

## Hearing Transcript

### House Appropriations Subcommittee on State, Foreign Operations, and Related Programs Hearing on President Obama's Fiscal 2017 Budget Request for the Department of State

February 24, 2016

GRANGER:

The Committee on State, Foreign Operations and Related Programs will come to order.

Mr. Secretary, I want to welcome you back (inaudible). You should know that while funding for international (ph) presence (ph) represents just one percent of the total federal budget, we will define the majority of the (inaudible) about our era. Members of the subcommittee certainly understand the importance of these programs.

The United States continues to show leadership in areas such as reducing poverty, fighting the AIDS virus and stopping preventable deaths of mothers and children. However, there are countless security challenges around the world that grab the headlines every day (inaudible) ISIS in Syria and the surrounding region, which is being fueled by the Assad regime, ISIL -- other terrorist groups.

This situation has grown more complicated due to Russia's increased involvement, and we want to hear your thoughts about the situation on the ground. We also are concerned that our allies and partners in the fight against terrorism, such as Egypt, Jordan and the Kurds in Iraq, are not receiving the assistance they need. While there has been some improvement since I raised this issue with you last year, I want to reiterate that there is no excuse for bureaucratic delays.

It's also critical that our policies promote our national security interest and not undermine them. I question why the administration plans to phase out the cash flow financing arrangement from military sales in Egypt, which is one of the most reliable partners of ours in the Middle East.

We also must demonstrate our steadfast support to help Israel address the threats posed by Iran and its proxies. Now that a nuclear agreement is in place, we're all closely watching Iran's actions. You said that some of the funds freed up from the sanctions relief could end up the hands of terrorists. The threat to Israel is very serious. As you negotiate another long-term memorandum of understanding, it must be made clear that the U.S. support for Israel's security is unequivocal.

Another troubling development is the increased violence in Israel and the Palestinian territories over the last several months. We want to hear your thoughts about the prospects for getting the parties back to the negotiating table. We also want to hear what the United States can do to help stop harmful rhetoric and incitement.

I want to turn next to Russia's aggressive actions against its neighbors. Many of us don't understand why Ukraine does not receive lethal military aid or why the State Department budget proposes to reduce assistance to Ukraine by 55 percent from last year's level.

We also see China asserting itself against the United States and our friends and allies in the Asia-Pacific region. We want to hear how this budget supports countries willing to stand up to China when their territory is threatened.

We also watch with great concern as North Korea continues to defy international sanctions. (inaudible) your thoughts on what more can be done to stop this rogue nation from its nuclear pursuits.

In Afghanistan, the resurgent (ph) Taliban, a growing number of foreign fighters continue to threaten the country's security. We question how the \$1.2 billion of foreign assistance requested can be effectively programmed in this environment.

In the Americas, we see drug and gang violence, human trafficking and a lack of economic opportunity continuing to drive migration to the United States. The subcommittee held a hearing two weeks ago on assistance to Central America where we looked at these issues. We must see results before these (ph) funds can be considered.

We're also monitoring the new public health threat from the Zika virus spreading in this hemisphere and received (ph) the supplemental request on Monday. This committee has provided significant funding and the flexibility to address global health risk, and we want to hear how the administration will immediately address the Zika outbreak.

We have additional questions about the administration's budget request for the State Department and foreign assistance programs. The total funding requested is roughly last year's level, but you proposed to cut programs that have bipartisan support, such as security assistance and humanitarian programs. At the same time, we see an increase is requested for administration -- administration priorities, such as funding to combat climate change.

One ill (ph) that we all agree is a priority is preserving the safety and security of our nation's diplomat (ph) and development officers. This subcommittee must be sure that funds provided will keep our people safe.

In closing, I want to thank you and the men and women at the State Department and USAID for your work in promoting American interests abroad. We may not always agree on the policy or the means to achieve these goals, but the members of this subcommittee understand the need to engage with all of the tools we have available.

It's now my turn to turn to my ranking member and friend, Mrs. Lowey, for her opening remarks.

LOWEY:

Madam Chair and Secretary Kerry, it's a pleasure to welcome you before our subcommittee.

Since you were sworn into office, the world has witnessed unprecedented levels of turmoil, requiring strong U.S. leadership on many fronts (inaudible) the Middle East. And I do commend your attempts to bring about a cease-fire in Syria. However, as recent events prove, this requires the cooperation of Russia and Iran.

I look forward to hearing your estimation of what it would take for both countries to work with the international community to end the sinful (ph) bloodshed and atrocities of the Assad regime and specifically whether we have the leverage to end the conflict.

To continue on Iran, despite differing opinions on the Joint Comprehensive Plan of Action, it must be vigilantly enforced in combination with other sustained efforts to prevent Iran from ever developing nuclear weapons. The international community must have mechanisms in place to thwart Iran's destabilizing behavior in the region, particularly its ability to fund terrorists and export weapons to those proxies.

It is critical this committee understand how the administration will address these concerns and (inaudible) commitment to bolster the security of our allies in the region, particularly Israel. These concerns are heightened with recent sanctions relief for the regime and on the heels of the first shipment (ph) in three years of Iranian oil to Europe last week.

In addition to threats from Iran, Israel is threatened by radical extremism on several borders and combats almost daily terrorist attacks by Palestinians. President Abbas has yet to condemn the shooting, car rammings (ph), stabbings against the (inaudible) Israelis, yet he eats with terrorist families. Such behavior only incites more violence and makes the goal of two states to (ph) two people even more difficult to achieve.

It has also been reported in the media that there have been talks between (inaudible) and Hamas to establish a unity government. American support is predicated upon the Palestinian leader's commitment through direct negotiations, which cannot progress if one party refuses to abide by the (inaudible) conditions of recognizing Israel renouncing violence and abiding by previous commitments. A unity government with an unreformed Hamas would be an unacceptable impediment to peace.

LOWEY:

As (inaudible) as the conflict may be, I want to thank you for your efforts in trying to bring the parties together for a two-state solution and I hope you will reassure us that the administration will maintain its indispensable role (inaudible) and veto any resolution before the United Nations in keeping the long- standing policy to defend (inaudible) at the U.N.

With regard to the fiscal year 2017 budget request, I am pleased it includes strong economic and security assistance for Eastern Europe to combat Russian aggression and (inaudible) to address the root causes of child and family migration.

Continuing our investments to combat climate change, poverty and disease, this is critical. Yet the request reduces humanitarian and disaster assistance by more than \$1 billion. With unprecedented human suffering and humanitarian needs around the world, I want to hear your rationale for such a reduction.

Mr. Secretary, I share your concern that much of the department's core programs are currently funded through overseas contingency operations, or OCO, which inaccurately reflects our commitment to key partners, international organizations, and humanitarian operations. Diplomacy and development are critical components of our national security. Diplomatic failure increases the risk of conflict or failed states, and makes populations more vulnerable to radicalization.

Congress must find a more responsible budgeting method to provide the resources to meet these challenges today, tomorrow and into the future.

And finally, I must state yet again my deep frustration with the administration's failure to prioritize international basic education. With more than 120 million children and adolescents currently out of school, the administration proposed cut of \$240 million from the amount appropriated by Congress makes zero sense.

We cannot make sustained progress on any of our development goals, from health, to growing economies, food security, to building democratic institutions if generations of children grow up without basic literacy skills. In fact, the White House's own initiative, Let Girls Learn, will be impossible to implement with this unacceptably low funding request.

Mr. Secretary, I want to thank you again -- thank you for your service to our country; thank you for your testimony here today, and in your stalwart efforts to advance American priorities around the world.

Thank you.

GRANGER:

I now yield to Chairman Rogers for his opening statement.

ROGERS:

Thank you, Madam Chair.

Mr. Secretary, good to see you. Thank you for being here to testify to your budget request for '17 both for the department and foreign operations.

The importance of U.S. leadership in global affairs could never be more pronounced than now. Your job to promote American interests abroad, to pursue peace in regions (inaudible) hundreds of years of historical and cultural strife; your job to ensure the safety of our people, our citizens living here and abroad -- all this is of paramount importance at a time when the world could not be more insecure.

(inaudible) concerns our leaders have just voiced about ISIS and our need for a comprehensive plan to dismantle this merciless terrorist organization. They've senselessly killed thousands of innocent women and children, in horrible, horrific examples of hate and prejudice. They will stop at nothing to infiltrate this country and its allies. And we need to provide the American people with a degree of comfort that the tragic events that transpired in San Bernardino cannot and will not be repeated on our soil. And the State Department needs to play a role in that effort.

On the international level, we have a president who has rightfully solicited the support of other nations in dismantling ISIS. Coordination will be key to defeating this shared foe, and the U.S. must support our allies in this effort.

ROGERS:

I echo the chairwoman's sentiment that any assistance to our friends must be delivered in due haste. I fear that countries like Russia are all too eager to fill a perceived vacuum in American leadership and I hope you can address that concern here today, particularly as Russia continues to pursue aggressive maneuvers against its neighbors.

The bottom line, let me echo the chair's support for Ukraine. The U.S. should support Ukraine during these tough economic times and continue to assist in efforts to protect their sovereignty. And we must provide, Mr. Secretary, lethal -- lethal military aid this Congress has supported. And yet we see it being withheld. We want to ask you why.

Turning to issues that concern our closest ally in the Middle East, Israel, first we must maintain strong oversight over the nuclear agreement with Iran. Stability in the region, which is tenuous on a good day, depends on holding Iran accountable for its actions. I think most people in this room would agree that taking our soldiers hostage and testing a ballistic missile immediately after the joint comprehensive plan or agreement went into effect, was a bad start, to say the least. I hope you'll provide us with an update today about the administration's efforts to make sure Iran lives up to its (inaudible) agreement and what tools we have at our disposal if they don't.

And I would remind the secretary that just as this committee and the Congress controls the power of the purse, the secretary has (inaudible) power control as well around the world (inaudible) used.

Another matter that troubles our friends in Israel is the spike in violence and (inaudible) rhetoric. We know you have very close relationships with leaders in the region. We want to know what you are personally doing to (inaudible) back this incitement and restore some measure of peace in this troubled territory. No aid should go directly to the Palestinian Authority unless the -- the matter of incitement that's in our bill is addressed.

Finally, Mr. Secretary, let me talk a moment about Zika. And I shared these thoughts with OMB Director Donovan yesterday and others involved. But they bear repeating somewhat here.

I'm very disappointed, Mr. Secretary, that the administration didn't take our committee's recommendation to use unobligated funds laying there unused for the immediate response to Zika. Now, you've asked for a supplemental request and we're prepared to look at it carefully. But in the meantime, as an emergency measure, you've got this laying there. Go ahead and use it. You have our authority and our permission and hopefully our direction to go ahead and use at least temporarily the funds laying there that are not being used for Zika.

And it's -- when we authorized and appropriated the funds for Ebola a couple of years ago, we purposefully left the ability to use those funds for other diseases as well. And so (inaudible) another disease, Zika, let's go ahead and use the funds that you have. And that if that proves to be inadequate, we can always go back to a supplemental.

So, can we talk? Thank you, Mr. Secretary.

GRANGER:

Secretary Kerry, please proceed with your opening remarks. I know it's a full panel of members who are here and they have a lot of issues they'd like to discuss with you. So I would encourage you to summarize your remarks so you have time to address all of their questions.

The yellow light on your timer will appear when you have two minutes left.

KERRY:

Thank you, Madam Chairman and Ranking Member Lowey, and Mr. Chairman Rogers of the full committee, all the members. Thank you very much.

My apologies for being late. I had a phone call that came in that I had to take at the last minute, and I apologize for keeping any of you waiting.

Look, I want to just start by saying we really appreciate your tremendous work with us last year on a bipartisan basis, to approve a budget that really does reflect our core national security needs. And I really look forward -- this is the last budget of the Obama administration, and I look forward to a collaborative effort again this year because, as the chair said in his -- Chairman Rogers said, we've got this vast array of challenges, unprecedented in terms of time.

I must say I blanched a little when you said since you've been sworn in, there's been an unprecedented amount of turmoil. I hope that you weren't (inaudible) that that was because I was sworn in. But obviously, we're facing challenges, needless to say.

Let me just say \$50 billion is the total request, when you add OCO and the core elements and the AID. It's equal to about one percent of the federal budget. And it is, frankly, the minimum price of leadership at a time when America is diplomatically engaged more deeply than at any time I think in history in more places at the same time.

The scope of our engagement is absolutely essential in order to protect American interests, protect our communities, keep our citizens safe. We're confronted by perils that are as old as nationalist aggression, or as new as cyber warfare; by dictators who run roughshod over global norms, and some who changed their constitutions at the last minute to stay in office beyond the requisite periods of time and cause violence by doing so; by violent extremists who combine modern media with medieval thinking, to wage war on civilization itself.

And despite the dangers, I am -- I believe deeply that we have many, many reasons for confidence as Americans. In recent years, our economy has added more jobs than the rest of the industrialized world combined. Our armed forces are second to none and it's not even close. Our alliances in Europe and Asia are vigilant and strong and growing stronger with the passage of the TPP.

And our citizens are unmatched in the generosity of their commitment to humanitarian causes in civil society. We're the largest donor in the world to the crisis of Syrian refugees -- over \$5.1 billion. We can be proud of that.

We see and hear a lot of hand-wringing today but I have to tell you that with all of my affection in the relationships that I have for many of my colleagues. And the relationships I built around the world and my respect for the jobs that they do, I wouldn't switch places with one prime minister in the world. I believe nor would I try to retreat to some illusionary sense of the golden age of the past.

There are so many things that are happening in the world that are positive and constructive. Massive numbers of people brought into the middle class, diseases being defeated, on the brink of -- because of our efforts -- a generation being born free of AIDS in Africa. This is extraordinary.

And there are great opportunities staring us in the face in terms of the energy future and other possibilities. The largest market in the world, frankly. In the past year we reached an historic multi-lateral accord with Iran that has cut off each of that country's pathways to the nuclear weapon thereby immediately making the world safer for our allies and for us.

And I will note that the general in charge of the Israeli defense forces, General Ashkenazi, just the other day made a speech in which he said that the existential threat to Israel from Iran has been eliminated. That's the chief of the IDF in Israel saying that himself.

In Paris in December, we joined governments from 190 nations. No easy task getting 190 nations to agree on something but they approved a comprehensive agreement to curb greenhouse gas emissions and limit the most harmful consequences of climate change. Now we're determined to implement that accord and do everything possible to reduce the carbon pollution and grow economies at the same time. And we believe it is not a choice between one or the other.

Just this month we officially signed the Trans-Pacific Partnership to ensure a level playing field for American businesses and workers, to reassert U.S. leadership in a region that is vital to our interests and it will cut over 18,000 taxes on American goods that move into that region. We are asking Congress to approve that this year so that we can begin to accrue its benefits as quickly as possible.

In Europe, we are increasing support for our security reassurance initiative. We are increasing it four fold. We're meeting its obligations to a sovereign and democratic Ukraine. In our hemisphere, we're helping Columbia to end the globe's longest running civil conflict and we're aiding our partners in Central America to implement reforms and reduce pressures for illegal migration.

In Asia, we're standing with our allies in opposition to threats posed by belligerent North Korea. And we're on the brink of achieving a strong United Nations Security Council resolution which is now both in Beijing and Washington for approval. We are working with Afghanistan and Pakistan to counter violent extremism, deepening our strategic dialogue with India, supporting democratic aims in Sri Lanka and Burma. And encouraging the peaceful resolution of competing maritime claims in South China Sea.

And with friends in fast-growing Africa we have embarked on initiatives to combat hunger, increase connectivity, to empower women, to train future leaders and fight back against such terrorist groups as Al-Shabaab and Boko Haram. Now, of course we recognize that the threat posed by violent extremism extends far beyond any one region.

You mentioned Madam Chairwoman and ranking member of the issue of education. It is not going to be solved primarily by military means. So the approach we have adopted is comprehensive and it's long term. Diplomatically, we're striving to end conflicts that fuel extremism such as those in Libya and Yemen. We are deeply involved in trying to resolve both.

But we also work with partners more broadly to share intelligence, to tighten border security, improve governance, expand access to education and promote job training and development. And we have forged a 66 member coalition -- an international coalition to defend the terrorist group Daesh and I am absolutely confident that we are going to do that.

Well, let me just say quickly that the most critical thing obviously on the table at this moment in terms of this conflict resolution is the effort with Russia and Syria. We can talk about a little bit in our questions I'm sure. But I talked this morning -- the reason I'm late I was talking with Foreign Minister Lavrov. And we have a team that will be meeting in the next day or so.

The task force for the cease-fire -- SAS (ph) -- cessation of hostilities and we are -- I'm not here to vouch that it is absolutely going to work so -- but I'm telling you this is the one way that we can end this war. The alternative is that the war gets worse, that Syria might be totally destroyed, not able to be put back together again.

Everybody has said that you've got to have a diplomatic solution at some point in time. The question will be is it right? Will Russia work in good faith? Will Iran work in good faith to try to bring about the political transition that the Geneva communique calls for?

I just want to close by saying to everybody that I have been profoundly privileged to have the chance to work with all of you in support of an agenda that I believe reflects not only the most fundamental values and aspirations of the American people but also carries with it I am absolutely confident the hopes of the world.



That's the responsibility you all have. That's what we're going to be talking about this morning and I thank you very much for your forbearance, Madam Chair.

GRANGER:

Thank you very much. I'm going to start the questions and I'd like to return to the topic -- one of the topics I raised in my opening statement concerning the delays in delivery of the U.S. security assistance. The administration's asked our friends and allies to step up and play a greater role in the fight against ISIL yet we need to do more to deliver on our commitment to support.

The current foreign military financing and sale processes are cumbersome and bogged down by bureaucracy and the problems continue. I heard complaints about equipment delays to our partners for example, Bahrain, Kuwait and Egypt.

And that's why the fiscal year 2016 appropriations bill directs the government accountability office to review this process and make recommendations. Mr. Secretary, what are you doing to expedite the delivery of important equipment to our friends and allies fight ISIL and what more needs to be done to this system?

KERRY:

Well, the whole procurement system could be sped and that's a huge challenge for the appropriations committees and frankly the Pentagon and procurement process itself together with the State Department and the White State. We try to move it as fast as we can I can assure you.

Over the past year, we have seen unprecedented stress put on our security assistance mechanisms and frankly, we've seen them respond pretty efficiently and pretty quickly. We are currently providing expedited assistance to Iraq, Jordan, Lebanon, Saudi Arabia, UAE and other counter ISIL coalition members.

And I can go through a long list of them in -- through -- we've provided the Peshmerga with more than 65 million rounds of rifle ammunition, 41,000 grenades, 115,000 mortar rounds, 60,000 anti-tank rounds including 1,000 AT4s, more than 56,000 RPG rounds, 45,000 weapons including rifles, anti-tank systems, heavy caliber machine guns. Counter IED equipment -- more than 150 vehicles, ambulances, mine resistant vehicles.

Additional equipment is on the way: five million rounds of more rifles ammunition. That's just the Kurds. In terms of Jordan we continue expediting ...

GRANGER:

I don't -- I don't mean to interrupt you ...

KERRY:

I just want to point out that are in a massive process of providing materials. Now, we have created a special task force with the GCC countries and I have met with them on several -- three occasions now I think. And we're going to be meeting again the next weeks and we have set up a special department office within our -- within the State Department for the specific purposes of expediting materials to our allies and coalition partners.

Precisely to be able to respond any activities by other countries of the region -- Iran or otherwise. But also to help them in terms of their coalition efforts. So I just have to tell everybody is cranking full speed. We're doing what we can but as you know we do have some budget limitations.

GRANGER:

You were speaking of the Kurds -- too that I hear the most from is Ukraine and their request for weapons to defend themselves. And then the Kurds but the Kurds -- the situation right now -- the immediate crisis has to do with the price of oil and the flood of refugees. And it is a crisis from everything that we've been told.

How -- what can we do to help them stabilize their economy and get them the equipment they need to fight ISIL? And I still hear continually the fact that the aid for the Kurds has to go through Iraq. That 17 percent just doesn't get there and it doesn't get there in time to be helpful. So what else can we do?

KERRY:

I have heard that, Madam Chair, about the question of some siphoning off. (inaudible) But I've heard these allegations. We have a team working the embassy in Baghdad that's working very, very closely. It is a fact indeed that U.S. military assistance has to go through the central government. And that's required both by Iraqi law and by international law.

And the reason for that is that we have -- part of our policy has been to try to strengthen the central government of Iraq and not to encourage a break off or a belief that they are independent entities within a country can deal directly with the United States or other countries. So in order to strengthen Iraq that has been the rule.

But I will tell you a massive amount of effort now is getting to the Kurds and the Kurds frankly have been quite extraordinary in their efforts to help fight ISIL.

GRANGER:

They have.

KERRY:

We need to say thank you to them. They've been -- and we're training and working with them right now with respect to the preparations for Mosul. And that will continue.

GRANGER:

Thank you. Mrs. Lowey?

LOWEY:

Thank you, Madam, Chair and welcome again and with appreciation we welcome you for all your hard work.

Mr. Secretary, I know how hard you're been working and how many hours you spent on the Israel-Palestinian peace process and I share a deep frustration that the two sides are not sitting down face-to-face. Just last week, the Palestinian Authority, Prime Minister Riad Malki said, quote, "We'll never go back and sit again in a direct Israeli- Palestinian negotiation."

And now, once again, you see the international community intend (ph) to step in and impose a solution in the parties with a French (ph) proposal that includes the stipulation that if the talks fail, it would result in full recognition of the Palestinian state.

I won't repeat all the terms of Oslo (inaudible) inside (inaudible). So two -- two quick questions. What -- I don't know how quick, but according to the time -- what is our position on the French proposal? What are you doing to oppose such one-sided actions by international actors? If the Palestinians believe that the international community will pressure Israel for them, what incentive do the Palestinians have to go negotiate with Israel and engage in compromise?

And what is the administration doing to convince the P.A. that they cannot refuse direct face-to-face negotiations (inaudible) of the nation that the international will impose a Palestinian state on Israel? Do we have any influence with the P.A. leadership at this point?

KERRY:

Well, I -- I'd like to think some, but I think it's really difficult right now on all sides, to be honest with you. You know, I think that -- first of all, we do oppose unilateral efforts, but what's happening now is there's a multilateral movement that is growing that is concerned about any number of things.

And I was just in Amman a couple of days ago. I met with President Abbas and encouraged him, obviously, to first of all make sure that the incitement is being addressed and most directly, and we are working very directly with them with respect to any aspects of incitement. I've called him on occasion to encourage him to condemn acts of violence. He has on occasion, but not with consistency, regrettably.

But you know, it takes two sides to come to the table. Both sides have to really begin to offer something and begin to talk about the (inaudible) of doing that. I don't think that the situation is helped by additional settlement construction and building, and I think that, you know, we need to

see measures taken on both sides to indicate a readiness and willingness to try to pursue (ph) forward (ph) and reduce the violence.

There is no question that the average Israeli is living with day- to-day threats of life that could come from anywhere, whether it's a (inaudible) attack or a drive-by of somebody in an automobile. But I will call to everybody's attention that there were news reports just two days ago of the chief of the intelligence in Israel submitting a report to the government, and the headline of the report that I read out of the Israeli newspapers was that unless there is a peace process, there will be increased violence.

So my hope is that everybody will take note of that, not as a threat, but as a sort of sense of reality about the downward spiral that comes if there isn't an active process by which -- which is genuine, by the way. And I think that requires a slightly different formula than has existed previously.

I believe that Prime Minister Netanyahu is preparing some major (inaudible) with respect to economics and -- and some changes on certain relationship components of the (inaudible) relationship of the West Bank and other things, but I have been very clear that -- and I think everybody believes there has to be some kind of political horizon that both sides can understand.

The reduction -- elimination of the violence and a real readiness to move forward in real ways that people can grab onto and understand with respect to the creation of a state. If that can happen, then I think it's possible to have progress, but you know, it's not in our hands.

Now, with respect to the French proposal, we're evaluating it. We -- we -- we don't have all the details. We're trying to get some details about exactly what it would seek to achieve and how and what the rules of (inaudible) would be, but I think it's a reflection of the frustration that the global -- the international community feels about (ph) what is happening in the region, without blame, without point fingers, without anything, just what is happening, contributes to the overall instability and turmoil that you referred to earlier.

So that's why it's urgent and that's why we remain committed to Israel, committed to Israel's security, committed also, however, to trying to move the process forward and bringing the parties to the table.

QUESTION:

Let me just say, because my time is up, I appreciate your efforts and I know how much time you've spent on them, and I'm pleased to hear your commitment that the parties have to come to the table. As a result of Oslo, that's the only way that we can have two states, two people and I want to express my appreciation. I hope that means that we could not support a French proposal (inaudible) on the party to the United Nations.

KERRY:

I (inaudible) I don't know what the proposal is, but we have never supported something that is unfair to Israel or out of balance. You know, that's never been the policy of our country.

GRANGER:

Chairman Rogers?

ROGERS:

Ukraine. In your budget request, you slash -- you slash funding for Ukraine activities by 55 percent, from \$363 million down to \$295 million. In the meantime, the National Defense Authorization Act of 2016 authorized \$50 million (ph) for certain defensive lethal assistance, and so far, the only equipment that we have sent them has been non-lethal and many people say that it's used and not very effective equipment at that.

In the meantime, the government -- the government (inaudible) supporting Ukraine is teetering (ph). The prime minister just survived a no confidence vote in Parliament. A lot of political turmoil, namely (inaudible) I'm told to the austerity (ph) reforms they have (inaudible) that have urged (inaudible) Ukraine that IMF has not dispersed funds from its loan package since August. We can't get information out of the State Department. The budget request for '16 include \$275 million for a third billion-dollar loan guarantee to the government of Ukraine.

But the administration has not answered this subcommittee's questions about (inaudible). Can you help us?

KERRY:

Yes. I -- I (inaudible) -- I mean, I can't speak to the lack of an answer as to when it will be finalized, but let me just speak to...

ROGERS:

(inaudible) your staff could help us with that.

KERRY:

So when it's going to be finalized, that's -- I don't think the -- the -- the loan guarantee is currently under negotiation. It's the third loan guarantee that we have given. We've put \$2 billion on the table already in loan guarantees and we're negotiating the third.

But the uncertainties (ph) in the negotiation, Mr. Chairman, frankly, I -- I don't think they can be laid at our doorstep. The reason the IMF has not been able to make a disbursement -- and if you look at what -- Christine Lagarde sent a 10-point requirement to the government in Kiev requiring them to move forward on their reforms.

And the -- that's partly the reason for some of the turmoil that is going on. There's a -- there's a significant amount of political disquiet. We've been addressing that very directly. Vice President Biden and I met with President Poroshenko in Switzerland a few weeks ago. We had three other

meetings in Munich. We have been pushing very hard to try to get the reforms in place that have frankly also required some of the steps that are required as part of the Minsk process.

So we're pushing on it, but the request of USAID assistance is \$294.8 million, which is actually an increase of \$103.4 million over the 2015 amount. You're right, it's less than 2016, but it's more than 2015, and it's calibrated (ph) (inaudible) be absorbed and put to good use in the context of (inaudible), but they have probably a \$20 billion gap overall.

And I don't think that -- you know, what we're looking at is a situation where we need to have a massive -- a significant reform effort, passage of laws (inaudible) grab the bull by the horns here, President Poroshenko has to push these reforms through, and then there's a chance that this money will in fact reach the right people and do the right thing.

ROGERS:

So I hope I'm wrong in this, but I judge -- perceive that we're not doing all we need to do in Ukraine. And if that's so, it makes me wonder whether or not we are taking that position as a quid pro quo for Russia's assistance to us in Syria. Is that a possible angle here?

KERRY:

No, I think -- look, we're very involved. We've -- we've had a -- serious conversations with President Obama raises the issue of Ukraine with President Putin in every conversation that he's had. And I met with President Putin a few months ago. We talked significantly about Ukraine. We talked about it when we met him at the U.N. last September.

This has been a constant effort to try to move that process forward. Now, it is principally negotiated in the Normandy format between the French, Germans and -- and the Russians and we weight in and we evolved an advisory caution (ph) in that regard. So it's not appropriate for us to suddenly, you know, try to link (ph) the two and I think it would be a mistake to do so.

KERRY:

But -- but -- but Mr. Chairman, let me just say to you, I am ready to (inaudible) anywhere the amount of work our department has done. Victoria Nuland and our team, (inaudible), our ambassador, is superb, and has done an extraordinary job working day to day to help move things forward.

We actually were there, present for days, helping (inaudible) to be able to get the votes to pass the things that needed to be passed. We're deeply involved in ways that remain appropriate, and sufficiently respecting the independents (inaudible). But we're pushing them and pushing them.

We've elevated the fight against corruption. We're pushing the (inaudible) justice system. We are enhancing their energy security by getting them to rely less on Russia. We've been strengthening

(inaudible). We've been working on their (inaudible) corrupt and difficult health system in order to transition it to a more effective model.

We've taken huge defense reforms, modernized the military and security services. We're deeply involved in helping them, with other countries, I might add, to develop the capacity of governance necessary for the task that they face. And it is difficult. It is difficult (inaudible) some of the levels of corruption that existed there (inaudible).

That was part of the challenge that was (inaudible) by the IMF. And the point the IMF is making is we're not going to (inaudible) that's just going to be, you know, wasted and squandered by virtue of a corrupt process. So this challenge is complex, but is being tackled very, very directly by our very dedicated, and frankly, very invested diplomats who want this to succeed.

ROGERS:

Mr. Secretary, thank you for your service to your country.

KERRY:

Thank you.

GRANGER:

Thank you. Ms. Lee.

LEE:

Thank you, Madam Chair and our ranking member for this important hearing. Also, I want to thank Secretary Kerry. I want to thank you for being here today. (Inaudible) considered the president's last budget (inaudible), I want to take a moment (inaudible) to thank you for your phenomenal (ph) work as secretary of state. It's really been a pleasure to work with you on so many issues; (inaudible), Cuba (ph), Iran.

(Inaudible) your leadership has really demonstrated the fact that our international (inaudible) budget really is a reflection of our values and ideas as a country. And you have really put that forward to the entire world. So thank you very much.

On (inaudible), I was delighted to attend the reopening of the Cuban Embassy (ph) in Havana (inaudible). As you know, as this committee knows, I've been a strong advocate for ending the 50 years of failed policy with Cuba. I'm also pleased to co-chair our Bipartisan Cuba Working Group here in the House.

How has the (inaudible) of diplomatic ties with Cuba shows the perfection of the amount of states, how has that impacted our ability to advance our agenda, for instance, with (inaudible), and (inaudible), and (inaudible)?

Also, along those lines, I just want to ask you, in terms of our democracy program, this committee and USAID, they know that I've been asking these questions since the incarceration of (inaudible). How are these democracy programs (inaudible) ensuring that contractors and subcontractors who work on (inaudible). Whether we agree or not with the country laws, they could be, unfortunately, arrested if in fact they engaged in these programs. So would they know up front what risk they're taking in their participation with this? (Inaudible) what happens with (inaudible)? Thank you for helping to make sure (inaudible).

KERRY:

Thank you. I appreciate that. Thank you very much, Congresswoman. I really appreciate your support in this effort. I know that some people disagreed with it, obviously. But I have to say that it is already creating change. You can see the transformation.

(Inaudible) more than 50 delegations -- congressional and cabinet -- that have traveled now to Cuba in the last year. People see for themselves there are regulatory changes that have taken place that have opened new opportunities for U.S. firms to export goods and services to Cuba.

There have been agricultural delegations that have traveled there to explore how we could eventually, if (inaudible), begin to change life for the Cuban people; better agricultural practices, better goods, actually sell American goods there, which we'd like to do. We signed off on a pilot program for direct transportation of mail (ph), which (inaudible) begin soon. We just signed a re-established scheduled air service between the United States and Cuba for the first time in more than 50 years.

And we've actually empowered a Cuban private sector that now employs one in four Cubans. A private sector is emerging. And people in the United States can now send unlimited remittances to support private businesses, and private microfinance, and entrepreneurial training activities in a broad range of (inaudible) materials and supplies for Cuban entrepreneurs.

Now, I happen to be, as does President Obama, I'm also -- the Cuban government has expressed its intent to expand development of communications and Internet on the island; 50 -- to have a target of 50 percent of its households connected to the Internet by 2020. And we've obviously engaged that.

(Inaudible) recently opened 35 public Wi-Fi hotspots. So things are changing. It's not going to happen overnight. We (inaudible) said that. President Obama was very clear. Transition will take time.

We are not happy with the movement in some regard in areas of human rights. There've been some political challenges, obviously. And we're going to continue to press those issues. President would speak to those things directly when he goes to Cuba.

But we feel very, very strongly that this policy is geared to address the hopes and aspirations of people of Cuba. And that's what it's beginning, in fact, to do, to take hold. And we believe nothing



will speak to the Cuban people's aspirations and needs more than lifting the embargo, so that we cannot have to wrestle with everything that we're trying to do, but just let it happen.

And I think what's happened in Eastern Europe (inaudible) to what happens when you open up and allow (inaudible) to come in. And there are other places that respect that, too. Myanmar, other people (inaudible) transition to democracy.

So, Congresswoman, I think with respect -- our embassy is taking great care to make sure that people understand the rules, aren't stepping over any lines. We have -- one of the things we negotiated was mobility (ph) to increase the number of diplomats in Cuba, and we're in the process of doing that. With this budget, we've asked you for the additional slots in funding for that.

GRANGER:

Thank you so much. Mr. Diaz-Balart?

DIAZ-BALART:

Mr. Secretary, good to see you, sir.

KERRY:

Thank you.

DIAZ-BALART:

I was taken aback that you mentioned as a success the (inaudible) members have actually (inaudible). But let me -- so it's an interesting thing (inaudible) would be the success story.

Today is the 20th anniversary of the murder of three Americans and one American (inaudible) ordered, according to himself, he himself (inaudible) Castro. Just days before that, the president announced that he would be traveling to Cuba.

Now, in December of 2015, the president said that any trip of his to Cuba would be conditioned on improvement of human rights (inaudible). You yourself just said that that's (inaudible) where things have not worked (ph) good.

Facts. Let me put some facts on the table. Last year, there were documented 8,616 political arrests in Cuba, a huge increase. Several political prisoners on the Obama-Castro (ph) list of 53 have since been re-arrested. Cuba remains the only country (inaudible).

Mr. Secretary, by any objective measure, the Castro regime has not improved its human-right records. If anything, it has gotten worse. So, again, facts. Please reassure us.

Give us some facts of where the human-rights situation has improved to reassure us that President Obama is not breaking his word of December '15 when he said that he would not visit if human-

rights conditions had not improved. Where specifically, Mr. Secretary, have human-rights -- human-rights conditions in Cuba, on the island, improved?

KERRY:

Well, the agreement required a large number of people to be released, as you know.

DIAZ-BALART:

Fifty-three (inaudible), Mr. Secretary, have been re-arrested.

KERRY:

Correct, and we believe they will be released, as is appropriate. And that signifies some (inaudible), some movement. In fact, (inaudible), yes (inaudible) four. I believe it was four or five were registered that.

DIAZ-BALART:

Where specifically have human-rights conditions improved?

KERRY:

The president (inaudible) always said -- that component is not going to change as rapidly as other components, but it's changing. And you have to look at other countries that have gone through, and are going through, these kinds of transitions.

We still -- we deal with China. China's probably our biggest -- I think (inaudible) of the United States, one of the largest traders with the United States. And we disagree with China on human rights.

DIAZ-BALART:

Where specifically have human rights improved? I'd like you to reassure us the president is not breaking his word. In December of 2015, he said he would not go unless human-rights conditions improved. I just want you to reassure (inaudible).

KERRY:

They have improved in the sense that 53 prisoners who were in jail for political reasons were released. And I believe those others will be released. I think that would be -- the president is going to engage in this human-rights discussion. I'm engaging in this discussion.

We just met with the finance minister of Cuba the other day. I talked to my colleague on a regular basis about this. I may be going down there before the president to have this discussion to some degree. So we're continuing to push on it.

DIAZ-BALART:

I don't hear any facts here, Mr. Secretary. You mentioned (inaudible) a success, but we know what the facts show. (Inaudible). Again, you keep mentioning, which I appreciate, that there were 53 released, a number of them have been re-arrested. I'll just mention the number, 8,000 arrests, political arrests; not to mention that 200 arrests every Sunday, (inaudible), the beatings of these women who are just trying to go to church on Sundays.

So I'm just trying to see -- I don't want to be argumentative (ph), I'm just trying to see if you can give us some facts. So you're telling me that with 8,000 arrests...

KERRY:

And people are engaged. One in four people in the country are engaged in private sector...

DIAZ-BALART:

(Inaudible).

KERRY:

I beg your pardon?

DIAZ-BALART:

The licenses of these so-called private, independent businesses (inaudible).

KERRY:

There are an increased number of private businesses. There is a capacity to provide clients. There are people who are now being (inaudible) open businesses who went before.

DIAZ-BALART:

Do you have any of those numbers? Because again, the numbers that we have...

(CROSSTALK)

KERRY:

Well, I'll get the specific numbers for you. I don't have...

(CROSSTALK)

DIAZ-BALART:

I just want you to reassure us. Because again, I just keep hearing (inaudible).

KERRY:

I'm trying to reassure you, but you don't want to be reassured.

DIAZ-BALART:

Mr. Secretary, (inaudible) numbers.

KERRY:

I'll get the numbers for you. We'll get you the numbers.

DIAZ-BALART:

So you have no numbers. And so again, please reassure me. The president said he would not visit unless human rights improved. You mentioned (inaudible), many of whom have been rearrested; and there have been over 8,000 arrests. By anybody's math, (inaudible), that's not a pretty good ratio when you have 8,000 arrests, 53 supposedly released, and a number have been rearrested. That's (inaudible).

Again, please, if you could get back to us, reassure us that the president is not (inaudible) this (inaudible) when he said he would not visit until there is a substantial increase -- improvement in human rights (inaudible).

KERRY:

I'm happy to (inaudible) details on it, Congressman.

DIAZ-BALART:

My time is up. Thank you, Mr. Secretary, appreciate it.

GRANGER:

Thank you.

Before I call on Mr. Ruppertsberger, between Christmas and New Year's, I traveled to Costa Rica because I kept reading stories of the Cubans that were going through Ecuador -- from Cuba to Ecuador, Ecuador to Costa Rica. And so I went to see them, and to ask them why they were leaving. And the answer that I got personally was that there had been such a clamp-down in Cuba since the deal was made with the United States, that they felt like the only time they could leave was now. That was my experience (inaudible).

Mr. Ruppertsberger, please.

RUPPERSBERGER:

Mr. Secretary, thank you for being here.

I believe right now that this is one of the most dangerous periods for the United States throughout the world, with the China- Russia threat, terrorism threat, Iran, all these different issues.

I want to get into the issue of Iran, though. We had a lot of debate and the agreement went forward with Iran. I think the focus -- focal point of the agreement, which a lot of individuals or a lot of people didn't see it this way -- was to stop Iran from having nuclear weapons. It would have changed the Middle East and the makeup of the Middle East, and it could have been very dangerous.

And as we know, Israel is one of our most important and closest allies, and their security is very important to us and we stand behind it.

Now, according to the State Department, I want to ask two questions. According to the State Department, Iran continues to still be the world's leading state sponsor of terrorism in its quest to dominate the Middle East and expel our influence, that type of thing. They're very active in -- in Iran -- in Iraq, Bahrain, Yemen, Lebanon, Palestine, Central America. The Quds Force is very active in a lot of these areas.

What I want -- the two questions I'm going to ask, number one is what is the status after we have the agreement, as far as the focal point of, number one, the issue of nuclear weapons? Where are we? Do we feel secure that -- that the goal has been reached? Do we have independent examination? We want to make sure the examinations continue to move forward.

And the second issue is the issue of exporting terrorism. Can you talk about other sanctions? I think it's important that we understand that the United States still have, through the United Nations, we have a lot of sanctions on Iran as we speak now, as it relates to their exporting of terrorism. And I think it's important that you discuss those, what they are. And -- and an example, if Hezbollah -- Iran transfers money to Hezbollah, to the benefit of Hezbollah, would it mean -- would the U.S. immediately sanction the bank that did that? Those type of issues.

So those are the two issues -- status of the agreement, where we are now; and secondly, what we're doing as far as Iran exporting terrorism and the sanctions that exist there.

KERRY:

OK. Well, Congressman, Iran is compliant (inaudible). There have been a couple of issues of interpretation of when they (inaudible) that we have worked through, and the mechanism that we set up to work it through, and it's been resolved.

And they have taken some 19,000 centrifuges and reduced them to 5,060. They've taken their 12,000 kilograms of stockpile and reduced it to the requisite 300 kilograms that cannot be enriched above 3.67 percent. They've taken the calandria, which is the core of the plutonium reactor, which was being built -- not yet commissioned. They've taken it out and destroyed it, filled it with concrete. IAEA inspected the dried concrete. It's destroyed, cannot be used again.

They have ceased all fissionable enrichment process at Fordow; stored the appropriate centrifuges in the appropriate places; allowed the inspections to take place. And so in effect, they've moved the heavy water out and it's on the market for sale. They've moved the enriched uranium out. The ship is now in Russia. Russians took that, the highly enriched uranium.

So every aspect of what we laid out as a requirement has been in fact carried out. Which is why implementation day took place appropriately, with the IAEA signing off on it.

Now, we will continue, obviously, very -- and this was the whole purpose of the agreement. It's what we promised the Congress, the American people and the world. There will be an ongoing process of -- of extremely intrusive, but agreed upon verification of the continued compliance with this agreement. And our intel community and Energy Department which is responsible for own nuclear weapons, have assured us that they believe they are capable of knowing exactly what is going on and that compliance is taking place.

Now, with respect to Iran's other activities, we purposely left in place the regimens for other sanctions. So sanctions for support of terror, for instance; sanctions for missile tests; sanctions for arms embargo -- all of those are existent -- sanctions for human rights.

And we continue to monitor those. In fact, on January 17th, we designated some three entities, and I think eight individuals, seven or eight individuals, for violations with respect to the missile launch that had taken place previously. So we've put Iran on a list of those -- those compliance measures will in fact be utilized and we will continue to (inaudible).

Now, the Iranians have -- we've intercepted, in fact, one dhow ship, a boat, large boat that was taking arms we believe to Yemen. And we also turned away a convoy very close to the period when we were completing the agreement, and that convoy turned back because we singled it out and said this would be a violation. So it wasn't (inaudible), because it went back and they never did in fact send the arms, but the effort was attempted.

So that shows you how acutely we're watching it, and how we've been able to actually have an impact.

RUPPERSBERGER:

Thank you.

GRANGER:

(OFF-MIKE)

DENT:

Thank you, Madam Chair.

Good morning, Mr. Secretary.

KERRY:

Good morning.

DENT:

I'm not expecting an answer to this question, but maybe one of your folks after the meeting can help me with this. It has to do with Colombian truck -- truck scrap that's moving up. American truck manufacturers, including some in my district, recently welcomed the news that Colombia may be eliminating its one-for-one truck scrapping requirement, which requires an old truck to be scrapped for every new truck purchased.

However, we have heard that this change may include a caveat that the requirement would only be eliminated for certain types of trucks, which would still pose a problem for many American manufacturers. And obviously, we have a Colombian trade agreement, and this is a real source of concern for many.

So, the question I have is what specific actions does the administration intend to take if Colombia continues to restrict its market for American-made trucks? So, I don't expect you to have an answer at this moment, but I would like somebody to at least be able to get back to me -- unless you do have an answer.

KERRY:

No, Congressman, I -- I (inaudible) do that.

(LAUGHTER)

But I promise you we'll get back to you pretty quickly.

DENT:

And a second question deals with Syria. As this committee considers the administration's request for funding to aid in the fight against ISIS, I have to ask: What do you see as our end-game in this region, as it appears now that the Russians have successfully shored up the Assad regime, and simultaneously increased their own clout?

In the Middle East, we've also seen Hezbollah (inaudible). Iranian fighters increasingly engaged in that conflict as well on the side of Damascus. Meanwhile, Turkey appears to be using the conflict

as an excuse to wage war against the Kurds, many of whom are actively fighting against ISIS. And you know the whole drill there. And of course, the Turks are more interested in taking out Assad, it seems at the moment, than fighting ISIS. A very complicated -- convoluted situation.

And I guess the issue for me is: What is our end-game in Syria diplomatically? And just as importantly, is there a viable Sunni political infrastructure in Syria that is not radical and that could actually govern in the event we have a (inaudible) agreement?

KERRY:

Well, the answer to your last question is yes. There are Sunnis who are extremely capable and moderate and very qualified business people, very capable potential contributors to a resolution. But we don't want to divide this thing up or talk about it in a context of Sunni, Shia, Alawite, whatever. And it's up to the Syrians. I mean, the Syrians have got to make that kind of a decision.

Which is why we are so supportive of the political process. Now, you ask what is the end-game. The end-game is actually shared, or at least in statements and positions publicly put forward, the end-game as stated by Iran, by Russia, by the United States, by the European Community, and by the Arab countries -- all share the notion of a Syria that is united, whole, stable, peaceful, protecting all minorities, in which you have the ability of the Syrian people through elections to choose (inaudible), and free of foreign fighters (inaudible) Daesh and so forth.

KERRY:

Now, how do you get there?

And by the way, the Iranians and the Russians have signed onto that in the context of U.N. Security Council Resolution 2254. And they have also issued two communiques in the context of the Vienna meetings where they have embraced exactly what I just described -- a whole, unified Syria in which the Syrian people decide the future.

Now, Russia has long supported Assad. This is not a surprise to anybody that Russia is supporting Assad.

Russia also has a very specific interest in preventing terrorists from coming back to Russian soil. They're probably more than 2,000 -- not probably. There are more than 2,000 Chechnyans fighting in Syria as part of the radical extremist elements. And Russia doesn't want them coming back and fighting them.

So part of the Russian -- part of the Russian strategy was to shore up Assad who they feared might have been about to fall to Daesh and to Nusra. So their concerns were that this would be greatly destabilizing them. Now they have other ulterior geographic, geostrategic and other interests and we understand that. But while Russia has succeeded in shoring up Assad, that doesn't end the process for Russia.



Because Russia's there and on the ground. And holding territory is hard and if you have a persistent and continued insurgency against that government and you will if there is no peace that's a problem for Russia. So in the long run Russia has an interest we think in trying towards a legitimate political transition that can provide stability and a change in Syria.

DENT:

Without Assad -- a transition without Assad?

KERRY:

We believe it cannot happen except without Assad and the reason is that if you have barrel bombed your people and gassed your people and tortured your people and starved your people it is very hard to envision how you can take 12 million people who have been displaced -- driven out of the country and -- and with over 400,000 killed. And have that guy sit there and say, "Oh, OK. Everything's fine. Let's go. Status quo ante." It's not going to happen.

And Turkey, Qatar and Saudi and others in the opposition have made it very clear war will not end if Assad stays. So Russia has to confront that. Iran has to confront that and they have signed on at least to a structure that begins to confront that. The reality will be the test in the next few weeks and months, are they really supporting a genuine process of transition?

And we will know very quickly whether that's real or not. But if you really want to end the war there's no way it seems to me to be able to ultimately do that without some kind of negotiated outcome. And it's going to require some compromise. So we're going to have to plow ahead.

I'm not vouching for the fact that this cease-fire will absolutely work and take place. But it's the one way to get to the discussion of the future of Assad and the possibilities of a political transition. And since Iran and Russia have signed on to the idea of this political transition expressed in the Geneva communique of 2012 we have to put that to the test. And President Obama is deeply committed to exhausting the diplomatic possibilities before we have to confront if we have to whatever plan B might have to be.

GRANGER:

Thank you. Ms. Wasserman Schultz.

WASSERMAN SCHULTZ:

Thank you, Madam Chair. Mr. Secretary, it's good to see you. I want to first just recognized that next month of ninth year of anguish for Robert Levinson's family. And as heartwarming as it was to see our American citizens coming home from Iran earlier this year we still have had no progress no locating his whereabouts or moving towards being able to help bring him home.

And end his family's pain and return him to his home in South Florida. And so I appreciate the -- your efforts, the efforts of President Obama and the administration but I would just underscore

how important is it to continue to press -- press Iran for their assertion which has no credibility whatsoever that they have absolutely no idea where he is or anything to do with his disappearance.

And sticking with Iran, obviously following the Iran agreement which I supported the most important thing we have -- step we have to take now is to make sure that we have a strong MOU - - new MOU with Israel that I know we're in the midst of negotiating. And I had an opportunity to speak with Ambassador Shapiro at the end of last and we had a good conversation.

But could you update us where we are and I know you can't go into excruciating detail here in this setting. But could you update us on the progress that we've made on finalizing that MOU with Israel? Because obviously making sure that we can maintain their security and continue to make sure that with the turmoil that continues to occur all around them that they have the ability to keep their national security interests strong and protect their people.

And particularly my concern is that with the language that I am told is being included that Congress be able to maintain our ability to continue to increase the support that is essential for Israel to keep her people safe.

GRANGER:

(OFF-MIKE)

KERRY:

Absolutely. I'll try and be really quick. All right. Just very quickly on Robert Levinson. Let me just make it clear, there is a process. And in fact, we wrote into the agreement that saw the folks come back the other day a very specific inclusion of an ongoing dialogue and process on Bob Levinson.

I met with the family just recently. I know they are disappointed. I understand that. I'm very sympathetic to that and how could you not be when you see people come back and you're wondering what happened after all these years.

But as I told them and we have said publicly, we just have not had a proof of life since the last one I think was 2007, am I correct? Seven or eight or somewhere in there. That -- 2010. Excuse me and that was the last time. And I am pursuing personally the obvious questions that flow from the moment of that last proof. What happened?

And we've -- I've raised this very directly with my counterpart. We're trying to see if we can trace that back and work on that. So there is a process in place. We are determined and President Obama will not rest easy until we have exhausted every possibility. And we're going to try and get him back if that can be done.

With respect to the MOU, we are negotiating. We're had a ten year MOU -- doesn't expire until 2018. But we'd like to get it done. We -- you all and the United States have given \$3.1 billion a

year for 10 years. There will be more. There is no doubt because of the needs and because of the increased security process.

We've done a very strong evaluation of what it is. We're taking into account all of the QMD issues for Israel. I think it's fair to say that the level of cooperation with Israel notwithstanding the disagreement over Iran on the Iran agreement. We -- the cooperation on a day-to-day basis is really just never been higher, better, we have Iron Dome.

We have constant communication. We've working very closely with Israel and I have no doubt that an MOU will be reached, an MOU will have a large amount subject to your judgments and we will continue to provide Israel with the security that it needs and help it to be able to defend itself by itself.

WASSERMAN SCHULTZ:

And our ability as members of Congress to be able to address crises and emergency provisions?

KERRY:

For sure.

WASSERMAN SCHULTZ:

And we've always had that but there's been -- there have been discussions that our ability to do might be restricted in the MOU. And so I want to make sure that...

KERRY:

I'm not aware of that detail at this point. Let me check on it and I'll get back to you.

WASSERMAN SCHULTZ:

Lastly, I just -- you alluded to that the current MOU expires in 2018. Obviously the situation (inaudible)...

(CROSSTALK)

KERRY:

Everybody wants this ahead of time for planning purposes and...

(CROSSTALK)

WASSERMAN SCHULTZ:

Yes so -- and also because the circumstances have dramatically shifted given that we have entered into an Iran agreement which like I said I supported and I thought it was the appropriate to keep Iran from getting a nuclear weapon. But we also have to address the security concerns there (ph)...

KERRY:

Sure. And they will be.

WASSERMAN SCHULTZ:

Thank you.

GRANGER:

Mr. Rooney.

ROONEY:

Thank you, Madam Chair.

Mr. Secretary, last July I introduced legislation with the co- chairs of the South Sudan caucus including Congresswoman Barbara Lee requiring the president to submit to Congress a strategy to support the U.N. Peacekeeping mission in the South Sudan to investigate human rights abuses and ease intensifying humanitarian crisis.

The bill also directs the administration to pursue high level engagement with regional like-minded governments in order to better promote -- to promote a better environment for the resolution of this crisis. And to halt the flow of arms from all external sources and to support the creation implementation and enforcement of the U.N. Security Council arm embargo and targeted individual sanctions on all parties to the conflict in South Sudan.

While I was cautiously hopeful about the signing of the peace agreement, I felt and still feel strongly that in order for it to succeed that U.S. leadership and long term planning is obviously critical. U.S. officials from the past and current administrations have been intimately involved and demonstrated incredibly leadership to bring an end to the 17 year civil war between the North and South.

As you know, five years ago the South Sudanese people finally achieved independence and the U.S. gained a strong ally in South Sudan. But this civil war is devastating obviously and it shouldn't deter the U.S. from engaging in aggressive diplomacy to prevent another generation from a lifetime of war the impact of which we are see manifest itself from around the world.

I commend the U.N. panel of experts for conducting what must have been an extremely harrowing investigation in South Sudan and I'm hopeful that their work will compel the international community to fully recognize the intensity of atrocities committed the civil war. Ranging from

systemic rape and mutilation of women and girls to the recruitment and exploitation of children soldiers.

ROONEY:

Mr. Secretary, I'd like to ask you sort of a long question because I might not be able to chime back in. But I just wanted to say as you know this country is five years old and if we can offer any words here today of optimism for their future there specifically with regard to missed deadlines, cease fire violations, attack on humanitarian workers, restrictive laws against the press and civilian society, NGOs. So we can assume that this peace agreement may be deemed a failure.

What does the U.S. have (inaudible) to facilitate the immediate coordination of African leaders, the E.U., and other UNFC members, to impose targeted sanctions on individuals who've committed violations of international humanitarian and human-rights laws, and to enact an arms embargo, so that we can try to save the ceasefire, the peace agreement, and the future of the South Sudan?

KERRY:

Well, Congressman, first of all, let me thank you for your focus on this. It's really important. I really appreciate the detail and depth of your concern about this. The United States is the largest (inaudible) in the world since this conflict began to the challenge of Sudan, South Sudan. (Inaudible) 5 billion.

And we have been deeply involved. President Obama has been personally involved, and he went over to Ethiopia. He held meetings. He has had personal conversations. I've had personal conversations. I traveled to Juba as secretary, and had conversations with President Kiir. I can't tell you how many phone calls I've had, President Kiir, and with Bashar.

And we have pushed very, very hard towards this peace process. We have Ambassador Don Booth has been diligently working there as a special envoy under very difficult circumstances. (Inaudible) the United States, and have pushed very, very hard to have compliance with the international community's desire to end the conflict.

They're in a critical stage now. There is security forces for Bashar (ph) have now arrived in Juba. He is supposed to go there at some point in time to try to fulfill the mission of having this (inaudible). And we have a very real agenda, post-conflict reconstruction of criminal justice, transitional justice, as part of the contract resolution. We've committed \$5 million to accountability to try to help lead in this process in addition to the aid and other things we're doing.

But the bottom line you raised at the end of your question, the sanctions, my message to South Sudan, and to the (inaudible) in the process is very simple. This takes leadership. If President Kiir, and the people around him, and (inaudible) Bashar (ph), the people around him, don't take on responsibility and deliver on this peace agreement, then the international community is absolutely prepared to put in place individual sanctions for a range of things ranging from the corruption, to property that may be held in other places, through the crimes that may have been committed in the

course of the war. And they're very serious about that. This is a critical moment for South Sudan survival, and it's important for people hold themselves up to their leaders to actually lead.

GRANGER:

Thank you. Mr. Serrano?

SERRANO:

Thank you, Madam Chair. Thank you, Secretary, for your work, your service to our country in many capacities. For many years, we always heard (inaudible) countries telling us, "Why do you guys have this policy (inaudible)? Why don't you change it?"

Is it too early to notice whether they're appreciating -- is it too early to see a change in what Latin American countries are saying about that change (inaudible)?

KERRY:

Not in the least. We have been amazed by the (inaudible) activity of countries throughout Latin America as a result of this. It has changed our relationship with other countries in the region. And it has changed their relationship with Cuba, and even with Venezuela. It has established credibility for the United States in terms of our goals and hopes. And it really has opened up. There's now a dialogue that is opening up that we may be taking part in with respect to Venezuela. And the credibility we have for that has come out of this transition in Cuba.

SERRANO:

That's great. That's wonderful. I'll tell you, it's especially -- they in Cuba (inaudible), especially for all those in Washington to see (inaudible), see what happened, certainly in my lifetime in Congress, and maybe in my lifetime. Thank you. Thank you for your work.

I have more (inaudible) question. You have to switch now from an intersection (inaudible) people that were against the government toward embassy (inaudible). Physically and politically, is the change difficult, or is it a transition..

KERRY:

I wouldn't call it -- I wouldn't call it difficult. It has its challenges, yes, because we still have some limitations on the amount of equipment we can bring in. But we broke through with an increase that we haven't had in years so that we can refurbish the embassy, improve the equipment, have people be able to do a better job of managing the increased numbers of Americans now traveling. That's very important.

We negotiated an increase in the number of diplomats that can be there. They are now able to travel throughout Cuba in greater numbers. And this will be important to being able to ascertain the needs of the Cuban people, and be able to help us do good diplomacy. So I think that, you

know, as we've gone through this transition, we're recognizing that it's going to require additional funds from the committee. We've asked for that.

But I think over the course of time, this will -- this will evolve. And there's a natural growth. There's also some (inaudible) of trust in the process as we go forward here. They have to see that we are in fact adhering to the (inaudible), and engaged in diplomacy, and not other things. And we have to see that they are in fact improving human rights, and improving the opportunities for their people. That's how you (inaudible) transition over a period of time.

SERRANO:

OK, I'll close with this: Is it true they're negotiating a (inaudible)?

KERRY:

I think there's been some discussion about whether or not there might be a visit at some point in time, appropriately, of (inaudible). But I have nothing to do with any negotiations...

SERRANO:

Thank you, Mr. Secretary.

GRANGER:

Mr. Fortenberry?

FORTENBERRY:

Thank you, Madam Chair. Morning, Mr. Secretary. Thank you for being with us. Secretary, I had the extraordinary privilege of being in the room with Pope Francis (inaudible) a very powerful moment was given a small cross, a Christian crucifix. That crucifix had belonged to (inaudible) who'd been captured by the jihadists. And he was told to choose (inaudible) or die.

He chose his ancient faith tradition. He chose Christ, and he was beheaded. His mother was able to recover the body, recover his cross, and bury him. And she fled to Austria, which set the stage for this moment, which I witnessed. Mr. Secretary, this is repeating itself over, and over, and over again, these Christian (inaudible), and other religious minorities in the region.

In 2004, Colin Powell, when he was secretary of state, became (inaudible) Foreign Relations Committee, and he said at that point, and declared what's happening in (inaudible) to be a genocide. There are 200 members of Congress, bipartisan fashion, we put our names in a resolution that is forthcoming that declares this genocide. There is a growing international consensus in this regard. (Inaudible), U.S. Catholic bishops.

Pope Francis has spoken out. Hillary Clinton has called it (inaudible). International Association of Genocide Scholars. (Inaudible) as well, (inaudible) to (inaudible), President Obama, for the quick

action (inaudible) that actually saved the lives of women and children, countless persons, (inaudible), victimized.

And so what I'm urging here today is that you use the authority and power of the office to call this genocide, to help (inaudible) the rich tapestry of the (inaudible), stop this assault (inaudible) civilization itself, and to set potentially the conditions that we're all hoping and praying for, that re-establishes stability (inaudible) of these ancient faith traditions into the fabric of the communities in the Middle East entirely. I think the stability, the future stability, of the entire region depends upon this.

KERRY:

Well, again, Congressman, thank you for (inaudible) giving an eloquent description of the problem. And I appreciate -- you were lucky to be in that room to witness that. I certainly appreciate your reactions to it. And I share just a huge sense of revulsion over these acts, obviously. None of us have ever seen anything like it in our lifetimes; though, obviously, we go back to the Holocaust, the world has seen it.

We are currently doing what I have to do, which is review very carefully the legal standards and precedents for whatever judgment is made. I can tell you we are doing that. I've had some initial recommendations made to me. I've asked for some further evaluation. And I will make a decision on this, and I will make a decision on it as soon as I have that additional evaluation, and we will proceed further from there.

I understand how compelling it is. Christians have been (inaudible) in many parts (inaudible) by that. This is not just in Syria, but in other places, there has been an increased forced evacuation and displacement, which is equally disturbing, though it's not, you know, (inaudible) killing in that case. But it's a removal, and claims we have to make religiously, which is deeply disturbing. So we are very much focused on this. And as I say, I will make a judgment.

FORTENBERRY:

They've taken the conditions for life, as well as life, away.

Christians (inaudible), and religious minorities. And I bring up the declaration by former Secretary of State Colin Powell to demonstrate the power that the declaration actually has. Because in doing so, he had put a stop to that growing reality where (inaudible). I know you show deep sympathy in this regard. I just urge you and plead with you, partner with us. There's a growing consensus that this is not only true and real but I think again it sets the condition for whatever future settlement we have to have. Thank you, Mr. Secretary.

KERRY:

Thank you. Appreciate it.



GRANGER:

Mr. Stewart.

STEWART:

Thank you, Madam Chair and Mr. Secretary, thank you for your service. And I have to say I'm just a little old Congressman and I really mean that. I don't have the background that you do but I -- we view the world in a very different way. If men are from Mars and women are from Venus we got kind of a whole Mars, Venus, Pluto thing going on here.

And let me give you a couple of examples if I could. You said in your opening statement that you believe our alliance with Europe is strong and getting stronger. As a member of Congress especially as a member of Intel committee I have a chance to travel and talk with world leaders. And this is what I hear again and again. Where is the United States?

We don't know if we can trust you. We don't know if you're going to stand by alliances that have been in place for generations in some cases. We don't know if you're going to stand up to your adversaries. And the evidence of that isn't something that I see -- it's not anecdotal, it's not something that I've read in newspapers. It's my own personal experience.

Another example if I could. You said that you're confident we would defeat -- you said Daesh but most of us refer to ISIS or ISIL. I just don't believe this administration has a plan or they will to defeat them. And I'm certainly not alone in that concern. And with being said that we come from this -- from a different view there so many questions that I'd like to ask you.

It's a target rich environment. I'd like to ask one quickly and then turn to Syria. Your own State Department has told us that the former Secretary kept something more than 1,600 classified emails on an unsecured server of which your State Department classified 21 at least as top secret. And recognizing that the definition of Top Secret is that they would -- their exposure would potentially cause exceptionally grave damage to national security.

Top secret is not a trifling thing and so I wanted to read these emails. I wanted to know what was in them and what had potentially been exposed. And I'm curious, Mr. Secretary, have you read these emails that were classified as top secret that were kept on the former secretary's private server?

KERRY:

So let me answer the questions there that I think are relevant to the budget and the policy. On Daesh, yes we have a plan. Let me be clear about that...

STEWART:

Well, Mr. Secretary, I wasn't asking that question. I know that we just view that...

KERRY:

Well, you...

STEWART:

We just view that...

KERRY:

You did ask a question. You said you don't think they -- we have a plan and I want to make it clear we have a plan.

STEWART:

OK, well...

KERRY:

And we're going to defeat. Let me just finish now.

STEWART:

Well, actually, Mr. Secretary this is my time and I didn't ask that question.

KERRY:

Well, I thought it was your time to ask a question.

STEWART:

Well, I -- my question was, have you read the Secretary Clinton's emails that were on her server that have been classified as top secret?

KERRY:

No, no. We -- I have not. It's not my job to do that. It's being thoroughly vetted through another process and I think you know that.

STEWART:

Well, like me though it's not necessarily my job to vet that but I was curious what was on those emails and what would be classified as top secret. So I went read them. I would encourage you too, sir because I think that there's information on there that as the Secretary in your position that you would want to know I would think what had potentially been exposed. If I could in the last two...

KERRY:

We have appropriate people who are managing that through appropriate channels. And I think you know that, Congressman...

STEWART:

Well, I do...

KERRY:

And I don't think it's appropriate to be characterizing something that the world can't read which is being taken care of with more than 50 investigations by eight or nine committees.

STEWART:

Mr. Secretary, I...

KERRY:

Honestly. So let's not fool around here. Let's talk about serious...

STEWART:

Mr. Secretary, I didn't characterize those. It was your -- it was your own department that characterize those...

KERRY:

No, you just -- no, you just characterized them without -- you said, "I read them and I think it's important for people to have a sense of whatever." That's a characterization.

STEWART:

Well, the characterization of being top secret is not something that I characterize but...

KERRY:

Right and -- and -- and things get classified after the fact. And it happens in the Senate and the House. You folks send things on your Blackberries and you send sometimes from a foreign country and then they get classified...

STEWART:

But having read these -- having read these emails I can assure you that this isn't a case of being over classified. Having read them I know that.

KERRY:

So let's come back to Daesh because that's really important to the American people. And Daesh -- we are -- we have taken back -- we -- the Iraqis have taken back 40 percent of the territory that they held in Iraq. We've liberated Tikrit -- we've liberated -- they have liberated Tikrit, they've liberated Ramadi. They're now moving on heat (ph).

They're going to be doing that in Mosul. We've cut off the main road between Iraq (ph) and Mosul. There have been more than 10,000 air strikes. People have been eliminated from the battlefield, we're eliminating their money, they've cut their money to their fighters by 50 percent. In some cases, eliminated it. We're taking away their source of revenue.

There is -- and President Obama made it clear at the very beginning this was not going to happen overnight. It's going to take time.

STEWART:

Well...

KERRY:

There are a lot of people in that part of the world who are happy to fight to the last American. And the fact is that we are trying to without having the last American on the ground but rather getting forces there, training them, working them. We have special forces on the ground. American are in Syria, Americans are on the ground in Iraq. We are helping them to help themselves and I think most Americans believe that's a pretty good way to get it done.

STEWART:

Well...

KERRY:

I've heard the hand wringing and I referred to the hand wringing in the beginning of my comments. I hear it. But we are making a difference. We reassured Europe, we're going up to a \$3.4 billion. We have redeployed troops, we rotate troops through the forward front line countries. And frankly, we do more than any other country in the world to provide this stability...

STEWART:

Well of course we do more than any other country. We are the United States and my time is up. So I'll just conclude with this. There's no question we've made some progress with there. I wouldn't

say that that isn't true. I would say and you call it hand- wringing in a pejorative way as if it's we're children who are just sitting (inaudible)...

(CROSSTALK)

KERRY:

Because it doesn't comport with the facts...

STEWART:

There are legitimate...

KERRY:

Congressman. The facts are that we are getting these things done.

STEWART:

Well, Mr. Secretary...

KERRY:

The facts are that we have provided for these folks.

STEWART:

We could have an exchange about whether we're getting these things done but it is a legitimate concern on many of our part whether this administration has the will and the plan to move forward on this and to actually defeat them. Because they're -- I'm not the only one who questions whether that's the case. And it's not only Americans who question that as well. Many of our allies do. Madam Chairman (sic), I apologize for going over. I yield back.

GRANGER:

Thank you. We have one...

KERRY:

Can I just say, Madam Chairwoman...

GRANGER:

We have one last question from Ms. Lowey and from me. Ms. Lowey.

LOWEY:

I just -- Madam Chair, I just want to say I think the discussion of the emails in this forum when we have the whole world that has challenged (ph) seems inappropriate. And if I'm not mistaken in all the discussions I've heard that Secretary Colin Powell had the same system in place. And in fact, the emails that were sent to both Secretary Powell and Secretary Clinton were not classified at the time they were sent.

KERRY:

That's correct.

LOWEY:

So I think in looking at the whole process and I'm sure you as the Secretary of State are looking at the whole process. But I don't think this is the appropriate forum for us to deal with it.

(CROSSTALK)

GRANGER:

(inaudible)

LOWEY:

And I did have another question. Thank you so much. What I was so concerned about, Secretary Kerry, when you were talking about arms shipment outside of the JCPOA being turned around. And isn't it wonderful that they were turned around? My reaction was, is this a cat and mouse game?

Or is there a real understanding with Iran that they have a responsibility to comply with the U.N. sanctions, the other sanctions in place and they shouldn't be arming other nations in the region that are just causing one incident after another where people are dying? So I'm a little puzzled about that and why Iran is not complying with the other sanctions that are very clearly in place.

KERRY:

I think -- I think Congresswoman, what you have is sometimes independent actions by independent entities. It's very hard to measure but as you know the IRGC opposed the Iran agreement bitterly.

LOWEY:

Right.

KERRY:

The IRGC wanted to have a nuclear umbrella and the IRGC resented -- the IRGC does certain things. And so we -- in contacting the government made it clear that we would take steps if indeed they were going to delivery anything. And since nothing was delivered there was a response that seemed to be appropriate. Now, it's not a cat and mouse game, no. If we find something happening we're going to respond as we did on the missile launch.

LOWEY:

May I ask you because I know we're all going to be cut off and you have to leave.

KERRY:

Yeah.

LOWEY:

But Mr. Secretary, with great respect when you said the IRGC is independent...

KERRY:

No, I said sometimes things happen and I'm not saying that. We don't know what happened. What we do know is that nothing happened. We didn't have a transfer. We don't know for sure what was on there. We didn't inspect it. So we saw a convoy and we told them it'd be better not to push the envelope here and they didn't.

Now I don't know specifically what was loaded in there or -- but I'm just saying to you that I think you need to have the facts. When we have the facts like a missile launch, we responded and we will in the future. We do know also that there are weapons that have come out of Iran, gone through Damascus, gone through to Lebanon. And we've made it very clear -- very clear that that's an invitation to response. No question about it.

LOWEY:

Because we're limited on time I will pursue this with Secretary Lew because I understand these sanctions are being overseen by his Department of Treasury is responsible for this series of sanctions. And I think it has to be made very clear that this is unacceptable even if we don't catch you. Thank you.

KERRY:

Well, (inaudible) know what it is...

(CROSSTALK)

LOWEY:

Thank you for your work.

GRANGER:

Mr. Secretary, the committee's given the administration significant funding and flexibility to address global health threats including broad authority to use funds to address a public health emergency of international concern. Of course, that's Zika which has been declared by the World Health Organization. Mr. Secretary, to use this authority you have to declare it in the national interest to respond to such emergency.

I'm going to ask a quick question because all I need is one word, yes or no. Do you intend to make this declaration so you can access existing funds immediately to fight the Zika outbreak?

KERRY:

You're right. We do -- I do have that ability and the Zika virus is still being analyzed and evaluated with respect to exactly what it's going to require, how much it's going to require. We're concerned about it which is why we've requested additional money. But we're also concerned about Ebola on the other side possibly resurging and yes, there is some money left over in there.

But we don't know how much either one is really going to demand. So we're loathed to take what's already been appropriated for Ebola with Zika coming down and yet to be determined how big and how broad it's going to be. So it's premature to make that decision. I'm well aware of the authority obviously.

If it suddenly started to move more rapidly and we had a greater sense of broad threat to the public which required a more immediate response obviously we'd move in a more -- we'd move in an emergency way to take from wherever. But right now that's just not the way to deal with it in our judgment. We're trying to keep them on separate tracks.

GRANGER:

As we conclude the hearing today I wanted to raise an issue that I continue to hear about from my constituents and also from members. So for this one just please provide for the record an update on the refugee screening process and highlight what changes have been made to the process to better ensure that refugees admitted for resettlement in the United States do not pose a threat to our country or the community in which they are resettled. That came up about the Syrians that we were looking at.

KERRY:

Yeah.

GRANGER:



So if you do submit that for the record. I thank you again for your time. I thank you for your energy and all the effort you've given to world crises and it's been a pleasure. Thank you...

KERRY:

Thanks so much. Madam Chairwoman, I just want to say to you again thank you. You've been terrific. When I needed to call you urgently you've been available and likewise ranking member. And you both have been enormously helpful and we're very grateful for the bipartisan effort. Thank you.

GRANGER:

Thank you. This concludes today's hearing and members may submit any additional questions for the record. The Subcommittee on State, Foreign Operations and Related Programs stands adjourned.