



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

May 15, 2019

The Honorable Nita Lowey
Chairwoman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Lowey:

On May 10, 2019, the State and Foreign Operations Subcommittee considered the fiscal year (FY) 2020 Department of State, Foreign Operations, and Related Programs Appropriations bill. We are strongly opposed to the budgetary framework that underlies this and other appropriations bills being considered by the Appropriations Committee. In advance of Full Committee consideration of this bill, I would like to take this opportunity to share both these overall concerns as well as specific concerns related to this bill.

The Department of State, Foreign Operations, and Related Programs Appropriations bill is one of the first of several bills being considered under House Democrats' budget framework, which would raise the discretionary spending caps by more than \$350 billion in FYs 2020 and 2021 and does not reflect a House-passed budget resolution or a bipartisan, bicameral agreement. This would put the Federal Government on track to add nearly \$2 trillion to deficits over 10 years, while the national debt is already above \$22 trillion and rising.

In addition, the House Democrats' framework continues the misguided notion that increases to defense spending must be matched or exceeded by increases to non-defense spending. The bills under consideration actually provide more than twice as much additional funding in FY 2020 for non-defense than for defense programs, relative to FY 2019 levels. Investing in our national security remains a key Administration priority, but ensuring our defense does not require additional non-defense discretionary funding.

Excessive deficits continue to threaten the Nation's progress, and without action to restore the proper size and role of Government, deficits will remain over a trillion dollars per year for the foreseeable future. The President's FY 2020 Budget provides the Congress with a clear roadmap for bringing Federal spending under control. It proposes more spending reductions than any other administration has proposed in history, while providing necessary funding for defense, national security, and other critical needs. Importantly, the Budget protects these key priorities while adhering to the discretionary spending caps in current law. The Congress must do the same.

Overall, according to information provided in the Subcommittee press release, the bill increases funding by roughly \$13.7 billion, or 32 percent above the FY 2020 Budget request and \$2.2 billion above the FY 2019 enacted level.

The Administration appreciates that the Subcommittee bill includes funding for critical priorities, including \$3.3 billion in Foreign Military Financing for Israel (supporting the 10-year Memorandum of Understanding), bilateral assistance to Jordan, and security and economic assistance to other key partners in the Middle East region, including Egypt. The Administration also appreciates the Subcommittee's support for critical embassy security programs.

However, the bill includes funding that the Administration believes is not in line with the overall effort to control non-defense spending reflected in the FY 2020 Budget request or underfunds key investments in critical areas supported in the FY 2020 Budget request, including:

- **International Affairs Topline.** In total, the bill provides funding that far exceeds the amount requested in the FY 2020 Budget. In particular, for the Department of State and the U.S. Agency for International Development the funding level is \$12.4 billion, or 31 percent, above the FY 2020 Budget request and \$1.7 billion above the FY 2019 enacted level. In addition, the mark is counter to Administration efforts to rein in non-defense discretionary funding and eliminate the use of Overseas Contingency Operations funding for Function 150 programs.
- **Economic and Development Assistance.** The bill provides \$7.4 billion for economic and development assistance accounts, which is \$2.2 billion, or 41 percent, above the FY 2020 Budget request. The Administration opposes this high level of spending because it exceeds what is needed to support U.S. national security, promote U.S. prosperity and economic opportunities, and advance American interests and values around the world. The bill also does not consolidate this funding into one Economic Support and Development Fund appropriation, as was proposed in the FY 2020 Budget request, maintaining unnecessary accounts with specialized objectives and limiting flexibility.
- **International Organizations Contributions.** The bill provides \$2.2 billion for assessed and voluntary contributions to international organizations, a \$1.2 billion increase from the level proposed in the FY 2020 Budget request, including increased funding for the International Organizations and Programs account, which the FY 2020 Budget request would eliminate. This level is counter to the goals of the FY 2020 Budget request, which fully funds international organizations that are critical to national security, while also signaling America's commitment to greater accountability and transparency and more equitable cost-sharing among members. In addition, the bill would waive the 25 percent statutory cap on U.S. peacekeeping assessments for prior years, and require use of taxpayer funds to pay assessments in excess of the statutory caps despite the failure of the United Nations to act on U.S. cost sharing proposals.

- U.S. Development Finance Corporation (DFC). While the Administration appreciates the funding provided for administrative expenses, the bill significantly underfunds DFC programs. In particular, the bill provides \$25 million for the DFC's new equity program, \$125 million, or 83 percent, below the FY 2020 Budget request. This level undermines an Administration and congressional priority to provide the DFC with a tool that would catalyze additional investment for development and national security objectives by mobilizing the private sector.
- Global Fund for HIV/AIDS, Tuberculosis, and Malaria (Global Fund). The Administration is disappointed that the bill misses an opportunity to seek improved international burden sharing in support of the Global Fund. The bill provides more than \$600 million above the FY 2020 Budget request. While the Administration supports the work of the Global Fund, the proposal in the FY 2020 Budget request would challenge other donors to do more, and use prior year funds that other donors have not matched, rather than increasing U.S. funding unilaterally. The bill instead would undermine the previous matching pledge and require the United States to play a larger role, even while the combination of U.S. bilateral and multilateral efforts already represent well above half of global funding to combat AIDS.
- Program Eliminations and Reductions. The bill increases dedicated funding that the Administration proposed to eliminate or substantially reduce in the FY 2020 Budget request. These include: Educational and Cultural Exchanges; the African Development Foundation; the Inter-American Foundation; the Asia Foundation; the East-West Center; the International Fund for Agricultural Development; the U.S. Agency for Global Media; the U.S. Institute of Peace; and the U.S. Trade and Development Agency.

The Administration opposes the inclusion of numerous language provisions that limit the President's constitutional authority, are counter to Administration policy, or constrain the Administration's ability to conduct foreign affairs, including:

- Mexico City Policy, Other Abortion Restrictions, and Family Planning. The Administration strongly opposes sections 7058(a) and 7064 of the bill that would effectively block the Administration's implementation of the Protecting Life in Global Health Assistance Policy, which prohibits the funding of foreign nongovernmental organizations that promote or perform abortions. The bill also restores unrequested funding for the United Nations Population Fund, an organization determined by the Secretary of State to be supporting or participating in the management of a program of coercive abortion or involuntary sterilization.
- Reduced Flexibility. The Administration strongly objects to provisions that would significantly reduce the Administration's flexibility to allocate funds as the President conducts his constitutional duty over foreign policy. Section 7019 of the bill again requires that allocations for assistance accounts conform to numerous detailed congressional funding directives. However, this section goes significantly beyond restrictions in prior acts which have allowed the Administration to respond to changing conditions and apply exceptions on a case-by-case basis for urgent or unforeseen needs

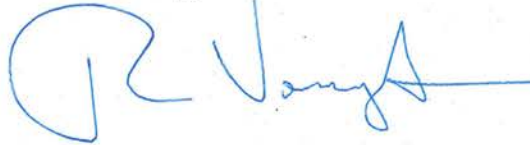
by both lowering the threshold for authorized deviations and—crucially—not allowing for exceptions previously permitted.

- Paris Agreement. Section 7060 of the bill prevents funding from being used to notify withdrawal from the Paris Agreement. The section is inconsistent with the President’s announced intentions. It would also interfere with the President’s constitutional authority to conduct the foreign relations of the United States, including the authority to withdraw from an executive agreement.
- Venezuela Transition. The Administration is concerned that the bill fails to provide requested authority to flexibly respond to the crisis in Venezuela. Special transfer authority would enable the United States to initiate additional programming quickly to support a democratic transition and related needs. The Administration urges the Congress to provide such authority in a final bill to support the people of Venezuela in their fight against tyranny.
- Central America Strategy. Sections 7045(a)(1)(A) and 7045(a)(1)(B) of the bill retroactively amend and make more restrictive language providing funding in support of the Central America Strategy. Such language would restrict the flexibility available to the President and Secretary of State to allocate foreign assistance funding in support of U.S. foreign policy objectives and further complicates compliance with numerous other congressional directives.
- Saudi Arabia. Section 7041(i) of the bill purports to impose restrictions on funding related to how the Administration should approach civil nuclear cooperation with Saudi Arabia. The Administration opposes language that would in any way aim to restrict flexibility available to the Secretary of State pursuant to authorities under the Atomic Energy Act of 1954 (as amended). The language also weakens the Administration’s ability to support the United States civil nuclear industry’s pursuit of commercial opportunities internationally, at a time when the entire United States Government should be instead redoubling efforts to counter Russian and Chinese influence in the civil nuclear market worldwide.
- Overseas Humanitarian Assistance Reorganization. The bill excludes provisions proposed in the FY 2020 Budget request that would strengthen and improve outdated and fragmented overseas humanitarian assistance, including a new International Humanitarian Assistance account where spending could adjust flexibly to meet the needs of affected populations as crises drive populations back and forth across borders and within their own countries. Moreover, section 7006 of the bill retains FY 2019 enacted language that limits improvements to the U.S. humanitarian structure by unnecessarily micromanaging how bureaus are managed and funds are administered. The Administration believes that a stronger and seamlessly coherent U.S. Government structure that elevates humanitarian assistance is needed to resolve conflicts underlying the largest crises while optimizing the outcomes for both beneficiaries and U.S. taxpayers.

- Foreign Military Financing (FMF) Loan Authority. The Administration is disappointed that the bill fails to include authority requested to provide FMF loans and guarantees, which the Administration views as an important tool for making U.S. defense equipment a more competitive and affordable option for partner countries.

As the Committee takes up the Department of State, Foreign Operations, and Related Programs Appropriations bill, the Administration looks forward to working with you to address these concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Vought", with a long horizontal line extending to the right.

Russell T. Vought
Acting Director

cc: The Honorable Hal Rogers

Identical Letter Sent to the Honorable Kay Granger