

RELEASE IN FULL

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Tuesday, February 8, 2011 9:28 PM
To: H
Cc: Verma, Richard R; Sullivan, Jacob J
Subject: FW: Brief Highlights from Hill Calls

FYI

From: Nides, Thomas R
Sent: Tuesday, February 08, 2011 1:48 PM
To: Turk, David M
Subject: Re: Brief Highlights from Hill Calls

Thanks have u shared this info with S? Has she made the call to rogers? There is no good news here....

From: Turk, David M
To: Nides, Thomas R
Cc: Campbell, Piper; Slotkin, Elissa B; Seiden, Maya D; Hyde, Dana; Verma, Richard R; Smith, Jeannemarie E
Sent: Tue Feb 08 13:24:07 2011
Subject: Brief Highlights from Hill Calls

Tom,

Our extensive Hill staffer calls are going well. People are quite appreciative of the heads-up, and we're receiving lots of requests from our friends for detailed information on the ramifications of the cuts.

Here are some of the more interesting highlights:

- **Hoyer** staffer: other domestic agencies popular in Dem. caucus are getting cut by 13% or more so she doesn't think the caucus is going to be all that sympathetic toward us.
- **Dicks / Lowey** staff tell us they're telling their members that a 10% cut is the most accurate number. We're working with folks in the building to push back in the most effective way possible.
- **HFAC D** staffer: Republicans will probably be happy to claim credit for as deep reductions as possible, so 4% versus 13% doesn't really matter to them.
- **McCain** staffer: McCain does NOT support the House's enthusiasm to slash State's budget, though he hasn't yet decided if he'll play any kind public or lead role.
- **Van Hollen** budget committee staffer noted that the Committee's number is a ceiling, not a floor.
- In fact, there's lots of speculation that Rs will cut even further and that there's a real battle brewing in their caucus between the adults and the tea party crowd. Check out Paul Ryan's own comments in the article below. Some speculation that this causes the House to push back when they actually introduce their bill, possibly into next week.

I also picked up some interesting intel from Rob Nabors (who is taking over WH leg. job in a few days) in a meeting earlier today. Rob speculated that the Rs and the Ds would find it incredibly difficult to come to resolution and that we're likely looking at a series of clean CRs for the remainder of this year and possibly all of FY12 as well. He further speculated that DoD would come up with a mechanism to take care of their war costs. I asked his advice on how we could ensure State is part of this, and he was quite skeptical that House Rs would have any appetite whatsoever. To me, the Senate (Inouye, etc.) would need to insist strongly if we have any chance of getting some of these war costs "off-budget" to free up more funding for all our other programs.

Happy to give further details on any of this on today's call (or at any other time). We are also continuing our Hill calls and will flag anything of particular note.

Thanks,
Dave

Paul Ryan: I'd like to 'exceed' the \$32B in cuts I proposed

By Michael O'Brien - 02/08/11 11:41 AM ET

Rep. Paul Ryan (R-Wis.) said Tuesday he'd like to "exceed" the \$32 billion in cuts laid out in his latest spending proposal.

Ryan, the chairman of the House Budget Committee, suggested he'd embrace efforts by conservatives to cut spending levels even lower than what he had proposed in a measure to fund the federal government through the rest of the year.

"I'd like to exceed it," Ryan said on CNBC, when asked if he'd be able to pass his continuing resolution (or, "CR") that cuts spending to 2008 levels.

Ryan unveiled his CR last week, and Republicans had promoted it as cutting nearly \$74 billion. But that figure was calculated as a cut from President Obama's budget request, and not spending that had been allotted. In reality, Ryan's CR would cut about \$36 billion from the budget this year.

Conservatives pounced on the proposal, though, and called for deeper cuts. They have pointed to the GOP's "Pledge to America" from last fall's campaign, which called for \$100 billion in cuts this year, and said they'll accept "no less" than that figure.

Ryan said the issue for him was whether a heftier cut would be able to escape the Democratic-held Senate.

"That's a Harry Reid problem," he said.

And the Wisconsin conservative embraced the coming efforts to make further cuts, which House Speaker John Boehner (R-Ohio) has guaranteed by allowing an "open" process for the CR debate, where lawmakers will be free to offer whichever amendments they like.

"I'm excited about this debate we're having, and this is the beginning of the beginning. People say, 'Oh, gosh, you just put this spending cut out there,' as if this is all we're going to do," Ryan explained. "This is just the start. This is just for the rest of this fiscal year. This is the beginning of the beginning."

From: Nides, Thomas R
Sent: Tuesday, February 08, 2011 12:48 PM
To: Turk, David M
Cc: Campbell, Piper; Slotkin, Elissa B; Seiden, Maya D; Hyde, Dana; Verma, Richard R
Subject: Re: Leahy statement on the House allocations

Perfect really good. Thanks a ton

From: Turk, David M
To: Nides, Thomas R
Cc: Campbell, Piper; Slotkin, Elissa B; Seiden, Maya D; Hyde, Dana; Verma, Richard R
Sent: Tue Feb 08 12:31:55 2011
Subject: Leahy statement on the House allocations

Tom,

Attached and copied below is a floor statement that was given by Senator Leahy earlier today. It has some terrific verbiage, is very helpful to our cause, and quite consistent with our own messaging.

We've shot the statement around to the broader State budget group (including PA), but we wanted to specially highlight it for you in bberry read-able form.

Thanks,
Dave

**STATEMENT OF SENATOR PATRICK LEAHY
ON
THE HOUSE BUDGET ALLOCATIONS
February 8, 2011**

MR. LEAHY. Mr. President, last week the House Appropriations Committee announced its 302(b) budget allocations for the remainder of Fiscal Year 2011. I am sure other subcommittee chairmen have views on what this proposal would mean for the agencies and programs under their jurisdiction, but I want to speak briefly about the impact the House action would have on the Department of State and foreign operations.

It is notable that the House defines diplomacy and development as “non-security” spending, even though the integral part they both play in promoting our national interests and protecting our security around the globe was explicitly recognized by the Bush Administration, which even viewed the HIV/AIDS pandemic as a national security threat because of its destabilizing impact on the world’s poorest countries.

The notion that the only budget functions that relate to national security are Defense, Veterans Affairs, Military Construction, and Homeland Security is bewildering. It flies in the face of the complexities of the world today and ignores the strongly held views of current and former – Republican and Democratic – Presidents, Secretaries of Defense and State, senior U.S. military commanders, National Security Advisors, and Administrators of the U.S. Agency for International Development.

According to the House, we might as well shutter our embassies and fire our diplomats, particularly in the Middle East, South Asia, Mexico, Indonesia and other regions where U.S. security interests are threatened, because if they are not there to help protect those interests why do we need them? We should also curtail our aid programs in countries like Israel, Colombia, Afghanistan and Pakistan, because the House apparently sees no relation between these programs and our security either.

Of course, that is absurd. Our Republican friends in the House know that we cannot counter the influence of al Qaeda and other violent extremists through military force alone. They know that helping countries rebuild after conflict, building stable, democratic institutions, preventing the trafficking of nuclear material and

other weapons, educating and providing jobs for youth who would otherwise be fodder for terrorist recruiters, combating the corrosive influence of organized crime, preventing the spread of deadly viruses, supporting NATO, the International Atomic Energy Commission, and United Nations peacekeeping, are all about our national security. And it is the diplomats here and abroad, and the funds they administer, that make it possible.

There is no mystery to the House's decision to lump the Department of State and foreign operations with other "non-security" domestic functions. Since those are the programs the House leadership has targeted for the deepest cuts, and there is little domestic constituency for the Department of State and foreign operations, it is an easy target.

In fact, most Americans are under the mistaken impression that these programs comprise 15 to 20 percent of the Federal budget, when they actually comprise 1 percent. Rather than set the record straight, that misimpression is a convenient excuse for House Republicans to slash these programs without having to worry about complaints from voters in their home districts.

I doubt they will call attention to the fact that in doing so they will be cutting funding for programs to promote U.S. exports which are the fastest growing sector of the U.S. economy, especially small businesses, which face fierce competition from China. In fact, I doubt they will call attention to China at all, since the Chinese long ago recognized that its security is directly tied to its foreign relations, and its investments, on other continents.

Mr. President, no function or program in the Federal budget should ever be immune from budget cuts. I have no doubt that we can find programs within the Department of State and foreign operations budget that are not performing, just as we can within the Defense budget or any other function. Some programs succeed, some do not.

But we cannot ignore what our allies, competitors and adversaries have clearly recognized – the threats and challenges we face around the world are increasing. Why else do you suppose that in Great Britain a conservative government that is slashing spending exempted international aid? They recognized that it is a critical national security investment, for both the immediate and long term.

The House would cut funding for the Department of State and foreign operations 17 percent below the President's budget request, and 7.5 percent below the current Continuing Resolution that expires on March 4. The irony of the House's action is that while cutting foreign aid will cost lives and weaken our influence around the world, it will do virtually nothing to reduce the deficit.

Does anyone doubt that helping rebuild Haiti – a country of 9 million desperate people a short distance from our shore – is in our national security interest?

Does anyone doubt that supporting the international body that monitors nuclear testing is in our national security interest?

Does anyone doubt that averting widespread hunger in Africa, and the violence and instability and massive displacement of people it could cause, is in our national security interest?

Does anyone doubt that helping to mitigate an environmental and humanitarian calamity caused by melting glaciers, widespread drought, and rising sea levels, is in our national security interest?

Does anyone doubt that helping Mexico, with which we share a 2,000 mile border, build a professional, accountable police force and justice system that can uphold the rule of law in the face of drug cartels and other criminal gangs that have infiltrated every facet of Mexican society, is in our national security interest?

Does anyone doubt that averting the resurgence of polio and other diseases that can easily cross national borders and threaten the lives of hundreds of millions of children, including Americans, but can be prevented with low cost vaccines, is in our national interest?

Budget cutting should not be a numbers game. Nor should it be a political game that fails to acknowledge what is at stake. At the very least, the American people should know the consequences. No matter what they call it – security or non-security – or how they attempt to justify it, the House allocation for the Department of State and foreign operations would require drastic cuts in critical programs that are essential to maintaining U.S. global leadership and protecting our security.

Mr. President, on February 5, 2011, the *Washington Post* published an editorial entitled "Killing the Patient", which highlights the importance of foreign aid and the folly of cutting funding to fight polio overseas. I ask unanimous consent that it be printed in the Record.

From: Seiden, Maya D
Sent: Tuesday, February 08, 2011 12:24 PM
To: Turk, David M
Subject: RE: Leahy statement on the House allocations

Tom isn't on that distribution ... you may want to send directly to him (and paste text in email so he can see on his blackberry since they're en route back).

From: Turk, David M
Sent: Tuesday, February 08, 2011 12:23 PM
To: D(N)_Budget
Cc: Rademacher, Paul R
Subject: FW: Leahy statement on the House allocations

We wanted to make sure everyone had a copy of this.....great stuff!

From: Rademacher, Paul R
Sent: Tuesday, February 08, 2011 10:55 AM
To: H_SeniorStaff
Subject: Leahy statement on the House allocations

This is Senator Leahy's statement for the congressional record.