U.S. Senate Appropriations Committee Markup
2010 Department of State, Foreign Operations and Related Appropriations
Dirksen Senate Office Building 106   July 9, 2009 2pm

The markup for **Fiscal Year 2010 State and Foreign Operations Appropriations Bill** took place on July 8, chaired by Appropriations Committee Chair **Senator Inouye** (D-HI).

Senator Patrick Leahy (D-VT), Chair of the State and Foreign Operations Subcommittee released a subcommittee statement before the markup. He applauded the legislation in the context of the Middle East, "this bipartisan bill goes a long way to enhance the capacity of the Department of State and U.S. Agency for International Development to carry out diplomacy and development programs in areas of critical importance, particularly Afghanistan, Pakistan, Iraq, and the Middle East."

Senator Daniel Inouye called the session to order and introduced the bill's main points:
- **The FY10 State and Foreign Operations Bill** provides $48.7 billion, including $34.3 billion in discretionary spending, a $500 million increase from the amount granted for FY09, yet $600 million below the President's request
- The full bill is $3.34 billion below the President's request; the request and this Senate bill both assume there will not be a supplemental spending this year; the administration has requested that all spending therefore be compared with the total of all foreign affairs granted for FY09. $36.62 billion was allocated in the FY09 omnibus bill passed in March, but a total of $50.6 billion including supplemental spending bills for FY08 and FY09 and the American Recovery and Reinvestment Act.

Before amendment consideration, **Senator Patrick Leahy** (D-VT) reviewed main factors addressed by the bill, which rebuilds diplomatic and development arms of the Department of State, USAID, and Embassies across the world. Moreover, the bill ensures funding for America's strategic allies, such as Egypt, Israel, Jordan, Afghanistan and Pakistan.

Senator Bond (R-MO) stressed that "if we're going to succeed in the war against terrorism, we must use smart power," and while praising the committee's leadership for increased funding for foreign assistance to "critical Islamic countries," he raised the President's promise to double the number of Peace Corps volunteers by 2012 and noted that the President's budget request falls far short of this. He added that the House has added considerable funding for the Peace Corps in its bill, and urged the Senate Committee to do the same, noting the importance of the Peace Corps in sustaining cooperative and positive relationships between the U.S. and the world. Chairman Leahy responded by noting that he had not met the previous Peace Corps director, and urged the new director to pay more attention to his committee, while noting that he is supportive of the Peace Corps' mission, and supportive of the President's increase of $33 million over FY09 levels, as reflected in the bill.

State and Foreign Operations Subcommittee Ranking Member Senator Judd Gregg (R-NH) highlighted what he called "red flags" in the legislation. Citing that allocations to Afghanistan are

"massive," he insisted that the implementation of funds be closely monitored to ensure that funds are not misspent as they were in Iraq.

Senator Landrieu (D-LA) praised the Bill's provision of $150 million for women and girls in Afghanistan, as well as funding for village outreach.

Relevant Features of the Bill:

Millennium Challenge Corporation (MCC): The bill includes $950 million for the MCC which is $475 million below the President's request and $450 million below the $1.4 billion granted in the House version of the bill. It does represent a $75 million increase over FY09 levels, which was a sharp cut from previous years.

National Endowment of Democracy (NED): The bill provides $120 million to the NED, $20 million more than the President's request and the House version of the bill, and $5 million more than granted in FY09. Of this, $15.4 million is designated for programs in the Middle East and North Africa.

Economic Support Fund (ESF): The Senate version of the bill allocates $6.37 billion in ESF, $134 million below the request and $735.4 million less than was granted for FY09.

Development Assistance (DA): The bill provisions $2.567 billion for DA, which is $166.8 million less than requested and $567 million more than FY09.

Afghanistan: The full request of $2.7 billion is granted to Afghanistan. Much of this funding is for combating corruption, procurement, and counter-narcotics as outlined in the FY09 Supplemental.

Iran: In the report accompanying the bill, the appropriations committee recommends $40 million under the ESF heading for Iran, for "programs and activities to support reforms in Iran, and to counter Iranian influence throughout the Middle East region." The President had not requested any funds under the ESF heading for Iran, and none were designated as such in the FY09 budget.

Yemen: The Senate bill grants approximately $70 million for Yemen, $15 million more than the President's request, and $30 million more than granted in FY09.

Iraq: Funding assistance for Iraq provides $459 million, $38.7 million below the President's request.

Egypt: The bill grants the President's full request of $1.3 billion in military assistance and $250 million in ESF for FY10, although approximately $250 million of those funds were granted for FY10 in the FY09 supplemental.

Jordan: The bill grants $543 million for Jordan, which, with the $150 million in funds for FY10 accelerated to Jordan in the FY09 supplemental, grants the President's full request of $693 million.

Pakistan: The bill includes $1.57 billion in assistance to Pakistan, $4.2 million below the President's request, and $130 million more than granted in FY09.

Near East Regional Democracy Program: The bill includes $40 million for this regional program, as requested by the President. This is a $15 million increase from the $25 million granted for FY09.