

1 HEARING ON COMMITTEE BUDGETS

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3 WEDNESDAY, FEBRUARY 14, 2007

4 United States Senate,  
5 Committee on Rules and Administration,  
6 Washington, D.C.

7 The committee met, pursuant to notice, at 11:30 a.m.,  
8 in Room SR-301, Russell Senate Office Building, Hon. Dianne  
9 Feinstein, Chairman of the committee, presiding.

10 Present: Senators Feinstein, Bennett, and Stevens.

11 Staff Present: Howard Gantman, Staff Director;  
12 Veronica Gillespie, Elections Counsel; Adam Ambrogi,  
13 Counsel; Christopher Shunk, Director of Administration and  
14 Policy; Matthew McGowan, Professional Staff; Sue Wright,  
15 Chief Clerk; Mary Jones, Republican Staff Director; Matthew  
16 Petersen, Republican Chief Counsel; Shaun Parkin, Republican  
17 Deputy Staff Director; Michael Merrell, Republican  
18 Professional Staff; and Trish Kent, Republican Professional  
19 Staff.

20 OPENING STATEMENT OF CHAIRMAN FEINSTEIN

21 Chairman Feinstein. The meeting of the Rules Committee  
22 will come to order.

23 Today, this committee is conducting a hearing on budget  
24 requests for the 110th Congress submitted by the Finance  
25 Committee, the Foreign Relations Committee, and the Select

1 Committee on Intelligence.

2 We have a very limited time today, so I would like to  
3 move quickly and review the guidelines which were provided  
4 to all committees for a two-year biennial budget.  
5 Currently, the Senate is operating under a continuing  
6 resolution for the remainder of fiscal year 2007, frozen at  
7 fiscal year 2006 levels. Therefore, the total funding goal  
8 for each of the fiscal years, 2007, 2008, 2009, is 100  
9 percent of the 2006 total budget authorized by S.Res. 50,  
10 the Omnibus Committee Funding Resolution for the 109th  
11 Congress. Salaries may be adjusted by the projected COLAs  
12 in January of 2007, 2008, and 2009. In addition, each  
13 committee will also receive ten percent in additional  
14 administrative funds to be distributed in accordance with  
15 the Senate floor colloquy between Majority and Republican  
16 leaders on January 12, 2007.

17 But the bottom line is that the Rules Committee has  
18 been mandated to mark up and report out an Omnibus Committee  
19 Funding Resolution for the 110th Congress that will provide  
20 an authorization within the limited funds of the  
21 appropriations account, inquiries and investigations for  
22 fiscal year 2007.

23 Most committees closely followed the guidelines in  
24 funding requests for the upcoming two-year biennial period.  
25 We congratulate them for that. However, three committees

1 came in above guideline levels. Each has a very compelling  
2 case. So the task before us is not an easy one, and now I  
3 would like to ask the Ranking Member if he has a comment he  
4 would like to make at this time and then we will call up the  
5 members.

6 Senator Bennett. Thank you very much, Madam Chairman.  
7 I do not have any comment. You have covered the situation  
8 very well and I look forward to hearing from our colleagues  
9 as they make their case.

10 Chairman Feinstein. Thank you very much, Senator. As  
11 always, I look forward to working with you.

12 I would now like to ask the Chair and the Ranking  
13 Member of the Intelligence Committee to come forward,  
14 please, my committee. We will begin with the Chairman,  
15 Senator Rockefeller.

1           STATEMENT OF HON. JOHN D. ROCKEFELLER IV,  
2           CHAIRMAN, SELECT COMMITTEE ON INTELLIGENCE, AND  
3           UNITED STATES SENATOR FROM THE STATE OF WEST  
4           VIRGINIA

5           Senator Rockefeller. Thank you, Chairman Feinstein.  
6 Vice Chairman Bond and I am are very honored to be before  
7 you and we recognize we are under a limit of something like  
8 12 seconds, so we will do our very best.

9           [Laughter.]

10          Senator Rockefeller. Some of you know firsthand the  
11 Intelligence Committee is responsible for overseeing the  
12 activities of a great deal, and we have, Chairman Bond and  
13 I, have committed ourselves to being very, very serious  
14 about oversight, which is a time-consuming, exacting science  
15 which has to be conducted out of public scrutiny, and so  
16 this has created certain situations.

17          In order to carry out this vital national security  
18 matter, frankly, we have to be very diligent. Due to the  
19 very highly classified nature of our work, we do not have  
20 the luxury that other committees do where in addition to the  
21 committee staff, they can use their own staff. That cannot  
22 happen. My committee staff cannot know what is going on,  
23 and so that creates a different situation.

24          As you may recall, a little over two years ago, the  
25 Senate passed S.Res. 445, which among other reforms requires

1 the Intelligence Committee to hire one employee for each  
2 member. That employee is called a designee. The passage of  
3 that resolution was in response to the 9/11 Commission  
4 critique that the Congressional oversight of the  
5 Intelligence Committee was dysfunctional, and that is not a  
6 happy word to use. So in S.Res. 445, it also required the  
7 committee to add supplemental people to its budget to allow  
8 for the hiring of 13 new positions. That was specifically  
9 required.

10 As a result, the Rules Committee increased the  
11 committee's salary baseline in the 109th Congress to fund  
12 these 13 positions at an annual salary level of \$100,000  
13 each. Now, in West Virginia, that is off the charts. Here,  
14 that is not. The 2006 COLA-adjusted salary level,  
15 therefore, is \$103,440.

16 One requested increase of approximately \$405,000, which  
17 is ours, over the next two years--two years only--is based  
18 on our desire to increase the salary ceiling of liaison  
19 staff to \$115,000. Why? So we can get them and so that we  
20 can keep them and so that they can be the kind of people  
21 that can really help us do our work.

22 Why is such an increase necessary in addition to the  
23 work they have performed? As the Chairman knows very well,  
24 we have added on a whole series of study areas where we have  
25 joined the two staff committees together to work together.

1 But this means there is a whole new aspect to their work.  
2 They have taken on additional budget duties and programmatic  
3 responsibilities in complex and very specialized areas of  
4 the committee's work.

5       Additionally, this year, we have begun a series of five  
6 staff study groups on the committee on issues ranging from  
7 Iran to terrorist safe havens, to human intelligence  
8 collection, to China, to all kinds of things. Our liaison  
9 staffers form the backbone of these important groups. That  
10 is new in our committee. That is new.

11       In order to attract and retain skilled individuals to  
12 fill these positions, we honestly feel, looking at the  
13 marketplace, that we have to be able to pay them \$115,000 or  
14 else we are not going to keep them, and that is just the way  
15 that works.

16       I will close by providing the Rules Committee with two  
17 documents, which I hope you have in front of you. The first  
18 of these is a list of the hearings that we have held so far,  
19 and that shows you sort of the intensity of the way we are  
20 going at this. Vice Chairman Bond, or as I call him  
21 sometimes Bishop Bond, wants this to happen as much as I do,  
22 so we are very determined about that. As you will see, the  
23 Intelligence Committee's tempo is very high, averaging two  
24 to three hearings a week.

25       The second document shows current staff assignments in

1 the committee, which will help you to appreciate our duties  
2 that are liaison staff are shouldering today. We have some  
3 vacancies. We have some needs.

4 I thank you for your consideration of the Intelligence  
5 Committee and would ask that the good Bishop speak.

6 [The prepared statement of Senator Rockefeller  
7 follows:]

- 1 Chairman Feinstein. Thank you, my Chairman.
- 2 My Ranking Member?



1           STATEMENT OF HON. CHRISTOPHER S. BOND, RANKING  
2           MEMBER, SELECT COMMITTEE ON INTELLIGENCE, AND  
3           UNITED STATES SENATOR FROM THE STATE OF MISSOURI

4           Senator Bond. Madam Chair and Senator Bennett, my  
5           apologies to Senator Bennett. He is the Bishop. I am just  
6           an usher in my church.

7           [Laughter.]

8           Senator Bond. But I am here to support fully the  
9           recommendation that Chairman Rockefeller has made.

10          Following what he said about the 9/11 Commission and S.Res.  
11          445, we established the designee salary at \$100,000, going  
12          up with the cost of living, and very importantly, the  
13          Chairman and I have agreed that we are going to utilize  
14          fully in the Intelligence Committee all of these designees  
15          because they come with great backgrounds and we have a  
16          tremendous workload and we are putting it on their backs.

17          The problem is that several members who had good  
18          intelligence background clearance designees they wished to  
19          hire could not hire them at \$100,000. It was my  
20          recommendation to the Chairman, which he graciously and  
21          wholeheartedly accepted, that we ask you to give us enough  
22          room to pay a slightly higher salary to those designees who  
23          warrant it to be able to keep them on our payroll and on  
24          task.

25          The average age of our designees is in the late 30s.

1 Now, \$100,000 buys you a senior GS-13 in the rest of  
2 government, and with rapid promotion these days in the IC,  
3 some there are making the GS-13 level with only six years'  
4 experience. A hundred-and-fifteen-thousand dollars would  
5 buy you a senior GS-14 with eight to 15 years' experience,  
6 which is far more in line with the level of ability,  
7 experience, and competency that our designees have.

8 So we respectfully request that you allow us the  
9 additional headroom to pay those designees who we wish to  
10 attract and keep a slightly higher salary of \$115,000. I  
11 thank the Chair.

12 Chairman Feinstein. Thank you very much, Senator Bond.  
13 Thank you, Senator Rockefeller.

14 I believe the Ranking Member has no questions. I have  
15 no questions. We are very grateful that you took the time  
16 to be here. Thank you very much.

17 Senator Bond. Thank you very much.

18 Chairman Feinstein. We would ask that the Chairman and  
19 Ranking Member or the relevant staff please come forward  
20 from Foreign Relations. I know Mr. Blinken is here  
21 representing Senator Biden, but I believe that he is not  
22 going to testify, is that correct, Senator Lugar?

23 Senator Lugar. That is correct.

24 Chairman Feinstein. And you will give the testimony--

25 Senator Lugar. For both of us.

- 1 Chairman Feinstein. --as Ranking Member. Fine.
- 2 Please proceed.

1                   STATEMENT OF HON. RICHARD G. LUGAR, RANKING  
2                   MEMBER, COMMITTEE ON FOREIGN RELATIONS, AND UNITED  
3                   STATES SENATOR FROM THE STATE OF INDIANA

4           Senator Lugar. Madam Chairman and Senator Bennett and  
5 members of the committee, it is a pleasure to be here to  
6 testify on the Foreign Relations Committee budget requested  
7 for the 110th Congress. Senator Biden deeply regrets that  
8 he cannot be here today, but he has authorized me to speak  
9 for him in making this presentation.

10           On behalf of the Foreign Relations Committee, Senator  
11 Biden and I have submitted a request to the Rules Committee  
12 for an amount that is roughly \$350,000 per year above the  
13 amount suggested by the committee. As Senator Biden and I  
14 stated in our budget submission, the Foreign Relations  
15 Committee's request seeks to preserve in our regular budget  
16 the additional funds that were granted to our committee out  
17 of special reserves in the 109th Congress. Our funding  
18 request--

19           Chairman Feinstein. Could I interrupt you for a  
20 moment--

21           Senator Lugar. Yes, indeed.

22           Chairman Feinstein. --just to make something clear.  
23 You are already receiving that money this fiscal year.

24           Senator Lugar. That is correct.

25           Chairman Feinstein. So what we would do would

1 essentially be a continuation of that, is that correct?

2 Senator Lugar. That is correct, except it would now be  
3 in the regular budget as opposed to the additional funds  
4 which came from special reserves as given by the Rules  
5 Committee in the 109th Congress.

6 Senator Bennett. If I could clarify, so that means  
7 your baseline would change for future years?

8 Senator Lugar. Yes.

9 Senator Bennett. I see. Thank you.

10 Chairman Feinstein. That is what they are asking for.

11 Senator Lugar. True.

12 Chairman Feinstein. Please proceed.

13 Senator Lugar. Our funding request results from  
14 careful consideration of the Foreign Relations Committee's  
15 needs and a policy environment where foreign affairs issues  
16 are far more prominent than they were a decade ago. My  
17 conversations with other Senators indicates strong support  
18 for expanding the Senate's role in national security policy.  
19 This expansion of activity and oversight will depend greatly  
20 on the capabilities of the Foreign Relations Committee.

21 During the last four years, by most statistical  
22 measures, the Senate Foreign Relations Committee has been  
23 the busiest committee in the Senate. We have held more  
24 hearings and confirmed more nominees than any other  
25 committee by a clear margin. During the last two

1 Congresses, the Foreign Relations Committee held 482  
2 official hearings and meetings. No other committee came  
3 within 100 of this total over the same period of time. In  
4 fact, the Foreign Relations Committee held more meetings  
5 than the combined total held by the Finance Committee, the  
6 HELP Committee, the Environment Committee, and the Budget  
7 Committee. All but 67 of our 482 meetings were full  
8 committee hearings.

9       During the same four years, we confirmed 359 nominees,  
10 again, the most in the Senate. Only two other committees  
11 confirmed more than 150 nominees during that period. The  
12 vast majority of our nominees are ambassadors, each of whom  
13 require substantial vetting and a hearing that often serves  
14 as the legislative branch's only review of United States  
15 relations with that country over a three- or four-year span.

16       In addition, we are the only Senate committee that is  
17 charged with the responsibility for receiving foreign  
18 dignitaries. Roughly 25 times a year, we host formal  
19 meetings with visiting presidents, prime ministers, and  
20 foreign ministers.

21       Our portfolio also includes all treaties that come  
22 before the Senate. In the past four years, we have dealt  
23 with treaties involving fisheries, airline regulation,  
24 environmental protection, arms control, international  
25 organized crime, nuclear power liability, bilateral

1 investment, taxes, terrorism, and extradition. Our staff  
2 must be conversant in these and other subjects, not just  
3 diplomacy and foreign policy.

4 Beyond treaties, the committee has authored legislation  
5 dealing with embassy security, nonproliferation, the Darfur  
6 crisis, U.N. reform, Millennium Challenge Corporation, the  
7 President's global AIDS bill, the enlargement of NATO, the  
8 India nuclear deal, improved stabilization and  
9 reconstruction capacity, global anti-corruption efforts,  
10 protection for women and children in conflict zones, and  
11 many other items.

12 On top of our workload, Foreign Relations is the only  
13 committee in the Senate that was expanded by three members  
14 at the beginning of this Congress. The Senate leadership  
15 made a decision that the demand for membership on our  
16 committee warranted the additional members. Chairman Biden  
17 and I accommodated their request and extra members have been  
18 added. But more members bring greater staff demands, longer  
19 hearings, and additional costs.

20 The Republican Conference deems Foreign Relations to be  
21 one of the four preeminent committees in the Senate.  
22 However, despite its "super-A" status, the Foreign Relations  
23 Committee does not have a "super-A" budget. The Foreign  
24 Relations Committee has, by our estimate, just the tenth  
25 largest budget among the 12 "A" committees plus the Budget

1 Committee. This situation does not exist because of a  
2 carefully considered policy decision. Rather, it developed  
3 incrementally over many years when the nation's attention  
4 was focused on domestic policy.

5 When compared to the Armed Services and Finance  
6 Committees, the other "super-A" committees funded through  
7 the Rules Committee process, Foreign Relations is clearly at  
8 a disadvantage. In the last Congress, the Armed Services  
9 Committee, which possesses a nearly identical number of  
10 staff slots as Foreign Relations and a similar need for  
11 staff with top-secret clearances, had a budget that was more  
12 than \$1 million larger on an annual basis. This amount  
13 translates into roughly an additional \$20,000 per staff slot  
14 for Armed Services above what Foreign Relations can offer.

15 I mentioned earlier the Foreign Relations Committee  
16 held more hearings than four other major committees  
17 combined. Three of the four committees have budgets that  
18 are larger than ours, and the combine budgets are almost  
19 five times greater than ours. We know of no historical or  
20 practical justification for such a wide disparity between  
21 funding and workload.

22 We have not undertaken this work arbitrarily. The  
23 demand for the information and oversight provided by these  
24 hearings has been inexhaustible. Subjects like the  
25 administration's strategy in Iraq, the six-party talks on



1 North Korea, international efforts to prevent Iran from  
2 gaining nuclear weapons are existential issues for our  
3 country that demand constant oversight.

4       This year, in less than a month, we held 14 hearings on  
5 Iraq. We anticipate that this extensive pace will continue  
6 given our bipartisan plans for the committee and the dual  
7 threats of war and catastrophic terrorism. Because of both  
8 global and legislative context, we believe that at the  
9 least, the Foreign Relations Committee should be granted the  
10 funding we received last year and we are hopeful you will  
11 find this request to be meritorious and will lend your  
12 support to it.

13       I thank the Chairman and the Ranking Member for this  
14 opportunity to testify and for your allowing me to go over  
15 the limit to complete this testimony.

16       [The prepared statement of Senator Lugar follows:]

1 Chairman Feinstein. Thank you very, very much.

2 I have no questions. Senator?

3 Senator Bennett. I have no questions.

4 Chairman Feinstein. Thank you.

5 Senator Lugar. Thank you very much.

6 Chairman Feinstein. Thank you very much, Senator

7 Lugar. We appreciate it.

8 Now, we will hear from the Finance Committee. It is my  
9 understanding that the Chairman is tied up in a meeting and  
10 the committee will be represented by its esteemed Ranking  
11 Member, Senator Grassley.

1                   STATEMENT OF HON. CHARLES GRASSLEY, RANKING  
2                   MEMBER, COMMITTEE ON FINANCE AND A UNITED STATES  
3                   SENATOR FROM THE STATE OF IOWA

4           Senator Grassley. I have a statement here from Senator  
5 Baucus, and you are right. He is in a meeting with Leader  
6 Reid and so it is very necessary for him to be there and he  
7 asked me if I would fill in and I am very happy to fill in.  
8 I thank you very much for taking the time to be with us.

9           As Senator Rockefeller, who is also the second ranking  
10 Democrat on our committee, the Finance Committee, as he was  
11 walking out, he knew about the statements that we were going  
12 to make to you and he asked if I would tell you that he  
13 supported what Senator Baucus and I are asking for.

14           Chairman Feinstein. Thank you.

15           Senator Grassley. This is in regard also to  
16 subcommittee funding. I had hoped, as in previous years, we  
17 could have come to an agreement and avoided the need for a  
18 hearing, but we are here. As my Chairman will point out in  
19 his written statement, we are here on behalf of our  
20 subcommittee leaders and we are only asking for what amounts  
21 to 1.4 percent increase over our overall budget from last  
22 year. That is about \$100,000 per year.

23           It may help to provide a little history to understand  
24 where we are coming from. Up until the last Congress,  
25 Finance was one of only two and maybe three committees that

1 didn't fund subcommittees. As Chairman the last four years,  
2 the leadership--well, as Chairman just in 2005 and 2006 is  
3 when this issue came up. The leadership persuaded me that  
4 the committee should follow our conference rules and fund  
5 subcommittees. So after discussion with Senator Baucus then  
6 as Ranking Member, we agreed to see what we could do.

7 Our committee approved a request two years ago of  
8 \$500,000 per year. We thought that that was a fair amount,  
9 understanding personal offices would still have to  
10 underwrite some of the costs of the various subcommittee  
11 chairmen and ranking members. The Rules Committee at that  
12 time came back and offered \$300,000 per year from a special  
13 reserve.

14 So after some thought, Senator Baucus and I agreed that  
15 that was a good start since it was all very new territory  
16 for our committee anyway and for the members and how the  
17 subcommittees were going to function. We felt if it  
18 enhanced the committee, then we could, as we are now, come  
19 back in the next Congress, asking for permanent funding like  
20 all the other committees with subcommittees, get some kind  
21 of an increased adjustment. I don't think anyone believes  
22 that you can fund a whole subcommittee for \$30,000 to  
23 \$40,000 a year. So that is the process which has brought us  
24 here where we are today with this presentation. Again, the  
25 request is really coming from our members.

1           I will give an example. Senator Hatch, who was Chair  
2 and will now be Ranking Member on the Health Subcommittee,  
3 has spoken to me a number of times about the need for this  
4 request and both of you know him to be a reasonable and  
5 fiscally conservative member, and, of course, he is not the  
6 only one. I have had reference to some members saying that  
7 they have spoken to you separately about this. I don't know  
8 for sure, but that is what they have led me to believe.

9           We could be here asking for an overall committee  
10 increase, since our committee hasn't been treated as well as  
11 others in comparison to our responsibilities, and I will  
12 give you a little statistics on that. We looked into the  
13 Senate's legislative work a few years ago. We found that 25  
14 percent of the legislation that actually took floor time  
15 involved Finance Committee jurisdiction. If you think about  
16 it, almost all of the major non-appropriation bills have  
17 some kind of Finance Committee responsibility, whether it is  
18 the minimum wage bill that we just recently went through or  
19 the energy bill, the highway bill, the pension bill, the  
20 last two years. The major bill we did in the lame duck  
21 Congress included tax, trade, and health legislation.

22           In this Congress, besides minimum wage, the energy,  
23 education, and farm bills will likely have tax titles.  
24 Visiting with energy people--I haven't visited with  
25 education people, but we have all these education tax

1 credits, as an example, and seven of us are on the  
2 Agriculture Committee for the farm bill. All of these are  
3 likely to have tax titles to them coming up.

4 As a former Chairman, I tried to use subcommittees to  
5 relieve some of the pressure on the committee, particularly  
6 for hearings, and I think this is very dramatically going to  
7 increase considering a very far-reaching agenda that  
8 Chairman Baucus has spoken to me privately about and spoken  
9 publicly as he addressed some of our hearings in his opening  
10 statements. So I think that--and he mentioned this also in  
11 the statement that you have there.

12 For instance, we have created an Energy and  
13 Infrastructure Subcommittee, as just an example of some of  
14 the things we are going to have to be working more  
15 aggressively on because the new majority of the Congress has  
16 made these very important issues that they want to deal  
17 with, and they are issues that ought to be dealt with and  
18 they are issues that I agree with Senator Baucus that we  
19 ought to be tackling from the standpoint of our  
20 responsibilities in those areas, and we are going to be  
21 using subcommittees in this area to be helping us get ready  
22 for those debates.

23 So in closing, I would ask that your committee  
24 favorably consider our committee's appeal for more adequate  
25 subcommittee funding.

1 [The prepared statement of Senator Grassley follows:]

1 Chairman Feinstein. Thank you very much, Senator.

2 Senator Grassley. Thank you.

3 Chairman Feinstein. My understanding when you came to  
4 me on the floor, the request was \$400,000.

5 Senator Grassley. Yes.

6 Chairman Feinstein. And today, it is \$800,000, is that  
7 correct?

8 Senator Grassley. No, \$300,000 a year--\$300,000 that  
9 we got last year, \$100,000 more for this year, so \$400,000 a  
10 year, and then to have that in the baseline so we don't have  
11 to come back as we are now each time to get money out of the  
12 special fund.

13 Chairman Feinstein. So the total request is \$400,000?

14 Senator Grassley. A year.

15 Chairman Feinstein. Okay. Do you have any questions?

16 Senator Grassley. But we would also like to have it in  
17 the baseline so that we don't have to come back--

18 Chairman Feinstein. I understand. So would the other  
19 committees.

20 Senator Grassley. Understand, we got \$300,000 last  
21 time. We asked for \$500,000. We got \$300,000. I don't  
22 think the subcommittees were satisfied with the way that  
23 was, but it was a new operation for Senator Baucus and me,  
24 and so we have had this practice, so we are saying \$300,000  
25 plus \$100,000. In the overall budget, that is 1.4 percent



1 more money. We would then not have to ask for special  
2 permission. And I would just emphasize, and I don't think I  
3 have to emphasize for you, but this would only be the third  
4 year that we would be funding subcommittees.

5 Chairman Feinstein. Right. I was confused, but I see  
6 now in looking at the letter from you and Senator Baucus  
7 that the \$800,000 which is in the letter is for two years.

8 Senator Grassley. Yes.

9 Chairman Feinstein. And so I would assume that is  
10 where the \$400,000 is, \$400,000 a year.

11 Senator Grassley. Yes.

12 Chairman Feinstein. Okay, good. Do you have any  
13 questions, Senator?

14 Senator Bennett. No, I have no questions. Thank you.

15 Chairman Feinstein. Thank you. I think that does it.  
16 Thank you very much, Senator Grassley.

17 Senator Grassley. Thank you.

18 Chairman Feinstein. We appreciate it.

19 Senator Grassley. I appreciate the privilege of being  
20 with you.

21 Chairman Feinstein. Thank you. I think there is no  
22 further business to come before the committee, so it is  
23 adjourned.

24 [Whereupon, at 11:57 a.m., the committee was  
25 adjourned.]