



PROJECT *on* Middle East Democracy

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Senate Committee on Appropriations
Subcommittee on State, Foreign Operations, and Related Programs
“FY 2010 Budget for the Department of State”
Dirksen Senate Office Building, Rm 192, May 20, 2009, 9:30 am

The Senate Committee on Appropriations Subcommittee on State, Foreign Operations, and Related Programs hosted Secretary of State **Hillary Clinton** to discuss the FY2010 budget for the Department of State. The hearing was moderated by Subcommittee Chairman Senator **Patrick Leahy** (D-VT). Leahy began the proceedings by lauding Clinton for her efforts thus far and pledged his faith in her ability to “re-introduce” America to the world. Ranking Member Senator **Judd Gregg** (R-NH) also thanked Secretary Clinton for her leadership and asked her to address what he believes to be the greatest concern for U.S. foreign policy which is the chance that Islamic fundamentalists could acquire weapons of mass destruction.

Secretary Clinton began her remarks by pledging a comprehensive approach which recognizes the seriousness of the transnational threats Senator Gregg referenced as well as the urgent development needs of the world. She reiterated the Obama administration's pledge to employ all the tools at their disposal including defense, diplomacy and development. According to Secretary Clinton the FY2010 budget, with a seven percent increase in the funding for state and foreign operations, recognizes the need to revitalize and expand America's civilian presence both at home and abroad. Primary to her approach is a focus on three areas: investing in strengthening the people who make up our civilian and foreign workforce, investing in sound policies, and investing in rebuilding and strengthening our partnerships abroad. Specifically, Secretary Clinton expressed concern for strengthening USAID whose budget has increased dramatically since its inception but over which time has witnessed a one third reduction in staff.

On Afghanistan and Pakistan, Secretary Clinton spoke of the need for a new strategic communications strategy and asserted that we are being “out communicated” by the Taliban and Al-Qaeda, which she believes is unacceptable. She also re-iterated the administration's support for a two-state solution to the Israeli-Palestinian crisis.

Clinton also spoke about how the FY2010 budget shows the administration's commitment to new forms of engagement including large increases in development aid. The budget includes one billion dollars for educational programs, 1.6 billion for food security, 4.1 billion for humanitarian assistance, and 4.1 billion for multilateral organizations including support for peacekeeping operations. She also discussed her recent announcement of the creation of a virtual student foreign service.

After Secretary Clinton's remarks, Senator Leahy asked her to discuss the delineation between the responsibilities of the Department of State and the Department of Defense. His question was

framed by his own sentiment that we should be allowing diplomats to conduct the diplomacy and letting DoD contribute to infrastructure projects they are best fit to manage. Clinton agreed, however, was cautious in setting any expectations as per how quickly this capacity building process could take place as at this point she believes DoD can act more expeditiously on the ground and has contributed greatly to a number of operations. She cited Pakistan as an example, stating that Pakistan is now cooperating and confronting the Taliban in large part as a result of relationships Admiral **Michael Mullen** had successfully fostered with the Pakistani military.

Senator Leahy raised a number of additional foreign policy challenges in the Middle East, including Iran's recent missile test and the crisis between the Israelis and Palestinians. On the Israeli-Palestinian issue, Leahy discussed a trip he had taken to the West Bank in which he visited a Palestinian community of Christians and Muslims living together. He discussed how the Israeli security fence had cut the village in half and prevented the Palestinians from harvesting their olives and irrigating their land. Secretary Clinton expressed concern for the Israeli-Palestinian issue and asserted that Special Envoy **George Mitchell** is working tirelessly to craft the administration's approach. She once again re-iterated the administration's support for a two-state solution and against the expansion of settlements. According to Secretary Clinton, four bedrock principles guide U.S. Israeli-Palestinian policy: one hundred percent commitment to the state of Israel, a belief in a two state solution, proactively engaging in the process early, and setting up a working plan with the Israelis and Palestinians.

Senator Gregg was interested in discussing what role Iran plays in the dynamics of the region, and brought up Prime Minister **Benjamin Netanyahu's** position that in order to settle the Palestinian question we must address Iran. Secretary Clinton disagreed that the two issues were dependent on each other but put forth that the administration will pursue both issues simultaneously. Senator Gregg followed up by linking Iran's nuclear program with the Taliban's ambition to secure a nuclear weapon and asked Secretary Clinton to comment on the confluence of the two issues. In response, Clinton argued that a nuclear armed Iran will spark an arms race in the Middle East and that it's the administration's intention to convince Iran that it's not in the interest of Iranian national security to pursue nuclear weapons precisely because of this prospect.

Senator **Arlen Specter** (D-PA) referenced recent indications that the administration was considering engaging Hamas in dialogue. While he supports engagement generally, Specter argued in support of “the conventional wisdom not to talk to Hamas” and asked Secretary Clinton to comment. In response, Clinton remained consistent with her previous statements that they would only engage with Hamas if the party meets the quartet's conditions. According to Clinton, there are no indications Hamas is willing to meet these conditions, and, as such, the administration will continue to engage with the Palestinian Authority. Specter also inquired about a possible timeline for engagement with Iran and Syria to which Clinton responded that engagement was unlikely to occur until after the Iranian elections.

Senator **Kit Bond** (R-MO) raised the issue of the diminished role of public diplomacy over the past decade and expressed concern that U.S. instruments of public diplomacy need revitalization. Secretary Clinton agreed and asserted that her department is committed to revitalizing public diplomacy. She mentioned her decision to bring in Judith McHale, a former Discovery Channel executive, as undersecretary for public diplomacy, a role which will require her to repair the

process of telling America's story abroad. Clinton was resolute in stating that the U.S. will not lose the information war abroad.

Senator **Barbara Mikulski** (D-MD) spoke in support of revitalizing our civilian and foreign service personnel. Senator **Bob Bennett** (R-UT) raised the increase in funding for the MCC, which he sees as amongst the best models for development aid. He also raised the issue of micro-enterprise efforts not benefiting the poorest people and asked Secretary Clinton to comment on this issue. Clinton spoke in support of a sustainable model of revolving loan funds which she believes is a good model for the world's poorest. She discussed recent meetings she'd held with **Mohammad Younis** and **Ellen Johnson Sirleaf** to discuss different models.

Senator **Sam Brownback** (R-KS) raised transportation and administration costs for food aid in the FY2010 budget which he cited as currently permitted at sixty five percent of aid for food, which he feels is too high. He proposed limiting transportation and administration costs to fifty percent to more effectively accomplish the goal of getting food to those who need it. Secretary Clinton agreed and spoke in support of reducing the cost of food delivery systems.

Senator Gregg ended the hearing by raising the issue of Secretary Clinton's flexibility with spending the funds the department is appropriated and announced that he'd be introducing an amendment to give the department more flexibility so they can decrease their reliance on DoD. Secretary Clinton agreed that more flexibility is needed, particularly on the ground, but reiterated that her department needs time to build this capacity.