

**Opening Statement of Chairwoman Kay Granger  
Hearing on Department of State FY 2012 Budget Request  
Witness: Secretary of State Hilary Clinton  
March 10, 2011**

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I want to welcome everyone to today's Subcommittee hearing. Madam Secretary, thank you for appearing today to testify on the Administration's fiscal year 2012 budget request for the State Department and Foreign Assistance Programs. I know last week was very busy for you and for the Committee, and I am glad that we were able to get this hearing back on the schedule today.

The issues we will discuss are critically important for U.S. national security.

Our efforts in Afghanistan, Pakistan, and Iraq must achieve clear objectives and demonstrate results.

At the same time, we're all anxiously watching the rapidly unfolding events in the Middle East and North Africa. We must support efforts for reform in this region. Continued investments in democracy promotion and military assistance will be critical to maintaining peace in a very difficult environment.

In our own hemisphere, drugs and human trafficking remain grave concerns. Powerful cartels continue to push narcotics through South and Central America into Mexico, bringing violence to our own backyard. In my home state of Texas, the violence in Mexico is spilling across the border. We must take action now.

Even with all of these serious issues we are facing around the world, as Admiral Mullen said so well, our debt is the greatest threat to our national security.

We must make difficult choices today in order to protect the most critical diplomatic and development funding for the future. While it will not be easy, the Administration and the Congress must work together to make wise decisions to lead this country forward and insulate us from future threats.

The State-Foreign Operations bill supports critical national security interests, but we cannot continue to spend like we have in the past. I want to be clear that I

remain committed to protecting our national security with investments abroad while giving appropriate attention to our economic recovery here at home.

While this Congress and the Administration still have a great deal of work to do, the State-Foreign Operations portion of H.R. 1 – the continuing resolution passed by the House a few weeks ago – was a first attempt to achieve the right balance. The bill prioritized the front line states of Afghanistan, Pakistan, and Iraq, and key allies like Israel and Jordan.

Simultaneously, H.R. 1 made significant cuts to programs we simply cannot afford. Plans to increase State and USAID staff, support large multi-year commitments, and boost lending by international banks must be reconsidered.

The hearing today is this Subcommittee's first chance to hear how the Administration has prioritized its needs for fiscal year 2012. The budget request totals \$59.5 billion for the State-Foreign Operations Subcommittee, which is almost \$11 billion above the fiscal year 2010 enacted level. This funding level does include, for the first time, a separate account for the extraordinary costs of operating in the front line states.

I'd like to highlight several areas of the budget request that deserve the Subcommittee's attention.

The request for Iraq is billions of dollars more than the State Department and USAID spent in fiscal year 2010, but this is significantly less than the cost of keeping troops on the ground. As the State Department prepares to become the lead agency in Iraq on October first, serious questions remain about State's capability to manage a program of this size and ensure the security of diplomatic and development staff.

In Afghanistan, the Administration continues to focus on providing direct assistance to the government. The Subcommittee will continue to watch this closely. We will also be following how the Administration monitors and evaluates projects, because clear goals must be achieved so that the civilian effort complements military activity. It is only through an integrated strategy that we will ensure that terrorists do not have safe havens to plan attacks on the United States.

I am concerned about security changes by the government of Afghanistan that could make the operating environment even more difficult for U.S. Government employees and contractors. A reasonable agreement must be reached so that there is a successful transition to Afghan Security Forces, but counterinsurgency and development goals cannot be put in jeopardy.

In Pakistan, the United States continues to demonstrate its commitment to an enduring strategic partnership focused on economic, military, and police assistance to help root out extremists and support other critical investments.

For our ally Israel, this budget includes more than \$3 billion to help maintain a strong military presence in an increasingly volatile region.

While the budget proposal does include planned reductions for Colombia and Mexico, there is a continued focus on these countries and their neighbors in the region. The Subcommittee needs to hear more about how the funding requested will sustain gains made in Colombia over the last decade and will help Mexico build the institutions it needs to forge a lasting front against the cartels.

In closing, I want to thank the men and women of this country who are serving overseas, especially those placed in the most difficult circumstances. I also want to thank Secretary Clinton for her dedicated service to this nation. I believe that, working together, we can maintain an effective and efficient diplomatic and development capability in key areas around the world. But justifying the total funding levels proposed in this budget simply will not be possible.

I hope today will be the first of many conversations to determine how the United States can remain a leader in the world through a period of extraordinary political crisis, and at the same time, emerge quickly from our own economic turmoil.