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Sent: Tue Mar 31 09:03:26 2009  
Subject: CQ

CQ TODAY PRINT EDITION - FOREIGN POLICY

March 30, 2009 - 5:43 p.m.

Food Aid Flexibility, Overseas Investment Up for Panel Consideration

By Adam Graham-Silverman, CQ Staff

The Senate Foreign Relations Committee plans to approve a bill Tuesday aimed at spurring a "green revolution" to combat global food insecurity, in part by loosening restrictions on using U.S. aid to buy food overseas.

The legislation (S 384) would authorize \$500 million for a new emergency food assistance fund that could be used to buy food in the affected region instead of buying it in the United States and shipping it overseas. Critics say that system costs too much, takes too long to provide aid and depresses local prices when U.S. products arrive.

The bill, by panel ranking Republican Richard G. Lugar of Indiana, also would create a global food "czar" position at the White House and authorize \$7.75 billion for agriculture research and exchange programs through fiscal 2014.

"We can bring America's dedication to science, innovation, technology and education together to lead an effort devoted to overcoming the obstacles to food security," Lugar said upon introducing the bill last month.

To keep up with rising population and an expanding middle class in countries such as China and India, farmers will have to double their food output by 2050, Lugar said. At the same time, he said, the share of U.S. development spending devoted to agriculture dropped from 25 percent in 1980 to 1 percent in 2003.

Anti-hunger activists support Lugar's effort to allow local purchase of food, but past efforts have run into farm-state interests that support requirements to buy U.S. crops. The bill would give the president discretion to use the fund to meet "unexpected urgent food assistance needs."

#### OPIC Reauthorization

The panel also will mark up a bill (S 705) to reauthorize the Overseas Private Investment Corporation (OPIC) through fiscal 2013.

The program, which turns a profit, directs private capital to developing countries by offering U.S. businesses and lenders political risk insurance and investment financing.

OPIC's temporary reauthorization expires at the end of fiscal 2009.

The House passed a long-term reauthorization in the 110th Congress, but it stalled in the Senate when Tom Coburn, R-Okla., objected to language to encourage projects to address greenhouse gas emissions. That language was not included in this bill, in part because OPIC already examines its projects' greenhouse gas impact and also because of expectations that the Obama administration's plans for climate change legislation would impose a similar requirement.

Coburn also argued that the program failed to target the world's poorest countries, lacked accountability and gave too much in loans to large corporations.

The reauthorization would bar OPIC assistance to companies that have loans to, or sizable investments in, the energy sector of any state that sponsors terrorism. It would aim to reward countries with oil, gas or gems that have adopted transparent accounting systems.

The markup is scheduled for 2:15 p.m. Tuesday in S-116 Capitol.

Source: CQ Today Print Edition