

Hearing Transcript

Senate 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

GRAHAM:

The Subcommittee will come to order. We're here to receive testimony from Secretary Kerry about the Foreign Operations Subcommittee on Appropriations budget.

Glad to have Senator Mikulski. She'll make an opening statement, but I'll start. The secretary has a hard stop in two hours, so we'll make sure everybody can ask questions.

I wanted to thank the members of the subcommittee on both sides being so active, so involved. I want to thank those who serve in the Diplomatic Corps (ph), you don't get the recognition you deserve. You're an instrument of power as much as anybody in the military. You serve in very dangerous environments and I just want to let you know that the soft power aspect of American foreign policy is just as important as hard power.

This subcommittee is one percent of the federal budget, give or take a bit. We've had a 12 percent cut since 2010. The world has not justified us spending less in terms of engaging the world. Sequestration relief is much appreciated, but we need to get this behind us because this account gives us options. If you don't want to bomb everybody and you don't want to be in a constant state of war, you need tools in the toolbox.

So the progress we've made with AIDS and malaria and engaging the world, particularly in Africa, has been astonishing and I want to thank all of the members of the Republican Democratic Party for seeing discount (ph) in a new light. I want to thank Secretary Kerry for his tireless work.

And I'm going to quickly inventory the world as I see it. It is a very dangerous world. There have been over 60 million refugees displaced in the last five to six years. In Syria alone, 4.7 million, 2.6 million in Turkey, over one million in Lebanon, 640,000 in Jordan -- it's probably actually more than that -- 245,000 in Iraq, 117,000 in Egypt. Libya's becoming a failed state. The Syrian conflict -- I hope we can get a cease-fire, but we'll hear more about that.

I just want the world to know and those who are seeking the highest office in the land, you better understand what's going on out there. Syria is a cancer for the region and I very much worry that the next president needs to have a vision of the world consistent with the dangers that we face, and this account is an essential tool.

The Iranian agreement, whether you like it or not, the behavior since the agreement by the Iranians outside their nuclear compliance has been disturbing, to say the least. There are just multiple fronts, multiple friction points. Russia's involvement in Syria along with the Iranians is of great concern

to me. North Korea seems to be marching down the road to developing technology -- missile technology that can reach out and strike the homeland.

Five years, March 15 is the anniversary of the Syrian conflict. When the people in Syria marched in the streets to demand a better life, I would say the world in general did not respond. There's no use blaming any one group. Secretary Kerry's speech when Assad crossed the red line, I think, was your high point. Certainly, one of them, where you laid out the case of why Assad should be dealt with forcibly after he used chemical weapons on his own people and what he had done prior to that point.

We are where we are and I have never been more worried about a strike on the homeland than I am today. There are more terrorist organizations with (inaudible) weapon capability and safe havens to hit the homeland than any time since 9/11, and this account is very important in terms of trying to bring stability to the world. So I hope we can find a way to plus-up this account. And if you don't look at it as national security in another form, you're making a huge mistake.

Senator Leahy's been a joy to work with. I really appreciate our collaboration. And with that, I'll turn it over to you.

LEAHY:

Thank you, Mr. Chairman, and -- and you and I have worked closely together for -- for years on this budget. Obviously, as members of of different parties, there are some things we disagree with. The vast majority of things in this budget we do agree with, and that's why it always passes.

Secretary Kerry, it's good to have you here. You really have one the most difficult jobs in the government and the most (inaudible) any time that I can remember. The world is on fire either literally or figuratively. So many places, it's hard to keep track. I don't think there's anybody who works harder than you to put them out. I (inaudible) times you and I will (ph) be talking here at the White House and the State Department and a few hours later on the news or another capital, another part of the world, representing the United States .

So our job is to give you the resources you need. I think Senator Graham and I will work hard on that. The -- and I appreciate also (inaudible) of Senator Graham's staff and mine can work so closely together.

Let me get to some of the problems we face. Afghanistan, 14 years after 9/11. What's there is appalling. Despite all the sacrifice of the soldiers, the hundreds of billions of dollars spent, much of that country is -- today is under Taliban control. The opium business is booming. The government is widely regarded as ineffective and corrupt and very little of the investment of American taxpayers in Afghanistan can be sustained by the Afghans.

In Iraq, I believe the American people were misled about the justification for the war. They were assured that troops would be greeted as liberators and promise Iraq would spend it's own oil revenues to rebuild. None of that turned out to be remotely true. We alienated our friends, we wasted hundreds of billions of dollars. Critical needs here at home were ignored.

Today, Iraq's ability to survive as a nation seems (inaudible) uncertain. The corruption and chaos spawned ISIL. They were able to walk away with a lot of our equipment because the Iraqis just let them. The American people will be paying to care for thousands of wounded veterans at war for a lifetime, certainly even beyond mine.

Meanwhile, Syria is the world's biggest humanitarian catastrophe. It seems the strategy of arming the so-called moderate opposition is based on wishful thinking. And Libya, Egypt, Yemen, Somalia, Nigeria and other (inaudible) Africa are dealing with their own terrorist threats.

Our global war on terrorism that began against Osama bin Laden and a small number of Al Qaida fighters in Afghanistan appears to (inaudible) as our decades-old so-called war on drugs. I -- I don't say these to cast blame on the administration, but emphasize the colossal price the American people continue to pay for that hubris and naivety of some of our past leaders.

Some of today's candidates for president, who blame Congress and the federal government want the American people to believe the solution is simply listening to the (inaudible) defense contracts, buy more weapons and cuts the budgets of everything else. They learned very little from Iraq And Afghanistan. (inaudible) some of the defense contractors got rich. American soldiers, though, paid with their lives and limbs.

So Secretary, you served in the military. You served with people and you -- you know I haven't been in combat. You know what they went through. The taxpayers lost \$1000 billion dollars (inaudible) countries are plagued by violence and misery.

So there's a lot that should be done, there's a lot that we should learn from. On the positive side, I'm among those who applaud the agreement with Iran. I applaud the restoration of diplomatic relations with Cuba. Mr. Secretary, I was moved when I saw the Cubans standing out -- not within -- inside our embassy, but outside on the street, when you raised the flag -- the American flag raised at our embassy for the first time in over 50 years. I'll never forget, I don't think you will either, the cheers and the applause that came out of the average Cubans.

LEAHY:

Now, none of those things posed are more than steps in a long process resolving differences, but boy, they are stark achievements and step long overdue. I feel the same way about the Paris climate change agreement. I commend you for not giving up, for sticking with it. Far from a solution, at least it reflects a global consensus. Unless we work together stop climate change, we're going to recklessly go down path that scientists overwhelmingly agree would be catastrophic for life on Earth.

You know, your fiscal year 2017 budget looks a lot like last year. For the most part, that's not a bad thing, except in the \$1 billion cut in humanitarian. I think -- I think it's safe to say I can speak for both the chairman and myself we'd like to move quickly on this. We know it's important. You've got an important job, the State Department has an important job, the people that rely on us do, and the two of us will do our best. Thank you, Mr. Chairman.

GRAHAM:

(OFF-MIKE)

MIKULSKI:

Mr. Chairman, I'll be very brief because we want to get to the testimony. And given such an excellent attendance, I know we want to get to Q&A.

I just want to say first of all welcome Secretary Kerry. This will be the last time he'll be testifying before this committee and the same time I will be sitting here in this chair. So it's a -- it's a poignant time as we look back on where we've served over the years and we look ahead to the challenges we have.

You have a difficult job. The world seems to be getting smaller because of technology, but larger in terms of problems. And while you have a difficult job, so do the men and women who work at the State Department, for the State Department, but they're really working for the United States of America. As I reviewed the president's budget, it once again shows that the defense of our country lies not only in the Department of Defense with others that exercise other levers of power and presence, power and presence that really helps advocate the values and security needs of our country, whether it's a treasured ally like Israel, or whether it is desperate refugees seeking help.

We look forward to hearing the issues related also to not only ISIL but also other important issues like global health, what's happening to women in the world and what also is undermining the stability of countries like climate change and so on. So we look forward to this testimony. I wanted to come personally to thank you publicly for your service, and I think the way we thank you is just move our agenda and not engage in any delays. Thank you very much, Mr. Chairman.

GRAHAM:

Well, Mr. Secretary, we look forward to your testimony. Assuming that you're not chosen by Trump to be secretary of State, this would be your last appearance. So with that in mind, proceed.

MIKULSKI:

Welcome back from another trouble spot.

KERRY:

I'm going to leave that one alone, Mr. Chairman. First of all, Mr. Chairman, Ranking Member and Senator Mikulski, chair, let me just thank all of you profoundly for the bipartisanship and the seriousness of purpose with which each and every one of you approached these issues. And I know, Mr. Chairman, you were angling as I did for a different seat in a different house, but I'm personally glad you're back here, and you're a terrific steward of this enterprise with some complications in

your own party with respect to some of these issues. But I personally really respect and appreciate your leadership on a lot of this. And Senator Leahy likewise.

Through the years, we've done a lot and you've been a leader on so many of these things. De-mining and human rights and run the list. And Senator Mikulski, you're just a tour de force, and we're all going to miss you very, very much. So I'm going to try and cut through this pretty quickly if I can, because I know you want to ask questions. But I do want to put into perspective what we're trying to do here.

Mr. Chairman, you mentioned that the budget is about 1 percent of the budget of the United States of America, \$50 billion. I would say to everybody here that is about the minimum price that we should be paying for our leadership and for what we accomplish with this in terms of the security of our people, the advancement of our interests, the advancement of our values and ideals. And I will tell you bluntly and flatly, after spending 28 full years on the Foreign Relations Committee and in the Senate and a little more into the 29th, never have I seen our country more engaged in more places all at the same time with more issues of consequence.

And the scope of that engagement obviously is to protect our citizens, protect our interests but we are confronted today with a combination of perils as old as nationalist aggression and as new as cyber warfare by dictators who run roughshod over global norms and by violent extremists who combine modern media with medieval thinking to wage war on civilization itself. And despite the dangers, I really believe that we Americans have every reason for confidence.

In recent years our economy has added more jobs than the rest of the industrialized world combined. Our armed forces are second to none in the world and it's not even close. Our alliances in Europe and Asia are vigilant and strong, and the budget reflects the plussing-up of our effort to strengthen Europe. Our citizens are unmatched in their generosity and commitment to humanitarian causes and to civil society.

Now frankly, you know, we hear -- I hear it, I hear it sometimes in my travels, I certainly hear it in this country -- a lot of handwringing about what's going on, but I have to tell you I have the greatest respect for my colleagues, my counterparts around the world, and I built strong friendships and relationships with them, but I wouldn't switch places, with all due respect, with one foreign minister in the world, and nor do I want to retreat, our country retreat, to some golden age that's illusionary about the past.

Here and now, I believe we have just enormous opportunities staring us in the face. The energy transformation, young people thirsty for opportunity, people who really brought us some of the unrest in the Middle East in their desire to share some of the prosperity and opportunity of the world.

In the past year, we did reach an historic agreement with Iran; some people opposed it, some people were for it, and that's the way our country works. But the fact is that just the other day, the commanding general of the Israeli Defense Forces announced in a speech to a security conference in Israel that because of that agreement, Israel no longer faces an existential threat from Iran in the way that it did. In Paris in December, we joined governments from more than 190 nations in

approving a comprehensive agreement to curb greenhouse gas emissions and limit the most harmful consequences of climate change. And now we're determined to implement that.

We also believe -- and the evidence is there in economies that are transforming -- that this is one of the greatest economic opportunities of all time. 4.5 billion users today going up to 9 billion users in the next 20, 30 years for an economy that will be at least 6 to larger trillions of dollars in size, and some \$50 trillion is going to be spent the next 20 or 30 years in this energy transformation. Those are jobs, that's opportunity and that's an enormous marketplace, bigger than the technology marketplace of the 1990s which created the greatest wealth this nation has seen since the 1920s.

Just this month, we signed the TransPacific Partnership which will ensure a level playing field in the Pacific for American businesses and workers and it will reassert our leadership in a region that is vital to our interests. And obviously, we are asking Congress to approve this pact so we can begin to accrue its benefit as quickly as possible.

In Europe, we are increasing support for our security initiative, a reassurance initiative, we're increasing it fourfold and we're giving Russia a clear choice between continued sanctions and meeting its obligations to a sovereign and democratic Ukraine. In our hemisphere, we're helping Colombia to try to end a war, the longest- running civil war on the planet, and we're aiding our partners in Central America to implement new procedures to prevent the flow of migrants, particularly young children, across the border. And we're seeking supplemental funds to minimize the danger to public health from the Zika virus.

In Asia, we are standing with our allies in opposition to the threats posed by a belligerent DPRK, we're helping Afghanistan and Pakistan to try to counter violent extremism, we're deepening our strategic dialogue with India, we're supporting democratic gains in Sri Lanka and Burma, and we're encouraging the peaceful resolution of competing maritime claims in the South China Sea. And we're doing things in Africa, obviously, with AMISOM, with efforts in Nigeria to fight back against Boko Haram, al-Shabaab and others, and we can talk about that in the course of this morning.

We obviously have an enormous challenge with violent extremism that is growing among young people who make up the majority of almost every country where there are problems today. Look at every country, northern Africa, Middle East, South Central Asia, Asia. Sixty-five and 70 percent under the age of 35 or under the age even of 30, 50 percent of the populations under the age of 18, 21, and they don't have jobs, they don't have the promise of a future, so their minds are not going to be twisted by people who are willing to go out and lie about a religion. And if we're not going to find them in one extremist movement or another somewhere in the world or in one failing state or another because of corruption or other problems, we need to understand the security value for our country of investing through this kind of process.

My final comment -- because I want to leave time for questions is just quickly the United States and Russia chair this effort to try to achieve a cessation of hostilities, and President Obama and President Putin agreed the cessation of hostilities should begin on Saturday morning, including all groups who are willing to cooperate with the exception of Daesh and al-Nusra. and any other terrorist group designated by the U.N. Security Council.

Now I have to tell you, my friends, I can't sit here and tell you I know this is going to work, but I know this. If it doesn't work, the potential is there that Syria will be utterly destroyed, that Europe will be flooded with even more migrants and the nature and character and culture of that -- of that entity will be challenged beyond belief, that the unrest and dislocation will become an even worse of what is already the greatest humanitarian challenge since World War II. So we have our work cut out for us, and the fact is that we need to make certain that we are exploring and exhausting every option of diplomatic resolution, of peaceful resolution at the table.

KERRY:

Ultimately, people are going to have to come to the table to resolve whatever the aftermath is going to be. We're trying to prevent that from being disastrous. And I hope that in the days ahead, we can make this cessation work, get to the table where we will test -- I repeat -- test, not provide certainty, but test the seriousness of Russia and Iran and others to find a political solution which provides Syria with a road ahead without an Assad, because you can't end the war with him, that is going to provide a choice for the Syrian people.

So we seek your support to stay at the forefront of the international challenges, humanitarian response, the worldwide refugee challenge, global health, PEPFAR, the president's Malaria Initiative, other things; most importantly, on behalf of democracy, freedom of press, human rights and the rule of law. We are launching a new initiative to try to protect adolescent girls, to adequately fund the people and the platforms that help America to effectively protect our interests.

As you have remarked, this is the last budget of the Obama administration. And I ask for its full consideration. I welcome your questions. I appreciate your counsel. And I seek your backing. But above all, let me just say to all of you how profoundly privileged I feel to have had the chance to work with all of you in support of an agenda that reflects not only the most fundamental values of our country, but I believe in the end the hopes of the world.

And that's the leadership privilege that we have, and we need to exercise it.

Mr. Chairman?

GRAHAM:

Thank you, Mr. Secretary. Well, you certainly have my promise and pledge to help you get the money you need and the flexibility you deserve to deal with the problems that are growing. Whatever we can do on this account, we will do.

But let me sort of inventory what awaits the next president, and what this committee should be thinking about. Libya -- is Libya a failed state now?

KERRY:

It's close. It's not -- the reason I would say to you not at this moment is that we have been working really hard for the last months particularly to bring together a government in Tripoli. And we have a prime minister-designate. We have a government now. We have a couple of outliers that are resisting this effort.

If they cannot get themselves together, yes, it will be a failed state.

GRAHAM:

So, what do you think it would cost in terms of the world community if we could ever get a resolution to put Libya back together?

KERRY:

Well, the virtue of it, Mr. Chairman, is that Libya is a wealthy nation. Libya has some \$60 billion...

GRAHAM:

So you don't think it would cost us a whole lot?

KERRY:

It shouldn't cost us a whole lot.

GRAHAM:

OK. OK.

KERRY:

Libya can pay for its own rebuilding of its country.

GRAHAM:

If we can ever get it rebuilt.

KERRY:

It's only 6 million people.

GRAHAM:

Right.

What about Yemen? Is Yemen a failed state?

KERRY:

Yemen right now is more than a failed state. It's -- it's a growing humanitarian challenge. My hope is in the most recent conversations I've had with the Saudis, with the Omanis, with the Emiratis and others, I believe there may be a ripeness for trying to move forward on a political resolution. The Saudis have well protected their borders. They -- together with the Emiratis and the coalition, they've effectively pushed back the threat that existed.

I believe there is a way now, but the key is to get the parties, the Hadi government, and the Houthi...

(CROSSTALK)

GRAHAM:

Is Iran being helpful?

KERRY:

Beg your pardon?

GRAHAM:

Are the Iranians being helpful?

KERRY:

They have said -- yeah, they have declared that they are prepared to be, and are ready to try to find this political settlement.

GRAHAM:

Are the Iranians helpful in Syria?

KERRY:

Well, when you say "helpful" -- the Iranians have obviously supported the Houthi and been involved in the other side of the fence with respect to what we're trying to do in Yemen. So, in Yemen, while they are indicating now a readiness to settlement, they have been part of the problem.

GRAHAM:

How much would it cost...

KERRY:

In Syria, they've been a huge part, obviously -- the IRGC's support for Hezbollah, the support for Assad.

GRAHAM:

Yes, sir.

Let's go back to Yemen. We don't have an embassy in Yemen any longer. Is that correct?

KERRY:

Yes.

GRAHAM:

And we don't have one in Libya.

KERRY:

That's correct.

GRAHAM:

So we're going to have to go back. I want to know what that would cost if we ever get back there. How much money do you think it will cost the American people, or you would recommend to the American people, to put Yemen back together? Or can the region pay for that?

KERRY:

The region will pay for that. The Saudis have indicated that if they achieve the agreement that they hope to achieve, they're ready to rebuild Yemen and I don't think it will cost America.

GRAHAM:

OK. Is it fair to say that the Russians have bombed the people we've trained to oppose Assad?

KERRY:

Yes.

GRAHAM:

Is it fair to say that the Iranians have come to Assad's aid with military advisers and providing him weapons and equipment?

KERRY:

Yes.

GRAHAM:

Is it fair to say that Assad must go?

KERRY:

Yes.

GRAHAM:

Is it fair to say that the Russians and the Iranians are going to insist upon what follows Assad?

KERRY:

Insist...

GRAHAM:

Have -- have a say.

KERRY:

Have a say? Yes. Insist, I believe...

(CROSSTALK)

GRAHAM:

Have a say.

KERRY:

But they will have a say.

GRAHAM:

Is it fair to say that the people we've been training and equipping have been at a military disadvantage compared to Assad and his military forces because of Russia and Iran?

KERRY:

Sure.

GRAHAM:

Is it fair to say that whatever negotiating power you may have or they may have, it's been lessened because Assad has been reinforced by the Russian and the Iranian intervention?

KERRY:

Well, it's changed -- it's obviously changed the table. But let me just say to everybody, nobody here should be surprised that Russia is engaged and supportive, nor Iran, because...

(CROSSTALK)

GRAHAM:

Were you surprised when the Russians went into Syria using military force to bomb the people we trained?

KERRY:

I was not surprised that the Russians decided...

GRAHAM:

I was flabbergasted. I was completely flabbergasted they would stick it in our eye like that, but that's just me.

KERRY:

Well, Senator, if I could just -- if I could just lay this out to you.

GRAHAM:

Please.

KERRY:

Russia had been indicating to us for some period of time a concern about the growth of Chechnyans, more than 2,000, 2,500 Chechnyans are fighting on the side of Daesh in Syria. And they are deeply concerned because of the experience with Chechnya, as well as their Muslim population.

GRAHAM:

My time is short. So why haven't they bombed the Chechnyans more than the Syrian opposition? Who'd they bomb the most: ISIL-allying people or the Assad opposition?

KERRY:

Mr. Chairman, some of this we should deal with in a classified setting. But let me...

GRAHAM:

Well, I'll just say this, Mr. Secretary, that they have bombed the hell out of the people...

KERRY:

Seventy to eighty percent of the bombing, including an area in the northeast where Nusra and our moderate opposition have been in very close proximity.

GRAHAM:

Did you welcome the Russian involvement in Syria militarily?

KERRY:

No.

GRAHAM:

Did you tell them "please don't do it"?

KERRY:

We -- we pushed back significantly, as you recall, in the early days. But the decision was made and they undertook to do what they...

GRAHAM:

Post-agreement with Iran, do you think the Iranians have changed their behavior in the region for the better since the nuclear agreement?

KERRY:

I think the only thing the nuclear agreement was about, Mr. Chairman, was about getting rid of a nuclear weapon.

GRAHAM:

I agree.

KERRY:

Which is why we left the human rights sanctions, the missile sanctions, the arms sanctions, and the terrorism support sanctions in place.

GRAHAM:

Would you support more sanctions by the Congress against their violation of the U.N. resolutions against their missile program? Haven't they twice...

KERRY:

We just put sanctions in place.

GRAHAM:

But did they -- I mean, what you put on I consider almost nothing. I have a list a mile long. Would you support Congress's effort to let the Iranians know how disappointed we are in their behavior?

KERRY:

Well, we already let them know how disappointed we are, and we've warned...

GRAHAM:

My question is: Would you welcome Congress's support...

KERRY:

I wouldn't welcome them at this moment in time, given the fact that we've given them a warning, and if they decide to do another launch, then I think there's a rationale.

GRAHAM:

Mr. Secretary, they apparently could care less about what you and others are saying. They just put our sailors, you know, they held our sailors in contempt of international law. I don't mean to be argumentative, but the Iran Sanctions Act expires this year. Would you welcome Congress reauthorizing it?

KERRY:

Mr. Chairman, let me just answer your question there for a minute. As a former Navy guy who commanded, our guys regrettably found themselves in Iranian waters. And they found themselves in Iranian waters either without power or in distress in some way. So, yes, they were approached by an Iranian boat and they were taken -- they were taken into custody.

We never saw the films of them with their hands behind their back and on their knees until well after we had released them. I was on the phone to the foreign minister of Iran within five minutes

of learning this upstairs in the State Department; went straight to my phone; called the foreign minister and I gave him a very direct statement about what would happen if we didn't have their release very quickly.

And I also urged him to not go backwards on the relationship we were starting to build. Within one hour, within 20 minutes, excuse me, he called me back and he said, "I think we have this under control; they're going to be released; they're being well taken care of; and they're going to be fed."

Now, within an hour, we had an agreement for their release. And subsequently, we saw the photographs. And I immediately called and I condemned those photographs, as every American did. And it was a violation of a number of things. But -- but the point I'm making is if we hadn't done this agreement, and I didn't have a relationship with the foreign minister, then they probably would have been hostages and they might still be there.

GRAHAM:

I would imagine...

KERRY:

But there was a virtue...

GRAHAM:

... that if President Obama wasn't president and anybody else was president, they would never have done this to begin with.

Senator Leahy's got a view of President Bush and I'm sure he made plenty of mistakes. But I'm really tired of this being walked all over.

So Mr. Secretary, I will help you where I can, but here's my question. Do you want -- do you support the Iranian Sanctions Act reauthorization immediately?

KERRY:

Not immediately, because I think we are just beginning now to see the full implementation. I think we need to see how effectively and well they comply. And also, what happens with respect to these other aspects of behavior. It doesn't expire until the end of the year. We can pass it in about 10 minutes. I don't think there's a need to rush here. I'd like to see how the implementation goes so we can do whatever we're doing, advised by that process, which it seems to be me to be wise.

GRAHAM:

Thank you.

Senator Leahy?

LEAHY:

If we had an Iranian boat, warship, military, either a boat or a ship, with armed Iranians on it; they came along the coastline -- pick a place within our waters -- I want to say South Carolina. And was well within the U.S. borders, perhaps the engine stopped, but armed Iranians. Would we not at least hold them until we found out what they were doing?

KERRY:

Well, of course, we would have taken them into custody. You know, I don't believe, under any circumstances, we'd have put them, you know, on display the way they were put on display.

LEAHY:

I understand that. But we would've -- we would've at least...

KERRY:

They clearly would have been taken into custody and we would have dealt with them straightforwardly under any circumstances. I'm convinced of that, upholding all international law and all standards of decency.

LEAHY:

Thank you. We have overwhelming scientific evidence that links carbon emissions with global warming. The Senate and House Republican leadership oppose funding U.S. (inaudible) the Green Climate fund or any other multilateral fund purposes to reduce global warming. (inaudible) what difference it makes for the Paris climate agreement, but also for all those thousands of people employed by U.S. manufacturers of green energy technology if we don't support the Green Climate Fun. And what would our contribution be used for if we do support it?

KERRY:

Well, Mr. Chairman, let me -- let me just say that in Paris, Bill Gates was there, Michael Bloomberg was there, a number of other entrepreneurs, people who have a proven ability to make money and who are pretty intelligent. And they all joined in a thing called mission innovation, along with many other countries, including, I might add, China, India and others.

India led this effort and if the United States doesn't take advantage of this opportunity, we're going to seed leadership and technologies to other nations. We can be the sellers of this technology. We can be the people who are taking the -- and in fact, there's a company that former Vice President Gore is involved in, which has now achieved a new leap forward in solar capacity so that it's far more efficient and far less costly, and this will allow countries like India and places like Africa to

be able to do distributive power, which puts power into individual hands and doesn't require you to invest in massive infrastructure in order to be able to deliver electricity.

The difference this can make to stability, to the livelihood, the healthcare, to women, to the future is just stunning. And as I said, every estimate -- go to The Economist, go to Forbes Magazine, go read basic economic analyses and they will all tell you that there's going to be about \$50 trillion spent in this sector over the course of the next years. We want those jobs to be here as much as possible. We want to push the curve of technology.

And -- and -- and, you know, you would think that by now, people would realize we're the -- I mean, just yesterday, the first -- the fastest rate of sea level rise in 28 centuries, not years, centuries. We're seeing changes that are irreversible. Weather changes, look at the California drought. You can go all over the world and see the changes in the amount of flooding, the amount of water, the -- the melting of glaciers and so forth.

So I would simply say at our peril, we ignore the responsibility to make some investments in the Green Climate Fund and to do what's necessary to maintain American leadership. China...

LEAHY:

I've...

KERRY:

One last comment. China joined with the United States in Beijing two years ago. Our presidents stood up and announced our intended reductions of carbon emissions. That led the world to the table in Paris and I think it would be just, you know, unfathomable that we do not continue to lead in the way that we have.

LEAHY:

I think we could name most of our states in this country have companies that would benefit by jobs in the green technology. I know mine already has been able to have a lot more, but virtually every other state does too.

KERRY:

It's the fastest growing sector in the...

LEAHY:

Exactly. When President Santos was here recently, the White House announced its FY 17 request for \$450 million for assistance for Colombia. That's a \$100 million increase. Colombia is often called a success story and in many respects, it is, but I think we'd all agree there's some use challenges ahead. As (inaudible) peace Columbia plan is a multiyear undertaking. It's going to require a lot of money for the United States with a priority on building capable and accountable

law enforcement justice systems and how we market strategies to market, grow crops of other than cocoa. How do you use -- how do you see Peace Columbia?

KERRY:

It's the critical follow-on, Senator Leahy, to an effort that you and I and others were all involved in, Senator Mikulski, called Plan Colombia, 1999. We passed Plan Colombia. It was \$1 billion, it was very controversial. People didn't know for sure where it would go. But now, Colombia is an enormous success story as a result of America's investment over 10 years of that money and of the Colombian determination to take back their country.

Now, they are trying to end this war and the United States is not going to have to put in the lion's share of the money, it will come from Colombia. And others are already committing to support this process, so Senator Leahy, I think it is essential for the United States to be part of this. We have appointed President Obama, appointed a special envoy, Bernie Aronson, who is working with the negotiations and my hope is -- I mean, I think it's still hard. It's not a certainty, but it's being worked out diligently and I hope we can get there.

LEAHY:

My time is nearly up. As you know, I have to go down to the White House. But we talked about President el-Sisi's government in Egypt. I'm afraid (inaudible) some of the same steps that created their problems in the past. (inaudible) Assad's critics, a lot of corruption, centrally manipulated political and economic systems that don't help the Egyptian people. Therefore (inaudible) omnibus requires the administration to certify. The Egyptian government has met a number of benchmarks of democracy, human rights and the rule of law before we release 15 percent of (inaudible) military aid.

I (inaudible) examples -- real examples. President el-Sisi's the government is implementing laws or policies that govern democratically to protect (inaudible) rights of women and religious minorities or provide detainees with due process, as our law requires. Is there any good news?

KERRY:

Senator, Egypt is complex, disturbing in the ways that you have described, but critical to the region. And if you talk to anybody in the region, they will tell you that if Egypt were to fall and fail, the whole region can go up in -- just incredible confrontation. The alternative to what is there now is -- is very, very troubling.

El-Sisi is cooperating in many ways on many things. He's cooperating with us on Libya, he's cooperating with Israel. Every day in the battle against the extremists in the Sinai. He is working very, very closely...

LEAHY:

Is he letting our observers go into the Sinai to see what he's doing?

KERRY:

We have asked him for the ability to be able to do that...

LEAHY:

We haven't done it.

KERRY:

We haven't done it yet.

LEAHY:

So we have to take his word on it.

KERRY:

Beg your pardon?

LEAHY:

So we have to take his word?

KERRY:

No. No. I think that -- hopefully, we're going to be able to work something out, But Senator, there are disturbing arrests, there are disturbing sentences, there are -- and we raise these issues. And I have succeeded in getting some people released, they've -- they've -- they've -- you know, we're steadily, constantly talking about opening up and expanding civil society, reversing some of the trends that we have all seen that we're disturbed about.

But at the same time, there is a major challenge of extremism. Bombs that have been going off in Cairo, bombs that have gone off in Sharm el Sheikh, different challenges. And -- and so it doesn't excuse these things. I'm not suggesting that. But we have to try to -- we have to try to work and thread a needle carefully that can balance the various interests that exist. I'm just telling you, they are very, very complex and it is not -- it doesn't lend itself to a simple edict, don't do this or else. It's a little more complicated than that.

LEAHY:

We'll talk some more.

GRAHAM:

Senator Mikulski. And I'd just like to add I agree with you on the nightmare of all nightmares that is if Egypt fails, and it is complicated, so I'm going to go see President el-Sisi in a couple weeks, so I'd like to talk to you about what you would want...

KERRY:

Well, let me just say that we have a team of people going over, senators who are going to -- of very, very highly qualified CEOs who are going to talk about the economic reforms that are needed. We're constantly talking about the political reforms and space, civil society. So we will continue to work with you on it.

GRAHAM:

Senator Kirk?

KIRK:

Mr. Secretary, I wanted to complement you on picking Bernie Aronson, my former boss, of the State Department. I don't think there's a person better to guide us and make sure that all parties in Colombia come together. You picked the right guy for the right message.

KERRY:

Good, thank you. I will convey your compliments to him.

KIRK:

Otherwise known as Don Bernardo of the -- of the Andies.

(LAUGHTER)

LEAHY:

I can see why.

KIRK:

He's a good guy.

MIKULSKI:

Mr. Secretary, I'm going to be leaving for a hearing with the secretary of Homeland Security. My -- I won't take the full seven minutes, but I'm deeply concerned about embassy security. You know, our people around the world are busy protecting the interests of the United States, but we've got to protect them. And of course, as you know, we've had some calamities around the world.

I want to be sure, as part of our efforts here, that we do -- ensure that we have adequate funding to protect the men and women who work at our embassies. I know last year, due to the threats, the United States has had to evacuate embassies in many countries, (inaudible), South Sudan, Mali, due to the threat of violence that had been taken out of Libya and Yemen, the right thing to do. Do you feel in the president's budget that we have adequate funds to provide embassy security to the men and women working overseas? And would you say that's the bare minimum or do you think it's the right number?

KERRY:

I think it's better than the bare minimum, for sure. We could always do more in certain places, but we're not facing current threats in those places, but we could do more. I can't tell you that something couldn't surprise you in a place where, in terms of priority, you're just not able to get there now.

KERRY:

There is always going to be some risk -- both the president and I have said very clearly -- I mean, we have extraordinary people working -- and I thank you, Senator, for your concern for the safety of everybody -- and there's nothing that consumes our agenda more than our constant meetings on the issue of security.

I have had to shut down three embassies since I've been in, and evacuate them, and we've had to temporarily evacuate a number of places, and make those decisions in the dead of night, and get people out within 24 hours when there's a threat.

So we're constantly reading this, and we've requested \$2.4 billion. That includes \$1.3 billion for worldwide security projects. We have a lot of compound security improvement setback requirements. Some you can't make.

In certain cases, I've granted waivers. In other cases, we're trying to find new properties. And we have about \$92 million for repair, \$660-some million for ongoing operations, and then we have OCO projects in Kabul and lease costs in very high threat areas.

But we are riding over -- we're -- we're -- we're watching extremely closely our -- our high-threat situations, and we have a new threat evaluation structure, and I think we're within our parameters at this point in time.

But there's always risk. I don't want anybody to think that my sitting here and saying what we're doing this budget's going to eliminate risk somewhere. It is not.

(UNKNOWN)

Yeah, but we don't have to have self-imposed risk. So I recall pre-Benghazi, while the president had proposed an embassy security budget, it had been deeply cut in the House.

KERRY:

There -- there had been...

(UNKNOWN)

And I don't want to pick at this here, because there's much to be discussed in -- but -- are -- do you feel that we have the right number, the right decision-making structure...

KERRY:

I think we have the right number. I think we submitted the right number, and that's why we submitted it.

(UNKNOWN)

But it shouldn't go lower than that?

KERRY:

It should not.

(UNKNOWN)

And we shouldn't play politics with whatever this is, in terms of embassy security?

KERRY:

Absolutely not, no. Of course not.

(UNKNOWN)

My -- I have -- other question related to the empowerment of women and girls around the country. I know there'll be other hearings related to AID (ph). But my last question is this.

I'm deeply concerned about the recruitment of people to work for ISIL -- either directly join activity, to come to Syria and fight, or the horrifying lone-wolf potential.

I understand it is the State Department's job to have a unit there that's supposed to be out there on social media against the -- this recruitment.

Do you think you have the adequate resources -- do you -- because it just seems to me that it needs to be more robust and more tied into other agencies, particularly the FBI here and so on.

And I feel if we don't deal with the recruitment, Senator Graham is the expert of -- kind of the boots on the ground guy. I'm looking at a preventive strategy, particularly because you talked youth bubble (ph), et cetera.

KERRY:

Madam Chair, we -- we would love to work with you on that, and yes, we could use more. This is an area where it's very labor-intensive, we're hiring a lot of young talent that really understands and works on the social media with great effect.

We've -- we've -- Rick Stengel, our undersecretary for public diplomacy, has been working very, very hard on this. I just went out to California to meet with studio heads to try to enlist young talent in the effort to help with YouTube, with short videos, with -- you know, short docs -- documentaries and other things that might help get the word out.

But it's not Americans, per se, that are going to do this most effectively. We're working in the Emirates. We have the Sawab Center that's been open there. That is engaged in full-time social media interaction, countering the narrative of Daesh and speaking to young recruits.

We have an effort -- the Saudis have now committed to opening a similar center. In Malaysia, there's prepare -- preparations for opening such a center. There are others who are all becoming aware that we've got to push back on the...

(UNKNOWN)

But all these centers that are being opened -- are they our centers? Their centers?

KERRY:

No, they're their centers, but we're working with them. We're helping them to understand the technology, to work on the messaging, the narrative -- and it's a growing undertaking with enormous consequence for those hundreds of millions of young people I talked about that we've got to reach.

So this is a very, very important sector, and we're going to need additional funding for it going forward.

(UNKNOWN)

Mr. Chairman, my time is up. I just want to say about this -- we can't be tepid on this.

GRAHAM:

I'm with you.

(UNKNOWN)

And the other is it has enormous potential for doing the kind of preventive work and I know you're committed to, or it could turn into a boondoggle here, and I'm not talking about poor management or whatever.

But the minute we have a lot of centers there and we're helping -- and you with the DOD background -- I think it's the subject of another...

GRAHAM:

Bad rise (ph). We'll have a hearing on it, and when it comes to embassy security, you'll get every penny you ask for, and more, if I can help you.

KERRY:

Appreciate it.

GRAHAM:

Thank you. Senator Blunt?

BLUNT:

(OFF-MIKE).

GRAHAM:

Mark, if he has questions?

Mark Kirk -- I'm sorry -- who was talking when I left, I assume (ph) didn't ask questions. I apologize.

KIRK:

Let me just ask one question. I want to show you a picture of Ibrahim al-Qosi (ph), who was recently released by the administration to the Sudanese, and he appeared on some Al Qaida videos, recruiting people for AQIP (ph).

Guys -- guys, hold him up.

(UNKNOWN)

We want to keep it short.

(UNKNOWN)

Mr. Chairman, you may not want to be in that photo, but...

(CROSSTALK)

KIRK:

I would just say, now that he's out, I -- I would hope we would end the policy of issuing a terrorist to terrorist nations, and where they can get out.

KERRY:

Well, Senator, he's not supposed to be doing that, and there are consequences for that, and there will be. But apart from that, the fact is that we've got people who've been held without charges for 13 years -- 14 years, in some cases.

That's not American. That's not how we operate. We have a system of justice, and even the military, we have -- we have a code of military justice, and we operate under a separate way. We just can't behave like that.

This is a recruitment tool, you know -- Guantanamo, and -- are terrorists who are...

KIRK:

Let me interrupt your -- the recruitment tool, I would respectfully say, is him on video saying, "join me and fight the Americans" (ph)...

KERRY:

... and that's not part of the agreement with Sudan, and that -- if they're not holding the agreement, then he can be...

KIRK:

... let me follow up on that. The chairman and I have...

KERRY:

... if he's abdicating (ph) -- if he's abdicating (ph)...

KIRK:

... the chairman and I have laid out a position that we think that we should reduce assistance to a country that releases a -- releases a Al Qaida detainee by \$10 million per -- per detainee.

And that would, as it applies to this country of Ghana -- we give about \$40 million a year, if they -- if they accidentally release their people.

I do not know if you know that about 37 people have escaped from Ghanaian prisons -- would also lay out that marker that we agree to make sure that we would reduce assistance to a country that accidentally releases an Al Qaida detainee, to make sure that they hold onto these people.

KERRY:

Well, in a classified session, I can go through with you the assurances that we receive from a country and the process that is gone through, which is extremely...

KIRK:

Secretary, I would just say -- do you still certify Sudan as a state sponsor of terror?

KERRY:

Yeah -- it is still listed, yes. But it's under evaluation for that -- but it is still listed, yes.

KIRK:

I might generally suggest that their words might not be worth anything if they were such a terror-sponsoring nation.

KERRY:

We have engaged in a lot of work over the last number of years for the implementation of the peace agreement that was reached with South Sudan, and the creation of South Sudan -- the referendum and other process.

So we've had some engagement with them, but we've made it very clear to them what our expectations are for any kind of further efforts, which include ending the violence in Darfur, ending the violence in Blue Nile and South Kordofan, stop supporting Riek Machar and the rebels in South Sudan, and so forth.

So we are currently in a -- in a very clear demarche to the government of Sudan as to what they need to do...

KIRK:

So, as they said in Team America: World Peace (sic), you're going to send them a very angry letter?

KERRY:

No, we do more than that, Senator. They're -- you know, the -- the president of the country, as you know, is indicted on war crimes. He can't travel anywhere. We're ready to arrest him if he did. I mean, there's a lot going on sector.

KIRK:

Thank you, Mr. Chair, Secretary. That's all I have.

(CROSSTALK)

GRAHAM:

Here's the order that I have -- Senator Coons, Daines, Lankford, Durbin, Blunt, Merkley, Boozman. So, Senator Coons.

COONS:

Thank you, Chairman Graham. And I just want to begin by thanking you and ranking member Leahy for the very constructive bipartisan way in which you've worked together, and for your recognition of the enormous value of the 150 Account and your grasp of the -- the role that soft power plays, and that diplomats and development professionals play.

And Secretary Kerry, I'd like to thank you for your service, for your friendship, and for your real leadership at the State Department. And to all the folks who served in the State Department, both foreign service and civil service, and the development professionals of USAID, I've recently had a chance to visit a number of posts around the world, and am once again impressed with the dedication and the caliber of the folks who serve us overseas.

Let me start with the IAEA, if I might. I think you just spoke to the Paris climate accords and the role that we tend to take in important issues of leading with a significant contribution in a significant role.

The IAEA secured searching capabilities -- access in Iran to the whole nuclear fuel cycle. That was a key part of the JCPOA, was that they are empowered to not just look at enrichment sites, but also uranium mines, uranium mills, centrifuge production facilities.

And I had the opportunity, in January, to visit with Director General Amano in Vienna, and his team charged with the inspections critical to the enforcement of this agreement.

And I frankly was concerned at the scope and scale of their investment in training new inspectors and deploying inspectors on the ground. It -- it was underwhelming, and I -- I was disappointed to see the F.Y. '17 budget request for the IAEA was lower than the F.Y. '16 request.

I understand the internal dynamics that make the IAEA wish to spread funding across member states, and respect that. But in my view, we ought to be making a significant long-term investment -- a proactive investment in ensuring that the IAEA is confident they will have the funds for the

long-term to recruit and train and place the difficult-to-find nuclear inspectors that are essential to this.

I'd be interested in your comments on how you see that role. Let me just ask two other questions, and then yield the remainder of my time to you, if I could.

COONS:

Second, I'm concerned about the democracy and governance accounts across a number of African countries. We've used DG funds to provide support for presidential initiatives that I also support, but I frankly think we are at risk of cannibalizing our democracy and governance investments, and I would urge their strengthening, both through this subcommittee and operationally. If we end up not making the investments that are essential to civil society and fair and free elections in Africa, I think we'll be penny wise and pound foolish.

And last about Russian motives in Syria and their role, I'm interested in whether you see any daylight between the Russian position and the Iranian position as you've been negotiating the cessation of hostilities in Syria and what you view as Russia's motives long-term. Are they simply trying to stabilize the Assad regime and then get out and no longer be responsible for what happens, or do you view them as seeking a long-term foothold in the Middle East and to re-establish their regional leadership role which we had worked so hard to eliminate decades ago. I look forward to your answers, Mr. Secretary.

KERRY:

Well thank you very much, Senator. Let me begin, if I may, by just -- by thanking you for your incredible focus and leadership with respect to Africa on a number of issues, not just Africa, but particularly Africa, and your diligence in visiting there and being present and understanding. It just makes an enormous difference for all of us.

With respect to the IAEA, they need money, they need more support. They estimate that the JCPOA-related monitoring costs are about \$10 million annually, and some of it is costs associated with the implementation of the protocol -- of Iran's additional protocol which is part of the IAEA and that's what Iran signed up to. And other just costs that belong in the IAEA regular budget. So we are -- they're talking about how to approach that now.

Now we have supported it into components: with our assessed contributions and our voluntary contributions, and it works out in a way that we kind of paid the year ahead backwards, in a sense. And so we're looking at really '17 be paid out in '18 for '17, and that's when the amount will come due. But look, if we need to find a way for the IAEA to get money, we need to find a way for the IAEA to get money. This is too important. The successful full implementation and tracking. There's supposed to be 130 new inspectors going in and they're opening an office. They got the office and the location now in Tehran. And there's going to be a permanent presence on the ground, and that is critical to us delivering on the promises that were made.

And it's not that much money when you look at \$10 million versus the cost of what the downside would be of failure. So I hope that we can focus on that. And maybe there's a way to re-think and retool this issue of voluntary and mandatory and make it easier and be helpful.

COONS:

My concern, if I might, specifically on this point, Mr. Secretary, is that as good, capable, government bureaucrats -- how's that for a sentence -- the IAEA administrators didn't want to ramp up beyond their committed funding from the member states. And I said look, just speaking for myself, I would invest \$100 million in advance over the next decade to make sure you've got enough well-trained deployed capable inspectors. As you said, the cost, the risk of missing...

KERRY:

Well, I'm with you 100 percent. I was not aware of that judgment that they make until you just stated it now. But it's cause for me to use Ambassador Mull. We have a full-time implementing team, and Ambassador Mull heads that up a number, and I'm going to raise that with him and we'll get on that is because it's critical.

COONS:

Thank you.

KERRY:

With respect to democracy and governance funds, I'm not, you know, cannibalizing is a word my staff hears all the time. This is a cannibalized budget, just be honest with everybody, and I hate that and I know you do, Mr. Chairman. We should be doing more in almost every sector here, folks, because it comes back to us in increased security, increased leverage, increased relationship, better outcomes. And the number of failed and failing states and the number of places where we can make a difference is just stunning.

And by the way, when we talk about Egypt, we put money into Egypt, which is part of the on -- you know, the years now of the peace agreement. That's the basic commitment that we make to Egypt, the peace agreement with Israel. But together, the Saudis and the Emirates have put in over \$20 billion in the last couple of years to Egypt. We've put in a few hundred billion. Let me ask you who has leverage, who are they going to listen to, where do they think their help is coming from. So we need to think about this.

You know, we've got huge interest in making sure that Egypt doesn't go down into a more difficult status than it is, and so I know people say, well, we shouldn't be building there. You know, I know it's a great applause line; I've been out on the campaign trail and you can make an easy hit, you know, talking about what you do over there versus here. But over there is not over there anymore, over there is here now, always, and people need to really focus on that reality.

So I think for the pittance, relatively speaking, that we put into this, all of our democracy building, all of our human rights, all of our aid programs, everything we do in diplomacy is one penny on the dollar. It doesn't make sense when you consider the return on investment. And so we're cannibalizing, Senator, and the -- you know, even though we're slightly plussing up the budget this year versus last year -- it's \$411 million more than it was on the '16 level and 786 million above where it was in the 2015 level, but that's still not where we need to be.

And your final thing on Russia and Iran and the motives, you know, I don't want to get into, you know, analyzing and hypothetical, you know, surmising on my part as to what they are, but I'll -- but I'll say this. Russia has a very clear interest in not seeing Syria go down into utter chaos, and Russia now has its -- bought into it. You know, they're there and they need to get out of there somehow. They don't need to be supporting Hezbollah, supporting Assad, supporting Iran against the entire Sunni world, against Turkey, Qatar, Saudi and others and the moderate opposition and the radical opposition. And that's where they'll be if we cannot resolve things through a political process.

Now, you know, my -- I'm not sitting here making some casual judgment by the United States of America that Assad has to go because we, quote, "want him to go," I'm saying that every oppositionist I talked to, every country in the region doesn't believe that Assad can possibly bring peace to the country, and if he stays there, then the jihadis will continue to come, and the fight will continue to go on. And for all of us who have an interest in a stable, whole, secure, unified and secular Syria, that is completely contrary to that objective.

Russia and Iran have signed on at the United Nations through the U.N. Security Council resolution and through two Vienna communiqués to the notion that they support this vision I just articulated of a whole Syria that is secular. And they have supported Assad, but you've all read in the newspapers that Russia may have less of a sense of urgency about Assad's presence than Iran, and may have a different attitude about him. And Iran may even now have a different attitude because they may be coming to understand you're not going to be able to make peace with him there.

So it's hard for me to fathom that one man is so critical when all of these other countries are being supportive of a transition that we couldn't find a way forward that will stabilize. And if Russia -- this -- what we're seeing now in the next month to two to three months will be the test of whether or not Russia and Iran are serious about a real transition. And the transition called for in the Geneva communique of 2012 says a transition council arrived at by mutual consent with full executive authority which will then make the decisions until you have an election and the people of Syria choose their government.

So that is the -- that's what the objective is and I think Russia is Syria -- I mean, for the moment, I think they want to put to test this prospect. Now whether they're doing it as cover for something they intend to do down the road, we also will learn in the next weeks and months.

COONS:

Thank you, Mr. Secretary.

GRAHAM:

We have -- just one quick. I find it hard to believe that Iran is interested in a stable, secular government anywhere. Senator Daines.

DAINES:

Thank you, Mr. Chairman. Secretary Kerry, truly thank you for being here today and thank you for the many, many, many miles you've put on airplanes traveling around the world. Your service is greatly appreciated.

I want to go back to what Senator Leahy brought up earlier on the president's 2017 budget request on the global climate initiative and green climate fund, about a billion dollars. This request exacerbates the tension between highly industrialized nations that are concerned with leaving a legacy of environmental stewardship and developing nations that are concerned with obtaining better access to affordable energy and strengthening energy security. I'm concerned that such efforts could marginalize sources of energy like oil, like coal that can empower lives and provide opportunities around the globe.

For example, India is building two-and-a-half more times coal-fired electrical capacity than we will lose here in the next few years. China is building a new coal-fired plant every 10 days for the next 10 years. I managed operations in Japan during the great Sendai quake of March of 2011, and watched how they responded to losing the nuclear capacity with the Fukushima reactors now taken out of service. They're replacing that with 43 coal-fired plants. The U.S. Energy Information Administration is expecting Africa to increase its coal use by 70 percent in the coming decades. By any way you look at coal globally in the next 30, 40 years, the consumption is going up

Now speaking as a Montanan who believes very much in an all-of-the-above energy portfolio, we uniquely have hydro. In fact, I'm glad to see in the energy bill we're actually going to redefine hydro now as renewable, which only Washington DC would not define hydro as renewable. It will now be a renewable. We passed the energy bill. Wind, other forms of energy, I'm a strong advocate, but I think it's imperative to recognize coal is not going away, and it provides an essential source of low-cost energy for hundreds of millions of people, some 1.3 billion poor people, who don't have electricity today.

When available to developing nations, Montana's clean coal I think strikes the balance between low-cost energy and high-quality air. And for the record, Montana has more recoverable coal deposits than any other state in the nation.

DAINES:

My question, Mr. Secretary, and truly trying to strike a balance here as one who has been referred to as the "conservative conservationist" back home in Montana who would love to spend days backpacking up 10,000 feet and fly fishing, and the we embrace clean water and clean air, and it is who we are as Montanans.

But does the administration recognize that coal is going to provide energy security and economic opportunities in U.S., and, importantly, across the globe for decades to come?

KERRY:

Well, first of all, Senator, let me just say to you, I'm jealous, because Montana is indeed one of the most beautiful states in our country, and it is a great -- their great outdoors ethic up there.

I understand the tension on the coal issue. And we are indeed going to see coal being used. We're going to see oil being pumped and gas being pumped for years to come.

The question is, how is it going to be burned? How is it going to be used? The administration is very supportive of the advancing clean coal through carbon capture, storage, sequestration, et cetera.

And we know it is going to be -- it is an energy of choice for some countries because they can't afford anything else. It's cheap. It's very cheap. And, until recently, solar and wind weren't able to be competitive. Though now they are increasingly competitive.

And so people are going to start to make, I think, a different set of choices over a period of time. If this new solar advancement that I've learned about with respect to an American company that is much more distributable and cheaper and more effective works, that's going to begin to become an energy source of choice for people.

What we have to recognize, unfortunately, is, you know, that untreated, that is to say, without the latest technologies, whatever, scrubber, combination, et cetera, there is, burning coal releases one of the dirtiest, most concentrated CO2 emission sources.

DAINES:

Yes, just -- one, if I could. One thought there. There certainly has been a fair amount on debate on the Clean Power Plan. The Supreme Court certainly stepped in with their stay.

But when they've run those regulations through the EPA's algorithm, which is called MAGICC, what it spit out the other end was a 0.02-degree impact Centigrade on global temperatures between now and 2100.

And so we've quantified the impact of these regulations as it relates to the climate is negligible. I would argue 0.02 degrees Centigrade is negligible. But we also have quantified, I can just tell you, in Montana, 7,000 jobs, \$140 million tax revenue that go to teachers and schools, double-digit increases in electrical prices.

And these are Indian tribal jobs. These are union jobs. And this is what the world is still moving very much towards a coal-driven environment as a way to producing electricity.

And I appreciate the comment you made about not ceding leadership as it relates to clean energy technology. I think that was a good point you made earlier. My concern is, are we going to cede leadership in developing clean coal technologies by virtually killing this industry, which is what we're finding out these regulations will do.

We're unilaterally withdrawing in terms of developing, innovating clean coal technologies when we only comprise about 10 percent of the world's coal consumption. But by shutting down the U.S. coal industry, besides raising prices, having an affordable source of energy, we're now going to cede that to the Chinese, to India, to others, perhaps Africa, which I think from a global environmental stewardship viewpoint is a mistake.

KERRY:

Well, increasingly -- I understand your argument. Increasingly, those other countries are coming under pressure to change their own mix and to deal with the problem.

This is becoming a huge problem in China. Their citizens are up in arms over this issue. They have literally had days where they have to shut down their industry as result of the level of pollution.

And that is one of the reasons why China joined with us in making this move towards clean alternative energy.

Now, yes, nobody is going to shut down their economy. This is the danger for all of us. And therefore we ought to be moving. I have always supported major efforts for clean coal technology investment. And we ought to be trying to lead on that.

If we could discover how to do that, that would be superb.

DAINES:

Yes, but the watch-out (ph) on this one is, I think the message that industry is hearing from the Obama administration is that they're really pulling the rug out from underneath this industry.

And they're unwilling to make the investments that it's going to take to get there. And I just would -- I hope for more dialogue here if you are trying to maintain a balanced "all of the above" portfolio to make sure we keep base load on the grid given that we have a nation that still depends about 30 to 35 percent of our electrical demand comes from coal.

KERRY:

Yes. I think the administration's position has been very clear that if we're going to be serious about holding climate change to somewhere within the range of the 2 degrees, which we're already above, Centigrade, and avoiding the worst impacts of climate change, we have to move more dramatically to shift into renewable, alternative sources.

And we're pushing other countries to do that. And that is why the president made the decision about not publicly financing a coal that doesn't have carbon capture and sequestration, or isn't literally clean.

And nobody has yet shown me how you in fact burn coal clean, relative to other possibilities.

DAINES:

Yes, and I guess I just -- I hope to -- we always talk about the science, and looking with the MAGICC algorithm put out, that it was literally a negligible impact, 0.02 degrees Centigrade.

KERRY:

What is the level, though? What I don't know what is measured in that?

DAINES:

That (inaudible) with the other the proposed power rate...

KERRY:

With the U.S.

DAINES:

Correct. With the U.S.

KERRY:

Yes. But see, the problem is not just the U.S. The U.S. could do what it does, it would be completely wiped out by India and China in any changes that we make if they don't see us also making efforts to try to change.

DAINES:

But the pie chart is very compelling. It is 10 percent of the coal, plus or minus, that's consumed is in the U.S., 90 percent everywhere else. I guess just -- and I'm out of time.

But my hope would be that as we look at what we're spending our dollars as it relates to foreign efforts is that we try to maintain a balance and ensure that we are creating incentives to invest in clean coal technology, which is going to be a -- coal is going to be around the world here for decades to come.

I think when accept that and incentivize innovation, and the U.S. can probably better than anybody else in that regard. But the current policies right now I think are going to shut the industry down in the next several years.

KERRY:

My recommendation, Senator, is, you know, I would love to get you together with Ernie Moniz and John Holdren, have you met with them?

DAINES:

I was with Ernie last week in Alaska, in fact.

KERRY:

OK, I'm sure you talked about this.

DAINES:

Yes. And look forward to more conversation. And I'm out of time here. So I don't want to...

KERRY:

Well, it's worth...

DAINES:

But thank -- it's a good, thoughtful conversation around. I think (inaudible) said how we can truly be environmental stewards here and be smart and at the same time addressing the fact there is 1.3 billion people who don't have electricity.

(UNKNOWN)

Senator Durbin.

DURBIN:

Mr. Secretary, your indefatigable service as Secretary has set a new standard for modern diplomacy, thank you.

Let me ask you a couple of questions. You may have noticed in the newspapers we're having some controversy here about nominations and voting on them. You've had some issues with the Senate when it comes to State Department vacancies.

And we took a look and found that there are substantial number of ambassadorial posts that have gone unfilled, the most egregious about obvious is Mexico, which is being -- Roberta Jacobson is being held by Senator Rubio, won't allow a vote for us to have an ambassador to Mexico.

What impact does this really have when you have an ambassador in a country, whether you have key positions at the Department of State filled? Is this just an annoyance that you get around or does it have any qualitative impact on what you can do for America?

KERRY:

Well, Senator, thank you. Thanks for asking. And I know you've been a champion on this.

And if I can talk to my friends on the Republican side of the aisle here, because we have been trying to get these folks in place for some period of time. And I really appreciate the effort in the last weeks. You all have passed a number of key nominees out, and I'm very grateful for that.

But just as an example, I know in modern age people think, well, ambassadors, you know, they do the same thing. Well, they're not the Chip Bohlen's of the past in the sense that, you know, there were weeks of sending letters and telegrams and you don't have -- you know, you have much more instant communication, obviously.

But I have to tell you, I have seen firsthand the last three-plus years as secretary how unbelievably important it is to have an ambassador on the ground who has built relationships, who is trusted by that government, who has a feel for what is happening in that country.

And in this particular moment of counter-terrorism priority, and countering violent extremism, that is an ongoing daily investment job. You have got to have somebody there who can mobilize the agencies of another government.

You have got to have somebody who can get the president or the prime minister or, you know, the king to focus. And where we have a really good ambassador, God, what a difference it makes.

That person is trusted. It makes all the difference. They make decisions every day that can be the difference between an explosion and a conflict or an issue that got managed effectively.

And in today's world, you know, where we're going after narco-terrorists, we're going after extremists, we may have a country where there is an issue of a high-value target and we have to sign-off, and the chief of mission is responsible in that progression, we have judgments that have to be made that are critical.

Now with respect to Mexico, we have a particularly qualified career civil servant, Roberta Jacobson, who simply because she was tasked to be part of the effort to help the president implement his policy, not hers, his policy, and she did it well in Cuba, Senator Rubio is holding it up.

He is punishing a civil servant for the choice of an elected official. Now he is out there running for president. He has ample opportunity to make his case about the policy, but don't punish the country because you are angry about what happened, and lose us the link to the government of Mexico.

And the Mexican government asks us, what is the -- you know, why can't you provide an ambassador? What is it? Are we a pariah country? You don't value our relationship?

KERRY:

We just had a meeting in Canada, which we have every year, of Canada, the United States and Mexico, in the North American caucus, talking about how we could do energy projects together; how we could work more effectively on the borders; how we can be a trade bloc that raises standards in labor and environment and movement of goods.

That's what an ambassador can work on every day, not to mention the businesses that need to go to those countries to start closing their contracts, and need to get a minister of finance or a minister of trade to sit down with them and cut the deal.

So we're costing us jobs. I could go on and on.

DURBIN:

I know you will.

(LAUGHTER)

I need to reclaim my time. I think you made the point.

KERRY:

You've got it. I'm sorry.

DURBIN:

I have a friend of mine, Dr. Solul (ph). He's a Syrian American and every few months he takes a number of doctors from Chicago. They sneak across the border into Syria. And they try to treat the people who are the casualties of this terrible humanitarian crisis in Syria.

Then he comes back to Chicago and asked to meet with me and shows me these horrifying photographs of children and others who have just been disfigured and maimed by what's going on there.

I think you would concede, of all the crises, humanitarian crises in the world, at least this is the most prominent to face us and Europe and many other countries at this moment.

I know you are trying to work with the players in this to find some way to have a ceasefire, which I pray to God you're successful. Have we ruled out humanitarian safe zones? Places where Syrians can go for safe treatment or to live safely as part of this? If there were just hospitals that this doctor could go to. He operates on the floors of schools because there are no places to go to.

Have we ruled out humanitarian safe zones as part of this solution?

KERRY:

No, we haven't, but they come with great complications. My final comment on Roberta, folks, is the matter of human rights. Let's liberate her and put her on the job. She's traveling with Vice President Biden to Mexico tonight; doesn't have the portfolio, but she's going as our assistant secretary of state. And surely, since we've confirmed her to be assistant secretary of state, we could confirm her to be ambassador.

With respect to Syrian safe zones, look, if we're going to have a safe zone, it's got to be safe. If you're going to carve out a piece of Syria and say this is a safe zone, who's going to make it safe? Who's going to prevent Daesh from coming in and attacking? Who's going to prevent Nusra? Who's going to prevent the Syrian army or the Russians from dropping something?

So to prevent the Russians from dropping something, if they deem them to be a haven for terrorist, too, you're going to have to have an air defense structure. You're going to have to have planes flying. You're going to have to have a CAP. You're going to have to have people on the ground.

And our Pentagon estimates that to have a true safe zone in the north of the country, you may have upwards of 15,000 to 30,000 troops. Now, are we ready to authorize that? Are we ready to put them on the ground?

All this talk about safe zones does not go through the process of what it really means. Now, right now, we think we're creating a safe zone. We're trying to make Syria a safe zone by having a cessation of hostilities and by delivering humanitarian assistance to everybody.

And in the last week, we've gotten 114 trucks through to deliver assistance to five or six communities that haven't seen it in two or three years; 80,000 people now have enough food and stuff for the next month. So, that's our goal. But it really requires Congress to sort of analyze if somebody's going to call for a no-fly zone, it takes planes going out and destroying the air defense system so you can fly around and make it a no-fly zone.

DURBIN:

Mr. Secretary, you're on the ground, and I commend you for all that you're attempting to do. And I won't second-guess you when it comes to this. It's hard for me to imagine that all the countries that share our goal in ending this humanitarian crisis couldn't come together to create that kind of defense, but perhaps they can't.

KERRY:

They may yet. Dick, it may happen that what occurs is if the Russians and the Iranians aren't serious about having this work, then we've got to go to a plan B which may be more confrontational

and may wind up carving things out; may be we have to come and ask you to do more and commit more.

Because we have to be serious about this. The implications of this for the region and the implications for Jordan, for Lebanon, for Europe are stunning. And they're huge in terms of our national security interests. So, you know, we're going to have to measure these next weeks very, very carefully.

DURBIN:

Thank you.

GRAHAM:

Senator Lankford?

LANKFORD:

Thank you.

Secretary Kerry, thank you, for your service.

Let me -- I've got quite a few questions on several different areas around the world.

Democratic Republic of the Congo recently announced that they're going to allow 150 exit visas for some of these American children to be able to come out that had been adopted. They've said by the end of March they're going to allow another 250. Do you have good assurances from the DRC that they're going to follow through on that? This has been a long time coming for those families.

KERRY:

We've been pushing very, very hard on this. We have their assurance. I can't tell you they're, you know, lead-pipe until it happens, but we've been working on this very, very hard.

LANKFORD:

OK.

KERRY:

And we'll stay on it.

LANKFORD:

Thank you. Please do. Yeah, for the sake of all those families. There are a lot of children that obviously have been there...

(CROSSTALK)

KERRY:

I raised this issue personally with President Kabila when I saw him. We've been pushing hard on it. I hope this will be followed through.

LANKFORD:

Great. Thank you.

Two weeks ago, I had a conversation with DNI Clapper dealing with a multitude of issues. I serve on the Intel Committee. I know you interact with him often. At that time, he mentioned in his opening statement that he still sees Iran as the world's largest state sponsor of terrorism, exporting its extremist agenda through all of its means still.

I asked him specifically in a followup if he's seen a change in Iran's behavior towards sponsoring terrorism since the signing of the JCPOA. Obviously, that wasn't related to terrorism. Has there been a change? His response was: "I have not seen a change."

I asked a followup question, if he'd seen any change in Iran's testing of ballistic missiles, its normal strategy that it has since they've launched 140 missiles since the U.N. has told them no, including two recently. He also said, no, he's seen no change on that.

Would you agree with DNI Clapper that there hasn't been a change in Iran, their state sponsor of terrorism and their focus, and their missile testing since the JCPOA has been signed?

KERRY:

Not with respect to those, no. There hasn't been. I mean, the only differential, and it's not -- it's nothing to crow home about -- cry home about -- is that something like what we saw in Bulgaria or other couple kind of things we haven't seen.

But with respect to missiles, with respect to arms and other things, there has not been, no.

LANKFORD:

Is that the next layer working with Iran at this point? You began with nuclear. Is the next layer then to work with they're a sponsor of terrorism and such?

KERRY:

To work on each of those, and also on Yemen. Yemen and Syria are both tests of whether or not there is a new approach.

LANKFORD:

The chairman had asked you about the Iran Sanctions Act, which is set to expire in December of this year. You had said you didn't see there being a hurry to pass it. Do you think that's an important vehicle to have in place for the next administration? So whether -- you may say there's not a hurry because it expires in December. Do you think it's important to at least have in place to hang out there as leverage?

KERRY:

Senator, in point of fact, it doesn't change the leverage. And the reason it doesn't change the leverage, in fact it might even, you know, work against that. I'm not sure. I haven't thought that through. But we have the authority we need. The president has the Emergency Powers Act in order to be able to implement. We've done most of our executive orders of the implementing of unilateral sanctions under that.

You don't need it in order to be able to have snap-back. So, we're not sitting here feeling an imperative. Beyond that, I'd also say to you that I'd rather make the judgments about it, recognizing whether we've made any progress, where are we, or is there a problem in the context of the implementation.

LANKFORD:

So you feel like -- the Iran Sanctions Act is obviously what gave the sanctions their -- I'm trying to figure out if you're snapping back -- snapping back to what? If that part goes away?

KERRY:

No, snap-back to all the sanctions that were in place. It's the same sanctions. They can snap-back without the ISA. But, you know, I'm just saying to you that we don't need to consider that at this point in time. I don't think that it's -- we're not viewing that as any way a limitation on our ability to effect the JCPOA implementation or to have sanctions snap-back if they have to, or to put new ones in place if we have to.

LANKFORD:

OK. Last year, this subcommittee supported several provisions dealing with religious freedom and religious liberty, and promoting that around the world. I was surprised when I was going through the request this year that several of those areas that we had included in 2016 on religious freedom and the promotion of that around the world, had been rescinded in your request, not asking for some of those same line items.

Has there been a change in policy about promoting religious liberty around the world?

KERRY:

No. On the contrary, we've upped our efforts. I've appointed -- I have an office with respect to religious engagement. We have -- we've increased our outreach in many regards.

LANKFORD:

Some of the funding line items, though, have been either rescinded completely, and some of the certifications and reports have been -- the request is to take out some of those reports, as well as some of the funding line items.

I can follow up on you and get you some of those directly, but that's...

KERRY:

Yeah, I'd like to follow up with you on that.

LANKFORD:

... that's obviously been extremely important to this subcommittee and to myself as well, that we continue to promote the value of religious freedom around the world. That's one of those core, as you know, one of those core human rights values. The more that we promote that -- the advance of democracy.

KERRY:

Indeed it is something -- when I was here in the Senate, I was the original author of the Workplace Religious Freedom Act and it's something that we've been very involved in. And I'm the first secretary to appoint a coordinating office for outreach on religious affairs. And we have a very distinguished -- Sean Casey is there with us; Ambassador David Saperstein is working...

LANKFORD:

You still meet with David Saperstein frequently?

KERRY:

I haven't seen him as frequently as I'd like, but we've met. Yes.

LANKFORD:

He probably has some good stuff of his. He's a great guy, as you know well, and he's a very good physician.

KERRY:

He's terrific. But notice, both of those players, that's never happened in the State Department before, and we're happy to have them.

LANKFORD:

Right. I would continue, but we can follow up on the exact line items on that.

Dealing with Libya, also you've done a certification already to us that the government of Libya is cooperating with us to investigate, bring to justice those responsible for the attack in Benghazi in 2012. You've given us that certification. Can you give us the background for I guess how you certified that, knowing the very precarious position that government is in at this point, as a new government?

And then there's a second certification that you've asked this year to have struck, that you would not have to turn that certification in in your request. And it's this certification, that all practical steps have been taken to ensure that mechanisms are in place for monitoring, oversight and control of funds for assistance to Libya.

And I would like to know why the request is there to strike that certification. Again, that seems a reasonable request from us, with the nature of the Libyan government at this point.

KERRY:

Let me just -- I was just given a note from my staff so I can finish the answer on the first thing.

The reports -- it's really a consolidation effort. It's not a diminishment. We have so many reports and we're trying to put them all into a...

LANKFORD:

And I have no problem with that.

KERRY:

I'm not sure I understand your exact question on the Libya certification.

LANKFORD:

Yeah, it's just that there's a -- we put in place a certification, as we put it, last year, all practical steps have been taken to ensure that mechanisms are in place for monitoring, oversight and control of funds for assistance to Libya.

You've asked for that certification to be struck at this point.

KERRY:

Well, we don't have a...

LANKFORD:

The question is: That's a reasonable oversight for us.

KERRY:

It's just not possible right now under the circumstances to make that kind of certification, and to not -- and to be in the position of denying it, therefore, we think would handicap our ability to -- trying to get a viable government in place, stand it up and move forward.

So the situation just doesn't lend itself to that kind of judgment right now. We're just at the point - - we're at a critical point here where we've made it clear we're going to start sanctioning some people if they're not going to be involved properly.

We've got a couple of outliers from the GNA -- from -- from the -- from the GMC (ph) and the HOR (ph), each, as we try to put together a government of national accord.

We're about to hopefully have a vote on that government and actually proceed forward, and then we'll be --- you know, in a better position to be able to deal with standards of certification that just don't apply to the situation in Libya.

(UNKNOWN)

Mr. Chairman, can I just make three (ph) request for -- this will be questions I'll submit in writing for the days ahead, and it's just three quick things that we've talked about before.

One is I'd like to have how you -- in a written way -- how you evaluate the quantity of success or effectiveness of the Green Climate Fund. I mean, it's a billion-dollar-plus fund that's sitting out there.

How do we quantify whether that's successful? There -- there -- I'm sure you've come up with something that large -- how are you evaluating its success or effectiveness.

Second one is how are you going to evaluate these additional funds that have been put in last year for the Northern Triangle, when we're dealing with all the issues with judicial improvements, legal improvements and such with the Northern Triangle and Central America.

And then the third thing goes back to our Mexico conversation as well. Mexico's poppy -- poppy growth has grown exponentially over the last several years, and heroin is pouring into the United States.

Poppies are easily identifiable from the air. This is not some crop that can be grown that no one can see where they are. Everyone knows where the poppies are being grown, and what I want to know is how we're working with the government of Mexico to eradicate these fields.

Thank you, Mr. Chairman.

GRAHAM:

Those are good written questions that will be responded to in kind (ph).

(UNKNOWN)

Thank you.

GRAHAM:

Senator Blunt?

BLUNT:

Mr. Secretary, let me make a couple of comments that aren't questions, but maybe just follow up on what you've just been talking about. You know, Senator Klobuchar and I -- used to be Senator Landrieu and I -- co-chair the adoption caucus in the Senate.

And Senator Klobuchar and I, then, had the new ambassador from the Democratic Republic of Congo in a few months ago. He was not defending his country's position at all, that children who their courts have allowed to be adopted need to be take -- brought out of the country.

So I'm scheduled right now, in fact, to go meet with 40 of those families, and some of them have had really good news over the last few days, and hopefully your anticipation and ours is the same, that at least in terms of children who've been allowed to be adopted, they'll now be allowed to leave the country.

On the envoy for religious freedom, I continue to have some concern that the legislation that Congressman Wolf and I got past that created that specific title -- the envoy for religious freedom in the Near and Middle East, I think, is the title -- that the title has never been given to anybody.

And I'd like you to continue to think about that. You've got -- you -- Ambassador Saperstein says, "I've got staff, I've got good people to help on these issues." It would seem to me that the imprimatur of the title, given to an individual -- as the law requests that you do, or at least certainly asks you to do -- would be a good thing.

I want to talk a little bit about the return of the three prisoners, or, in some reports, hostages, from -- from Iran. I sent a letter on January the 29th that asked two or three questions on this topic. Have you seen that letter yet?

KERRY:

Not sure I have. I haven't seen it.

BLUNT:

Who in your staff would you like me to give it to?

KERRY:

Give it to -- give it to Julia Frifield. That'd be great.

BLUNT:

You know, when you were in the Senate, you probably would hope that you'd get...

KERRY:

(inaudible) giving it to me now.

BLUNT:

... you'd get a response quicker than a month to a letter, though I would say you're -- you're so poor (ph) you still haven't caught up with Tom Wheeler at the FCC, who actually never answers letters.

(LAUGHTER)

If they did, it might actually be easier to get people confirmed. You were here long enough, and understand this system as well as anybody. It would be helpful if you could be more responsive.

But let's just see what we can discover about that letter right now. What the letter really questions is the -- the story was told when the three people were, thank goodness, returned to the country and their families.

But it happened -- the -- the transfer of money happened the day after people came back. The Iranians contend that was -- at least an Iranian general has contended in a Newsweek article -- that that was clearly -- the two things were absolutely related. Is that true?

KERRY:

No. We've been negotiating the claim settlement for years -- literally. And it was negotiated on a separate track. Now, whether they, in their minds, thought this was a propitious moment to try to settle it -- that's in their mind, not ours.

We made it clear to them it had to be done on a separate track. It had to be completely separate. We weren't going to tie it in. And we reached one agreement before we reached the other. So the answer...

BLUNT:

Well, it is -- it is -- it is amazingly coincidental...

KERRY:

Right.

BLUNT:

... that after 35 years of negotiating this -- this difference of opinion, that the two things would happen within 24 hours of each other, but that's not my question.

My question is in -- the -- the 400 -- this was about \$400 million, plus interest, that was part of a - a past contentious issue with the Iranians. The Congress told the administration -- actually passed a law that President Clinton had signed in 2000 -- that that \$400 million would go to specific victims of Iranian terrorism.

Who received that amount of money? Did they receive it from that account, or not?

KERRY:

The law...

(CROSSTALK)

BLUNT:

No, they wouldn't have -- I don't believe they'd have received it from that account. I know there were settlements -- there are a number of claims that were settled through the years -- both ways, by the way.

The Iranians settled some claims towards us -- and this claims process -- excuse me -- was set up in 1981, I think, right after Ronald Reagan came in. This part -- or even under Carter -- the process. But it was set up right around there.

So the Congress in -- in 2000 that passed a law that said that \$400 million won't belong to the Iranians any longer, it will belong to the victims -- that didn't -- wouldn't have...

KERRY:

We -- I was told...

BLUNT:

... superseded whatever else was happening internationally?

KERRY:

... Senator, I was told in the process -- we were very, very clear about this -- I think Secretary Lew can answer this very, very directly. This was the fund that had been kept in place that the money the -- \$400 million was there -- in fact, there was a little more in there, and I can't remember why there was more. So there's a cushion.

The \$400 million went out, but there's still a cushion of some money that was there for any remaining claims. But almost all the claims have been cleared up. So that's why it was deemed appropriate to lower that particular account -- because there weren't any extant claims that would have amounted to the amount that was being left in the account.

BLUNT:

Well, there's a Newsweek article that indicates -- and I know Newsweek's online now, but I just read the article -- there's a Newsweek article that indicates the families -- the specific families mentioned in the 2000 law -- were all led to believe that the money they got was money that was Iranian money, not taxpayers' money.

So you're saying today that...

(CROSSTALK)

KERRY:

No, I'm not. I'm saying -- I think that is accurate. I think they got Iranian money. I think the taxpayer money fund is what stayed in that -- in -- in the fund over the period of time.

When we were examining how we could do what we were trying to do to settle the claim over a period of time -- and by the way, it was separate negotiators. Completely separate team negotiating this in a separate track -- over a long period of time, by the way. This predated anything to do with this.

I think one of the reasons why it came to a head simultaneously is, frankly, because we had the JCPOA done, and there was a channel of communication, which we've never had before. We've never had a high-level channel of communication.

And part of the -- the -- the exchange of people actually was being done through their ministry of interior...

(CROSSTALK)

BLUNT:

Well, it is very coincidental. Would you expect...

KERRY:

We've never talked to their ministry of interior before.

BLUNT:

Would you expect, of that \$1.7 billion -- the first of more money that would go to -- will go to the Iranians under the agreement -- would you expect any of that \$1.7 billion to go to terrorist organizations or terrorist-sponsoring organizations?

KERRY:

Do I expect it to? No. Might it? I mean, I can't answer a hypothetical like that.

BLUNT:

Well, I think you did answer that earlier.

KERRY:

Well, what I said was it -- with respect to all of the money going to Iran, which, by the way, is way below -- I mean, we should go into a classified session -- we can give you the exact figures.

But -- you know, people talked about \$100 billion, \$150 billion -- no, folks. Nowhere near. It's not even up to the \$50 billion yet that we talked about.

And so I -- our judgment is that -- we've always said this publicly -- that there were enormous demands in Iran for that money in terms of their energy sector, their infrastructure, their banking, paying off notes, everything.

So my recommendation, Senator, is, in classified session, we can really inform you as to what we're seeing today, and I think you'll be very surprised.

BLUNT:

Well, I'm on the Intel Committee, and we have had some of that discussion, and we'll have more with you. Thank you, Chairman.

GRAHAM:

Senator Moran.

MORAN:

Mr. Chairman, I'm not on the Intel Committee, and I -- several times, the secretary has offered to have classified briefings, and I would welcome that opportunity any time that you see fit to have this subcommittee -- have the secretary in that setting.

Mr. Secretary, thank you. A number of the topics that I wanted to raise have been raised, but in slightly different forms. An exception to that is -- in the slightly different form is I want to again reiterate the importance of this adoption issue in Congo.

And is it your understanding that the additional 250 young boys and girls in the Congo have been -- who have been adopted by U.S. citizens will also be processed and released to the United States, to their parents?

KERRY:

We hope so.

MORAN:

Is there more than hope in -- that's my question, is...

KERRY:

Well, I think there's an understanding, isn't there, that they're going to be coming.

MORAN:

I think -- my question is, is there a commitment that you expect to be kept? Or is this just hope or wishful thinking?

KERRY:

There's an understanding. We have -- the DRC authorized -- has authorized more than 150 to come. And on the 250 from Congo, I believe...

MORAN:

My understanding is there's another 250 children who have been adopted, awaiting the opportunity to -- to come to United States.

KERRY:

Yeah. About 400 total.

MORAN:

Again, I'm -- I'm not sure what the expectation is. I don't know what the Congo -- what -- what the president agreed to. Is your understanding...

(CROSSTALK)

KERRY:

We'll get you...

MORAN:

OK.

KERRY:

... I'm going to get you a precise answer on that.

MORAN:

Great. And if that agreement has been made, I would encourage, as my colleagues have, of you the State Department, the United States government insisting to encourage.

A number of us met in Senator Blunt's office with the ambassador from the Congo. It is such a heart-rendering circumstances to see these -- today, I saw photos of these boys and girls, but to talk to their parents, and who are their parents? And they're still thousands of miles away. So please thank you for your efforts in the past and please continue that effort

You also had a conversation with Senator Blunt about the settlement of the financial dispute between Iran and the United States, and you indicated at that time, although I think perhaps it was slightly different than what you said today, that there are more pending claims that potentially could be settled. Those claims are claims of Iran against assets or dollars from the United States, and that those claims need to be finalized. This was a large chunk of that, but not all of them. And my question is do you know how many -- what claims remain and how much money is involved there?

KERRY:

I'm told that they are very, very few, if in the multiples of single digits, and that it is less than the amount of money that was left in the account.

MORAN:

I was very critical of that transaction, that agreement, and I was critical for the reasons that it seemed to me that that money would've been used to compensate American citizens who have claims against the Iranian government, that there should've been an offset. And what's your reaction to my criticism?

KERRY:

This is a separate track, Senator. This is the foreign military sales money that was a very specific purchase that took place in 1979, and it was escrowed separately in an account at that period of time. And it accrued interest, and if you -- I recall vividly that the interest rates back at that period of time were upwards of 18 (percent), 19 (percent), 20 percent or something at some point in time for a period of time. And it is only the most recent years we've had the luxury of, you know, near-zero and very, very low interest rates.

So we were looking at a liability upwards of, you know, several billion dollars, and we believe in the end that the judgment was made by everybody. I mean, this was an interagency, fully vetted, unbelievably analyzed process which made a judgment about what was the appropriate level and what would be a good arrangement for a settlement. And that's what we arrived at.

MORAN:

Did the negotiations include requests of the Iranian government to pay the claims of United States citizens?

KERRY:

Sure. We're always pressing for that. But that's part of the claims process. There are outstanding claims for those, and those are in The Hague, I believe, as part of the claims process.

MORAN:

In regard to Senator Durbin's question about the 15 percent military aid that can be withheld if there are human rights violations with Egypt, my understanding is that your budget request and the independent -- I'm sorry, the appendix of this year's budget request, the administration pushes for removal of that language altogether. And I want to know the justification. Maybe you said that to Senator Durbin, but I think his question was slightly different than that.

KERRY:

Can I get -- I'm not sure that I understand then what you're...

MORAN:

My understanding is that your budget request asked the language that allows for that withholding of those dollars to be removed so that the authority disappear.

KERRY:

The withholding of which?

MORAN:

The 15 percent when there are violations of human rights.

KERRY:

Let me get -- can I get back to you on that?

MORAN:

Absolutely. I guess my question is what's the -- what's the rationale of the administration in changing the law that has that provision in it today?

KERRY:

I want to get back to you on that.

MORAN:

Very good. And finally, I think finally, issues related to the persecution of the folks based upon their religion. There has been significant allegations that ISIS is persecuting people based upon their religion. We've heard that from former secretary, your predecessor, Secretary Clinton, the pope, European Union and others have indicated that genocide is occurring by ISIS. And there is at least some reports that the United States is considering declaring this a genocide against the Yazidis but not against Christians. Is there any validity to those allegations? And if so, what would the distinction be?

KERRY:

Senator, there is a process ongoing right now making an analysis under the law. The lawyers are making this judgment. So you may be picking up some of the technical debate on what standard is applied that meets the legal standard of genocide and crimes against humanity and so forth. And I've heard some of these arguments. And in fact, because of what I've heard, I have to make this judgment, and I am prepared to make it and make it soon.

I have asked for further evaluation based on what I've heard in order to test against the law some of my own perceptions and evaluations and see what -- where we come out. That's the process. And so whatever early reports you are hearing do not reflect sort of state-of-the-art where our thinking is or what we're going through on this. And I have to make a judgment on this, and I will when I am satisfied that I've evaluated that standard and I'm comfortable with what the outcome is.

MORAN:

Mr. Secretary, thank you for your presence and for your testimony today.

KERRY:

Thank you.

GRAHAM:

Mr. Secretary, you've been very generous. Two quick -- very quick. Are you -- the Justice Against Sponsors of Terrorism legislation, is it -- is the administration opposed to this? JASTA.

KERRY:

Yeah, JASTA. We have concerns about it. I think we'd like to work with you. We do have concerns about it because what it does, regrettably, because of the way it's structured, generally speaking, we've dealt with this with countries who are designated terrorists. If we wind up taking away sovereign immunity from a country lots (ph) that are not, that's a huge...

GRAHAM:

In its current form, you're opposed to it.

KERRY:

In our current form, we'd be very troubled by it because what it would do is really expose the United States of America to lawsuit and take away our sovereign immunity and create a terrible precedent in its current form.

GRAHAM:

Thank you. This just came out about an hour ago over the AP that Iran arrested the father of a jailed U.S. citizen. S-I-A- M-A-K-N-A-M-A-I-Z (sic), what's the gentleman's name?

KERRY:

Siamak Namazi. His father.

GRAHAM:

That the Iranians apparently Monday arrested his father. Are you familiar with this?

KERRY:

I'm very familiar with this and I am -- I am engaged on it specifically. But I am not permitted...

GRAHAM:

OK.

KERRY:

... due to privacy reasons to go into details here.

GRAHAM:

OK. Well, thank you very much for your service to our country, and we'll do everything we can to support your budget.

KERRY:

Thanks, Mr. Chairman, very, very much. Thank you.

GRAHAM:

The record will be open until Friday, February 26th for questions for the record. The subcommittees stand in recess.