

Committee Statement of Senator Lugar

Opening statement by Senate Foreign Relations Committee Chairman Dick Lugar

BUSINESS MEETING ON FOREIGN ASSISTANCE AUTHORIZATION

Wednesday, May 21, 2003

Today the Committee comes together to consider the Foreign Assistance Authorization bill. Over the last few months, we have held two hearings on the role that U.S. foreign assistance can play in six strategic regions of the world: the Near East, South Asia, East Asia, Eurasia, the Western Hemisphere, and Africa. We also have held a hearing on the President's proposed Millennium Challenge Account and explored in other hearings numerous topics related to foreign assistance, including global hunger and reconstruction in Iraq and Afghanistan.

In the hearings, we learned how the Administration's 2004 budget request will support U.S. foreign policy interests. Those hearings were very informative, and I would like to express my appreciation to the Subcommittee Chairs and Ranking Members who conducted them, as well as to all Senators who participated.

Since the mid-1980s, Congress has not fulfilled its responsibility to pass a Foreign Assistance Act. In the absence of such authorization, the job of providing guidance for foreign assistance policy has fallen to the Appropriations Committees. Appropriators have kept our foreign assistance programs going, but they have had to do so without proper authorization. In most years, this Committee did pass a State Department Authorization bill, but that bill only authorizes about 35 percent of the Function 150 Account. To fund the remaining accounts, appropriators had to waive the legal requirement to appropriate funds only following the passage of an authorization bill. I am hopeful that our work today will help re-establish the Foreign Relations Committee's role in the foreign assistance process.

The bill before you authorizes funding levels for most of the foreign operations accounts within Function 150 for fiscal year 2004. We have taken as a starting point the request submitted by the President last February. The Executive branch has been working with our embassies around the world to develop accurate budget numbers. We have since supplemented that information based on the testimony of six regional Assistant Secretaries of State and their USAID counterparts, as well as briefings and discussions associated with the State Department authorization bill.

With this information, we have arrived at a mark that stays within the Budget Resolution's funding levels. As you will recall, the Budget Committee reduced the President's requested amount for the 150 Account by \$1.15 billion. In response, I proposed an amendment to the Budget Resolution that sought to restore this cut. With the support of many members of this Committee, we were successful in restoring the amount requested by the Administration for the 150 Account. I note this to highlight the fact that

we have worked with the Budget Committee and within the rules to achieve the overall funding levels that are before you today. Many members of the Committee, including myself, would like to have more funding available. But I believe that our responsibility to work within the Budget process and our interest in bolstering the credibility of our bill with the Appropriators argue for complying with the limits set down in the Budget Resolution. Accordingly, I do not intend to support amendments that would take us above that level.

I am hopeful that the approach taken in the bill today will reinforce our role in the programs authorized. To this end, the bill before you authorizes Appropriations for most of the activities that the appropriators have been funding in our absence. While some of this might seem unnecessary and redundant given that funds have already been appropriated, it is a critical first step in the process of reestablishing this Committee's role in the foreign assistance process.

We also seek to authorize several important new initiatives. The Radiological Terrorism Threat Reduction Act, a Global Pathogen Surveillance Act, contingency funds for famine relief and complex foreign crises, and various security assistance provisions. We have worked in a bipartisan manner on each of these new initiatives, and I am hopeful that as a Committee we will be able to reach agreement and send our work to the Senate floor. - more-2nd and final page- I know that disagreements remain, especially with respect to the structure of the Millennium Challenge Account. We will deal with this initiative as a distinct bill, separate from the Foreign Assistance Authorization bill. In working on this legislation, it has become clear that there is bipartisan support in this Committee for most aspects of the President's proposal. Its single-minded focus on economic development, its concentration on countries that are poor, and the increase in resources devoted to alleviating poverty have been welcomed by Members.

There are a number of organizational issues, however, on which differences of opinion exist. The MCA's placement outside current agencies, the composition of its board, and an appropriate pace for funding are all issues that we will be addressing in this mark-up. As a result, the MCA bill is a Chairman's mark, and our Ranking Member may offer amendments that will require votes by the Committee.

The most important issue is whether the MCA should be part of the existing foreign assistance bureaucracy. I know the President feels strongly that the MCA should be an independent entity. He wants a fresh start and a focus on economic development that is not constrained by short-term political considerations.

I remember when I first came to the Senate in the late 1970s, Senator Hubert Humphrey was chairman of the Foreign Relations Committee's Subcommittee on Foreign Assistance. He spent a great deal of his time working to make certain that America's contributions to international development would be insulated from short-term political pressures. I think Senator Humphrey would have cherished the MCA and its independence. I raise this recollection just to underscore that foreign assistance, at its core, is not a partisan issue. We are all seeking to improve the impact of U.S. aid to

developing nations, and there are not clear demarcation lines between Republican or Democrat schools of thought on the issue.

When we have finished with the MCA bill, we will turn to the Foreign Assistance Authorization bill. We have made relatively few changes to the dollar amounts requested by the President. We have provided a \$70 million increase for the Freedom Support Act (FSA), a \$40 million increase for the Support for Eastern European Democracy (SEED) Act, a \$15 million increase for Development Assistance, a \$6 million increase for Peacekeeping Operations, and a \$100 million increase for the Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) account. The additional funds in the NADR account will be used to safeguard and hasten the destruction of weapons of mass destruction. They also will provide \$15 million for a new initiative, The Radiological Terrorism Threat Reduction Act of 2003, contained in Title IV of the bill. This legislation authorizes the State Department to provide contributions and technical assistance to the IAEA to deal with the dirty bomb threat. The bill is the result of a cooperative effort between Senator Biden and myself, as well as Senator Domenici. I want to thank Senator Biden for his leadership, going all the way back to the hearings he held last spring on this issue.

On the other side of the ledger, we have reduced funding for two of the President's requested programs. The Millennium Challenge Account has been reduced from \$1.3 billion to \$1 billion. This is not an expression of doubt about the MCA concept. Rather, the reduction is based on the judgment that the MCA will require time to become established and may not be in a position to efficiently distribute the entire \$1.3 billion request in the first fiscal year. We also have made a small cut in the Andean Counter-drug Initiative. It has been reduced from \$731 million to \$700 million – the amount appropriated in the previous fiscal year. In addition, we have authorized two new contingency funds at the request of the President – the Complex Foreign Crises Fund and the Famine Fund. But we have not authorized specific amounts for these Funds. I believe that every Member of the Foreign Relations Committee has chosen to be on this Committee because each wants to influence the conduct of foreign policy. Today we should work together to construct good policy and, in the process, re-establish the Committee's responsibility for foreign assistance. I have every expectation that we will pass this bill, and I look forward to working with all members to ensure its success in future deliberations.