifiable rejection of American values and global leadership.

I appreciate your consideration of these views, and I look forward to working with you on the Budget Resolution.

Sincerely,



Benjamin L. Cardin
Ranking Member