

THE DEPUTY SECRETARY OF STATE  
WASHINGTON

NOV 16 2008

Dear Mr. Chairman:

It is my understanding the Committee plans to soon mark-up S. 1524, the Foreign Assistance Revitalization and Accountability Act of 2009. While the Administration welcomes the Committee's commitment to enhancing our foreign aid programs, I am writing to share the Department's concerns with certain aspects of the bill.

The Department of State shares many of the goals and objectives of S. 1524, most notably its focus on evaluation and metrics. At the same time, State and USAID are currently engaged in a comprehensive review, the Quadrennial Diplomacy and Development Review (QDDR), which seeks to fundamentally shape and define the future of our diplomatic and development efforts. This process involves over twenty working groups and subgroups -- each co-chaired by State and USAID at senior levels. The President has also issued a Presidential Study Directive (PSD) establishing an Interagency Development Policy Study Committee, led by the National Security Advisor and the Assistant to the President for Economy Policy and including over 15 government agencies, to consider a first-ever global development policy for the United States. Given the scope and magnitude of both the QDDR and the PSD, the Administration is concerned with legislative measures that would prejudge the outcome of these reviews and constrain its ability to address the full range of issues.

Moreover, the President has recently nominated Dr. Rajiv Shah as Administrator of USAID. We believe it is important that the new leadership of USAID has the opportunity to consider and evaluate critical reform measures such S. 1524.

In recent weeks, and with the goal of working in coordination with the Committee, Department staff has engaged Committee staff on ways of addressing and resolving the Department's serious concerns with S. 1524. In particular, we are concerned with a number of provisions that are prescriptive and duplicative of existing State and USAID roles and responsibilities, and the bill's establishment of an independent council on

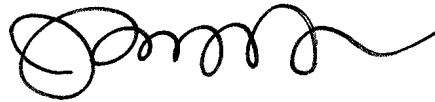
The Honorable  
John F. Kerry, Chairman,  
Committee on Foreign Relations,  
United States Senate.

foreign assistance effectiveness which we believe may be contrary to the underpinnings of the QDDR. We hope the Committee will take our suggestions into consideration.

We are committed to addressing the key challenges in foreign assistance that underlie S. 1524, and hope the Committee will preserve the flexibility needed for State and USAID to do so in a timely manner as part of the ongoing QDDR and PSD. I welcome the opportunity to discuss these issues with you further, and look forward to working with the Committee on strengthening U.S. foreign assistance programs.

The Office of Management and Budget advises that there is no objection to the presentation of this letter from the standpoint of the Administration's legislative program.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew". The signature is fluid and cursive, with a long horizontal tail extending to the right.

Jacob J. Lew