Press Releases: Briefing on the President's Fiscal Year 2019 Budget Request for the U.S. Department of State and USAID

Special Briefing John J. Sullivan

Deputy Secretary of State Mark Green

USAID Administrator

and Experts Press Briefing Room Washington, DC February 12, 2018

MS NAUERT: Good afternoon, everyone. Come on over, gentlemen. Thank you so

much for coming today, Monday, a non-briefing day, but obviously, we have the budget rollout today. So it is my pleasure to introduce Deputy Secretary of State John Sullivan and also our USAID Administrator Mark Green. They will make some opening remarks on President Trump's Fiscal Year 2019 budget request for the U.S. Department of State and also USAID.

We're also joined by Doug Pitkin. He's the Director of the Bureau of Budget and Planning at the State Department. Hari Sastry is the Director of the Office of U.S. Foreign Assistance Resources at the State Department, and Peter Wiebler is the Acting Director of the Office of Budget and Resource Management at USAID. The gentlemen here will make a few opening remarks, and then we'll bring in our others to take some of your questions. I will call on you to take the questions just to facilitate since I know you and they haven't met all of you yet. So thanks. And now Deputy Secretary.

DEPUTY SECRETARY SULLIVAN: Thank you, Heather, for that introduction. And thank you to my friend and colleague USAID Administrator Ambassador Mark Green for joining me today to present the Fiscal Year 2019 budget request for the Department of State and USAID.

The President's FY 2019 budget request proposes \$39.3 billion for the State Department and USAID. I'm pleased that congressional leaders reached a bipartisan deal that would increase discretionary spending by nearly 300 billion over two years. As part of this deal, budget caps on non-defense discretionary spending, which includes spending for State and USAID, would be increased by 63 billion this year and 68 billion next year. This reflects an additional 1.5 billion for State and USAID provided specifically for humanitarian assistance and global health programs as well as contributions to international organizations. The deal also permits us to transition 12 billion in overseas contingency funding back to base funding.

With this funding level, we will protect Americans at home and overseas by countering the gravest threats to U.S. national security. The State Department will build the strength and intensity of international effort to prevent North Korea, Iran, and other actors from unlawfully acquiring weapons of mass destruction in their means of delivery. We'll strengthen the capacity of partner nations actively to assist in this effort. We'll maintain support for the coalition efforts to defeat ISIS and other transnational terrorist and criminal groups that threaten the American homeland. And we will support our commitment to our key ally Israel and our critical strategic partnership with Jordan.

The Fiscal Year 2019 budget request enables us to protect U.S. overseas personnel and facilities by fully funding the State Department and USAID's share of embassy construction as recommended by the Benghazi Accountability Review Board. It upholds U.S. commitments to key partners and allies through strategic selective investments in international organizations and peacekeeping activities that advance shared interests and promote global peace and stability. It allows the United States to continue to be the single largest donor to global HIV/AIDS relief efforts, including to PEPFAR.

We'll also remain a global leader in responding to the needs of millions of

refugees, disaster and conflict victims, and internally displaced persons, and other vulnerable populations around the world through critical programs that provide protection, water, sanitation, health care, food, and other essential services.

Economic and development assistance also remain a priority for this administration, and the State Department and USAID will continue to promote more stable, resilient, and democratic societies that lead their own development and contribute to a more secure and prosperous world.

Our budget request for 2019 promotes American foreign policy goals by engaging foreign audiences around the globe and sustaining outreach programs that communicate and project American values and by promoting unfettered forms of communication.

Additionally, this budget includes new State Department funding to mitigate the disruptive effects of and combat state sponsored disinformation campaigns, working through increased collaboration with nongovernmental organization, private sector partners, and like-minded governments. The budget proposes significant investments in modernizing the architecture and delivery of enterprise-level information technology services, including wireless and cloud-based services, to provide our employees with greater mobility and responsiveness.

In addition, we will improve our data analytic capabilities to improve decision making and take better advantage of strategic opportunities.

Finally, our request supports vital investment in human capital to develop a more flexible workforce through improved talent management, new leadership initiatives, and optimized human resources processes. As these initiatives are implemented, State and USAID's workforce will be sustained at FY 2018 levels, helping to deliver a smaller but more effective government that is accountable to the American taxpayer.

Thank you. Now let me turn the podium over to my colleague, USAID Administration Ambassador Mark Green.

AMBASSADOR GREEN: Thank you, Heather, and thank you, John, Deputy Secretary Sullivan. The Deputy Secretary spoke to — well to our joint priorities, so I'll keep my remarks brief. Today's request for USAID is oriented towards our goal of supporting partners in their journey to become more self-reliant, to build their capacity for leading their own development and growth. By reducing the reach of conflict, preventing the spread of pandemic disease, and counteracting the drivers of violence, instability, transnational crime and other security threats, the priorities laid out in this request will help us in that mission. It's designed to promote American prosperity through investments that expand markets for American goods, create a level playing field for American businesses, support more stable, resilient, and democratic societies, and address crises.

The request reaffirms that we will always stand with people when disaster strikes or crisis emerges, because that's who we are as Americans. We will

remain the world leader in humanitarian assistance, but will also call on others to do their part and work relentlessly to assure that assistance is delivered as effectively and as efficiently as possible.

With this request, we aimed to balance fiscal needs here at home with our leadership role on the world stage. To complement this plan, we will continue to make important strides towards making our resources go as far as possible. We're working hard to encourage other donor nations to increase their contributions to the overall humanitarian and development effort. We're taking steps to ensure that our programs and procedures are more private enterprise friendly, that they better leverage our resources, bring new ideas and partners to our work, and increase opportunities for American businesses.

Through procurement reform, we're striving to become more flexible and more responsible and more responsive. Finally, we're taking steps to ensure that our programs are of the highest quality and fully reflective of America's key foreign policy priorities. This includes using the best metrics available to guide our support for partner countries as they progress on their journeys to self-reliance.

I believe we're creating an agency that is capable of leveraging our influence, authority, and available resources to transform the way that humanitarian and development assistance are provided, and alongside the rest of the world, to help meet the daunting challenges that we face. With the funding generously provided by Congress, we will ensure that USAID remains the world premier international development agency and continues the work we do each and every day to protect America's future security and prosperity.

Thank you.

MS NAUERT: Thank you, gentlemen. Thank you so much. And we'll have our numbers folks come on up and take some of your questions. So a reminder: This is Doug Pitkin over here at the right; Doug is with the Bureau of Budget and Planning at the State Department. And then Hari Sastry, the Director of the Office of U.S. Foreign Assistance Resources at the State Department. And then Peter Wiebler, the acting director, Office of Budget and Resource Management for USAID. Thank you, gentlemen, so much.

We'll start our first question with Josh from the Associated Press.

QUESTION: Thanks for doing this. So the — what — last year, when the Trump administration proposed slashing overseas spending by roughly a third, it was predicated on the notion that we needed to bring some fiscal order to our house, which seems like a reasonable goal. But this year, (inaudible) again calling for about a 30 percent cut from enacted FY 2017 levels, and yet the budget doesn't even purport to try to bring things into order. There's no balancing of the budget even after 10 years. So if we're still cutting about a third and we're not even trying to bring some — to bring our budget into alignment, then what takeaway should the public have other than that the Trump administration doesn't seem to put a lot of priority on diplomacy?

MR PITKIN: Well, I think the — in terms of the overall fiscal strategy, the

administration would continue to say that irregardless of the caps that were negotiated, that it still seeks to restrain non-defense discretionary spending. And so even with the additional proposals that were added as a result of the spending agreement last week, the full request for FY19 does not reach to — for non-defense discretionary up to the levels that Congress would've provided. This, I think, is consistent with the administration's perspective that they're seeking to constrain Washington's spending. In that vein, then, I think the fact that we have a slight increase in our request — about 4.5 percent — and the total, say, 80 requests over FY18 recognize that we do have a higher level under the caps. It also seeks to bring all of the OCO spending — all \$12 billion of OCO spending — under the caps after seven years of contingency spending, which now about a third or more of our budget is now contingency spending. It tries to bring that more in line with normal order.

So I think it's consistent with that message that the defense caps are consistent with what the administration has sought, and to rebuild the U.S. military, and then also looking at the revenue side on the tax reform bill. But in terms of non-defense discretionary spending, I think you'll still see overall restraint compared to what past spending levels has been.

MS NAUERT: Dave Clark with AFP.

QUESTION: Hi, I — yeah, just an arithmetic question, really. When the OCO money, the 12 billion, is brought under the caps, does that effectively expand the 39.3 up to 50 billion? Or will that be rolled into the 39.3?

MR PITKIN: It's all part of the 39.3. So previous to this adjustment, if you look at the printed materials that are going to come out today from both our initial budget and OMB, that 12 billion will be separate. So it'll be 30 — about 27 in the base budget, and then 12 billion —

QUESTION: So that 12 billion is just being renamed.

MR PITKIN: It's being renamed or -

QUESTION: It's not disappearing or -

MR PITKIN: Right. Right, right.

QUESTION: — being added onto anything?

MR PITKIN: It's still the same topline amount. The advantage is it's now all now under the same spending caps that all the other agencies have to operate under as well.

QUESTION: And just a very small amount of money. The initial embargo materials we had this morning, it was 37.8. And then, when the press release was released after noon, it was 39.3. This is the 1.5 billion that the President's added in?

MR PITKIN: That's correct.

QUESTION: Okay.

MR PITKIN: That's correct.

QUESTION: Through the addendum?

MR PITKIN: Through the addendum, that's correct.

QUESTION: All right. Thanks.

MS NAUERT: Nicole from CNN.

QUESTION: Can you just break down what that 1.5 billion is going to go to? And just to follow up on Josh's question, you said the administration's intent is to restrain non-defense discretionary funding. Isn't that just another way of saying they are not putting a priority on diplomacy?

MR PITKIN: We haven't yet seen the full range of all the non-defense discretionary requests, so I can't really speak yet to how State and AID fit into the broader fiscal picture. But the general messaging for this budget is to still restrain non-defense discretionary spending. The fact that we are requesting a 4.5 percent increase in State and AID relative to last year's request we think is positive. Again, I think —

QUESTION: That is relative to a decrease, as Josh pointed out, of something like 30 percent from 2017, though. So —

MR PITKIN: That's true. But again, I think, the — as the Secretary has said that we did not think that the \$55 billion that was provided last year, including a supplemental, was sustainable over the long term. So I think even the House and the Senate — we'll wait and see what the House and the Senate do for FY18. I think until we have to — it's hard to compare what we're requesting now versus '18 because the House and the Senate still have to act on FY18 appropriations, take into consideration these caps. But we would note that the levels that the committees marked up back several months ago did not even there reach the \$55 billion level. But again, we have to wait and see what Congress says for '18 before we can make a true apples-apples comparison. But even they were not at the FY17 level; they were down as well.

QUESTION: Okay. And that 1.5 billion?

MR PITKIN: (Inaudible) Hari -

MR SASTRY: So the 1.5 billion, 1 billion of that is in humanitarian assistance. \$400 million is in PEPFAR, and \$100 million is for the UN regular budget.

MS NAUERT: Conor with ABC News.

QUESTION: Thanks very much for doing this. I'm wondering if there were any cuts in the budget specifically due to the UN vote, the General Assembly vote about recognizing — or voting against the U.S.'s recognition of Jerusalem as the capital of Israel.

MR SASTRY: So our foreign assistance, the President and the Secretary continue to believe, should be aligned to U.S. interests, so this budget certainly reflects that. Voting in multilateral fora is one factor to consider among many, but there are — if you look at our budget, it is focused on where we think the most appropriate assistance level should be based on where our security needs are.

 ${\bf QUESTION:}$ So does that mean that not yet there have been any cuts because of the -

MR SASTRY: There's nothing specific just tied to that, because that is only one factor.

MS NAUERT: John Hudson.

QUESTION: So the budget request cuts funding for the National Endowment for Democracy and DRL and ESF, which my understanding is — funds in some cases groups like IRI which Mark Green used to be a part of. Does that have — validate in any way the criticisms that people have that say this administration doesn't have a strong priority for democracy promotion?

MR SASTRY: So our total democracy for the — for this budget is \$1.4 billion, and so it is a significant investment. There is a reduction in NED, as you mentioned. The reduction is also a recognition that this administration is not going to fund 501 (c)(3) organizations directly, and so that money has actually been moved to both DRL and DCHA DRG. So if you look at the reduction, it's about \$36 million in NED. That \$36 million has been shifted to DRL and DCHA so they — so those organizations can compete directly for those funds.

QUESTION: But DRL has also - is funded at a lower level -

MR SASTRY: Well, DRL's an increase from our '18 budget. It is lower than '17, yes, but it is an increase for — from our '18 President's budget.

QUESTION: Okay. But so would you reject the criticisms about a priority for democracy promotion, or is it part of this Trump administration notion that the U.S. isn't about changing other people's societies?

MR SASTRY: So democracy is certainly — with \$1.4 billion in the budget, it is certainly one of our larger investments, so it's certainly a priority. I think figuring out the spending level within the funding restraint that Doug talked about in non-defense discretionary is why you might see a difference from '17 and what the Congress passed, but it is certainly still something that we're pursuing.

MS NAUERT: Michele Kelemen with NPR.

QUESTION: Thank you. I have a kind of a country-specific question on South Sudan, because the U.S. has been talking about wanting to cut UN peacekeeping budgets, but in South Sudan, the Security Council voted to raise the number. Are you guys committed to fully funding what the UN needs in South Sudan? It's a country also on the brink of famine.

MR PITKIN: At this point in our request for the peacekeeping account, we've not made a specific commitment to any particular mission. At this point, the request for the contribution to the international peacekeeping account would be sufficient to fund about 56 percent on average of our assessments. This is something that over the course of the year, as the UN Security Council considers new mandates, we'll be looking at the broader context of the entire peacekeeping budget, looking for cost savings where possible. Certainly we've raised concerns, I know, in the UN about the level of peacekeeping spending even as we want to make sure these missions are effective, so we have not yet made a specific determination of how the South Sudan mission would be prioritized against the others. But because we are looking for greater cost containment in the UN more generally, we do have a lower funding level than the full peacekeeping estimate, but again, we have not yet made a determination how South Sudan might rank against other missions that are currently active.

QUESTION: So wait, when you said 56 percent of — that's of the whatever, the 22 to 25 percent the — that the U.S. usually pays?

MR PITKIN: It would be 56 percent of the U.S. — or the U.S. rate is 20 percent, and so basically it would be about just over half of that in terms of what we've put in this budget.

MS NAUERT: Go ahead, Nike from Voice of America.

QUESTION: Yes. Also a country-specific question on Pakistan. Could you please elaborate the breakdown of assistance — security assistance and other assistance — to that country comparing to the year before. And I have another follow-up. Thank you.

MR SASTRY: Sure. So the Pakistan assistance in total is down about \$10 million, to \$351 million. Security assistance is \$80 million, our foreign military financing, and this remains — our foreign military financing is only right now with — we only have funded about 10 of our critical partners, so this shows the importance of Pakistan as a major security partner for us. And then our ESDF funding is about 100 million — or sorry, \$200 million in '19.

QUESTION: Another follow-up on - could you - what is - is assistance to Israel and Jordan? Is there an increase or decrease? And if there is an increase in the assistance to Jordan, would that be included in the MOU that Secretary Tillerson is about to sign when he go to Jordan? Thank you.

MR SASTRY: Sure. So Israel, the total is \$3.3 billion, which is a \$200 million increase from the previous year and reflects the newly signed MOU, newly signed 10-year MOU. For Jordan, the total is 1.275, which is a \$275 million increase from the previous year and also does reflect the MOU that the Secretary — that we are in negotiation and the Secretary intends to sign.

QUESTION: What is the increased amount used?

MR SASTRY: 275 million for Jordan.

MS NAUERT: And final question, please. Go right ahead, (inaudible).

QUESTION: Thank you. In the budget it says the budget actually sustains American leadership to address China's growing ambitions in Asia Pacific. I wonder if you could talk about specifically the budget for East Asia Pacific region. Is that an increase or decrease, and how does this actually meet your goal?

MR SASTRY: Sure. So the new — this administration has over the past year rolled out a policy in the Indo-Pacific region, and to support that, the increase for both — for EAP and pieces of Central Asia is about 6.5 percent from the '18 President's budget, and it maintains the key pillars of a free, open, secure East Asia with territorial sovereignty. And so this — our programs support that and it is an increase from where we are in '18.

MS NAUERT: Thank you, everyone. Thanks for coming in today, and gentlemen, thank you so much for taking the questions. All right, have a good day.

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<u>Press Releases: Secretary Tillerson's</u> <u>Meeting With Egyptian President Abdel</u> <u>Fatteh al-Sisi</u>

Readout Office of the Spokesperson

Washington, DC February 12, 2018

The following is attributable to Spokesperson Heather Nauert:

Secretary Tillerson had a productive meeting with Egyptian President Abdel Fatteh al-Sisi Monday in Cairo. They discussed our two countries' shared commitment to fight terrorism in all its forms, and particularly to continue

our efforts as members of the global coalition to defeat ISIS. They also agreed to pursue a new joint strategic dialogue and enhance the already strong ties between the United States and Egypt, including economic and commercial links. In the context of those strong ties, the Secretary and the President agreed to continue to work to resolve a number of issues of mutual concern.

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Press Releases: State Department and U.S. Agency for International Development FY 2019 Budget Request

Fact Sheet Office of the Spokesperson

Washington, DC February 12, 2018

The President's FY 2019 budget request proposes \$39.3 billion for critical State Department and U.S. Agency for International Development (USAID) efforts to advance peace and security, expand American prosperity and influence, and address global crises while making efficient use of taxpayer resources. The budget request modernizes State Department and USAID diplomacy and development to advance a more secure and prosperous world by helping to support more stable and resilient societies that will lead their own development and, ultimately, no longer need foreign aid.

The budget request supports the President's "America First" vision with a commitment to four key national priorities:

Protecting America's Security at Home and Abroad:

- Sustaining Support for Efforts to Defeat ISIS and Other Violent Extremist Organizations: Supporting efforts to defeat ISIS and violent extremist organizations while addressing the conditions that these groups seek to exploit, including poor governance, weak institutions, lack of economic opportunity, corruption, and persistent human rights abuses with \$5.7 billion. This includes continued support for security in Afghanistan and Iraq, and sustains protection of our personnel and facilities overseas as well as to combat disinformation as part of the effort to defeat ISIS. Assistance also supports the needs of displaced religious minorities in the Middle East and North Africa.
- Upholding Commitments to Our Allies: Supporting the recent 10-year Memorandum of Understanding between the U.S. and Israel, this request provides \$3.3 billion in Foreign Military Financing for Israel. It also recognizes the critical U.S. strategic partnership with and support for Jordan by providing \$1.3 billion in economic and security assistance.
- Prioritizing Programs that Counter Critical National Security Threats: Leading international efforts with \$127 million to prevent North Korea, Iran, and other states and terrorist actors from unlawfully acquiring weapons of mass destruction and their means of delivery, while strengthening the capacity of partner nations to do so as well.
- **Protecting our Borders:** Supporting our border security and Consular service with \$3.8 billion for fee-funded programs and personnel that secure our borders through enhanced visa vetting, preventing fraud, improving visa processes, and enabling the conduct of international business by facilitating legitimate foreign travel to and from the United States.
- Reducing Illegal Immigration: Providing \$1.1 billion for Central and South America, Mexico, and the Caribbean to break the power of transnational criminal organizations and networks; help shut down illicit pathways for irregular migration and goods; and address insufficient economic opportunity, weak governance, and inadequate security, all of which drive irregular migration.
- Protecting U.S. Overseas Personnel and Facilities: Providing \$5.4 billion for the protection of our U.S. government personnel and facilities overseas, including security for the U.S. presence in Afghanistan and Iraq. The Administration is also prioritizing funding for a U.S. Embassy facility in Jerusalem which will begin once design and construction plans are finalized.

Renewing America's Competitive Advantage for Sustained Economic Growth and Job Creation:

- Strengthening Democratic Governance and Standing against Corruption:
 Dedicating \$1.4 billion in assistance to fight against corruption and support efforts that promote democratic governance principles, such as rule of law, transparency, and accountability.
- Mobilizing the Private Sector and Reforming U.S. Development-Finance: Supporting activities that promote economic growth and engage the private-sector in developing nations to advance U.S. national-security interests; support development outcomes; and support U.S. companies, jobs, and exports. This includes providing \$56 million for programming

at USAID in support of the proposed consolidated, reformed Development Finance Institution and \$15 million in new trade capacity building efforts, which will better harness and incentivize private-sector financing.

- Expanding Domestic Resource Mobilization: Providing \$75 million via central funding and additional bilateral resources to equip and challenge countries to mobilize and manage their domestic public and private resources more effectively, leverage other available financing sources, and sustainably lead their own development.
- Addressing the Root Causes of Poverty and Hunger: Providing \$518 million for food security programs that advance agricultural development to improve economic growth, reduce malnutrition, and strengthen resilience to recurrent crises, leveraging private investment, donor, and host-country contributions.

Promoting American Leadership through Balanced Engagement:

- International Organizations: Funding \$2.3 billion for preserving strategic participation in multilateral fora to achieve outcomes favorable to the U.S. and its allies while reinforcing the expectation that we will continue to work with the international organizations including the UN to reduce costs, improve effectiveness, and more fairly share the funding burden.
- Leading in Global Health Programs: Providing \$6.7 billion to support U.S. leadership in advancing global health, including through the U.S. President's Emergency Plan for AIDS Relief (PEPFAR); the Global Fund to Combat AIDS, Tuberculosis, and Malaria; the President's Malaria Initiative; and global health security activities while simultaneously supporting efforts to help partner nations build their own capacity. With the Protecting Life in Global Health Assistance policy now in place, the Budget includes investments in family planning and reproductive health, and supports women's empowerment.
- Addressing Major Humanitarian Crises: Maintaining U.S. leadership in shaping global humanitarian assistance by providing \$6.4 billion, a 21 percent increase from the FY 2018 Budget request, to address complex crises, such as those occurring in Syria, Yemen, Iraq, South Sudan, and elsewhere, while also asking the rest of the world to increase their share and demanding improved performance by implementers to maximize the benefit for recipients of assistance.
- Pursuing a More Balanced U.S. Share of International Spending: Setting the expectation that other donors will do their fair share to advance shared priorities, support economic growth and development worldwide, and address humanitarian crises, and holding international organizations accountable.
- Informing Foreign Opinion and Engaging Foreign Audiences: Furthering U.S. foreign policy goals by providing \$565 million for Public Diplomacy (PD) programs to inform foreign opinion. PD programs assist in countering misinformation about the U.S., its foreign policy and strengthen relationships between Americans and foreign publics.

Ensuring Effectiveness and Accountability to the American Taxpayer:

- Strengthening the Effective Management of our People, Programs, Information, and Capital Assets: Improving business process and program design and aligning foreign assistance, policies, and resources with key strategic priorities as part of the Impact Initiative (formerly Redesign) in order to better advance American interests in a constantly changing world.
- Modernizing Information Technology: Investing \$150 million for modernizing the State Department's information technology, including wireless and cloud-based services to provide our employees with greater mobility.
- Focusing on an Effective Workforce and Leadership: Advancing leadership and modernization of the State Department and USAID workforce through the Impact Initiative. Requesting \$96.2 million for Impact initiatives to develop a more flexible workforce and pursue operational management efficiencies.

For more information, please:

- Visit state.gov/f
- Visit state.gov/s/d/rm
- Follow @USForeignAssist on Twitter

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<u>Press Releases: Department of State</u> <u>and USAID FY 2019 Budget Request</u>

Press Statement Rex W. Tillerson

Secretary of State

Washington, DC February 12, 2018 Today, President Trump requested \$39.3 billion for the Fiscal Year (FY) 2019 Department of State and U.S. Agency for International Development (USAID) budget. This request upholds the President's commitment, as outlined in the National Security Strategy and the State Department and USAID's Joint Strategic Plan, to protect our security, rights, and values.

This budget focuses resources on national security at home and abroad, on economic development that contributes to the growth of our economy, and on renewed efforts to modernize the operations of both the State Department and USAID for greater effectiveness. It requests the resources necessary to advance peace and security, and respond to global crises, while prioritizing the efficient use of taxpayer resources.

As we advance the President's foreign policy priorities, we continue to promote the advancement of more stable and resilient societies that contribute to a secure and prosperous world.

For more information about the FY 2019 budget request, please visit www.state.gov/s/d/rm/c6112.htm.

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<u>Press Releases: Press Availability</u> <u>With Egyptian Foreign Minister Sameh</u> <u>Shoukry</u>

Press Availability Rex W. Tillerson

Secretary of State

Cairo, Egypt February 12, 2018

FOREIGN MINISTER SHOUKRY: (In Arabic.)

SECRETARY TILLERSON: Well, I'm delighted to be in Cairo, my first trip to Egypt as Secretary of State, and to really have very comprehensive discussions about this almost one-half-century relationship between the U.S. and Egypt and our commitment to strengthening this partnership in the years to come. I'm also very pleased to be with Foreign Minister Shoukry, who has become a friend as we have engaged on a number of challenges in the region and to address those jointly and with a great deal of agreement between us as to how those issues need to be addressed. I look forward to my meeting with President al-Sisi and appreciate his receiving me as well.

We had a very productive discussion on our shared regional and security concerns. We spoke about opportunities as to how to strengthen our ties and, as the foreign minister indicated, mechanisms by which we can deepen those ties and further explore areas for mutual cooperation, first through the strategic dialogue which we've agreed we will have later this year, and then we're going to explore also the possibility of a 2+2 dialogue to even allow us to further enhance these conversations both on a full range of issues of not just security concerns, but political and economic opportunities as well.

I did express to the foreign minister our condolences to the people of Egypt for the violence that they have been suffering from the terrorist attacks perpetrated by ISIS and other terrorist groups. Egypt's been battling this level of extremism for many years, and we continue to be steadfast partners in their response to these attacks throughout this time.

We agreed that we would continue our close cooperation on counterterrorism

measures, including our joint commitment to the defeat of ISIS, and Egypt has been a very important member of the Defeat-ISIS Coalition from the beginning. They — Egypt deals with the threats of ISIS themselves and are dealing with it certainly currently in the Sinai.

We also discussed the importance of the protection and promotion of human rights and the vital role of civil society in Egypt. With the presidential elections planned for the end of March, the United States, as it does in all countries, supports a transparent and credible electoral process, and all citizens being given the right and the opportunity to participate freely and fairly.

On Libya, the United States and Egypt support the UN's Action Plan for Libya for credible and peaceful elections in their country. This will promote stability — much-needed stability for Libya and their economy to prosper. As the Security Council affirmed on December the 14th, the Libyan Political Agreement in our view must remain the framework for a political solution throughout Libya's transitional period.

Foreign Minister Shoukry and I also discussed Syria and how we can work together to reinforce the UN-led Geneva political process, which is the only political framework through which this conflict can be resolved. And Egypt has played a very important role in supporting dialogue between opposition representatives and the central government in Damascus.

On the Middle East peace, I reiterated that the Trump administration remains committed to achieving a lasting peace agreement between the Israelis and the Palestinians.

Now, the foreign minister and I also discussed how we can intensify our countries' economic engagement and support our private sectors to generate jobs and prosperity for both of our people, and I acknowledged and welcomed the very important — although we know difficult — steps towards reform that President Sisi has undertaken in order to create a very strong foundation for future prosperity and economic performance in Egypt, and those have been necessary, although difficult, to be fully — receive the full support of the IMF, and Egypt has met all of those requirements.

We'll do what we can to continue to encourage the economic recovery and we hope that American companies are able to increase their investments in Egypt that will create jobs and opportunities here as well.

The United States, again, commits itself to standing with Egypt, standing shoulder to shoulder in these — in the fight against terrorism, but also standing together to create a more stable region for everyone as well, and I thank the foreign minister for our opportunity to meet and exchange on so many important issues. Thank you.

FOREIGN MINISTER SHOUKRY: Thank you very much.

MODERATOR: (In Arabic.)

QUESTION: (In Arabic.)

SECRETARY TILLERSON: Well, I think the commitment the U.S. has to Egypt's security in the fight against terrorism should be evident, and both with the release of about a billion dollars of foreign military financing assistance to Egypt to continue to strengthen its capabilities, and also sharing of other approaches to countering terrorism, some of which we can talk about, some of which we can't so easily talk about. But our joint commitment to defeat ISIS is steadfast and there has been no gap between Egypt and the United States in our joint efforts to confront terrorists and extremist — extremism in the region, but most specifically here in Egypt as well.

So I think the Egyptian people should be confident that the U.S. commitment to continuing to support Egypt in this fight against terrorism, in bringing security for the Egyptian people is steadfast, and that will continue, and we had a great deal of exchange today about how we can advance that. And we just mentioned the intent to have a strategic dialogue later this year. All of these are opportunities for us to identify other ways that we can strengthen and support Egypt's fight against terrorism, but also, ultimately, to strengthen the economic development of Egypt as well.

MODERATOR: (In Arabic.) Carol, Washington Post.

QUESTION: Thank you. Mr. Secretary, given the concerns (inaudible) to run against the president (inaudible) election and who were arrested and disqualified, how (inaudible) do you believe those elections will be? And will the United States consider withholding more military aid from Egypt (inaudible)?

And Mr. Foreign Minister, sir, human rights groups have called this the most repressive era in modern Egyptian history. What did Secretary Tillerson tell you about democracy and civil liberty here in Egypt? And will anything change here in Egypt after your meeting today? Thank you.

SECRETARY TILLERSON: Well, I think as I indicated in my prepared remarks, and I would answer the same: We have always advocated for free and fair elections, transparent elections, not just for Egypt but in any country. And so the U.S. is always going to advocate for an electoral process that respects the rights of its citizens to make the choices the citizens want to make and the full participation of citizens in those elections. And nothing has changed about our advocacy for those types of elections.

FOREIGN MINISTER SHOUKRY: As relates to some of the comments that have been made by certain members of the human rights community and other activists, I would only recommend that you ascertain for yourself the nature and the current situation in Egypt as relates to human rights, and how the Egyptian people view this administration and its efforts to strengthen and protect human rights, and whether there is that sense of restriction that you alluded to. I think it is — it isn't helpful that a certain group projects from a perspective of lack of information, lack of direct association to a society, but it is much, much more important the general conditions, the freedom of press that is available, the variety of television shows, the dialogue and the exchange. Development in the social and political field is an evolutionary process. I think over the last 11 years, the Egyptian people

have shown their commitment and their determination and their ability to change their course and to indicate their dissatisfaction. If they deemed that they were dissatisfied, they have been able to change two governments in the last seven years, and they have undertaken legislative elections and know how to protect their rights and to advocate for those rights.

So it's important that I think we recognize that it is the Egyptian people who should determine how they are applying their freedoms and their political activism, and I hope that you will have the opportunity while you're here in Egypt to discuss this with the Egyptians on the street and ascertain from them directly whether they are satisfied with current conditions.

We had a discussion with the Secretary related to Egypt's efforts to develop both politically, economically, and socially, and that we continue to do so out of our desire to see Egypt evolve into a place of — that can fulfill the aspirations of its people, and we will continue to rely on the support that we can depend on from the United States in this regard. These are commitments that this administration is confident it will fulfill, and it is responsible to the Egyptian people to continue to fulfill those commitments, as has been stipulated in our constitution.

MODERATOR: (In Arabic.)

QUESTION: (In Arabic.)

SECRETARY TILLERSON: Well, I think it's important to note that in the announcement President Trump made regarding Jerusalem he also made two very important points as well, one of which was he was not advocating for any change to the status quo as to oversight of the holy sites, recognizing the proper role of existing authorities; and the second is that the final boundaries of Jerusalem are yet to be determined, and that those will be decided among the parties. And those — I think it's oftentimes those two important points seem to have been overlooked in his announcement. And yes, the U.S. is still committed to the peace process and still believes we have an important role to play in bringing the parties together and seeing a resolution to this. And President Trump is committed to that.

FOREIGN MINISTER SHOUKRY: (In Arabic.)

MODERATOR: (In Arabic.) Wall Street Journal, Felicia.

QUESTION: Thank you. Secretary Tillerson, Vice President Pence, in an interview with *The Washington Post*, endorsed what you've described publicly as talks about talks with the North Koreans, and president — South Korea's President Moon said he would go to Pyongyang. Is this the start of a diplomatic process in North Korea?

And then for Foreign Minister Shoukry, the U.S. has in the past raised concerns about Egypt's ties with North Korea. What is Egypt doing to cut those ties?

SECRETARY TILLERSON: I'm not sure I could hear the last part of your question.

QUESTION: I was just asking if this — is this the start of a diplomatic process with North Korea?

SECRETARY TILLERSON: Well, as to — as to the Vice President's comments about potentially having talks and whether it's the start of a diplomatic process, I think it's too early to judge. As we've said for some time, it's really up to the North Koreans to decide when they're ready to engage with us in a sincere way, a meaningful way. They know what has to be on the table for conversations. We've said for some time that I think it's important that we have — we're going to need to have some discussions that precede any form of negotiation to determine whether the parties are, in fact, ready to engage in something this meaningful, in order for us to then put together the construct of a negotiation. So we'll just have to wait and see.

FOREIGN MINISTER SHOUKRY: We did discuss with Secretary Tillerson the issues related to North Korea, the Korean Peninsula, and the security of that region. Egypt has had normal diplomatic ties with North Korea, as does many Western and NATO members, and those ties are, in terms of the relationship, limited to representation, and there is almost no existing economic or other areas of cooperation. But we are concerned with the current status with the threats emanating from the proliferation of nuclear weapons, a situation which we deem as threatening to the global nonproliferation regime, one that has to be dealt within our maintaining global security, also the threats of ballistic missile systems to South Korea and to Japan, and we believe that all of these issues must be resolved for the security of the region and the Korean Peninsula. And we will continue to discuss these issues and to take the appropriate measures to deal with these challenges.

Thank you very much.

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