



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 10, 2015

The Honorable Hal Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On June 3, 2015, the State and Foreign Operations Subcommittee considered the fiscal year (FY) 2016 Department of State, Foreign Operations, and Related Programs Appropriations bill. The Administration supports investing in American security through efforts to improve governance, health, and financial stability abroad. However, we have a number of serious concerns about this legislation, which would underfund these critical investments in national security and undermine U.S. global leadership, and which includes highly problematic ideological riders. In advance of Full Committee consideration of the Subcommittee bill, I would like to take this opportunity to share some of our concerns with you.

The Department of State, Foreign Operations, and Related Programs Appropriations bill is the seventh appropriations bill being considered under the congressional Republicans' 2016 budget framework, which would lock in sequestration funding levels for FY 2016. Sequestration was never intended to take effect: rather, it was supposed to threaten such drastic cuts to both defense and non-defense funding that policymakers would be motivated to come to the table and reduce the deficit through smart, balanced reforms. The Republicans' 2016 budget framework would bring base discretionary funding for both non-defense and defense to the lowest levels in a decade, adjusted for inflation. Compared to the President's Budget, the cuts would result in tens of thousands of the Nation's most vulnerable children losing access to Head Start, more than two million fewer workers receiving job training and employment services, and thousands fewer scientific and medical research awards and grants, along with other impacts that would hurt the economy, the middle class, and Americans working hard to reach the middle class.

As this bill demonstrates, sequestration funding levels would also put our national security at unnecessary risk, not only through pressures on defense spending, but also through pressures on State, USAID, Homeland Security, and other non-defense programs that help keep us safe. More broadly, the strength of our economy and the security of our Nation are linked. That is why the President has been clear that he is not willing to lock in sequestration going forward, nor will he accept fixes to defense without also fixing non-defense. The President's Budget would reverse sequestration and replace the savings with commonsense spending and tax reforms. It brings middle-class economics into the 21st Century and makes the critical investments needed to support our national security and accelerate and sustain economic growth in the long run, including research, education, training, and infrastructure.

The inadequate overall funding levels in the Republicans' 2016 budget framework cause a number of problems with the Subcommittee bill specifically. The State and Foreign Operations Appropriations bill funds a wide range of national security priorities. Unfortunately, according to the Subcommittee, this bill reduces overall funding by about \$6.1 billion, or about 11 percent, below the President's Budget. The bill slashes a number of critical programs, increasing the threats to security associated with global unrest, global financial insecurity, instability in Central America, and climate change.

- The bill fails to adequately fund efforts to preserve stability and security abroad. For example:
 - It cuts overall funding for international peacekeeping efforts by over \$900 million, or more than 25 percent, below the Administration's request and fails to establish a flexible Peace Operations Response Mechanism to enable the United States to respond to urgent peace operation needs quickly and efficiently. The reductions in the bill, which impact every active mission, would not only undercut the U.S. Government's commitment to paying its U.N. dues in full and on time, but translate into nearly 8,000 fewer peacekeepers in some of the most vulnerable parts of the world, such as in Mali where they are protecting civilians from violent extremism, and in Lebanon where the UN Mission is enforcing cessation of hostilities.
 - It cuts \$241 million, or 24 percent, from the President's request for Nonproliferation, Anti-terrorism, Demining and Related Programs. These cuts would undermine critical counterterrorism and nonproliferation programs that build partner capacity to address proliferation and terrorist threats including through efforts to counter violent extremism, reduce terrorist safe havens, and address foreign fighter flows.
 - It eliminates the Complex Crises Fund, taking away a critical tool for quickly and flexibly responding to unforeseen political, social, or economic challenges that threaten stability.
 - It cuts the Contributions and International Organizations account by \$67 million and provides no funding for the International Organizations and Programs account. These accounts support critical collective efforts by international organizations to combat violent extremism, limit the spread of nuclear and chemical weapons, reach agreement to impose sanctions on rogue states and actors, promote children's health, and promote and protect human rights.
- The bill also makes deep cuts to economic and development assistance, providing a level that is \$2.7 billion, or 30 percent, below the FY 2016 Budget. These profound reductions would damage our ability to support strategically significant allies, strengthen democratic institutions in transitioning countries, and help partner governments fight poverty and instability. They would also reduce proposed funding for multiple Administration priorities, including the Central America Strategy, Feed the Future, the Global Climate Change Initiative, and Power Africa, as well as for priority countries in Sub-Saharan Africa and the East Asia Pacific region. Further, the bill reduces the requested funding for diplomatic and development operations by \$869 million, which will pose a significant constraint on USAID and the Department of State's ability to conduct diplomatic

engagement. Taken together, these cuts would impede our ability to conduct effective diplomacy and development, essential components of our national security.

- The bill does not include the necessary authorization and appropriations language to implement the 2010 International Monetary Fund (IMF) reforms. These reforms do not change our total financial commitment, but are critical to strengthening the IMF, maintaining global financial stability, and ensuring that the United States does not cede its global financial leadership role. In addition, the bill cuts investment in the Multilateral Development Banks (MDB) by \$740 million, or 34 percent, below the FY 2016 Budget request, failing to match U.S. commitments and severely threatening U.S. leadership in these important international institutions. The MDBs are a cost effective way to address key global and national security challenges such as environmental degradation, food insecurity, and unaccompanied migrant children, which can generate unrest and conflict that can ultimately require costly and protracted U.S. involvement.
- Compared to the President's Budget, the bill severely undercuts the Administration's efforts to get at the root causes of surges in migration to the Southwest border of the United States. While we appreciate the Subcommittee's acknowledgment of the security challenges facing the Northern Triangle of Central America, the focus on crime and security alone will not succeed in the absence of institutions to promote justice, transparency, and economic growth. Most of the Administration's request of \$1 billion in FY 2016 is directed at these critical investments, including activities that will promote more effective and accountable governmental and judicial institutions, reduce barriers to trade and investment to better integrate regional economies, and increase growth via investments in agriculture, entrepreneurship, and workforce training. The severe cuts to economic and development assistance would impair the Administration's ability to help our Central American partners address the economic and social factors driving migration.
- By not providing FY 2016 funding for multilateral climate and clean energy commitments, this bill undermines our nation's ability to address the economic, health and national security threat posed by climate change. In contrast, providing funding for multilateral climate initiatives in FY 2016—as requested in the President's Budget—will also allow the United States to partner with other nations to support innovative clean energy and resilience projects that will reduce threats posed by climate and expand markets and export opportunities for US businesses as well. Failing to lead in building a strong global response to climate change will have far-reaching national security implications as climate change will exacerbate poverty and contribute to environmental degradation, particularly in developing economies, potentially resulting in resources shortages, political instability, and conflict.
- Furthermore, while the Subcommittee bill provides administrative expenses funding for the Export-Import Bank, it fails to extend the authorization of the Bank's charter beyond June 30, 2015. The Administration has urged the Congress to act responsibly and pass a five-year authorization to ensure continued support for U.S. exports and American jobs.

The Subcommittee bill also contains highly objectionable riders. Specifically, the bill prohibits funding for any non-governmental organizations that perform abortions, even though U.S. funds would not support those activities. This broad prohibition would undermine our efforts to promote safe and effective voluntary family planning programs abroad. In addition to eliminating funding for multilateral climate programs, the bill also would permanently prohibit the use of appropriated funds in FY 2016 and beyond for the enforcement of rules, regulations, policies, or guidelines implemented pursuant to certain Administration policies on coal or high-carbon power projects—policies that have catalyzed investments to support adoption of clean power technology. This prohibition impedes U.S. leadership in reducing carbon pollution, and will exacerbate climate change and its impact on communities—instead of promoting climate solutions and preparedness and meeting our responsibility to future generations. The bill also includes provisions that would restrict Administration activities relating to Cuba, including the establishment or operation of a U.S. diplomatic presence in Cuba beyond what was in existence on December 17, 2014, interfering with the Executive Branch's ability to make the best decisions consistent with our national security. Furthermore, the Administration fully supports the Freedom of Information Act (FOIA), as an important means for the public to obtain information regarding the activities of Federal agencies, and other provisions of law governing maintenance of Federal records. However, the bill's directive to withhold 15 percent of Diplomatic and Consular Programs base funding pending certain FOIA related and record-keeping actions is counter-productive as it would affect funding for this activity and also could adversely affect global diplomatic operations unrelated to the intent of the provision.

The Administration believes that the Congress should consider appropriations bills free of unrelated ideological provisions. The inclusion of these provisions threatens to undermine an orderly appropriations process.

As your Committee takes up the Department of State, Foreign Operations, and Related Programs Subcommittee bill, we look forward to working with you to address these concerns. More broadly, we look forward to working with the Congress to reverse sequestration for defense and non-defense priorities, and offset the cost with commonsense spending and tax expenditure cuts, as Members of Congress from both parties have urged.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shaun Donovan', written over a horizontal line.

Shaun Donovan
Director

Identical Letter Sent to The Honorable Nita Lowey