

**THE SECRETARY OF STATE  
WASHINGTON**

May 23, 2017

America continues to be the world's beacon of freedom and the greatest force for good and stability. This year's budget request addresses the challenges to American leadership abroad and the importance of defending our national security interests. It acknowledges that U.S. diplomacy engagement and aid programs must be more efficient and more effective, and that advancing our national security, our economic interests, and our values will remain our primary mission. This budget is responsive to the realities of the world in the 21<sup>st</sup> century, and the need for a State Department that operates with maximum flexibility in an ever-changing international environment. An optimally functioning State Department and USAID will deploy funding that restores the leadership the American people and allies depend on for stability, security, and prosperity. This budget reflects a commitment to ensure every tax dollar spent is aligned with mission-critical objectives.

The FY 2018 budget request for the State Department and USAID is \$37.6 billion. This budget request supports the President's "America First" vision with a commitment to four key national priorities:

- Defending U.S. National Security
- Asserting U.S. Leadership and Influence
- Fostering Opportunities for U.S. Economic Interests
- Ensuring Effectiveness and Accountability to the U.S. Taxpayer

The FY 2018 request of \$37.6 billion includes \$25.6 billion in enduring funding, and \$12.0 billion in Overseas Contingency Operations funding. To carry out these strategic objectives, the FY 2018 budget request reflects four high-priority areas:

**1. Defending U.S. National Security**

A secure citizenry is the Administration's highest priority. This budget request reflects the President's commitment to addressing threats to the United States, including defeating the Islamic State of Iraq and Syria (ISIS), al-Qa'ida, and other transnational terrorist groups; countering transnational organized crime and illicit trafficking networks; and stopping the drivers of instability and irregular migration. The budget will bolster key U.S. allies to defend our shared interests, including requesting robust support for Israel at \$3.1 billion. The budget requests \$5.6 billion for efforts to defeat ISIS and other terrorist organizations.

As we eliminate ISIS from Iraq and Syria, we will reinforce the Global Coalition's mission to deny ISIS the ability to re-establish a caliphate elsewhere. We will support our allies in Jordan, Lebanon, and Turkey as they work to secure their borders, disrupt ISIS' regional facilitation networks, and assist the large number of refugees. We will work with and through partners to eliminate ISIS and al-Qa'ida affiliates and branches. And we will continue our efforts through the Global Engagement Center to counter ISIS' messaging.

Our efforts in South and Central Asia to defeat ISIS and al-Qa'ida will include continued engagement with Afghanistan and Pakistan. The United States remains committed to strengthening our strategic partnership with the Government of Afghanistan in the fight against international terrorism. Our civilian presence and resources will strengthen government institutions and enable delivery of basic services, as a tangible demonstration of the U.S. commitment to Afghanistan in the face of a determined insurgency. U.S. assistance also bolsters Pakistan's capabilities to defeat international terrorist organizations and stabilize areas vulnerable to extremism.

Globally, \$542.4 million will combat transnational crime and trafficking, including the trafficking of narcotics, persons, and wildlife, to protect the safety of the United States and its citizens and implement the *Presidential Executive Order on Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking*. The request invests \$1.1 billion in a comprehensive effort in the Western Hemisphere to shut down transnational criminal organizations and illicit pathways to U.S. borders, reducing the flow of illegal migration and illicit goods that threaten U.S. safety and security.

The budget's \$7.1 billion in security sector assistance will allow us to strengthen the capacity of partner nations to address shared security threats. Overseas security threats to USG personnel under Chief of Mission authority directly impact our national security objectives. The requested \$3.8 billion for Worldwide Security Protection includes support for Diplomatic Security personnel who not only provide physical protection for our personnel and facilities overseas, but also advise U.S. business interests operating internationally on the security environment to help promote further development and trade through the Overseas Advisory Council. We include a requested \$200 million to enhance the Department's cybersecurity posture.

## **2. Asserting U.S. Leadership and Influence**

The U.S. will restore leadership and influence by upholding U.S. commitments to key partners and allies that advance shared interests, including NATO. The FY 2018 request includes reductions in anticipation that allied nations will provide a more equitable cost-share. It will eliminate or reduce payments to ineffective or inefficient organizations and only fund a portion of the U.S. share of assessed expenses for those UN peacekeeping operations that have proven their overall effectiveness in advancing our national interests. By increasing international security cooperation, promoting good governance, anti-corruption, and fiscal management, the State Department and USAID's "America First" agenda will also create a more stable environment for more opportunities for U.S. exports and business investment.

We will provide \$5.3 billion in humanitarian assistance to those most in need and will request the rest of the world increase their contributions challenging international and non-governmental organizations to become more efficient and effective. This budget requests \$5.0 billion in economic and development programs to promote long-term stability and \$6.5 billion to improve global health. In particular, \$290 million will complete the \$1.0 billion U.S. pledge to Gavi, the Vaccine Alliance, and \$5.0 billion will go to the President's Emergency Plan for AIDS Relief (PEPFAR) to maintain current patients on HIV/AIDS anti-retroviral treatment. An additional \$1.1 billion will support the Global Fund to Fight AIDS, Tuberculosis, and Malaria in keeping with the U.S. 1:2 matching commitment.

The request includes \$820 million in public diplomacy resources and programming. Funding for the Department's core Public Diplomacy personnel and programs is continued at \$535 million, while funding for Bureau of Educational and Cultural Affairs (ECA) programs is reduced to focus on proven successful programs, such as Fulbright and the International Visitor Leadership Program (IVLP).

### **3. Fostering Opportunities for U.S. Economic Interests**

The State Department and USAID will pursue international partnerships that promote fair and balanced trade relationships, energy trade and security, and private sector markets; and, leverage public/private partnerships. The budget promotes a level playing field for American workers and businesses, including by fostering a business climate in emerging markets where American businesses can thrive by fighting corruption; promoting rule of law, transparency, and accountability initiatives; and strengthening market-oriented institutions. The fee-funded \$4.4 billion Consular and Border Security program facilitates travel to and from the U.S. The Department's ability to meet anticipated passport and visa workload demand is vital to enabling U.S. and foreign citizens' legitimate travel and directly supporting our Nation's tourism industry. The Department is also investing in technology to enhance screening and vetting of individuals to improve security of our borders.

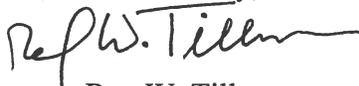
### **4. Ensuring Effectiveness and Accountability to the U.S. Taxpayer:**

It is imperative to hold ourselves accountable to the American taxpayer by ensuring effective management and efficient use of resources. The core values of accountability, honesty, and respect underpin our global engagement and require efficiencies at all levels and making decisions based on data-driven analysis, and risk-based investments in safety and security. The FY 2018 budget will also maximize the use of the taxpayer's resources by streamlining State Department and USAID administrative costs, particularly those attributable to travel, office support contractors, and other support activities. The FY 2018 budget eliminates programs that can draw on other private and public resources, to include the Asia Foundation and the East West Center.

The construction of new secure facilities, consistent with the recommendations of the Benghazi ARB, reflects our commitment to the security of our people, places, and programs. Lastly, the FY 2018 request includes funding to improve the Department's management of FOIA requests, modernize aging Department mission critical systems, and deploy a new IT infrastructure to protect systems from compromise.

With your support, this budget will help lay the foundation for a new era of global stability and American prosperity. I look forward to working with you to implement this vision and improve the lives of the American people.

Sincerely,



Rex W. Tillerson  
Secretary of State