

SECRETARY OF STATE MIKE POMPEO
STATEMENT TO THE HOUSE FOREIGN AFFAIRS COMMITTEE
ON THE FISCAL YEAR 2019 BUDGET
MAY 23, 2018

Chairman Royce, Ranking Member Engel, and distinguished members of the Committee:

I appreciate the opportunity to discuss the Administration's FY 2019 budget request for the State Department and USAID.

Last December the Trump Administration released the National Security Strategy. The four pillars of the strategy are protecting the American people, the homeland, and our way of life; promoting American prosperity; preserving peace through strength; and advancing American influence.

In order to achieve these national security objectives, the Administration has submitted our FY 2019 budget request of \$39.3 billion for the State Department and USAID. The proposed request reflects our obligation to use taxpayer dollars wisely and effectively.

Our request also makes clear the United States must exert a proportional financial commitment in the pursuit of goals shared by the international community. It is time for other nations – especially those with high GDP – to assume greater responsibilities and devote greater resources toward common objectives, whether it's crushing terrorists, stopping Iran's malign behavior, strengthening the NATO alliance, eradicating infectious diseases, and so much more. We expect greater burden sharing for our allies and partners.

The President is committed to diplomacy as the primary means of achieving the United States' foreign policy objectives, which are further detailed in our State/USAID Joint Strategic Plan. We will use every dollar to deliver on our duty to serve the American people and the enduring foreign policy victories that are within sight.

Our top national security priority has been the de-nuclearization of North Korea. The maximum pressure campaign of diplomatic and economic sanctions is bearing fruit with the historic meeting set to take place on June 12th. This campaign has been undertaken in concert with an unprecedented number of allies and partners. Our posture will not change until we see credible steps taken toward the complete, verifiable, and irreversible de-nuclearization of the Korean peninsula. We are clear-eyed about the regime's history. It's time to solve this once and for all. A bad deal is not an option. The American people are counting on us to get this right. If the right deal is not on the table, we will respectfully walk away.

On May 21st I unveiled a new direction for the President's Iran strategy. We will apply financial pressure, coordinate with our DOD colleagues on deterrence efforts, support the Iranian people, and hold out the prospect of a new deal for Iran – if it changes its behavior. We seek to work with as many partners, friends, and allies as possible to achieve the common objective of stopping all of Iran's nuclear and non-nuclear threats.

The progress against ISIS has been predominantly accomplished through military action. But there is a very important role for diplomacy and assistance in ensuring the permanent defeat of ISIS. We must continue robust stabilization activities with our Coalition partners in order to prevent ISIS from resurfacing. We are also countering ISIS's attempts to gain safe havens in areas such as Afghanistan, the Philippines, and Africa. In addition to providing targeted security sector assistance funding, we are working with our allies and partners to stop foreign fighter travel, cut off sources of revenue, attack ISIS online, share intelligence, and prosecute those who come off the battlefield.

We know Russia poses a challenge to our strategic interests and the security of our allies. This is evident from the chemical weapons attack in the UK, for which we imposed consequences in concert with several partners and allies. We've been clear with Russia it must honor its commitments under the Minsk Accords if peace is to prevail in Ukraine. As a guarantor of the Assad regime, Russia has a responsibility to be a constructive actor for stability and peace in Syria, which includes stopping the regime's use of chemical weapons. We are holding Russia accountable to its commitment to the Geneva process.

China is a rising strategic competitor. We must work constructively with a nation of China's importance, as we are doing on North Korea, but we cannot sacrifice the interests of the American people and our economic competitiveness, relinquish freedom navigation and the law of the sea in the South China Sea and elsewhere, or passively watch as American intellectual property is stolen. We are making clear to China that the protection of human rights is integral to any country that wishes to be regarded as a great nation. Elsewhere in Asia, we are re-affirming and expanding partnerships in the Indo-Pacific region with nations that share our commitment to security, economic freedom, sovereignty, and liberty.

Finally, in our own hemisphere, we are embracing the "Year of the Americas," by re-affirming our commitment to longstanding partnerships grounded in shared interests and values. On Venezuela, we have imposed new economic pressure on the Maduro regime to help steer that country back toward democracy, and we are rallying like-minded regional partners to do the same.

Across the world, we have encouraged nations to assume greater responsibilities for maintaining their own and our shared security and stability. In the face of a resurgent Russia, and in response to our urging, many NATO members are newly meeting their commitments to funding deterrence and defense initiatives. President Trump's call to leaders of Middle East countries in Riyadh, Saudi Arabia, rallied leaders of those nations to more aggressively combat terrorism inside their own borders and to counter violent extremism abroad. And as part of the new South Asia strategy, we have been clear with Pakistan that ensuring reconciliation, peace, and security in Afghanistan in large part depends on Pakistan's willingness to crack down on terrorist safe havens and instigators of terrorist activity in its own country.

Our highest priority is keeping the American people safe. The FY 2019 budget request for \$7.3 billion in security assistance will help protect Americans at home and overseas. The State Department will continue to lead international efforts to denuclearize North Korea, and to prevent Iran and other actors from unlawfully acquiring weapons of mass destruction and their means of delivery, while strengthening the capacity of partner nations to do so as well.

This budget request calls for \$5.7 billion in support for Coalition efforts to defeat ISIS and other transnational terrorist and criminal groups that threaten the American homeland. The State Department and USAID will sustain programs that address the conditions that give rise to these threats, including poor governance, weak institutions, lack of economic opportunity, corruption, and persistent human rights abuses, and attract additional donor nations' support for these efforts.

America's prosperity and national security depends on a strong and growing U.S. economy that can maximize trade and investment opportunities in a free, fair, open and stable international market. This budget request seeks \$2.2 billion to help stimulate American economic growth, expand markets for U.S. investment, and ensure partner countries can fully participate in a global economy.

This budget request includes an important proposal for a new standalone development finance institution (DFI) broadly consistent with H.R. 5105, the Better Utilization of Investments Leading to Development Act of 2018 (BUILD Act of 2018), being considered by this Committee. Like the BUILD Act, the Administration proposal consolidates existing functions now spread across various agencies to improve efficiencies and better mobilize private sector resources. If approved by Congress, the DFI will advance U.S. national security and development objectives by deploying reformed and modernized development finance tools that support, without displacing, the private sector. The Administration shares the goals of this Committee to foster sustainable development in developing countries and provide strong alternatives to state-directed initiatives. With the consolidation we have both the opportunity for greater impact but also the responsibility to create strong interagency coordination with USAID and other development agencies to advance development outcomes, promote self-reliance among partner countries, and advance U.S. interests and values. To this end, the budget requests \$56 million for State and USAID to collaborate and coordinate programming with the DFI and leverage its tools.

Americans benefit from sustained engagement with the rest of the world that serves our interests and those of our allies. This budget upholds our commitments to our allies, including \$3.3 billion in support of the recent, ten-year Memorandum of Understanding between the United States and Israel regarding U.S. military assistance, a 6.5% increase from last year's request. In recognition of our critical strategic partnership and new five-year Memorandum of Understanding with Jordan, the budget also strengthens our high level of support by requesting \$1.275 billion for Jordan in FY 2019.

In light of continuing significant humanitarian needs, largely driven by ongoing conflicts in Syria, Yemen, and elsewhere, the FY 2019 request includes \$6.4 billion for humanitarian assistance, an increase of \$1.1 billion, or 21 percent, from the FY 2018 request. We will use these resources strategically as part of a new approach to relief to increase burden sharing by other donors, improve U.S. government internal humanitarian assistance coordination, and catalyze reforms and efficiencies at the UN and other implementing partners. The ultimate objective is to maximize the impact of hard-earned U.S. tax dollars and deliver the best outcome for those dollars.

The President's budget continues global health funding at a level that will sustain our work and our leadership in this area, including through flagship programs like PEPFAR and the President's Malaria Initiative.

We sustain our support for these assistance programs because we know they are a projection of American leadership and they contribute to economic growth, and social and political stability. They are not only measures of the values of the American people, but they contribute to our interests. As we have seen with outbreaks of Ebola and other diseases in the past few years, these health programs have provided a foundation to prevent, detect, and respond to infectious diseases of epidemic potential, which helps protect the American people.

America's message must be shared with the world at all times. The FY 2019 budget request further defends and advances America's values by devoting \$565 million to public diplomacy programs. These programs are essential to informing public opinion abroad and communicating

American values like respect for human rights and the rule of law. The people of the world must know not only the policies, but also the principles for which the United States stands. Even as our public diplomacy budget calls for greater burden-sharing of long-standing programs, the \$55.4 million requested for the Global Engagement Center covers both its original counter-extremist mission, plus an increase of \$20 million to counter state-sponsored disinformation campaigns. We will not tolerate Russian interference in the 2018 elections, and we must take countermeasures in response to an effort to do so.

Finally, I would like to update you on what is happening inside the Department. The Department's workforce is our most valuable asset. Since becoming Secretary, one of my highest priorities has been ensuring that the finest diplomatic corps in the world is fully prepared and empowered to achieve our mission. I am unleashing our teams to do what they do best on behalf of the American people.

Just last week I held my first town hall in which I laid out my leadership vision, and committed to working as one team with all our personnel. I'm listening to their expertise and counsel.

With so many challenges before us, the State Department needs a full team on the field, from locally employed staff around the world to senior leaders in Washington. That's why I lifted the Eligible Family Member hiring freeze as one of my first acts as Secretary, and also lifted the hiring freeze for all Foreign Service and Civil Service personnel last week. All Foreign Service and Civil Service hiring will be consistent with the funding levels that Congress recently enacted.

Additionally, I know that our career professionals work best when the goals are clear and the leadership team is at full strength. I have devoted a great deal of time to filling vacancies at the Under Secretary, Assistant Secretary, and Ambassador levels. We need our men and women on the ground, executing American diplomacy with great vigor and energy, and representing our great nation. We need the best tools as well: this budget would also invest \$150 million for IT modernization. We need to work at the speed of 21st century diplomacy.

As I have said many times, my great goal is to restore the trademark State Department swagger that has been instrumental in advancing American security, prosperity, and liberty for centuries. I define swagger this way: we must be everywhere with the best ideas. We must create value during the policy formation process. We must outwork and out-hustle others. We must be aggressive in working with our allies and ferocious in defending American values against our adversaries.

Today I ask for your support to ensure that our diplomatic, development and organizational initiatives are successful for the State Department and USAID, and, most importantly, for the American people

Thank you for your time. I will be glad to answer any questions you may have.