

**Senate Committee on Foreign Relations**  
**Senator Richard Lugar**  
**Opening Statement for Hearing with Secretary Rice**  
**On the Foreign Affairs Budget**  
**February 8, 2007**

I join in welcoming Secretary Rice. We understand the magnitude of the tasks that confront the State Department, and we look forward to this opportunity to engage you in a dialogue on the Administration's foreign policy activities and budget priorities.

In January, Secretary Rice undertook an important trip to the Middle East. I believe the Secretary's efforts and changing circumstances in the region are opening new opportunities to advance stability. The United States is attempting to organize regional players – Saudi Arabia, Jordan, Egypt, Turkey, the Gulf states, and others – for a discussion of how to address Iran's stated aspirations and how to make progress on stalled negotiations, including the Arab-Israeli conflict. Such an agenda has relevance for stabilizing Iraq and bringing security to other areas of conflict in the region, such as Lebanon and the Palestinian territories.

Many states in the Middle East are concerned by Iran's apparent program and by the possibility of sectarian conflict beyond Iraq's borders. They recognize that the United States is an indispensable counterweight to Iran and a source of stability in the region. The United States has leverage to enlist greater support for our objectives inside Iraq and throughout the region.

It is important that the Congress and the public fully understand any strategic shift in our policy. The President should be reaching out to the Congress in an effort to construct a consensus on how we will protect our broader strategic interests regardless of what happens in Baghdad during the next several months. The worst outcome would be a wholesale exit from vital areas and missions in the Middle East precipitated by U.S. domestic political conflict and fatigue over an unsustainable Iraq policy.

As we think with you how to achieve our goals in the Middle East and elsewhere, we must also consider how to strengthen our diplomatic instruments. The Bush Administration deserves praise for its International Affairs budget submissions, which have attempted to reverse the downward spiral in U.S. foreign policy capabilities that was imposed during the 1990s. In that decade, both Congress and the Executive Branch rushed to cash in on the peace dividend. But by the time we confronted the tragedy of September 11, 2001, many of our foreign policy capabilities were in disrepair. In 2001 the share of the U.S. budget devoted to the international affairs account was barely above its post-World War II low and only about half of its share in the mid-1980s. Embassy security upgrades were behind schedule, we lacked adequate numbers of diplomats with key language skills, many important overseas posts were filled by junior Foreign Service Officers, and our public diplomacy was completely inadequate for the mission in an era of global terrorism. Our diplomatic capabilities have made progress under President Bush, but much work is left to be done.

Unfortunately, despite two wars and multiple diplomatic crises, Congress has routinely cut the President's requests for the 150 Account. In 2005 and 2006, Congress reduced the President's regular request by about \$2 billion each year. In the current fiscal year, we are still awaiting a final outcome, but the President's FY 2007 request may suffer what amounts to a \$2.5 billion reduction. We seem barely to notice that in a time of war, we are telling the Commander in Chief that we will not fund his regular request for the civilian arm of our national security policy.

We also barely notice that the Foreign Affairs Account is a relative bargain at one-fourteenth the size of the Defense budget. In fact, the budget for FY 2008 seeks an increase in Defense spending over 2006 appropriated levels of approximately \$71 billion. This two-year increase alone is roughly twice the size of the entire 150 Account.

Though the State Department has numerous underfunded priorities, I would mention several that are especially critical. First, there is still no rapidly deployable civilian corps that is trained to work with the military on stabilization and reconstruction missions in hostile environments. The President's call for such a corps in his State of the Union Address was a breakthrough for a concept that was developed by this Committee three years ago. But Presidential interest must be accompanied by robust funding requests that, so far, have not appeared.

On Tuesday, Secretary Gates and General Pace testified before the Senate Armed Services Committee about the urgent need for civilian expertise in the Iraq stabilization effort. The New York Times reported that "Mr. Gates said...Ms. Rice had told him that her department needed six months to locate and prepare civil servants and contractors to send abroad." The paper also reported that Secretary Rice's office had made a request of the Defense Department that "military personnel temporarily fill more than one-third of the 350 new State Department jobs in Iraq that are to be created under the new strategy." General Pace asserted that civilians were needed "to be able to help with judiciary systems, be able to help with engineering, be able to help with electricity and the like before a country devolves into a state where the terrorists can find a home."

Creating and sustaining this civilian capacity is precisely the intent of the Lugar-Biden-Hagel legislation that passed the Senate last year. The State Department's creation of an Office of Reconstruction and Stabilization was a step forward, but much more is required if the Department is to play its proper role in stabilization efforts that are increasingly critical to our national security. We want to help the State Department make this happen as soon as possible. In addition to meeting contingencies in Iraq and Afghanistan, we must be ready for the next post-conflict mission.

Second, State Department positions in key countries are still going unfilled or are being filled by junior officers without adequate language skills. Our public diplomacy, in particular, is encumbered by a lack of experience and resources. We cannot afford second-tier embassies when we are in the midst of a worldwide campaign against terror. Defense agencies increasingly have been granted authority to fill gaps in foreign assistance and public information programs, but the military is ill-suited to run such programs. A far more rational approach would be to give the State Department the resources it should have to achieve what clearly are civilian missions.

Third, the much-needed training rotation that Secretary Powell attempted to organize in the Department has not been implemented, as personnel and resources have been devoted to Iraq and Afghanistan. Congress should grant your request for 104 more positions to enhance language training and regional expertise.

Finally, I would note that Senator Obama and I offered legislation last year to improve counter-proliferation assistance and U.S. capabilities to eliminate conventional weapons, including MANPADS. The Lugar-Obama bill was passed overwhelming and signed into law. The State Department's budget request proposes a \$36 million increase for conventional weapons dismantlement. This represents a dramatic step forward. I have visited a number of weapons facilities in Eastern Europe and the former Soviet Union in dire need of dismantlement assistance and this

funding increase will allow the U.S. to get to work destroying these threats. Unfortunately, the request for counter-proliferation efforts through the Export Control and Related Border Security Program is \$4 million less than the request from a year ago. Senator Obama and I look forward to working with you to enhance U.S. counter-proliferation efforts, including improving funding for proliferation interdiction assistance.

Foreign Service officers and USAID professionals who are risking their lives to pursue U.S. objectives must have the tools they need to succeed. We must continue our investments in diplomats, embassy security, foreign assistance and other tools of foreign policy. If a greater commitment of resources can prevent the bombing of one of our embassies, enhance alliance participation in peacekeeping efforts, secure vulnerable weapons stockpiles, prevent a failed state, or improve detection of terrorists seeking visas, the investment will have yielded dividends far beyond its cost.

Madame Secretary, it is a pleasure to have you with us today. We look forward to your insights on these matters.

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