

Chairman Rogers, Ranking Member Lowey, Members of the Committee: Thank you for convening this hearing today to discuss the critical resources needed to protect our nation, advance our values, and uphold America's leadership role in the world.

With your leadership and guidance, this Committee has the important task of determining what resources are required to meet our immense responsibilities. Your decisions will help set the course for American security and prosperity, as well as help bring stability to regions around the world.

Today, America is confronting unprecedented instability and growing humanitarian crises around the world—all of which have a direct impact on our national security and economic interests at home. Completely slashing the 150 account will not address our debt crisis. It will only hinder America's foreign trade, security, and potentially increase the likelihood of future trouble spots popping up that could require even more U.S. involvement.

Now don't get me wrong, I think there are plenty of areas that can be reformed and better targeted within the 150 account, but going at it with a hacksaw is not the right approach.

Someone once likened zeroing the 150 account to address our debt crisis to treating a brain tumor by cutting off a toe. It will not address the underlying causes of our debt—it will only further harm our economy and global standing.

As a fiscal hawk, I have long been skeptical of how U.S. taxpayer dollars are spent overseas. I've heard countless stories of America's generosity funding wasteful projects and enriching corrupt foreign bureaucrats at the expense of the U.S. taxpayer and to the detriment of the citizens our aid was intended to benefit. I believe U.S. foreign assistance programs must stand up to scrutiny.

We know that cuts are inevitable, which makes a robust reform agenda for foreign assistance

necessary. While this is obviously a discussion for another forum, I believe strongly that we cannot balance the federal budget on discretionary spending, whether that be foreign assistance, defense or domestic programs. If we are going to get our arms around our debt, we must be willing to talk about our unsustainable mandatory spending.

As a member of the House Foreign Affairs Committee and Chairman of the Asia and Pacific Subcommittee, I have developed a deeper understanding of how strategic investments in development can be an important tool in maintaining American leadership while creating strong allies and providing great economic opportunities for American businesses here at home.

With 95 percent of the world's consumers living outside our borders, U.S. global economic leadership and foreign assistance generates significant return on investment at home. Strategic investments in diplomacy and development accomplish what only government can do: help to build and open new markets by promoting rule of law, fighting corruption, and strengthening local institutions – and creating investment and export opportunities for American businesses.

To this point, eleven of America's top fifteen export markets have been recipients of U.S. foreign assistance.

This investment in foreign aid, when it's targeted and managed correctly, can yield great returns and can help increase trade. Trade that is vital not only to my state of Florida, where it supports over 2.5 million jobs, but to the entire United States.

Many of the programs in the 150 budget serve as a force multiplier that creates a greater return on our own investments by leveraging private sector and NGO resources. For example, the initial U.S. commitment of \$7 billion for Power Africa has leveraged over \$31 billion in private sector

commitments to catalyze economic development in sub-Saharan Africa, doubling access to electricity and creating investment opportunities for American companies.

The small but cost-effective investments we make in the International Affairs Budget help advance U.S. national security interests at home and abroad, spur American economic and job growth, and uphold our humanitarian values. For example, U.S. foreign assistance helped move South Korea from economic collapse after the Korean War to our 6th largest trading partner and a key ally today. The \$40 billion we now get back every year in trade with South Korea is more than what we provided in foreign assistance to that country over five decades. My goal for U.S. aid is to achieve a level of effectiveness that every time we provide aid to a region or country it is with the final aim of transitioning them from an aid recipient to a trading partner, much like we have done with South Korea.

I am proud that there is a legacy of strong bipartisan support in Congress for the International Affairs Budget and the programs it funds, including PEPFAR, the Millennium Challenge Corporation, OPIC, USTDA, and Power Africa.

The State Department and U.S. development agencies work around the country and the world to advance America's economic interests by promoting exports that today make up almost 13 percent of America's \$18 trillion economy and support about one in five American jobs. The U.S. Trade and Development Agency (USTDA), for instance, generates \$85 in exports of U.S.-manufactured goods and services for every \$1 programmed for priority development projects in emerging markets. The Agency's programs have generated over \$56 billion in U.S. exports, supporting an estimated 300,000 U.S. jobs, since USTDA was established in 1992.

More astounding is OPIC, which has generated \$80 billion in U.S. exports and has supported more than 280,000 American jobs since its creation. In Florida alone OPIC currently supports over 2,200 jobs. OPIC's full portfolio has a write-off rate at less than one percent, and 38 consecutive years of federal deficit reduction, including more than \$2.6 billion returned to the Treasury since 2008.

The Millennium Challenge Corporation (MCC) is another great example of effective foreign aid that ultimately generates returns for the American taxpayer. Through the use of metrics such as economic freedom and control of corruption, MCC sets up an environment that is conducive to transitioning aid recipient countries into trading partners. History has shown that this can be achieved through the use of effective, targeted foreign aid. As I mentioned earlier 11 of the 15 largest importers of United States goods and services are countries that graduated from United States foreign assistance, and 12 of the 15 fastest growing markets for United States exports are former United States foreign assistance recipients. When we provide assistance it should be given with the intent that the aid is not meant to be used in perpetuity but rather used in a manner to encourage a relationship shift from aid to trade.

At a time when American leadership is needed more than ever, we must continue to invest in the International Affairs Budget. As such, I ask for your support for a strong 302(b) allocation in FY18 that is close to the levels approved in the FY17 Continuing Resolution. This will allow for the needed reforms in our international aid programs while not sacrificing our security or economy for splashy headlines that say we are cutting American foreign aid—which will ultimately do nothing to address our current debt crisis.

Rep. Ted S. Yoho, DVM (FL-3)

**Testimony for House Appropriations Subcommittee for State, Foreign Operations and Related Programs
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Thank you for your leadership and for the bipartisan atmosphere of respect and problem-solving that you have instilled in this Committee. You have the ability to shape America's future as a global leader by investing in diplomacy and development. I look forward to working with you to advance U.S. global leadership through a strong and effective International Affairs Budget.