

Hearing Transcript

Senate Foreign Affairs Committee Hearing on President Obama's Fiscal 2017 Budget Request for the State Department

February 23, 2016

CORKER:

The Committee on Foreign Relations will come to order.

We welcome everybody here. I know that many of us had a chance to talk to some of those in the audience in the hallway. And we know that while we've had great discussions, we know that you'll honor the committee by keeping comments to yourself while we're proceeding.

I want to thank everybody here on the committee for being here today. I want to thank our secretary for his service. I don't know of many secretaries of state that have put out as much effort trying to solve the many problems that exist around the world. And for that, I thank him.

Thank you for coming today. And thank you for typically when we have a budget hearing, the testimony that is put forth is only about the budget. And I think you know, having been chairman of the committee, you're probably not going to be asked many questions about the budget. And therefore, I think you gave a narrative of your view of the world, which I appreciate.

I think all of us understand that the reason the State Department exists, really, and the reason that we fund it is to do everything we can through diplomacy to solve the many problems that exist around the world, and to do everything we can to keep our men and women in uniform from being utilized more than they are today because of diplomacy.

And so that's why you're here. And I think that's one of the reasons you went into the narrative in your written testimony about things happening around the world. So I just wanted to again thank you; appreciate your being here. And my opening comments are going to center around then things happening around the world.

We saw you in Munich last week. We had quite a candid conversation. I know you gave a talk there at the conference. And I would -- my observation is, and I know that Senator Perdue was there and others, I don't think I've seen Europe so unsettled ever in my lifetime. I think they're confidence level is at an all-time low. I think they are concerned about what Russia is doing to destabilize the area, using refugees as a weapon of war. I -- again, I don't think I've seen that at that level before.

And so, you know, they're looking for U.S. leadership, no question. In Syria, I know we had a very frank and off the record discussion regarding -- you had just entered into the agreement relative to cessation in Syria. And I know there were concerns at that time relative to what Russia would actually do. And I think we -- many people thought they would do what they done. And that is to further solidify gains, kill more people, move into Aleppo as they have.

I know that you've negotiated another one. I realize that again what you have at your disposal is negotiation. And I think that many of us have been asking, you know, what happens if in fact this cease-fire doesn't hold. And I don't think Russia believes that anything is going to happen. And I think that's why they continue to make the gains. And at some point, they'll have all the gains they need and be willing for a cessation.

They're also right now selling or announced that they're going to sell to Iran Su-30s, which is in strict violation of the U.N. Security Council agreement that put the JCPOA into place. It's my understanding that they can in fact come to the U.N. Security Council and ask for permission. I'd love to understand whether you expect that to happen. China today is beginning to militarize, if you will, the gains they've made in the South China Sea, building very sophisticated radar facilities. We understand through announcement they'll have this verified. Even our developing missile systems on these -- these, quote, "islands" that are basically underwater at high tide, but are now being utilized in their regard.

North Korea, we passed something here in the Senate and House last week. The president thankfully signed it to push back against them. I understand there were some peace overtures towards them prior to that occurring. I'd love -- hope you'll expand a little bit about what that was about and where you see that going.

And then in Libya, you've got 5,000 ISIS members there. I know we took some hits against them in the outskirts of Sirte last week. But I think many people have thought that maybe what the administration was going to do was going to assess a much greater effort there so that instead of it being incremental, as it appears it might be, there would be something done on a far more shock-and-awe basis to really set them back while we have the ability to do so.

So, I look forward to you talking about and sharing with us your thoughts on all of these issues. Again, I thank you for your narrative on the front end. I thank you for your service. And I certainly thank Senator Cardin for his distinguished ranking member leadership on this committee, and will now turn to him.

CARDIN:

Well, Mr. Chairman, thank you for convening this hearing. It's always a pleasure to work with you.

And Secretary Kerry, it's really a pleasure to have you before your former committee. And I'd first start by acknowledging this is the last budget that President Obama and his administration will be submitting to us. So I just really want to reflect for a moment on your extraordinary leadership in advancing America's soft power through the effective use of diplomacy and development assistance.

Secretary Kerry, you understand more than anyone else as the former chair of this committee the importance of diplomacy and development assistance to our national security. For that, I just congratulate you on an incredible record of accomplishment as secretary of State. You understand

that military must be our last resort and you have carried that out through developing partnerships with other countries and coalitions so that we can be effective with our soft power.

The most recent is the hope that we have in Syria through the cease-fire to stop the killings and to allow humanitarian access, which is a critically important first step to resolving the conflict within Syria so that we can focus on ISIL without the fighting going on between the Assad regime and the opposition. And you did it in a way that doesn't compromise our position in regards to President Assad's future and his accountability for war crimes that he has committed.

I also want to thank your staff. They've been incredibly accessible to us with providing information that I think is vital to our needs. So to Julia Frifield and the entire team, thank you for what you've been able to do.

I generally support the president's budget. I think it speaks to the right priorities in regards to the State Department. It deals with the threat from emanating from ISIL in the Middle East and Northern Africa, \$4 billion to fight -- the (ph) counter of violent extremism. It supports the rebalance to Asia and recognizes the challenges that we have in Asia relative to China's provocative actions in the South China Sea and North Korea's nuclear ambitions.

I was pleased to see that we have enacted, as the chairman pointed out, the North Korea sanction bill. The president signed it into law. We're always stronger when the Congress and the administration work together to advance American foreign policy.

The budget deals with challenges in our own hemisphere, it particularly mentioned the Central America Northern Triangle. We still have the problems of unaccompanied children coming to our borders. I was in Honduras and El Salvador, saw firsthand the violence in the communities through the gang-controlled areas. We must do more in order to make that country safe. The president's billion-dollar request -- I hope we will support that, dealing with the good governance and protection of communities as well as the security issues in Central America.

The budget deals with Russia's aggression in east and central Europe, particularly support the \$953 million to improve democracy and good governance and anti-corruption to promote European integration. I think that's critically important. It's the first year -- anniversary of the Minsk II agreement. We know Russia has not complied with the military aspects, but it's incumbent upon Ukraine to comply with the good governance aspects if there's going to be lasting peace in Ukraine, and this budget allows us to advance to those challenges.

The budget provides for the continued support of Israel for its QME, \$3.1 billion of security assistance recognizing we are in a process of negotiating the next chapter in the Memorandum of Understanding.

And it provides U.S. leadership on climate change. I was pleased to be part of 10 members who were in Paris for COP 21. We saw firsthand America's leadership, your leadership in the international community coming together. This budget carries out our commitments.

I'm going to refer a couple of times to the visit under CODEL flight. We were just in the southern part of Africa and we saw firsthand the impact of continued drought on the survivability of those countries in the southern part of Africa. Their way of life is at jeopardy today because we were there during the rainy season, we saw no rain, and this is the second year in a row that they have had this -- this -- this impact.

And the New York Times today points out that research teams report fastest sea rise in 28 centuries, 28 centuries, and the budget does deal with carrying out our commitments on climate change so that we can continue to provide the leadership needed globally to deal with this crisis of our times.

The budget deals with Africa, carrying out the Africa leaders summit -- the commitments that were made there on power Africa, trade Africa, young African leadership leaders. I think that's all very important and it carries out our values, from providing international leadership on the refugees to humanitarian needs that is global, to maternal and child health that feed the future. It deals with the Zika virus in Latin America and deals with aids regeneration.

Mr. Secretary, when we were in Namibia, we had a chance to visit an aids site and see firsthand, talk to -- Senator (inaudible) and I had a chance to interview with about 30, 40 aids patients. One asked that we relay to the leaders of our country their thanks because literally, they are alive today because of U.S. efforts. There is a whole generation alive today working in their economies and their future as a result of U.S. leadership on PEPFAR.

It makes a huge difference what we do on development assistance around the world. We now have a stable country in Namibia that wants to work with the United States and it's a direct result of our involvement.

I want to also thank you for including \$60 million for trafficking in humans, Senator Corker's been one of our great leaders on the trafficking issue to end modern-day slavery, and we appreciate the funds that are put in.

So I'm positive on the budget that's been submitted, but I want to conclude on two points that I'm not as pleased about. First, there is not enough allocation in good governance and democracy in this budget. The small amount of moneys that we put into democracy building, we saw that in the four countries we visited, Mozambique, Namibia, Zimbabwe and Botswana. The small dollars that are available are having incredible results. It's what America stands for and we need to do a better job in providing resources to promote democracy globally.

And then secondly, I'm very concerned about the OCO funding versus the baseline funding. I think we need to talk about that. The budget provides \$50.1 billion in the -- in allocations for foreign assistance, but only \$35.2 billion is in baseline funding, as this chart points out. That's been a declining sum that's in the baseline and the reality of our world is that this budget provides our national security and it needs to be grounded and sustainable and ongoing for the safety of our nation.

And I am concerned that by not having the baseline high enough, we run the risk in the future. Now, I know the realities of the politics of the budget, here. This is not the administration's doing.

But we need to make it clear that on national security, soft power, that we are committed not only to this year, but a sustained growth of America's presence globally. And I would hope that we would get a larger sum in the baseline.

I look forward to your -- your comments and I thank you again for your leadership.

CORKER:

If I -- if I could, prior to you starting, I couldn't agree more. It's -- it's a budget process on both sides of the aisle is nothing but a political document. It serves no purpose and our inability to focus on our fiscal issues will weaken our nation while we are having this hearing. And the fact that so much of it is funded through OCO both, by the way, here and at DOD just speaks to the fact that we are not willing to make the tough decisions that are necessary to on a permanent basis put our country on solid footing. I know that's not on this particular issue, that's not what the administration proposed and I do appreciate you bringing that up.

I would ask the audience -- I know there was a degree of clapping and cheering. Again, we like the fact that everybody is here. I know you all will be very respectful as the secretary makes his comments. And if you will, please begin.

KERRY:

Well, Mr. Chairman, thank you. Senator Cardin, all my former colleagues and friends on the committee, I'm -- I'm really happy to be here. I think we have a chance to have a very important conversation and I appreciate both of your opening comments very, very much, both in tone and tenor.

And I want to begin just by thanking all of you. I know it's been very, very difficult. I know the committee has worked incredibly hard to fill our positions at the State Department and our overseas posts. And I also know this committee has a very special appreciation for the vital work of diplomacy.

KERRY:

Both of your comments just now underscore how vital it is for America to have our senior diplomats, particularly our career diplomats, who just don't deserve to be waiting a year or two years or a year and a half to be put in position.

And I know this committee believes that, and you worked extremely hard, Mr. Chairman. Thank you for your diligence. And Senator Cardin, likewise, and all the members of the committee.

This is the way we advance the objectives of U.S. policy, whether it's for our businesses that are trying to create jobs or travelers, Americans abroad. So I thank you again for really pushing obviously complicated politics. And I ask your favorable and prompt effort on the other nominations. There are still some hanging out there, and particularly Roberta Jacobson, who is a

professional civil servant, career, has done a diligent job, doesn't make the choices about the policy and she shouldn't be the prisoner of those choices. She does what she's instructed to do, and she does it very, very well.

So Mr. Chairman, you have my prepared statement. I'm not going to give you a whole -- you know, all of that. But I do want to -- just some initial comments in summary.

First, you mentioned the number \$50 billion, a little bit over, it's equal to about 1 percent of the entire budget of the United States, and that 1 percent, Mr. Chairman, I am just convinced more and more after these last years, even after serving on the committee, is the minimum price of the leadership role that the United States of America plays on a global basis. And particularly at a time when we are engaged diplomatically and more deeply in more places simultaneously on more significant issues simultaneously than at any time in our history.

And the scope of that engagement, I am also convinced is absolutely essentially to protect the interests of our nation and to keep our citizens safe. And I think it's even growing more so with the numbers of failed and failing states where the governance money that Senator Cardin just referred to is so critical. We can talk about that a little bit today.

We are confronted today by perils that are 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.

The last century was marked by state actors and states going to war with each other. World war I, II, Vietnam, Korea, so forth. The century is defined much more by non-state actors taking action against states and against, as I said, the broad norms of society. And I would emphasize today in coming here, despite the dangers, despite the turmoil, we Americans have many reasons 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, it's not even close. Our alliances in Europe and Asia are vigilant and strong. And our citizens are unmatched in the generosity of their commitment to humanitarian causes and civil society. We are the largest donor in the world to the crisis of Syrian refugees, over \$5.1 billion.

I see, we see, all of us in here a lot of hand-wringing nowadays, but I for one, with all my affection and respect for all of my colleagues around the world that I work for, I wouldn't switch places with a foreign minister of any country and nor do I yearn to retreat to some illusionary golden age of the past.

Here and now, we have enormous opportunities and we are trying to seize them. In the past year, we reached an historic multilateral accord with Iran that you all played a critical role in, and it has cut off that country's pathways to a nuclear weapon, thereby making the world safer for us and our allies. And if you doubt that, read the speech by General Ashkanat (ph), the head of the IDF forces of Israel who recently at a security conference in Israel said that now because of this agreement,

there is no longer in exit threat to Israel from Iran with respect to the nuclear threat. That's from their security in Israel.

In Paris in December, we joined governments, more than 190 nations in approving a comprehensive agreement to curb greenhouse gases. And you mentioned the effects we are seeing in the world today. We're trying to limit the most harmful consequences of climate change, and we're determined to implement that accords by meeting our targets here at home and helping friends abroad to reduce carbon pollution and move their economies forward at the same time.

Just this month, we officially signed the TransPacific Partnership to ensure a level playing field for American businesses and worker, to open up job opportunity in 40 percent of the global GDP and also to strengthen America's leadership within the entire Pacific. We are asking Congress to approve that pack this year, and we can accrue its benefits as quickly as possible when we do.

In Europe, we are sharply upgrading our security reinsurance initiative with a fourfold increase in support and giving Russia a clear choice between continued sanctions or meeting its obligations to a sovereign and democratic Ukraine. in our hemisphere, we are helping Colombia to end the globe's longest running civil conflict and we're aiding our partners in Central America to implement reforms that will reduce the pressure for illegal migration. We're also seeking supplemental funds to minimize the danger to public health created by the Zika virus.

In Asia, we are standing with our allies in opposition to threats posed by a belligerent North Korea. We are helping Afghanistan and Pakistan to counter violent extremism, deepening our strategic dialogue with India, supporting democratic gains in Sri Lanka and Burma and encouraging the peaceful resolution of competing maritime claims in the South China Sea, a goal that is definitely not helped by the militarization of facilities in that region.

So with friends in fast-growing Africa -- and we're very grateful for the interest of this committee, Senator Coons and others who -- Senator Flake, others who have really been very focused on it. We have embarked on initiatives to combat hunger, increase connectivity, empower women, train future leaders and fight back against such terrorist groups as al-Shabaab and Boko Haram.

Now of course, this administration recognizes that the threat posed by violent extremism extends far beyond any one region, and it's not going to be addressed solely or even primarily by military means. So the approach that we've adopted is comprehensive and its long-term. Diplomatically, we are striving to end conflicts that fuel extremism such as those in Libya and Yemen. We also work with partners more broadly to share intelligence, tighten border security, improve governance, expand access to education, promote job training and development. And I might add the coalition we've put together, 66 countries strong now, is gaining traction in many sectors where it hasn't previously worked on these kinds of things as jointly as we are now.

As you all know, we have forged that coalition of 66 to defeat Daesh. Just a quick word on our strategy. We are going to combine, we are combining, our power with that of our partners to degrade Daesh's command structure, shrink its territory, curb its financing, hammer its economic assets, discredit its lies, slow its recruitment and block any attempt to expand its networks.

Militarily, we are intensifying pressure through coalition airstrikes, more advisers, stepped up training, improved targeting and the systematic disruption of enemy supply lines. And we can go in greater detail, I'm sure, in your questions.

To consolidate territorial gains, we're stressing the importance of stabilizing communities freed from Daesh in Syria and Iraq. We're helping the government at Baghdad as it seeks to broaden and professionalize its security forces, and we continue to strengthen our regional partners, Lebanon and Jordan. And we're supporting a broad-based diplomatic effort, which I know we'll talk about today on the Syria war.

And two weeks ago, we announced a plan to ensure access to humanitarian supplies for all Syrians in need. I'm pleased to tell you that 114 trucks have gone in, people, at least 80,000 people who haven't had supplies in years now have supplies for the next month at least. And we have resulted in food and medicine reaching places that have been under siege for months. We'll continue to work closely with the U.N. to see that future requests are honored and that humanitarian supplies are available throughout the country.

KERRY:

The United States and Russia are co-chairing the International Syrian Support Group Ceasefire Task Force. Yesterday, President Obama and President Putin agreed that the cessation of hostilities should begin on Saturday morning, include all groups willing to participate with the exception of Daesh and al-Nusra and any other terrorist groups designated by the U.N. Security Council.

We are reminded each day in Syria that every attack, every casualty, every loss, every loved one that is bombed from the air by barrel bombs or otherwise provides fresh grounds for the conflict. As long as the killing goes on, this devastating cycle will feed on itself. And that is why we have urged all parties to support the cessation of hostilities now, and it's why we have argued repeatedly there must be a diplomatic solution. As difficult as it is to get there, there must be a diplomatic solution to this war.

The only way forward that preserves a unified Syria is the path envisioned by the Syria support group, ratified by the U.N. Security Council and endorsed by the responsible opposition. And that requires a de-escalation of the conflict, a transition to a new system of governance, a new constitution, an election, and hopefully, a Syria that could be committed to peace and stability with its neighbors and within itself.

Mr. Chairman, the success of our leadership on terrorism and other security threats is linked to whether or not America is leading the fight to protect what we care about. And the truth is, we are in arena after arena. In all the years I sat on this committee, I never saw us having to deal with quite as many fronts, quite as challenges as we are today.

So this year, we seek your support to stay at the forefront of international humanitarian response, including the worldwide refugee crisis, to strike a blow for global health through PEPFAR, and you talked about it, Senator Cardin, and the president's malaria initiative, and to carry out important

programs on behalf of democracy, freedom of the press, human rights and the rule of law, and to launch a new strategy focused on the equitable treatment of adolescent girls and to adequately fund the people and the platforms that enable us to serve America effectively around the world.

So my colleagues, as the chairman said, this is the last budget the Obama administration will submit on behalf of the foreign policy and national security of the United States, and I ask for its fair consideration, welcome your Russians, appreciate your counsel and I seek your backing. But above all, I want to say how 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 interests and values of the American people, but also carries with it, I am absolutely convinced, the hopes of the world. Thank you.

CORKER:

Mr. Chairman (sic), thank you. I couldn't agree more that the hopes of the world very much depend upon us. And again, I thank you for your testimony.

Before we get into other longer discussions, you didn't mention Afghanistan. And I was there a couple of months ago and witnessed that continued duplicity on Pakistan's part, outright blatant duplicity, where they continue to support the Taliban, the Haqqani network, and give safe haven to al-Qaida. Most of us have been to the Waziristans and seen the tremendous amount of taxpayer money that's gone into changing the context of those areas, but they continue to give them safe haven.

So recently, they've asked to be able to purchase F-16s. I'd rather them purchase them from a U.S. company than some other company, but they also want U.S. taxpayers to subsidize more than half of that purchase over time. Do you agree with my position that that should not occur until they stop the duplicity that has continued for 14 years while we've been in Afghanistan?

KERRY:

Well Mr. Chairman, we're evaluating all aspects of the counterterrorism efforts with respect to Pakistan's impact on Afghanistan obviously. I just met with Nawaz Sharif, Prime Minister Sharif, a few weeks ago, and we discussed our concerns about the need to rein in particular terrorist groups that are either homegrown in Pakistan or are using Pakistan as a sanctuary. And we've been very, very clear that they have to target all militant groups. So...

CORKER:

But we -- if I could, I don't want to...

KERRY:

Yeah.

CORKER:

... we do know that they know exactly where these people are living, not in the Fadwa (ph) region, right in Pakistan in neighborhoods that they could interdict while we were having this hearing, and they're not. So I don't want to go into a long discussion about our relationship with Pakistan. I do hope that ultimately you will support the position that I've laid out in my capacity as chairman that zero U.S. taxpayer dollars will go to subsidize Pakistan's purchase until such a time as they do the things that we know they could do to stop helping to destabilize Afghanistan, where men and women in U.S. uniforms have lost their limbs, lives and huge amounts of taxpayer monies have gone to support a country as it evolves in democracy and anti-corruption and other ways.

KERRY:

It is a very complicated mix, Mr. Chairman. I know you know this. The government itself, the military has been very cooperative and very engaged in the fight against terrorism. They've lost tens of thousands of people themselves, and they have had 160,000 to 180,000 troops out in the western part of the country conducting a sweep, a major operation. They drove the network and to new locations. It is an ongoing process, again, North Waziristan and elsewhere.

They drove the Haqqani network into new locations. And it's an ongoing process. But there are, obviously -- and we should deal with this, I think, in a classified session -- entities that complicate our efforts very significantly. And we've had those conversations, and I'm happy to going to it in greater depth.

I understand your reservations about it, but the -- you know, their military has been deeply engaged in the fight against terrorism. They've got several groups there that are of concern, and we should talk and a classified session about what we're trying to do about it.

CORKER:

They're partially helping, they're hedging their bets and they're continuing a long line of duplicity, which is, you know, the greatest threat to U.S. soldiers right now in Afghanistan. And I know you know that and I agree that the relationship is complex.

What is our -- how should we look at our relationship, speaking of complexity, with Russia? They have done more for a country that has very little economic resources to break Europe apart -- they've actually done -- in the modern era, it's never occurred like it is right now with what they've done in Ukraine, what they continue to do in delaying the implementation of Minsk III. I know part of that is on Ukraine's side too. What they've have done to threaten the Baltics, what they've done to exacerbate the refugee issue and really use them now in many ways as weapons of war.

In Syria, I don't think anyone can say that their role has been constructive as they continue, continue to kill the folks that are our friends and allies. And now in Iran, after we've negotiated, after this agreement has been negotiated, and strict violation of the U.N. Security Resolution that put it in place, are now getting ready to sell Russian fighter jets to Iran in strict violation of that. So what is our relationship today with Russia?

KERRY:

Well, our relationship is one of -- also complicated because obviously, we have different positions with respect to Ukraine, different positions with respect to Syria, at least as to the support of Assad. And the question remains to be tested whether or not they're at all serious about the political process.

KERRY:

On the other hand, Russia cooperated quite significantly in the Iran negotiations. Russia joined with us in helping to remove the chemical weapons that were the declared chemical weapons under the chemical weapons treaty from Syria. Russia has operated with us in U.N. resolution, bringing to a head this effort diplomatically. Russia cooperated with us in the Vienna meetings. They couldn't have happened without Russia's input. And in fact, without Russia's cooperation, I'm not sure we would have been able to have achieved the agreement we have now or at least get the humanitarian assistance in.

In the last days, Russia has sent its special envoy on the Syria issue to Syria to talk to the Assad regime and to make sure that they are in agreement to move forward in the diplomatic process as well as to honor the humanitarian requirements. And they sent their defense minister to Iran to do the same.

So it's step-by-step. There are no illusions, eyes are open, you know. And nobody on this committee should have any illusions. I mean, Russia made it clear years ago that they support Assad. This is not a surprise to us, it is not a surprise that they are following through on their support for Assad, and they are also threatened by terrorists.

There are maybe 2,000 -- 2,500, 3,000 Chechnyans who are fighting in Syria, and the Russians have a serious concerns about the return of those Chechnyans to, you know, Russian soil or places of interest and stirring up their Muslim population and/or other objectives they may have.

So the bottom line, Mr. Chairman, is that we are proceeding on a step-by-step process by which the delivery of actions is what speaks. In five days -- we will meet again in Geneva in the next few days to work on the modalities of the cooperation so that it's Nusra that is attacked and not moderate opposition and so that we are both understanding how we're proceeding against ISIL.

There could be a significant benefit -- could be -- in that we wind up having greater effort against ISIL and can speed up the destruction of Daesh. But this all will be -- the proof will be in the actions that come in the next days.

CORKER:

Well again, I thank you for your efforts...

KERRY:

And may I say, I appreciate your comments about Europe. I couldn't agree with you more. Europe is deeply threatened by what is happening. They're talking about different border measures that may be taken. I think it is imperative for the United States to be prepared to help Europe as much as necessary in every way possible in order to address what is happening and the pressures being put on them. But in the next days, we will know more.

Now when I met with President Putin, I said to him very directly that the test here is not a test that's going to be proven in six months or in a year-and-a-half when the election is supposedly scheduled, we're going to know in a month or two whether or not this transition process is really serious, or three, whatever. We'll have a sense of that. And they're going to have -- you know, Assad himself is going to have to make some real decisions about the formation of a transitional governance process that's real.

If there isn't, as you have read in the newspapers and are probably hearing, there are certainly Plan B options being considered.

CORKER:

I don't think they think Plan B is realistic, but -- and I think that makes it very difficult for you and your efforts. I again want to thank you for your efforts on our behalf. I want to -- I do think the breakthrough on the humanitarian side was a good thing, but I think you have a very tough hand of cards that you're dealing with. And again, we appreciate you being here today and for your service to our country.

KERRY:

Thanks, Mr. Chairman.

CORKER:

With that, Ranking Member Cardin.

CARDIN:

Well once again, Mr. Secretary, thank you to your service to our country. And thank you for sharing with us today.

Let me follow up a little bit on Syria. Obviously, the first challenge was to stop the shootings between the government and opposition, supported by Russia, the government, and to allow humanitarian access so that the humanitarian crisis can be eased. At least that hopefully will stop some of the flow of the refugees and that it will take some of the pressure, internal pressure, in order to be able to get a negotiation as to the future of Syria itself. That's the objective here. And I strongly support that.

CARDIN:

You've alluded to this, but I hope you could be a little bit clearer as to what comes next. There seems to be a fundamental disagreement between the United States and Russia as to the future of President Assad. There's been silence as to the accountability of the Assad regime for its war crimes, and a lot of us are determined that when leaders commit war crimes, they must be held accountable for their actions.

And I understand there will be a process. At the end of the day, there needs to be a government in Syria that has the confidence of all of its people, otherwise we'll be back fighting again and we're not going to be able to concentrate against ISIL forces, which is the objective here.

Can you just share with us briefly how you see the next step unfolding where we can get to a result where there is truly a government in Syria that has the confidence of both -- of all of the population?

KERRY:

So let me try to lay this out as clearly as I can and certainly how we see the options here. Look, Russia, the United States and Iran and our allies all say that we want a united Syria, the vast preponderance of the players say they want a non-sectarian, even secular Syria, status quo ante, in which all minorities are protected, in which the people of Syria have the right to choose their leadership and their future.

The Russians agree to that, the Iranians agree to that, all of our allies agree to that fundamental precept. So we're united on sort of this vision of where we want Syria to be. The question is the getting there. We believe deeply, and we have argued this to the Russians and to the Iranians and others, that even if you wanted to, even if someone did strike an unholy alliance and suggested, you know, Assad, you know, could be part of that future, the war will not stop. As long as Assad is there, you cannot stop the war because of the grievance events that have transpired over the course of the last years.

People don't see how someone who has gassed his own people, driven so many of them into refugee status and displaced, tortured them, starved them, barrel bombed them, how he somehow is going to be the glue that brings the place back together is beyond anybody's understanding. And there are forces out there that will never stop fighting him.

So if you want peace, by definition, we believe it has to be without Assad. What the Russians and others have said is that the Syrian people have to decide that. But this political process that we have created is what they say is the mechanism by which that decision could begin to be made.

CARDIN:

Now what's the -- what timing do you see? Are we talking months, are we talking years?

KERRY:

No. We're talking months because there's no way that people will be patient enough, obviously. First of all, there's a six-month period that has been basically laid out for the political transition to try to be put in place. Now, if it's real and really happening, that could move. If it isn't, as I said earlier, we will know if they're stalling, if there's an absolute stonewall. If there's no progress, if nothing happens, it could be very hard to keep people at the table. I have no illusions about that.

There are people who will walk away this is a farce and they'll walk away. So I think we're going to see very quickly whether or not countries are serious about this transition and whether or not Assad is serious about it.

Now President Putin said, and has said publicly, and Foreign Minister Lavrov have said and said publicly that they're committed to this process and that their support for Assad is an important component of his need to take part in that.

CARDIN:

And as far as holding President Assad accountable for the crimes that he has committed, has there been any understanding reached either for impunity or for actions?

KERRY:

No. No, there's been no discussion of it, no determination of it. And we obviously -- I mean, I have said several times publicly we've talked about the crimes that have been committed. I mean, using gas against your own people is a war crime, starvation as a tool of war is a war crime. So these are pretty clear things.

CARDIN:

Thank you.

Let me turn to the area I said in my opening comments about democracy funding, anti-corruption, et cetera, which to me is critically important. I do think that you have showcased the importance of anti-corruption activities. We've talked in the Ukraine -- if we get Russia to leave Ukraine alone, Ukraine's survival depends upon the internal reforms in its own country, where the people have an honest government. That was one of the major reasons for the (inaudible) and the protests that occurred in the Ukraine.

When we look at countries we're dealing with in Asia, including in TPP we find countries that have serious corruption problems within their government. And we have tried to take steps in the TPP to deal with some of those issues.

And we go through country after country where the impunity in Central America of people being held to commit crimes without any accountability.

I would hope this year, we could work together. This committee and your leadership, to develop a protocol where we make it clear that we won't tolerate the government that doesn't move to deal with the corruption problems. We are talking about developing an index similar to what we do in trafficking in persons for corruption. There has been transparency evaluations done of countries.

Can you just share with us steps you're taking to provide a more permanent structure within the State Department to deal with the problems of corruption and good governance?

KERRY:

Well, Senator, I'm glad you bring that up, because I gave a speech at Davos just a few weeks ago in which I talked about the challenge of global corruption. It is one of the most difficult challenges that we face in trying to deal with extremism, trying to deal with counter-narcotics, with trafficking in persons.

And the levels of corruption, I have to say, are higher than -- are greater in impact than I had perceived previously in my years on the committee and otherwise. It is having a profound impact. It steals the future from young people.

I mean, in this sense, the Tunisian uprising in the Arab Spring was born not out of anything religiously motivated, it came about as a result of corruption. A police officer was refusing to allow that Tunisian food vendor to sell his wares, and wanted the bribe and so forth.

And so, when he got slapped around, it was one slap too many, and he self-immolated, and that is what ignited the revolution that saw change sweep through the region.

I say that in other countries incipiently. And Nigeria was reported that former generals stole some, you know, \$50 billion -- some extraordinary amount of money taken out of the country. Yemen, we know, enormous amounts taken out of the country. There are many other countries.

We know this is happening. So, we are very, very focused on this issue and the standard, and in the State Department, this effort is led by the Bureau of International Narcotics and Enforcement Affairs. But it is really an all-department effort. And we promote standards in many, many different ways.

We bottle our proposals to countries on our best practices. And by that, with respect to Ukraine, the IMF has put very strong 10-point programs in front of the government in Kiev, that they need to address in full in order to get further support from the IMF. And that has a very significant reform package in it.

We met -- in the last weeks, the vice president and I met with President Poroshenko. We have been very clear about steps that need to be taken; we're working very closely with him.

And that is really the best way to do this. I mean, I know there is an instinct -- people want to put hard lines in place legislatively, and there is sort of a draconian, "Do this or else," kind of message. That often winds up in severing our capacity to have an impact.

And what I've found we're able to do, working with countries, is actually get them to move on things make changes. And it -- you know, we are working -- we're a co-chair of the G-20 Anti-Corruption Working Group. And we have advanced standards internationally on transparency, on integrity, on countering impunity.

So, this is an ongoing effort. It's not going to be resolved overnight, obviously. But the more we focus on it, the greater the outlook -- the prospects are that it's going to have an impact, it will make a difference. And we are making a difference in a lot of places.

CARDIN:

Thank you.

CORKER:

Senator Johnson.

JOHNSON:

OK, Mr. Chairman.

Mr. Secretary, thanks for coming here and testifying. Thanks for your service.

I have to take this opportunity, though. I've got to put on my chairman of Homeland Security and Government Affairs hat. As you are aware, my committee has jurisdiction over national security procedures and federal records, and I have joined in letters with Chairman Corker and Chairman Burr and Chairman Grassley and we've -- we've sent you a number of letters and you've been responsive in part and I appreciate that.

I want to go through a series of questions. Don't -- I don't need real long answers, but I just want to establish that so I can hopefully get to putting my foreign relations hat on as well. First of all, you do -- you, as secretary of State, you send and receive classified material, correct? You -- you have...

KERRY:

Yes. I mean, I don't send it personally directly. I -- I -- it's sent through the executive office.

JOHNSON:

OK. So you -- you never use your e-mail system to actually create classified materials? Are you sending...

KERRY:

No, I don't.

JOHNSON:

You never do that.

KERRY:

I've actually never opened my computer on my desk.

JOHNSON:

OK. So members of your staff do?

(LAUGHTER)

I understand, I've got white hair, too. But -- but -- but...

KERRY:

It's not because I don't know how, it's because I just -- I want it separated from me and I don't do it.

JOHNSON:

Good. So members of your staff do, correct?

KERRY:

Yes, of course.

JOHNSON:

OK. And they use a -- they use a system called ClassNet (ph), correct?

KERRY:

Yes.

JOHNSON:

OK. You are aware -- fully aware of our enemies capabilities in terms of hacking into...

KERRY:

Indeed.

JOHNSON:

Would -- you allow -- so you don't use -- you don't allow yourself to use a private server. Would you lose -- allow any of your members of your staff to use a nonofficial, nonsecure server for transmitting classified information?

KERRY:

Look...

JOHNSON:

Just yes or no.

KERRY:

sir, I understand.

JOHNSON:

Just yes or no.

KERRY:

We have very specific procedures in place in the department. I brought in an inspector general. I wrote a letter to the inspector general asking him to review our entire process. And so in today's world, given all that we have learned and what we understand about the vulnerability of our system, we don't do that.

JOHNSON:

So the answer is no. You -- for every classified piece of information that is transmitted, there is a log kept at the State Department, correct?

KERRY:

Yes.

JOHNSON:

OK.

KERRY:

There's a log kept on everything. I mean, all -- everything's kept. Period. Not just the log, but the substance of the message is kept and filed.

JOHNSON:

OK. I would think that's a relatively condensed log, though. I mean, pretty easily accessible?

KERRY:

I don't know the answer that.

JOHNSON:

I mean, there's -- there's a finite number of classified materials back and forth would be logged...

KERRY:

Well, we have 275 posts and we're sending classified every single day and I can't tell you how many millions of...

JOHNSON:

Are the laws differentiated by individual, though?

KERRY:

I don't know precisely.

JOHNSON:

OK. Well, we'll find that out.

KERRY:

I don't believe so.

JOHNSON:

In a September 21 letter, 2015, one of -- one of our questions was did Secretary Clinton have an official State Department e-mail account assigned to her for accessing classified e-mails during her time at the State Department. We did receive, and I appreciate this, a response from Julia Frifield that states, "To answer question five, Secretary Clinton did not use a classified e-mail account from the State Department. An account was set up on ClassNet (ph) for her calendar, but it was not used."

Another question we've asked, which was -- we have not responded to, is I would like access -- our committee would like access to those logs in the State Department of all the classified material that was transferred between the administration -- all the members of the administration within the State Department and Secretary Clinton. You have not responded to that yet. It's been about five months. Is there a reason why we have not had access to those logs?

KERRY:

I don't know the specific reason because I -- it hasn't been discussed with me. I have...

JOHNSON:

Is there any reason I can't get access to the logs?

KERRY:

Well, I don't know the answer to that, Senator. Let me find out.

JOHNSON:

So -- so I'll put that for questions on the record. I'll -- I'll continue to want a response for that.

KERRY:

Right. But let me...

JOHNSON:

Here's a budget question.

KERRY:

... just say to you so that you understand. I appointed a transparency coordinator and experienced ambassador, Janice Jacobs, to assist us to make sure we responded rapidly to all requests. Let me just tell you. We have more than 50 -- more than 50 simultaneous investigations going on and we have an unprecedented number of FOIA requests. I have had to cannibalize bureaus to get people to go spend their time...

JOHNSON:

My -- my -- which is my next question. Do you know how much money you've spent and what kind of manpower you've put on? Because this has been -- you've been really evaluating these e-mails since March 2015. Do you know how much the State Department has spent just reviewing? Because again, I think we have to assume that every piece of information that passed over

Secretary Clinton's nonofficial, nonsecure private server is in the hands of our enemy. We have to assume that. That's prudent to do so.

So you've been reviewing that for almost a year. Do you know how much you've spent on the manpower associated with cleaning up that mess?

KERRY:

Well, I -- I would have to -- look, as I said to you, we have over 50 investigations; nine different committees, involving hundreds of specific requests for literally hundreds of thousands...

(CROSSTALK)

KERRY:

... wait, wait, wait -- hundreds of thousands of pages of documents.

JOHNSON:

Again, I'm not -- I'm not concerned about the other investigations right now. I'm asking the question on the one with Hillary Clinton's e-mails.

KERRY:

Let me just say this. I'm concerned about it because this is tying up...

JOHNSON:

Good. I'm glad you are.

KERRY:

... professional diplomats...

JOHNSON:

Are you aware -- has the FBI recovered any of the 55,000 e-mails that were supposedly wiped from her server?

KERRY:

I have no knowledge of what the FBI -- you'd have to ask the FBI. We don't touch or know anything about their...

JOHNSON:

Have you in the e-mails...

KERRY:

You allocated \$2.4 million in years '15 and '16 in order to help us respond to you and we've been able to step up the level of our delivery as a result of that. But we're still greatly overburdened.

JOHNSON:

So based on what you have reviewed, the classified material -- because we're up to, what, 1,700 different e-mails that have some variation of some level of classified material on them. Is the State Department aware of anything that you've had to mitigate the damage from?

Have you taken any actions through the State Department? Do you know whether the intelligence community has taken any actions to mitigate the harm by the potential fact or the potential that our enemies might have access to that classified material that was on Secretary Clinton's server?

KERRY:

I would not be able to discuss that in an open session, but I can tell you that the department, we have -- I don't know what the other agencies have done or not. By the way, that's one of the reasons why it's taken a while. If we have anything in an e-mail, when one of our professionals reads the e-mail, that involves another agency, then every agency has to have a chance to read that to see if their interests are in fact at risk. So that takes a long time and that's one of the reasons...

(CROSSTALK)

JOHNSON:

Right. No, I know. Secretary Clinton's actions have caused the federal government an awful lot of money, a lot of -- caused you an awful lot of heartache, headache.

KERRY:

Well, it remains, Senator, it remains to be seen whether or not it's -- it's the 50 investigations by nine different committees that have created more heartburn.

JOHNSON:

So, what I would like is answers to these questions. You say you can't do it in open committee. Would you commit to coming in a secure setting before my committee to answer some of these questions?

KERRY:

Would I what?

JOHNSON:

Would you come before my committee in a secured setting, the Homeland Security-Governmental Affairs Committee, to answer some of these questions based on national security procedures and federal records.

KERRY:

I'm not the appropriate person to discuss those issues in that context.

JOHNSON:

Will you send a representative then that would be capable?

KERRY:

Well, I'll find out -- actually, I will evaluate with others in the administration through the appropriate interagency process who the appropriate person is to do that. Of course, someone appropriately responsible would always respond to any committee of the Congress.

JOHNSON:

OK. It's been five months we've been asking for the logs of the classified material sent. So I would ask for those logs as well. Again, I'm -- I'm...

KERRY:

Again, I'm not sure whether that's even authorized or capable of being done, but we'll look at it.

JOHNSON:

OK. Appreciate it.

Thank you, Mr. Chair.

KERRY:

Thank you.

CORKER:

Senator Boxer?

BOXER:

Yeah, I just want to say before I welcome you, the senator is injecting presidential politics into this. I resent it. And I would like to say for the record that we know that Secretaries Rice and Powell used their own private e-mail. And I know of no senator -- I know of no senator that hasn't sent e-mails about the work of this subject matter and other subject matter on their personal e-mails. So let's be clear.

Now, I'm really disappointed in this. I think we should be working together on the subject of today's hearing. Senators Corker and Cardin, I thank you so much for this hearing. And I thank you both for your leadership. It's extraordinary, the way you work together. And as a ranking member myself working with Senator Inhofe, it's so important that we do that do restore faith, frankly, in this government.

And Secretary Kerry, I just want to say how much I appreciate your accomplishments, especially in these very difficult times. As you point out, so many hot spots all over the world. And I want to be specific about what I'm talking about when I compliment you.

First of all, your work on the Iran nuclear agreement. I know it's controversial, but I also know how hard it was. And while you're doing that, also your continued support for Israel in this budget. It's so important. And thirdly, your opening relations with Cuba and your -- your, and fourth, the global climate change negotiations.

And fifth, your efforts to bring Russia to an agreement regarding Syria. It was way back, three, four years ago, that Dick Durbin, Senator Durbin called a bunch of us together to meet with the Russian ambassador, to say, "Can't we work together so that there could be a peaceful transition in Syria?" And there was the Russian ambassador. That was the most brutal meeting I've ever been to. It was horrible.

And, you know, all we said is let's work together for the future of the world, for the future of the Syrian people. And he was impossible. And so frankly, this -- I'm not being diplomatic; you have to be, but I don't. I blame Russia and Iran for what is happening there, for the quarter of a million deaths since we had that meeting of innocent women and children. It's horrible.

And so I'm going to ask you if I have time -- I have two subject matters I want to cover with you. One is Cuba and one is Syria. So I'll start off with Cuba.

I'm a strong supporter of the president's decision to reestablish diplomatic relations with Cuba, another very difficult issue on this committee. I was proud to join you at the reopening of the U.S. embassy in Havana last August. And it was so emotional to see and speak with the same Marines, Mr. Secretary, who took down the flag 50 years ago, who raised the flag again. And to see how excited they were to be there and to do that.

And to me, it is through engagement we have the best chance to support the Cuban people. How do I know this? And I respect my friends on both sides of the aisle who disagree with me vehemently and disagree with you vehemently and disagree with the president vehemently.

But really, we tried isolation for 50 years and how did that go? And so I think we have to move forward and get past it. People have a right to believe what they want to. And I have no animosity toward them. There's reasons they put forward that are deeply held. But I think those folks are living in the past.

Walking through the embassy last August, I did feel like I had traveled through time. The building which has not been upgraded in over 30 years, was clearly in disrepair and understaffed. I see that the administration requests \$3.8 million for upgrades to our embassy in Cuba in its fiscal year 2017 budget. So whether or not one agrees with the new policy, could you tell us, because I know so many Americans are traveling to Cuba. There aren't enough hotels rooms. That's why Airbnb is doing so well there. That's where people are staying.

Could you comment on why we really need this -- these funds to rebuild the embassy? Secondly, what are your priorities with respect to Cuba for the remainder of the administration? And what does the president hope to achieve with his upcoming historic visit in March?

KERRY:

Well, thank you very much, Senator Boxer.

The current staffing in Havana is inadequate to support the goals of our objectives of being able to do the diplomacy, the normal diplomacy. And we were able to negotiate with the Cubans successfully a 50 percent increase in staffing. So we're very eager to reverse this shortfall, which will be helpful in terms of helping business, helping travelers, helping Americans.

We haven't increased any direct hire staff since 2014. And Cuba -- excuse me -- our embassy there has hosted over 40 congressional and executive branch official delegations just in the year since the president announced the opening of diplomatic relations.

So, we also negotiated greater freedom for our diplomats to travel within Cuba, and better monitor developments and the ability to travel outside Havana and interact with Cubans outside the capital is obviously important to our relationship and security and the support of the Cuban people.

So, we also were able to negotiate a number of containers going down there in order to help refurbish some of the embassy, which you're right, has not had any care in a long period of time.

So, we have concerns still. I'm not going to pretend to anybody that, you know, I think the president said at the beginning that, you know, not everything is going to change overnight. And there are still human rights issues. I in fact may be down there in the next week or two to have a human rights dialogue, specifically.

BOXER:

Good, good.

KERRY:

And we are...

BOXER:

And what does the president hope to achieve?

KERRY:

Well, the president hopes to press forward on the agenda of speaking to the people of Cuba about the future. And obviously, he's anxious to press on the rights of people to be able to demonstrate, to have democracy, to be free, to be able to, you know, speak and hang a sign in their window without being put in jail for several years for doing it.

BOXER:

But just to sum it up, because I have one more question for you. He's going to speak directly to the Cuban people and that's really good.

My last question is, as the person who has perhaps engaged the most with the Russians, and I talk about the frustration senators felt when we met years ago with the Russians, do you believe they're truly willing to commit to a cessation of hostilities in the Syrian area and a peace process that allows for the eventual removal of Assad? What's your assessment?

KERRY:

My assessment is that we have an opportunity to put to test the proposition that they are committed to a political solution. And if indeed the only outcome that anybody believes can occur is a political solution, we have no choice but to try to get the modalities in place to be able to get to the table and argue about it.

So as Senator Corker has said, you know, our tools, my tools are the tools of diplomacy; the tools of trying to reach an agreement; trying to use whatever leverage we have to get an outcome. The outcome we've gotten is to have everybody who's a stakeholder at the same table, all of them agreeing in this process. To have Russia joining us with China and France and Britain as the five permanent members of the Security Council, go to the Security Council with Germany and others, in order to get a U.N. Security Council resolution outlining a framework for a political settlement. And Russia voting for it.

So, if we're going to test whether the words mean anything, we have to put in place a process like we have here. Now, Senator Corker mentioned Aleppo and what they've been doing in the ensuing weeks. Yeah, they have been bombing. And imagine what would have happened if we didn't even have an agreement to end in two weeks or one week? They'd still be bombing.

You have to begin a ceasefire sometime. But you can't begin it on day one without working out the modalities of it. You have to sit there and say, OK, what are the rules? Who's going to live by

what? And in this case, that was particularly difficult because of the different players that you have involved in this.

BOXER:

Well, if I could just reclaim my time, because I've gone over. I just hope it's not a rope-a-dope deal. I just hope.

KERRY:

Well, it may be. I'm not going to sit here...

BOXER:

Not that you have another option. I'm not suggesting you...

(CROSSTALK)

KERRY:

But if humanitarian assistance flows, if the guns do silence with the exception of the effort against Daesh and Nusra on Saturday, if they do, and -- and lives are saved, then that's to the benefit. And it doesn't mean that it's automatically going to have a positive outcome in the political process, folks, in fact.

But let me say this, because Senator Corker raised an important issue. He said Russia has sort of been accomplishing its ends in the meantime. Well, folks, even if Russia took Aleppo; even if Russia is sitting there, holding territory has always been difficult. And if the war doesn't end, if -- if the Turks and Qataris and Saudis and others continue to support opposition and we're supporting opposition, and the opposition continues to fight, this can get a lot uglier.

And Russia has to be sitting there evaluating that, too. So, the question is: At some point in time, someday, someone's going to have to sit down at a table and arrive at an understanding about what Syria is going to be. But it may be too late to keep it as a whole Syria if we wait much longer.

So that's what at issue here. And I'm not going to vouch for this. I'm not going to say this process is sure to work because I don't know. But I know that this is the best way to try to end the way and it's the only alternative available to us if indeed we're going to have a political settlement.

CORKER:

Thank you.

Senator Flake?

FLAKE:

Thank you, Mr. Chairman.

Thank you, Mr. Secretary. Appreciate the testimony so far.

FLAKE:

I share the concerns that Senator Cardin raised with regard to OCO and the shift. This is something that all of us have been concerned, the chairman and others, over the years, the shift from baseline funding to OCO funding. It's just not -- just not an honest way to -- to budget. And I'm not blaming the administration any more than I'm blaming Congress here, but we've got to get away from it.

Let me talk a little about the trip that Senator Cardin mentioned that he and I and Senator Coons from this committee and two other members of Congress took to southern Africa, mostly to look at wildlife trafficking and poaching and to find some oversight for some of the programs that our government has with the various governments there. It's a challenge.

We have seen a decline in the elephant population in Africa over the past 10 years of about 40 percent to 50 percent. Rhinos are being poached. Just one park, Kruger in South Africa, to the tune of about 1200 just last year. When we were in Namibia, we went into a vault where they held illegal seizures of rhino horn and ivory, and I held one horn -- two horns from one white rhino that on the black market is worth about \$600,000, one set of rhino horns. It goes for about \$60,000 at (inaudible) -- more expensive than any precious metal or anything else, or cocaine or drugs.

And those countries are very worried that criminal networks will come in that will fund conflicts and instability like they have in Central Africa and elsewhere. So I would just say that the programs that we have going in those countries to help these countries actually respond to this threat are -- are important and we ought to keep -- keep going with that.

Also, Senator Cardin mentioned the issue of trafficking in people. The tip -- the report that we have, Senator Cardin raised that just about everywhere we went. That is an important lever that we have to -- to induce these governments to help more on this -- in this area. But it is concerning in some areas in Namibia when it was raised, the government responded, you know, hey we -- we've tried to respond. After we left, there were newspaper articles expressing some confusion about where they were and where they are and it's not just the Namibian government, some of the other governments have expressed some confusion about how they respond.

When you look at what we're trying to induce the governments to do, one of the things is the government of the country should make a serious and sustained effort to eliminate severe forms of trafficking in persons. Those items are maybe a little too subjective. And if we want to use this as an effective lever to push these countries more where we want them to be, I would suggest that maybe we -- we need to work on -- on some of these measures to make them more concrete and precise.

Do you have any thoughts in that? I know that is an area that's a concern to you and you've been working with these governments.

KERRY:

Well, thank you, Senator. I know this is not on everybody's mind, obviously, but I'll tell you it should be and I wish it were something that we were able to do more about, and we should be able to.

The same criminal networks that engage in the wildlife trafficking also, by the way, engage in trafficking in human persons and narcotics trafficking. It's a multibillion dollar criminal enterprise and it is destroying the future for lots of countries that could rely on ecotourism or other things, but it's also -- this -- I mean, it's eliminating species from the planet.

I think this one rhino I saw the other day -- I think there's one white rhino in one country left. That's all. When I was in Kenya recently, I visited the David Sheldrick Preserve there where there were a bunch of orphaned baby elephants because the parents had been killed and the poaching has been reduced significantly because they now have wardens out there, armed, and there's a price you pay if you're caught. That's the only way -- I mean, it has to be stopped by enforcement. You cannot have impunity in the system.

And when it's part of a criminal enterprise in what has become, you know, a klepto country of one kind or another, it's extremely hard to do anything about this. So we need to galvanize countries together and we need to put -- unfortunately, this also is one of those things that takes resources. You've got to be able to provide the shelter, the refuge. You've got to be able to provide the enforcement mechanism, train people, make sure that there is a -- that there's no impunity with respect to this.

And until this moment, there hasn't been the -- you know, a significant enough effort. Now, I know you and Senator Coons are contemplating legislation on this. We'd welcome talking to you about it, but one concern that we have as it goes back to what I was talking about earlier, we're -- we're cooperating now with a lot countries and they are cooperating with us. And if we get into -- you know, we're worried about the prospect that if there's sort of a frontal assault on them, we may lose the cooperation rather than be able to make the progress we're making.

It's something we should talk about. So what's the best way to get the return on investment here?

FLAKE:

Well, thank you. Let me just -- last question. I just want to commend the administration what -- for what they have done on Cuba, as was mentioned before. I have said to the president and others that we -- there are still obviously big concerns with the Cuban government in the area of human rights, for example. But it shouldn't be lost on anyone the improvement in the condition of Cuban people since many changes have been made.

For example, a few years ago when the president lifted researches on Cuban-American travel and lifted caps on remittances, that in combination with some changes made in Cuba, have meant that nearly 25 percent of the Cuban workforce is now outside of government, whether they're running private hotels or Airbnb with a bed and breakfast, a private auto repair shop or a beauty salon. And -- and these people who have that ability now are separate as much as you can be in Cuba from government and are enjoying richer, fuller, more free lives than they would have otherwise.

We still have a long way to go, but we're moving in the right direction and I commend the administration for the steps that have been taking and -- taken and I wish the president well on his visit there. I think it's an important step.

KERRY:

Thank you very much, Senator. I appreciate it. We appreciate your support.

CORKER:

Before moving to Senator Menendez, I do want to -- this is a, you know, slavery and trafficking awareness week. We have a hearing tomorrow on this very topic. I very much appreciate you bringing it up. And I want to thank the State Department for working with us. This committee passed unanimously under Senator Menendez's leadership the End Modern Slavery Act. We had a down payment on that that we're working closely with the State Department to -- to get to the right places.

But what -- this has to be a global effort when there are 27 million people today enslaved. I know you know that. This committee knows that and we look forward to continuing to work with you.

Senator Menendez?

MENENDEZ:

Thank you, Mr. Chairman, I appreciate your drive and leadership on that issue. Let me join the chair and ranking member in saluting you, Secretary Kerry, for your service. While I may have disagreements at times on policy, I never doubt your commitment to America's virtues and promoting those virtues abroad.

And let me make a comment or two, which I did not intend in my preparation today. I guess it's the political hunting season, but if you keep shooting and you don't land anything, maybe there is nothing to shoot at. And I think the global needs that we have that -- we'd be far better off if the State Department focused on that.

And on Cuba, I would just say to my dear friend from California, I wish she was here, that human rights and democracy are never about the past. They are eternal from my perspective. And yet, all I can say is that there's a difference between the president traveling to Cuba and when he traveled to Burma, for example.

When he traveled to Burma, we had Aung San Suu Kyi released from house arrest, we had by-elections, however (inaudible). We had the 11 commitments to release political prisoners. We got the red cross access to prisons and so forth. There were concrete and tangible progress on political reform and human rights. If anything, we're going backwards here. Some of the people who were released under the original deal have already been rearrested and are serving long terms in prison. So much for good faith.

MENENDEZ:

We had 1,400 arrests this year alone in the first two months. That's progress? 1,400 arrests. Not because I say it, but the U.N. Commission -- I mean, the Cuban Commission on Human Rights which is inside of Cuba says it.

And when we do business with the Castro regime, which is what we're doing -- we're not doing business with the Cuban people, we're doing with Castro's son and son-in-law who head the two major entities by which you can do -- the only way you can do business inside of Cuba, both heads of the Cuban military, both -- we're going to have a transitional and generational from one set of Castros to another.

So I'm going to continue to speak out on that issue because I think that human rights and democracy in Cuba is incredibly important, as I have viewed it elsewhere in the world, and I'm concerned that what we've done is neutered our programs there. But let me get to the heart of what I really wanted to talk about, and that is Iran.

I want to ask you, Mr. Secretary, invoking sanctions against Iranian activities unrelated to its nuclear portfolio, let's say items of proliferation of ballistic missile technology or support for terrorism, they do not violate the terms of the JCPOA, correct?

KERRY:

They do not what?

MENENDEZ:

They -- that pursuing actions, sanctions and other actions on proliferation of missile technology and support for terrorism, they do not violate the terms of the JCPOA?

KERRY:

That's accurate.

MENENDEZ:

OK. Now, I look at what has transpired since our agreement, we have seen two ballistic tests in violation of U.N. Security Councils, we've seen missiles tested in the vicinity of U.S. Naval

vessels. We've seen American sailors detained. We have seen the barter of four innocent Americans held hostage for the freedom of 21 Iranian criminals, including those convicted of conspiracy and material support to a state sponsor of terrorism, shipping sensitive dual-use technology, money and materials in violation of standing U.S. sanctions.

We've seen clemency for another 14. We've awarded the Iranian government \$1.7 billion, admittedly for some kind of contractor service that we didn't provide, but that was never, ever talked about, not when I was chairman, not when I was the ranking member, not as a member of this committee. I never heard about that at all. And it was done so quickly and the payment was made so rapidly that even the victims of terrorism who have judgments in the United States didn't have the wherewithal to attach it.

So I look at that and then I see the challenges that we have with Iran outside of its nuclear portfolio. Support to a Houthi insurgency that helped topple the internationally recognized government of Yemen, support to Shi'a militias in Iraq that exercise profound control over the democratically elected Iraqi government, support to the Syrian regime of Assad, which -- a devastating war that we all know about, financing of billions of dollars to Lebanese Hezbollah and Hamas.

And so I look at that and I just don't see where the counterweight is. And I look at that and say I have a sense we are creating a permissive environment. Why do I say that? When we look at Iran's ballistic missile launches which violated U.N. Security Council resolutions, we waited an inordinate amount of time knowing that the United Nations ultimately wasn't going to act, and didn't.

And when we finally did provide some sanctionable action well after the -- all of the elements of implementation day took place, we have 11 entities that were sanctioned, but instead of sanctioning the banks that were financing those entities so that we have a more far-reaching consequence, we're playing whack-a-mole.

And so we have the ability to be far more aggressive against the Iranians on those things that we care about. And I know there is this desire to try to create the space for the moderates inside of Iran, even though they were just blocked by the guardian council in a -- to a way in which there are virtually no moderates who are being allowed to run a legislative elections. So I look at that any I say why is it that we aren't being far more aggressive with the tools that we have?

And finally, Mr. Chairman, I'd like to introduce into the record a GAO report that I had commissioned with Senator Kirk...

CORKER:

Without objection.

MENENDEZ:

... and it talks about the entity that -- which we are putting all the marbles in, the International Atomic Energy Administration. Now I think they do good work, but let me just say that some of

the pulmonary findings cause concern for me about what is capable -- what the IAEA is capable of. So let me read some of them.

GAO's preliminary observations point directly to future problems with monitoring, verify, and meeting requirements of the JCPOA. It talks about its limitations, a limited budget from irregular funding sources, human resource shortfalls, important equipment operating at capacity already and not being able to go beyond that, limited analytical capabilities that all will be tested by the new mandates of the JCPOA, a lack of authorities -- obviously the IAEA activities will depend a significant degree on the cooperation of the Iranian state.

Thirdly, that while they have focused virtually all of their resources to pursue the JCPOA, they're going to have very little resources they turn away from other proliferators and potential proliferators.

And finally, among other items, the IAEA's own estimates has identified the need for approximately \$10 million per year for 15 years over and above its present budget. So it is an agency that is understaffed for its purposes, losing technical assistance. People are leaving. Has now a singular focus, which I applaud the focus, but I want them to also pursue other proliferators, and a budget that doesn't have the wherewithal to sustain it just for the focus of the JCPOA.

So shouldn't Iran, who violated international norm and international law, ultimately be the entity to pay, since they're now flush with money that we've given them, or returned to them. Shouldn't they be the ones to pay for the very essence of the verification and monitoring that they caused the need for the first place?

KERRY:

Senator, you raise a lot, obviously. Let me just try to quickly say on Cuba. First of all, I really appreciate your personal comments, and I'm grateful for that. And I also respect enormously your commitment. You know, you're dedicated when it come to the issue of human rights and freedom and you've always been very clear about it with respect to Cuba. And we have a difference maybe in the tactics about how to get there, but we don't have a difference in the goal.

It's our sense that we've already seen some improvement in empowerment of the Cuban people in private sector now employing one in four Cubans. It's grown significantly and is growing. And as the flights come in and more and more people are there, there's a transformation taking place.

Anybody who's been down there and had been there previously has observed this change that's taking place. People in the United States can now send unlimited remittances in support of private business investment and provide...

MENENDEZ:

1,400 arrests just this year alone, 1,400 arrests.

KERRY:

... I agree, it's not perfect. Nobody...

MENENDEZ:

I didn't -- I didn't really ask you for comments on Cuba -- which I appreciate. I just...

KERRY:

Well, I think it's important to put that into perspective.

MENENDEZ:

I just wanted to let you know, and for the record, how I felt. I would like responses to the question of Iran, though.

KERRY:

Sure. With respect to Iran, we believe we are being more than vigilant, actually. On January 17th, we designated three entities and seven -- and eight individuals who had provided material for Iran's ballistic material programs. So we sanctioned people and we cut them off from the U.S. financial system. We have continually been tracking the implementation with great impact.

We had a couple of questions about one thing or another. We raised them with the Iranians, and we resolved them in our -- in a way that kept faith with exactly what should be happening. They weren't militias, they were just normal kinds of things that had risen in the course of process, and we're happy to brief Congress. I'm sure you'll be fully briefed on every aspect of that.

Yes, the IAEA does need more money. We know that. There are additional inspectors, however, under our agreement who will be in there, 130 of them. And we are -- as you know, our intel community and our Energy Department remain absolutely clear that they have the ability to be able to verify and track this agreement.

KERRY:

So the GAO is helpful. I think anybody's scrutiny that adds some choices for what can be done to make sure we're doing this correctly can do so. But the bottom line is we know that they took out -- from 19,000 centrifuges down to 5060. We know that they took the calandria out of the plutonium reactor and destroyed it, filling it with cement -- can never be used again. We know there is no enrichment taking place in Fordow, and so forth. So...

MENENDEZ:

My time is over -- well over, so I appreciate the chairman's courtesy. My focus wasn't about the implementation of the JCPOA. It is about Iran's malign activities within the region that we...

KERRY:

Let me -- let me come to that. We're also -- we're also extremely focused on that. I had a meeting with the GCC a few weeks ago. We're meeting again somewhere in the next few weeks.

We are -- I think we've plussed up our assistance in the billions of dollars, in terms of sales to them, for their ability to be able to push back against Iranian activities.

We have engaged with the Iranians on their activities, specifically in Yemen, and we have high hopes that, over the course of this Syria process, we can begin to deal with the flow of weapons that have been coming out of Iran, through Damascus into Lebanon and threatening Israel.

And we're very clear about that, and the threat of Hezbollah. So -- and -- and the IRGC's engagement in various ways. Now, again, some of that should be taken up in a classified session.

But we believe that the amount of money that has flowed to Iran thus far, not because we have interfered with it or something, but because it just has not materialized as significantly as a lot of people alleged, is not winding up in some great imbalance in support for activities that we object to.

So there are things going on that we obviously -- that's why we left in place the sanctions on human rights, the sanctions on arms, the sanctions on missiles, the sanctions on state sponsor of terror -- are all still there, extant and subject to enforcement.

And we've made that clear, which is why we did designate people -- because of the missile test that took place. So we're very focused on it, Senator.

Together with our allies -- and, I might add, with Israel -- we're -- we're -- we're constantly sharing information, and I can assure you every country in the region will be as diligent as we are in tracking what they are doing.

CORKER:

So I'm -- I get an F on being a traffic cop, and I'm gonna try to be better for the remainder of the time here. I do appreciate the fulsome answer and the questions, and, if we could, we -- try to stay closer to our time frame.

With that, Senator Perdue.

PERDUE:

I'll -- I'll try to honor the time, Mr. Chairman. Thank you,

Mr. Secretary, thank you for your energy and effort. We may have disagreed on some of the details of some of the efforts, but I respect your effort to represent us diplomatically and solve some of these really tough problems around the world. It's a very dangerous world.

With regard to the budget, which is primarily what we -- I thought we were supposed to be talking about today, next week, Senator Kaine and I will -- I'll chair, he's the ranking member of a subcommittee, and we will have some of your staff talk about a few more details of the State Department's budget request.

But I want to note for the record, today, the State Department, while it's up 25 percent since 2008 -- some \$12 billion -- I recognize it's still 1 percent of our total spending.

I also recognize that the world's a lot more dangerous today. In fact, I think we see the world in -- in -- as having two real major crises. One is this global security crisis that continues to grow every day.

But I think, when we look at the State Department budget as well as the defense budget, we're -- we would be well positioned to consider it in its full perspective.

And I know -- you mentioned this in Munich last week, where you represented the United States very well, I thought. But it seems to me that we have an interlocking two crises.

One is this global security crisis on several levels. One is the rise of traditional states, China and Russia, ever more aggressive. We've got these asymmetric threats and terrorists from Indonesia, now, to Algeria and here at home.

We also see nuclear proliferation threats -- but -- and -- and honestly, cooperation between North Korea and Iran, even that continues to date.

And on top of that, we have the cyber warfare dimension that our military's trying to adapt to, and I know your organization's trying to adapt to. And what we don't talk a lot about is the growing arms race in space. So I mean this is a very complicated world right now.

Interlocked with that, though, is our own debt crisis -- our own intransigence, here, threatens our ability to fund the needs that we have. And I'm coming to a specific question.

Before I get to that, about Europe, I'd like to just ask you a quick question about Iran. Originally, we were told the number that they would be given over a period of time was somewhere between \$100 billion and \$150 billion.

Then the administration came back and said, "well, we think it's closer to \$50 billion in terms of what they can get. There's some balance sheet issues that they have access to, but cash is about \$50 billion."

We heard Iranian officials talk recently about it could be as -- in excess of \$100 billion. Do we have an update on what that number is, quickly?

KERRY:

It's below the \$50 billion.

PERDUE:

And how -- do we have any intelligence how they're using it to date?

KERRY:

We can talk about that in a classified session.

PERDUE:

OK. Thank you.

The next question is, General Breedlove in Munich just last week described the refugee situation -- the migrant situation in Europe as being -- the refugees being weaponized. And I know you were there, and I know you commented on that.

I'd love to get your comments, though, relative to -- defense spending in Europe is well under 2 percent. I think, for a generation, Europe has looked to the United States to be the big brother, and now we see Putin seeing that underspending in their military.

Our spending right now is about 3 percent of our GDP. It's about 100 basis points less than our 30-year average -- or, in today's terms, about \$200 billion. And I'm not suggesting that we need to spend \$200 billion more.

But I'd like to know what the State Department and your strategy is -- the administration's strategy is -- to deal with Putin in light of these growing dangers from this immigration issue in Europe, particularly in the -- in the very susceptible states of Eastern Europe that used to be satellites of the Soviet Union, all the way up through the Baltics.

But if you come -- starting in Greece and go up the refugee pipeline, these are very vulnerable states right now. And what -- what's our strategy to offset Putin and to deal with -- with the growing threat to these very fragile governments?

KERRY:

Our strategy is to support them to a much greater degree. We've got the NATO assurance program that's in place. We've put very significant effort into the larger numbers of rotating training and troops and -- and equipment in the region.

In addition, as I mentioned in my opening statement, we've taken -- I think our expenditure last year was about \$700-some million or something. We're taking it up to \$3.4 billion, \$3.5 billion in assistance to the front-line states in order to make it very, very clear that we're there.

And to support Ukraine, in addition to that, we've -- I forget. It's a very significant amount (inaudible) about \$1.6 billion, I think it is. So we are making it very clear that we're there to help.

Now, the -- the weaponization issue is a -- is a serious one. I think that we've seen the dial get turned up and turned down. I might add, not only by Russia.

And so again, in classified session, I'd be happy to talk about that a little bit. But I think that it is imperative for us, as I said earlier, to be prepared to do more with respect to helping Europe to be able to withstand this onslaught.

This is -- you -- you -- you really can't overstate the impact, politically, of the potential of another million refugees. And...

PERDUE:

Do you think Europe can take another million?

KERRY:

No. I -- I think it is not doable, and I think we have to -- I think that would have profoundly negative, dramatic...

PERDUE:

I know you also heard people in Munich just last week -- excuse me -- talk about the growing refugee crisis from the sub-Saharan area, as well, and the crisis in Egypt right now. And that's...

KERRY:

Well, 50 percent of the -- 50 percent of the people going in are not from Syria. They're coming from Bangladesh, they're coming from Pakistan, Afghanistan, they're coming from Africa. So it's a major challenge to the very nature of the European Union.

PERDUE:

Well, some of us visited Serbia, and about 60 percent coming in through that pipeline are male -- young, male -- under 35 -- and only about 17 percent women, and the balance, 20 percent or so were children, and a good number of those were from Afghanistan, coming through the Greece and Macedonia pipeline.

KERRY:

Right.

PERDUE:

Let me ask one other quick question. I'm about out of time, but I'd like to go back to North Korea. Director of National Intelligence Clapper just this year commented that, and I'll quote this, "Pyongyang's export of ballistic missiles and associated materials to several countries, including Iran and Syria, and its assistance to Syria's construction of a nuclear reactor illustrate North Korea's willingness to proliferate dangerous technologies."

PERDUE:

We know, in six -- 2006, 2009, and 2013 that Iranian officials reportedly participated, and were there during those nuclear tests. Do you have anything you can tell us about what the State Department is doing and the administration is doing to monitor that cooperation and any potential violations of the JCPOA in terms of nuclear cooperation between those two countries?

KERRY:

Yes. At this point in time, we -- we do not assess there is a violation, but we have in place restrictions under the U.N. Security Council Resolutions to be able to act if there are. The -- Director Clapper is on target and he is accurate and we agree with that assessment, and we are working very closely to address that.

We -- I think we're on the verge of having an agreement hopefully with China. In fact, I'm meeting with the Chinese foreign minister this afternoon. We are very hopeful that -- we know we've made progress in the negotiation in New York in coming up with a substantial and -- and improved U.N. Security Council resolution with respect to what we would -- what we will do as result of these activities.

So we're taking both national steps and multilateral steps. We have entered the conversations with South Korea on the THAAD missile deployment -- THAAD defensive system deployment and, you know, we obviously have other options available to us. But, you know, this does not interfere with the JCPOA, it suffered (ph) from it, but we are nevertheless going to take these actions.

PERDUE:

Thank you. Thank you, Mr. Chairman.

CORKER:

Thank you. Senator Udall?

UDALL:

Thank you, Mr. Chairman. And Secretary Kerry -- Kerry, let me echo what others have said about your -- your excellent service around the country and all you're doing to try to bring peace to many of these difficult regions.

I'm glad you mentioned Roberta Jacobson in your opening and I think other senators have mentioned her here. I -- I've worked with her extensively. I think she is a very capable career State Department person. She -- you know, as you said, she doesn't make the policy about Cuba. And so if you're objecting to the policy, it doesn't make any sense to hold up her nomination and -- and I went down last week to the Senate floor to offer her name in consent and it was objected to.

And I can just tell you this is an area that she's -- she's nominated for Mexico -- to be the ambassador to Mexico. This has a real impact on my state. The state of New Mexico borders with Mexico. We have dramatic trade that's going on from -- in the last 15 years that started at about \$7.5 million. Now, it's up to about \$1.2 billion. We have all sorts of cooperatives kinds of things we work with Mexico on at the state level.

And so I'm just wondering, from your perspective, what is the impact of not having an ambassador to Mexico and recognizing that we've had -- Secretary Kerry, this has been vacant for six months and this is one of our -- our very, very strong trading partners. Could you speak to that?

KERRY:

Well, Senator, thank you. Thank you for your support for that effort. Look, everybody here knows you all interact with our ambassadors when you go over to these other countries. They spend a lifetime of service to our country, gaining skills over 20 and 30 years, and there is a reason we send them to the countries we send them to, it's because they are particularly suited to helping us to advance America's interests to build the relationship, to help to explain our values and choices.

But in this world right now particularly, notwithstanding instant communication and e-mail and the way in which we can communicate directly foreign minister-to-foreign minister, having an ambassador on the ground who builds relationships, who knows the people in the government, who acts -- who understands their difficulties, who has a sense of the politics of that particular country helps us to be able to get our policy implemented.

KERRY:

And here we are. We just had a North American security dialogue in Canada the other day with the foreign minister of Mexico, the foreign minister of Canada and myself. We have a huge North American interest. We have energy challenges, we have border challenges, we have narcotics trafficking, we have violence, we have the challenge of Mexico's help to help us prevent the flow of those children coming out of Honduras, Guatemala, El Salvador, coming up through Mexico into the United States last year, and so forth.

I mean, you can run a long list -- counterterrorism, the needs we have on a daily basis to have our nation properly represented by an ambassador is absolutely critical. And we're just hurting

ourselves. And we make ourselves look silly, frankly. And we insult the country that doesn't get the person. They're sitting there saying: What do you -- what is this? Punishment for something we did or didn't do? And they don't sort of understand this process.

So, you know, I spent years and year up here, as you all know, and we usually got to the point where we could have a vote. Not one senator or two senators or rolling holds between three senators, preventing the country from doing what the country needs to do.

And I would hope that we'd just have a vote. And let the democracy decide whether or not the Senate's will say that Roberta Jacobson should go to Mexico and help us with all these issues.

UDALL:

Thank you, Mr. Secretary. And I -- I would applaud Senator Corker. He has tried to move these nominees forward. And what has ended up happening is they get bogged down on the floor.

And I'd like to shift to another area that you just mentioned, because it's an area that we also work with Mexico on, and that's the just vexing and problematic situation in Central America. This is having an impact on my state of New Mexico because we have many unaccompanied minors who are staying at Holloman Air Force Base.

And the real central question here is: How are we with these three countries in Central America that are drug -- you have drug- fueled violence; you have corrupt governments; you have very weak governments? And how are we going to move ourselves in a better situation so that migration doesn't happen? That -- that's what I'm very concerned about.

And we in this budget deal, as you're very aware, helped significantly in terms of State Department funding for Central America and for these -- for these three countries. So, I -- I'd like you to discuss any progress that has been made to date with respect to implementing the U.S. strategy for engagement in Central America. Has there been any change in migration patterns that could be attributed to this effort of -- which we're undertaking?

Would the funding requested for 2017 be used differently from previously appropriated funds for the region? And how long do you think we're going to have to work on this to really make an impact?

KERRY:

Well, we're going to have to work for a fair number of years, Senator. As you recall, we just were able to celebrate the 15 years of Plan Colombia. And I remember in this room when we passed Plan Colombia, a billion dollars, and a lot of people were, you know, wondering for one country over a 10-year period what that was going to do.

I think it did save the country, together with the country's commitment itself and its leaders to try to stand up to the narco- traffickers that back then were destroying the nation. And today, Colombia

is one of the strongest countries in all of Latin America and doing an amazing job in many, many respects.

So, these investments are critical. And that is what the administration has decided to do and is doing with respect to a number of countries, not just Salvador -- El Salvador, Guatemala and Honduras, but also Belize and Costa Rica, Nicaragua, Panama. We're working with all of them to try to address the causes of these folks sending their kids into danger and trying to come into the United States.

And it has to do with violence -- violence against young people. It has to do with narcotics trafficking. It has to do with lack of opportunity, education, health and other ingredients.

So, we have found that what really does make a difference is to help these countries to be able to help themselves. And that helps us. So, we're engaged in a major effort to try to professionalize the law enforcement; to reduce the illicit trafficking; to reduce the smuggling, the transnational organized crime, the gangs. And I think we have \$750 million we've asked for.

It's a down payment on the full billion-plus that want to put into this. And \$359 million of that is for bilateral assistance, and \$390 million is regional assistance for the things that I've just talked about.

I'm convinced if we follow through on that, this is going to reduce the numbers of people trying to come to the United States across the border. And it will significantly in the long term strengthen those countries and our relationships with them.

UDALL:

Thank you.

CORKER:

Senator Paul?

PAUL:

Thank you for your testimony.

I continue to believe that one of the greatest threats our country faces is the accumulation of debt. We borrow about a million dollars a minute. We've given away over \$300 billion in foreign aid over the last 10 years. During those 10 years, we've accumulated over \$10 trillion in debt.

Now, some would say, well, it's only one percent of the budget; it's not a big deal. Actually, if you cut one percent of the budget each year over about a five-year period, you actually balance your budget within five years. So the savings does add up.

The other thing I think in thinking about this is that most of us give privately to charities or to our church. And most of us would think it would be absurd to borrow money -- to the bank and borrow money to give to your church. You give out of your surplus or out of your earnings, but you don't give out of borrowed money.

And I think it's equally absurd for a country to borrow money from China to send to Pakistan. It sort of defies any common sense.

The other argument, though, is whether or not it actually works, whether the money, if you say, well, gosh, it's still -- it's so valuable. We borrowed this money and we're going further into debt, but it works. But there's quite a bit of evidence that maybe it doesn't work. You know, we plowed a trillion dollars into Iraq and Iraq has treated their liberation that we granted them with falling into the arms of Iran.

You know, you could make the argument they're closer allies with Iran than they are with us. They don't seem to do what we ask them to do with regard to making their army more national and less sectarian. They brought some of the Sunni uprising upon themselves, against our wishes.

In Egypt over the last 10 years, we've given them \$60 billion. Some estimate as much as half of that was stolen by the Mubarak family. Even liberal institutions such as the New York Times has reported as much as 50 percent to 70 percent of foreign aid is stolen.

Chairman Corker has mentioned the duplicitous nature of Pakistan, who I think at best can be described as a frenemy -- sometimes friends, sometimes enemy, but really duplicitous is probably the best way to put it. We've given them \$15 billion over the last 10 years.

I don't think I'll convince you, but I think the American people are convinced that we don't have the money to be sending money all around the world when our infrastructure here is falling down and our country is struggling. We just simply don't have the money and it makes no sense to borrow it.

I don't think I'll convince you on any of those points, so I'd rather ask you a specific question about Syria. Do you think it would make any difference if instead of demanding as a precondition Assad leaving, that the -- if the demand were something more like an internationally monitored election within a certain period of time? Is that something that's already been offered up as a possibility? And what is your best guess as to whether Russia or Syria might treat that as more of a possibility of a starting point if there were an election at some sort of predetermined date?

KERRY:

Well, Senator, thanks for your comment on the general issue of aid. I would like to come back to it just for a moment. But let me answer your specific question.

Russia and Iran have accepted the idea of an internationally monitored, highest standard election in which even the diaspora can vote. So they are already there. And that is in fact part of the lay-down in the United Nations Security Council and in the agreement.

The problem is that the opposition will not accept the idea of Assad running in an election because they believe that that -- you know, they just don't have confidence it will...

(CROSSTALK)

PAUL:

Can I make one quick interjection there? The opposition is going to have to accept something. Assad's not -- with Russia's backing, Assad is not going anywhere. He has the upper hand now. So, you know, we're the ones supplying the opposition. We need to tell them they're going to have to accept something.

KERRY:

Well, we'll see. A negotiated settlement of a war requires compromise by everybody. And the opposition has already compromised in significant ways to come to the table. But if you can't end the war with Assad running, is it really worth destroying an entire country and a region over one man who simply thinks his being there is more important than anything else? The question is whether or not in the course of this process people will come to their senses and understand, you know, I mean, four words could end this war: I will not run.

You could immediately move to resolve all of the other issues in a very significant way. So, I think, you know, the opposition and everybody believes Assad cannot unite the country; you can't end the war. I've said this...

PAUL:

I know, but don't you think the opposition's position has greatly weakened over the last year? And that they -- they really don't have the strength? They're one of 1,500 groups. You know, the opposition we support won't exist without our support basically. They're being overrun as we speak in the areas north of Aleppo.

KERRY:

Well, the opposition has fought fiercely. The opposition has fought fiercely. And they continue to fight. And they continue to push back against the odds of aircraft bombing them and so forth. And I think that President Putin has to understand what everybody in the region understands, which is that this war can't end if Russia want to sit there and fight the jihadis and, you know, that can be obviously their choice.

I don't think that's what they want to do.

PAUL:

But I think if you were to think about it, the whole disaster of this war and the mass migration and the killing and all that's gone on, if you could accept the end to the war with an election in a year and Assad might or might not run in a year, that to me is a victory, to end the war. Sure, he's a terrible guy. The Middle East is full of them, you know? Half the countries over there have despots, you know.

So, you know, the thing is that I don't have any love lost for him, but there's also 2 million Christians that would choose Assad over the opposition probably. You know, so the thing is that I think if you could negotiate something that -- negotiating is giving. If our position and the rest of the world's position is that Assad has to go, you've seen where it's going. It isn't going anywhere.

KERRY:

The United States can't impose on people who have lived there under these bombs and starvation and torture. You can't impose on them the notion that they have to live with a guy who did all these things to them. That's the fight. And we don't have the ability, nor should we, impose on them. This has to be a Syrian-resolved process.

PAUL:

But they only exist with our support.

KERRY:

I don't think so. I think that they would exist otherwise. They exist in a greater degree, but you know, we didn't create them out of whole cloth. This revolution in Syria began when Assad attacked young kids who went out in to the square to demonstrate for jobs and for a future, and then their parents went out, he attacked them. And that was the beginning of this. And everybody knows it. So, we are where we are and we have to try and find it.

Let me come back to the, just the point you made. You know, we're not -- we wouldn't disagree on everything you said because there are places where money has been stolen. There are places where it hasn't been well spent. And our job is obviously always to find out why that's happened and to prevent it from ever happening again.

But all in all, if you look at the vast majority of countries that we are engaged with, and the nature of the world today, Senator, I just have to tell you that if we weren't doing the development work we're doing, if we weren't helping kids to get educated; if we weren't providing some support for the development of healthcare capacity. Apart from the humanitarian notion of that, there is enormous developmental return on that investment.

And for the United States, I'm convinced more than ever, I mean, I've seen this now for the three years-plus I've been secretary, it makes a difference, a huge difference to the standards of behavior, to the values that those people adopt, to the willingness of countries to join together to fight Ebola, to deal with AIDS, to fight back against...

(CROSSTALK)

PAUL:

But I guess you could also make the argument that our support for someone like Mubarak leads to a reaction of anti- Americanism...

(CROSSTALK)

KERRY:

There have always been...

(CROSSTALK)

PAUL:

... when they see tear gas shells made in Pennsylvania that we buy, that he suppressed his crowds with, you can see that the reaction isn't always a pleasant one for America.

KERRY:

That's correct. And there have always been imbalances and difficulties in some of the choices that we have made. I don't disagree with you about Iraq. There are a lot of problems in Iraq. But right now, we have the challenge which is to try to save Iraq and help Iraq save itself from Daesh and it's in everybody's interest, every country in the region wants to destroy Daesh.

KERRY:

So, we need to do that. I think there are a lot of ways. We are still the richest country in the world. We still have the strongest economy in the world. And we will for some years to come. And -- hopefully forever, but certainly as we see a rising China, there's a time when automatically, by virtue of size and people, its economy will be larger. Whether it's stronger is a different question.

But I would say to you that -- that we have a huge imperative here to remain deeply engaged, because if we don't, there are too many young people out there, too many countries with a population under the age of 30 to 35, where you have 60 and 70 percent of the country under that age.

And if they don't get educated, and if they don't get job opportunities in this world in which everybody's connected and knows what everybody has and doesn't have, then I fear the evil that will fill their heads, and the way in which they could get co-opted into enterprises and efforts that are very, very dangerous for all of us.

And so we all have a responsibility here to see that and to try to do something about it, because that is a national security threat to the United States of America, as well as all of our friends and allies.

CORKER:

Senator Murphy, is there a timer on your side of the...

MURPHY:

I don't know. I have a...

CORKER:

... if the -- if the former chairman would help the current chairman, when it gets towards the end of the time -- have less expansive answers.

KERRY:

I'd be delighted, because I have another meeting too.

CORKER:

Thank you. Thank you. Senator Murphy. Thank you.

MURPHY:

Thank you very much, Mr. Chairman. I'll try to do my part as well. Just quickly, one -- one thought on this analogy that Senator Paul was making, regarding how family may not borrow money in order to make a charitable contribution to their church.

I think, for a lot of us, that's not what we view these investments in foreign aid -- we view them as integral to our national security policy as the investments that we're making in the submarines and the jet engines and the helicopters we produce in Connecticut. So this is not something we are doing out of goodwill. This is part and parcel of a broader national security strategy.

Second, the overview that you began with -- the U.S. and the State Department, engaged in more places in the world than ever before -- squares with the reality that a lot of people believe exists, which is a world that is more chaotic than ever before.

The truth of the matter is, as you've pointed out -- is that the number of people across the world who are dying from acts of violence, who are dying as the result of war, is actually declining. Has been declining for a long time.

And it speaks to our ability to find ways out of conflicts other than war, something we haven't been so good at in the past that we're much better at today.

And so I just say that as a means of congratulating you on a number of seminal diplomatic achievements that are important in and of themselves.

The text in the agreements, whether it be the Iran nuclear agreement, the climate change agreement or this ceasefire -- but they also remind people all around the world of the gains that have been achieved, the lives that have been saved because we figured out, over time, that, as important as it is to have strong militaries, it's much more important to take chances -- to take risks on diplomacy. More of them pan out than don't pan out.

Which brings me to a question: you've got in this budget a -- I think a near-doubling of funding for CVE, for countering violent extremism. That's a smart investment. I know you'd want to spend more, if you could, because we're cutting off the roots of extremism before it gets to the branches. Smart strategy.

But here's my worry. My worry is that the impact of these funding increases are going to be blotted out by the advantage that accrues to extremist groups by virtue of this widening proxy war between Iran and Saudi Arabia in the region, certainly playing out, to an extent, in Syria.

But I want to ask you about our policy in Yemen today. There's a BBC story today that says, "Yemen conflict: Al Qaida joins coalition battle for Taiz."

And the underlying analysis is that, increasingly, there's some pretty deep integration between elements of Al Qaida and elements of the coalition -- a coalition that does include the United States -- not on the ground, but in terms of the support that we've given for the Saudi air campaign.

And as -- as -- as I read the conflict in Yemen, I have a hard time figuring out what the U.S. national security interests are, given the fact that the result of the coalition campaign has been to kill a lot of civilians, has been to sow the seeds of humanitarian crisis and to create space for these groups -- these very extremist groups that we claim to be our priority in the region, to grow, whether it be ISIS or Al Qaida in Yemen.

So I just wanted to ask about the -- the future of the U.S. involvement on the Saudi side of this conflict in Yemen, and to just talk to us about why we should continue to fund munitions requests from the Saudi government that end up in that fight.

KERRY:

Well, Senator, good question. And the answer is -- is very straightforward. That we are -- the Saudis are a part of our coalition, part of our GCC link to pushing back against nefarious activities in the region.

And the Saudis were threatened very directly by the combination of the Houthi and some Iranian input, and -- and as a result, felt they had to defend themselves. And we supported their right to do that.

Now, we are urging them very strongly to get into -- to get to the table and to negotiate a resolution to this. We believe that there is a certain ripeness to that. And it would be better for everybody if we were able to achieve that.

Now, there're some complications with it, obviously. You have Former President Saleh, who has made life difficult in this whole process, and our hope is that we -- we're working with the Omanis, with the Saudis and with the Emiratis and other friends in the region to try to see if we can't, now, get back to the table.

The U.N. is engaged, as you know. There are supposed to be talks that are going to take place shortly. And our hope is that this -- this could end.

A lot of civilians have, unfortunately, been the -- been impacted as a consequence of what's been going on. And I -- I think the heart -- the heart of the matter is that we are -- we are urging diplomacy at this moment to try to see if we can't bring this to a close.

And I think it would be in everybody's interest if that were to happen. It would also provide a capacity to be able to focus more on Daesh and to get the forces that are there, that have been distracted from the Daesh effort, realigned and refocused.

MURPHY:

I think, at the root of your answer, is that the alliance between the United States and Saudi Arabia requires us to come to their aid when they feel threatened.

And I guess my pitch is that I hope that that would not be the default proposition, if this proxy war widens in the region. I think it, frankly, provides incentive and impetus for the proxy war to widen if the Saudis know that, wherever they go, the U.S. is very close behind.

And the more instability...

KERRY:

We're not -- we're not...

MURPHY:

... that the proxy war -- that this proxy war seeds, the more room there is for these groups to grow.

KERRY:

There's a distinction between a proxy war, as you describe it, and the threat that the Saudis faced as a consequence of what was happening right on their neighborhood, right on their border and across their border.

So we chose to support that, but we would not be supporting a longer sort of proxy kind of effort. And that's one of the reasons why I say to you we think it's important, now, to get to the table and negotiate.

MURPHY:

Thank you, Mr. Chairman.

CORKER:

Thank you. Senator Barrasso.

BARRASSO:

Thank you very much, Mr. Chair and Mr. Secretary, nice to see you again.

The American people are facing significant issues here at home. Tight budgetary environment, and you're requesting \$1.3 billion for the global climate change initiative.

As legislators, we're constantly searching to find the resources to help many people around the country -- communities who are dealing with unemployment, with aging water systems, with poor roads, substandard hospitals, failing schools.

So how -- how do we talk to people at home and say that the real priority of the administration is sending \$1.3 billion taxpayer dollars overseas to international bureaucrats in the name of climate change, rather than dealing with these issues at home?

KERRY:

Very simple answer. The American people are extremely practical. Enormous common sense about things that affect them. You pick up the newspaper today, and you read about the flooding that people are suffering as a result of -- directly as a result of climate change, that flooding costs those taxpayers money.

KERRY:

We spent billions of dollars last year. I forget what the -- it was \$8 billion, I think, in reaction to storms in the United States which are of greater intensity as a result, according to the scientists, of the impacts of climate change.

So we're actually -- we're actually...

BARRASSO:

So Barbara Boxer, a member of this committee, would agree with that. But then I'm saying why aren't we spending money here? She says climate change is an issue relating to wildfire and drought, storms. And so it's 1.3 billion for protecting...

KERRY:

Well, we are spending -- we are spending...

BARRASSO:

And the question is why aren't we spending it here rather than sending it overseas to bureaucrats?

KERRY:

Because there are 20 major nations in the world that account for about, you know, the vast majority of the -- the majority, put it that way, because the less developed countries are now growing in their emissions as a result of their own developing practices.

But the result is if we don't help some of these countries that have no money, that are burning coal without any kind of restraint on how they burn it, we regrettably are going to also suffer. So it's in our self-interest to help these countries to make better choices about what their energy future is going to be.

It also, by the way, opens up jobs for Americans because we are the most advanced with respect to most of those energy technologies. So we could be actually creating more jobs for Americans as a result of getting countries to invest more thoughtfully in their energy future, but they can't afford to do it on their own. So what we're doing is actually helping people to make a transition to a clean energy future, which is good for everybody.

This is going to be -- there will be \$50 trillion, Senator, spent on the whole gamut of energy choices in the next 20, 30 years. That's jobs for people all over the world. This is going to be the single biggest market the world has ever seen, and so I think this is -- you know, this is an extremely smart investment in our security as well as in our economy. And I think when Americans are presented that choice, Americans -- in fact, they already are, overwhelmingly in support of our doing something about climate change.

BARRASSO:

During your confirmation -- I want to switch to Syria here. During the confirmation hearing, January 2013, you were asked about the situation in Syria. You stated, every day that goes by it gets worse. I specifically asked you about Putin's support of Assad in Syria, at the time of your confirmation hearing, there were more than 60,000 individuals estimated to have been killed in the crisis in Syria.

The estimate this past weekend is that it's now up to 470,000 Syrians killed in the crisis in Syria. So that's since the day of your confirmation hearings until now, and that was -- the numbers were

in The Economist and the international surveys on this. That's about 300 more killed every day over the last three years.

So Russia continues to support the Assad regime. It's now bombing civilians and opposition groups in Syria. Putin's attempting to change the battlefield dynamics to bolster the Assad regime, to weaken the opposition in terms of anything related to peace. His support of the Assad regime includes bombing civilians, bombing opposition groups. The current edition of The Economist article is titled "Vladimir Putin's war in Syria: Why Would He Stop Now?"

It says both of Aleppo's main hospitals were systematically destroyed by Russian airstrikes last year. They said nobody should be surprised that despite signing the agreement, Russia would continue its airstrikes against those it regards as terrorists, which they then point out is an elastic term for Putin.

Today's New York Times editorial, "Relying Again on an Unreliable Mr. Putin," he says Putin's ceasefire to him is a tactic, even a smokescreen, not a goal. The Economist says the only puzzle is what John Kerry, America's secretary of State, thought he could achieve through his achievement with Mr. Lavrov.

So I would say after decimating opponents of the Assad regime with its bombing, Russia has now made a joint statement with the U.S. that it will agree to a cessation of hostilities February 27th. I mean, to me, the only thing Russia has been consistent with is failing to keep its word.

What consequences, specifically what consequences do you support imposing upon Russia if it violates the ceasefire agreement and it is just a smokescreen or some kind of a charade?

KERRY:

Well, in answer to the question what does John Kerry think he could achieve, the...

BARRASSO:

And the consequences for Russia if they do violate.

KERRY:

Right. My job, the job of everybody in the State Department, is to try to -- you know, absence, failure of diplomacy, and our job is to try to see if there is a way to bring this to an end. I can't -- I'm not sitting here naively vouching for the fact that this is going to work, but the alternative is that I sit in my office and I go visit a bunch of countries while the war rages on and nobody makes an effort to stop it. That's the alternative.

You'd be criticizing me if I was doing that. You'd say why aren't you doing something to end the war? Why isn't there diplomacy to find a solution? Now it is a well-known fact that I have also advocated for strong efforts to support the opposition, strong efforts to make sure we have the

leverage that we need to be able to achieve something. And there is a significant discussion taking place now about Plan B in the event that we don't succeed at the table.

So look, put yourself in President Putin's shoes. Yeah, he can drop bombs and he can move the battlefield and he can -- and he has changed it for Assad. No question about it, he has had a better impact for Assad. But is that going to end the war? The answer is no. And I think President Putin is smart enough to understand that if he just sits there over a period of time, those people who have supported the opposition will get different weapons, more weapons. And they will continue this fight. And you can wind up with a Syria that is utterly destroyed without a capacity to put it back together again, which we have today.

You know, that's happened before. The Roman historian Tacitus wrote about Carthage. You know, they made a desert and called it peace. So you can make a desert in the desert and call it what you want, but I'm telling you this war will not end with Assad there. It just won't end as long as Assad is there. So President Putin can bring in more. He can, you know, start additional bombing, but I assure you that because of the sectarian nature of this, if he thinks he's going to be better off fighting on behalf of the dictator who's driven most of the people out of the country or into refugee status, killed a bunch of them, if he thinks he's going to be better off with supporting Hezbollah and the IRGC and Iran and Assad against an increasingly sectarian divide that is defined by Shi'a and Sunni, that is a very, very dangerous...

BARRASSO:

I'm over my time, Mr. Secretary. But it does seem that there are no consequences for Putin's violations of the ceasefire. I have not heard one from you with regard to this administration.

KERRY:

Well, there are a number of things being talked about right now. I don't think it's the moment to be throwing a lot of -- you know, I think that it's out there and people know what they are, but I think this is a moment to try to see whether or not we can make this work, not to find ways to preordain its failure and start talking about all the downsides of what we're going to do afterwards.

BARRASSO:

Because U.N. Ambassador Samantha Power, you know, this past year talked about all of the failures of Russia -- or the violations of Russia with ceasefires in Ukraine. It just seems to be we're seeing this picture again.

KERRY:

Well, let's see if we do, and then let's see what Plan B is or isn't, if that's what it takes.

BARRASSO:

Thank you, Mr. Chairman.

CORKER:

Thank you. Before going to Senator Kaine, I've had terse words with the secretary in public before and it's not my job to -- certainly today to defend him. And I'm not -- I think ever since August, September of 2013, when we did not take the actions that this committee authorized against Syria, Russia and others have known, we're not going to do those things to cause there to be a price, and I think that the secretary is negotiating a situation where there is no Plan B, Russia knows there will be no Plan B. And so in spite of his energetic efforts, unless the other side knows that there will be consequences, we know there's not going to be under this president, Secretary Kerry probably knows there are not going to be under this...

KERRY:

Senator, let me -- let me just say, I...

CORKER:

... and Russia knows that there's not going to be any consequences. And that's what makes it difficult, I think, the outcome.

KERRY:

That would be -- Actually, Senator, I appreciate, honestly, I appreciate your comments. And -- but it would be a mistake for anybody to calculate that President Obama isn't going to decide that, if this doesn't work, there isn't -- aren't another set of options.

I just don't buy that, and I don't think -- and I think anybody who presumes that is misjudging this president and his record of making tough decisions and doing what's necessary.

The president's first choice is to try to see if this can be resolved diplomatically. It's my first choice, it's the first choice of the security team. But there are plenty of people who are thinking about, OK, if it doesn't work, then what? Including the president of the United States, who has the responsibility to make that choice.

But anybody who thinks that there is impunity for just violating this and going forward is making a grave mistake, in my judgment.

CORKER:

We've been thinking about it for two and a half years. Senator Kaine.

KAINE:

Thank you, and -- and I'm -- I'm going to save -- I'm way late for a meeting I was supposed to be at. I'm going to save my questions for the Budget Committee hearing that we're going to have in subcommittee next week.

Let me just offer a statement to you, Mr. Secretary. As a member of this committee, but really just as a citizen, we owe you a huge debt of thanks. You played a part -- as a senator, you have played a major part in unfreezing three frozen relationships that the United States has had bilaterally.

As a senator, working with Senator McCain, you unfroze a very painful relationship between the United States and Vietnam. And there was controversy associated with it, and it could have failed. There was no guarantee it would work. But you played a major leadership role in doing that.

And now, as secretary of state, you played a major leadership role in taking two other relationships that the United States has had that have been frozen, with Iran and with Cuba, and putting them into a new chapter.

And again, there's no guarantee that diplomacy works. But I think our experience shows that there is a guarantee that the lack of engagement fails.

It will be a long time before we'll know the outcome of -- of Cuba and Iran and the work that you've done diplomatically, just like it took a number of years for us to realize a path forward with Vietnam, where they're now begging us to be their security partner, begging us to be their trade partner.

That wasn't obvious when you did what you did back in the early 1990s, and yet that has the -- that's -- it's been a path of progress where, even though we still have challenges with Vietnam, nobody wants to go backward and go back to a frozen relationship.

I'm not a historian, but if I think about what I know of American diplomacy, I mean, there have been achievements -- the Roosevelt brokering of the end of the Russo-Japanese war. That was an achievement. Truman and Marshall and the Marshall Plan, that was an achievement. The Nixon opening to China -- that was an achievement. The Northern Ireland Accords, that was an achievement.

But I think the work that you've done on these three very tough, historically problematic and challenging relationships, working with others -- Senator McCain, and with the strong encourage of a President Obama who cares about diplomacy, thank goodness, I think it just -- you know, it will rank in the very top ranks of American diplomatic achievements.

And again, no guarantees of success, but the absence of diplomatic effort is almost a guarantee of failure. And I just want to thank you for that, and I'll save my budget questions for next week.

KERRY:

Thank you very much.

CORKER:

Senator Shaheen.

SHAHEEN:

Well, thank you, Mr. Chairman. And, Mr. Secretary, thank you. I don't have as broad a perspective to provide thanks to you as Senator Kaine did, but certainly appreciate your tireless efforts to promote American values around the world.

I actually want to bring it back to a minute matter, as opposed to a broad strategy. And as -- I think you have been very supportive of the special immigrant visa program, which has been designed to help those people who helped us on the ground in Iraq and Afghanistan.

And I think you may be aware that Senator McCain and Senator Reid from the Armed Services Committee and I sent you and Secretary Johnson a letter two weeks ago, asking you to reconsider the department's initial interpretation of the language from last year's defense authorization bill.

Because I believe the department's initial reading of that language was inconsistent with what our intent was when we passed that bill -- that we have disqualified many Afghan applicants who really worked to serve this country, and should not be disqualified, because they face serious threats if they are disqualified.

So I would just -- I don't know if you have any update on where the department is on this, but I would urge you to -- to take a hard look and reconsider the initial interpretation.

KERRY:

Well, we couldn't agree with you more, Senator. And thank you for your ongoing concern about this.

We share that concern. We do not want people who had already expressed or received chief admission approval before September of last year to suddenly be caught up in this change inadvertently. That would be grossly unfair and dangerous, obviously.

So two things. One, we are reviewing it in our -- in the legal department. And -- and we're trying to see whether or not, in fact, the law can be interpreted in a way that we can just make it happen appropriately, that -- as an answer.

If that didn't work, or doesn't work, then we're going to work with you, very clearly, to quickly legislate a change that remedies this inadvertent problem. But it's -- agree with you. We just don't want people treated that way. And -- and it would be -- it would be a gross miscarriage -- you know, of justice if that happened.

SHAHEEN:

Thank you. I -- I appreciate that.

To stay on the subject of immigration, one of the things -- I think, one of the most horrible outcomes of the civil war in Syria has been the refugee crisis that has been created by that, and the implications not just for Syria, for the Middle East, for so many of our allies, for Europe.

And they have highlighted a growing refugee crisis around the world that is getting worse, not getting better. And I was surprised to see that the budget reduces the migration and refugee assistance and the international disaster assistance accounts in the budget.

And I just -- given the crisis that we're facing, it's hard for me to understand the rationale for that. So can you speak to that?

KERRY:

Well, I think we -- we feel as if we -- we have, first of all, some money in the pipeline. But secondly, I think we don't have a way of predicting exactly what the demand is going to be.

We just committed another \$925 million to deal directly with the refugee crisis. I think, \$600-some million directly for aid and then another -- the difference would be for education and relocation, and so forth.

But I -- you know, our sense is that, if we don't have enough, we're obviously going to have to come back and discuss that with you. But I think, in the OCO, we have an ability to be able to have some flexibility.

SHAHEEN:

Well, since you mentioned...

KERRY:

Because that's one of the reasons -- you know, it's a -- it's a double-edged sword. We don't like OCO because it...

SHAHEEN:

Right.

KERRY:

... got in the way of the budget baseline, and I agree with that. On the other hand, it gives us some flexibility to be able to respond to these kinds of crises. And there have been more of them, which is why OCO has sort of evolved the way it has.

SHAHEEN:

And I appreciate that, but I would -- put me in the column with Senators Cardin and Corker that says that's not the way we ought to be solving our budget problems.

Let me go to the E.U., because I'm -- I mentioned the threat that has been posed by the Syrian refugees to the E.U. Union.

It's obviously facing probably more threats than at any time since World War II, given Russian aggression in Ukraine and other countries on the eastern border of the E.U., given the threat from further terrorist attacks, the potential exit of the U.K. from the European Union.

So can you talk a little bit about how we're trying to respond to some of those challenges, and how this budget strengthens our ability to do that, and what more we can do to support Europe?

KERRY:

Well, the first thing we've done most recently was agree to work with them on the NATO -- you know, deployment, in order to try to prevent the flow of refugees coming across the sea to Greece.

And we are talking with them now about what further extensions of the European border may or may not be needed in an effort to deal with this. I think the president's even having some discussions about that today.

We have, as I said earlier, plussed up our budget to all of the -- you know, front-line states. And in many ways, they are front-line with respect to this movement of refugees.

We -- the -- the most important thing we can do -- well, we -- in addition to that, we just pledged the \$925 million I talked about in London for the refugees.

But one of the things that has motivated our policy, Senator, has been this notion, you know, we're the world's largest donor, we're at \$5.1 billion now, and this thing can keep on going, and we can keep writing a check.

KERRY:

But we don't want to. What we'd rather do is try to push forward on this other front to see if we can't get an end to the flow of refugees by the cessation of hostilities and legitimate diplomatic process.

And, you know, while I've said again and again here, I'm not going to vouch for the fact that this will work. We have to put it to the test. We have no alternative but to test this. With all the cynicism and all the doubts that each of us will carry to the table, we have to test it. And then we'll know if people aren't serious, then that gives you a whole different set of choices.

But that will have the most profound effect of all on Europe. And it's the one way, really, to deal with the issue in a more lasting and effective way.

SHAHEEN:

Thank you. My time is up, and you've been here long enough. But I just want to add as a post-script that I support the efforts to counter violent extremism that the State Department has undertaken. I think that's absolutely critical as we think about how we're going to fight back against terrorism and ISIS and other terrorist groups.

I would hope that we are coordinating with the Department of Homeland Security, which has undertaken a new initiative around countering violent extremism. So, I just would hope that as the State Department is working on this issue, that we're working with Homeland Security to make sure that it's a coordinated effort across government.

KERRY:

Yes, we're working very closely with them, hand in hand.

SHAHEEN:

Thank you, Mr. Chairman.

CORKER:

Thank you.

Senator Cardin for closing?

CARDIN:

I just want to make a comment. I was listening to some of my colleagues comment about U.S. involvement internationally. When I first came to the Congress, we could not pass a foreign assistance bill. It was just not a popular thing to do. And today, I don't think we'd have any trouble at all, Mr. Secretary, getting the political support for a \$50 billion foreign ops appropriation bill based upon U.S. involvement globally.

And that's a credit to the evolving leadership in our country to explain the importance of our power. We're the only country in the world that has the military might, and I agree with you, President Obama will use that military might when its needed, but it should be a matter of last resort. And we have the universal values. These aren't American values. These are universal values that we're willing to get engaged internationally in order to promote. And we have the ability to accomplish some really good things for the world because we do get involved in those issues.

So I just really wanted to underscore your record and the Obama administration, and what you've been able to do to advance the national security of America. And we're proud to be your partners

here. And I think you've had a good relationship and we've been able to get some things done together.

And when we work together, we get more done.

Thank you, Mr. Secretary.

KERRY:

Thank you.

Let me just thank you. I thank you both. I mean, the committee has been just a terrific partner and we really appreciate it. And when we came up on the AUMF you were there. You've taken the lead and I appreciate the chair and the ranking member's relationship. Thank you.

CORKER:

Well, listen, we appreciate your indulgence. You've been here two-and-a-half hours. On a bipartisan basis, people have extended their appreciation for your tremendous effort on behalf of our country. And I know the details of the budget we'll get into more with staff, but we appreciate your appearance today. We appreciate your work on behalf of our country. And I look forward to seeing you in the next setting.

KERRY:

Thank you, sir.

CORKER:

The meeting is adjourned. And if you would answer questions, we're going to leave the record open until the close of business Thursday, we'd appreciate it.

The meeting is adjourned.