
BUSINESS MEETING

April 1, 2014

UNITED STATES SENATE COMMITTEE ON
FOREIGN RELATIONS
113TH Congress, Second Session

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Tuesday, April 1, 2014

U.S. SENATE
COMMITTEE ON FOREIGN RELATIONS
WASHINGTON, D.C.

1 The committee met, pursuant to notice, at 2:18 p.m. in Room S-116, The Capitol,
2 Hon. Robert Menendez, chairman of the committee, presiding.

3 **PRESENT:** Senators Menendez [presiding], Boxer, Cardin, Shaheen, Coons,
4 Durbin, Udall, Murphy, Kaine, Markey, Corker, Johnson, Flake, and Barrasso.

5 **THE CHAIRMAN.** Good afternoon. This business meeting will come to order.

6 We have five tax-related treaties on the agenda and one resolution expressing the
7 sense of the Senate concerning the humanitarian crisis in Syria and the spillover into
8 neighboring countries.

9 So we will go to the five tax treaties, which I would propose we would do en
10 bloc, and I am going to go very, very quickly through them.

11 The first is a protocol amending the convention between the U.S. and the Swiss
12 Confederation for the avoidance of double taxation with respect to taxes on income.

13 The second is the same but between the United States and the Government of
14 Luxembourg for the same purposes.

15 The third is a convention between the U.S. and the Government of the Republic
16 of Hungary for the same purposes.

1 The fourth is a convention between the United States and the Government of the
2 Republic of Chile for the same purposes.

3 And the last is a protocol amending the Convention on Mutual Administrative
4 Assistance in Tax Matters.

5 Senator Cardin chaired an excellent hearing, together with Senator Barrasso, on
6 these treaties on February 26th, giving the committee the opportunity to hear from both
7 the Treasury Department and the Joint Committee on Taxation, as well as from a
8 distinguished panel of private sector witnesses on how these treaties are critically
9 important for American companies and for the broader economic relationship between
10 the United States and these countries. They are a crucial component of U.S. trade and
11 tax policy. They played a key role in facilitating greater and more transparent trade and
12 investment for decades, protecting American companies from double taxation and
13 making it easier for them to explore new markets and business opportunities in other
14 countries.

15 I am going to support all of the treaties. I urge members to do the same.

16 I would like to recognize Senator Corker for any comments he may have.

17 **SENATOR CORKER.** I support them also. These treaties benefit U.S. business and
18 citizens and facilitate trade by investment in preventing double taxation. They provide
19 U.S. investors with tax certainty by ensuring U.S. investors are treated equally and
20 fairly, allowing them to invest and compete abroad with the knowledge that they will

1 not face discriminatory barriers. And these treaties provide tools to help resolve tax
2 disputes between U.S. and other countries. Without these tools, U.S. investors would
3 have limited ability in resolving these issues on their own.

4 So I am hopeful we will do this by voice. If you will move it, I will second it.

5 **THE CHAIRMAN.** I will, once I ask if any other members wish to speak to the
6 treaties. Senator Cardin, with the thanks of the chair.

7 **SENATOR CARDIN.** Just to incorporate the comments that the chair and ranking
8 member have made, these are basically helping American companies. It conforms to
9 the international norm for exchange of information to help avoid tax fraud and protect
10 U.S. citizens' privacy.

11 I just want to note three of these treaties were reported out by the committee 3
12 years ago, so they are not new to our committee.

13 I urge prompt consideration.

14 **THE CHAIRMAN.** Any other members?

15 [No response.]

16 **THE CHAIRMAN.** If not, I will move all of the treaties en bloc by voice. All those in
17 favor, will say aye.

18 [Chorus of ayes.]

19 **THE CHAIRMAN.** Opposed, say no.

20 [No response.]

1 **THE CHAIRMAN.** The ayes have it, and the resolutions with advice and consent are
2 agreed to.

3 Next we have S. Res. 384 expressing the sense of the Senate concerning the
4 humanitarian crisis in Syria and neighboring countries, the resulting humanitarian and
5 development challenges, and the need for an urgent political solution to the crisis.

6 Let me just say we had a Syria hearing last week. For me, it left more questions
7 than answers. And we will resolve that as quickly as we can.

8 But in terms of this resolution, I think it is important, at the same time we are
9 dealing with our overall policy, to deal with the humanitarian dimensions of what is
10 happening in Syria and to be a strong voice in that reality, as well as the violence that is
11 spreading across Syria's borders.

12 And so I am strongly supportive of the resolution.

13 I would be happy to recognize Senator Corker.

14 **SENATOR CORKER.** Briefly, the intent here is admirable, and I certainly do not object
15 in any way to the content.

16 I will say last week, in a bipartisan way, there were significant concerns at our
17 Syria hearing because the administration made some really reckless comments about
18 classified plans for its new plans on the Syria strategy. And despite this, I think you all
19 ought to know they are refusing to provide a comprehensive classified briefing on
20 everything the U.S. Government is doing in Syria. So it is really difficult for us as a

1 foreign policy partner to have any idea what is happening there because they will not
2 sit down and brief us and let us know what is occurring there. So I doubt you are going
3 to get this humanitarian strategy. I know this is not binding, but again I appreciate the
4 intent.

5 I do hope we will all continue to push for the administration to come forth and
6 lay out what they are actually doing in Syria. And I think it was pretty evident last
7 week. They had no plan on Syria that they could talk about publicly.

8 So with that bipartisan spirit of concern, I look forward to supporting this
9 resolution.

10 **THE CHAIRMAN.** Senator Durbin?

11 **SENATOR DURBIN:** Two weeks ago, Mr. Chairman, at my office in Chicago, three
12 Syrian American physicians came in. They had managed to sneak across the border into
13 Syria to try to help, and they came back shaken by the experience. These barrel bombs
14 that are being used by the Syrian Government are literally oil barrels that are filled with
15 shrapnel and explosives and dropped from helicopters into urban settings, residential
16 areas, and they saw the carnage that followed, the children who had just been
17 destroyed. Their lives had been destroyed. And they were operating in a classroom
18 because there were no hospitals, no functioning hospitals that they could go to. That is
19 the indication of the depths to which this carnage has reached.

1 And I am glad to be joining in on this resolution, but I feel frustrated, and I think
2 everyone shares that frustration that we cannot bring this to an end in a timely fashion.
3 And as best I can, with Senator Corker's observation, because of another assignment I
4 have outside of this committee, I probably received a little more information on some of
5 what we are doing. There is a plan. It is being executed. I do not know whether it is
6 going to bring this to an end quickly. But I hope no one leaves with the feeling that this
7 administration has a cavalier attitude towards this. They are trying to bring this to an
8 end. There is no end in sight.

9 **THE CHAIRMAN.** Senator Coons, and then I am going to recognize Senator Kaine
10 whose leadership I appreciate in presenting the resolution and getting a broad,
11 universal bipartisan cosponsorship.

12 **SENATOR COONS.** I would be grateful to be added as a cosponsor, Senator Kaine.

13 **THE CHAIRMAN.** Without objection.

14 **SENATOR COONS.** This is a deeply frustrating situation. Many of us have worked
15 hard to get progress in terms of the delivery of humanitarian relief, reassurances about
16 engagement and dedication. And I look forward to working with friends and
17 colleagues to ensure that we are doing everything we responsibly can to support the
18 administration's efforts to bring this to a conclusion.

19 **THE CHAIRMAN.** Senator Kaine?

1 **SENATOR KAINE.** Thank you, Mr. Chair, Ranking Member Corker. And I want to
2 offer special thanks to Senator Rubio and his team because they worked with me on this
3 and all the colleagues, about 30 signed onto this.

4 This resolution came out of a trip that Senator King and I recently made to
5 Lebanon following trips to Jordan and Turkey seeing the extent of the Syrian refugee
6 crisis in those three countries.

7 The U.S. is the largest provider of humanitarian aid to Syrian refugees in the
8 world, but virtually all of that aid is outside of Syria because of the difficulties of
9 delivering aid inside. And now it is time, I think, for us to step up and figure out ways
10 where we can be a more effective provider with other partners that are providing aid
11 inside Syria.

12 Within the last month or so, just a little over a month ago, the UN finally was
13 able to pass a security resolution without a Russian veto because of the Sochi Olympics
14 about the aggressive delivery of humanitarian aid. Inside Syria, there has been a little
15 bit done, but the first 30-day report is not promising.

16 And so, what this resolution does is it calls for the President to bring a plan just
17 on this issue. There are a lot of questions about many aspects of the strategy. But on
18 the delivery of humanitarian aid, this is asking the President to bring a plan before us
19 within 90 days. It is strongly supported by broadly the NGO community that is
20 working on relief.

1 Again, I appreciate the strong bipartisan support from this committee and other
2 Senators.

3 **THE CHAIRMAN.** Senator Cardin?

4 **SENATOR CARDIN.** First, let me thank Senator Kaine and Senator Rubio for their
5 leadership in putting together this resolution. I strongly support it, and I thank the
6 leadership of this committee.

7 And I think the comment made by Senator Durbin as to the underlying problems
8 of ending the conflict in Syria is critically important. I know the frustration of our
9 committee and I share that because it has not been a consistent message on how we can
10 help bring this matter to a successful conclusion.

11 I just really want to underscore one other point, a resolution that we are working
12 on with Senator Rubio trying to deal with humanitarian issues. It is one thing after
13 they have occurred. We all get together and try to provide aid, as we should. We
14 strongly support Senator Kaine's resolution, but we have to hold those who are
15 responsible accountable. We go through more and more conflicts. At the end of the
16 day, the people who cause the problems are left off. Nothing is done. So I hope that we
17 will speak with a very strong voice that those who have violated international
18 standards of human rights are brought to justice. We have got to be very firm about
19 that. We are always going to be, but it seems to me, at the end of the day, too many

1 people are left off, and therefore, when the next crisis occurs, these barrel bombs again
2 will be used because there was no accountability for those who were responsible.

3 **SENATOR CORKER.** Mr. Chairman, if I could just follow up. Again, I thank you for
4 bringing this forward.

5 But I do want to say that this committee voted 10-7 to authorize the use of force.
6 We did not do that. I know the President this last week publicly stated that that force
7 would have made no difference in this conflict. I disagree with that strongly and just
8 want to say that 40,000 more people have been killed by these barrel bombs and other
9 force.

10 The fact is that strategically, from his own survival standpoint, the best thing,
11 based on the things that have occurred since that time — the best thing Assad for his
12 own survival was to kill 1,200 people with chemical weapons.

13 So I just want to say again in response to Senator Durbin, I have not seen a plan.
14 I am the ranking member on the Foreign Relations Committee. The chairman has not
15 seen a plan. I do not think we have a policy, at least not an effective policy, relative to
16 Syria. It is not our fault that there is a conflict there, but I would just say that our
17 response has been totally feckless. And I am very upset, especially by the fact that we
18 had a hearing last week where really reckless, irresponsible things were said relative to
19 where we are.

1 So I do have a little emotion around this. All of us have visited these refugee
2 camps. We have seen the people that we promised we would do certain things for that
3 we have never delivered on.

4 And again, I thank you for the sentiment of this resolution, but I would say that
5 we do not have, as a Nation, a responsible policy. We never have laid one out relative
6 to Syria. And I am very upset about it.

7 **THE CHAIRMAN.** Senator Shaheen?

8 **SENATOR SHAHEEN.** Mr. Chairman, have we officially, on behalf of the committee,
9 requested a classified briefing on what our policy is on Syria?

10 **THE CHAIRMAN.** Yes. In full, open committee, I outlined the essence of what I
11 would expect from such a classified setting. We are following up with a letter to the
12 National Security Council Chairman, and then I hope we will be able to get there so that
13 we can understand.

14 This is a challenge. And Senator Shaheen has raised this, along with other
15 colleagues. This is a challenge. Increasingly the question of national security endeavors
16 are at the intersection with foreign policy. And when the committee membership is
17 well informed about what those are, particularly when it is appropriate, when there is a
18 specific foreign policy under discussion, I think we would be better instructed as to how
19 we might proceed. Sometimes we can be helpful; sometimes we might want to stay out
20 of the way. But you do not know if you are getting in the way if you do not know what

1 is going on. And so that is a bit of a challenge that we have. It is structurally a
2 challenge that we have beyond this issue.

3 I am hoping that we can get the type of briefing for members that will give us —
4 in this particular case, since there is a great deal of interest by the committee and a real
5 desire to find a way to be more successful in our ultimate goal, which is to stop the
6 slaughter and end the bloodshed and the overflow to other countries, that at least in this
7 instance, we are going to get that as we work to a fuller element of how do we get,
8 when it is appropriate, the type of briefings that will be helpful.

9 **SENATOR CORKER.** Mr. Chairman, if I could just add. I support chairman in this
10 letter, and we worked together on this.

11 I would say that though very specifically the testimony last week that was shared
12 with us was that in a classified briefing, they would be glad to talk to us about what
13 their plans are, the fact is they have not come forth. They are not allowing that setting
14 to take place. So, again, a lot of reckless comments, no information, from my
15 standpoint, no plan, and a very frustrating place for us to be. So the witness that
16 offered the classified briefing is now not willing to come forward with that classified
17 briefing or others in the administration are not allowing that to occur.

18 **SENATOR SHAHEEN.** Well, Mr. Chairman, I know that you and the ranking member
19 speak on behalf of the committee, but if it is helpful for us individually to sign onto this
20 kind of a letter, I am happy to add my name to that.

1 **THE CHAIRMAN.** Senator Murphy?

2 **SENATOR MURPHY.** Mr. Chairman, I just want to associate myself with Senator
3 Shaheen's remarks. I understand we are not the Intelligence Committee, but the
4 Intelligence Committee is not going to be asked and is not asked to make decisions
5 about war and peace and sign off on resolutions and authorizations regarding military
6 force. So if this committee is really going to have that responsibility, which frankly, you
7 and the ranking member have reasserted throughout this debate on Syria, then we
8 absolutely should expect, at the very least, the chairman and the ranking member,
9 should be given all of the information necessary. And add me to the list of those who
10 will do everything possible to make that happen.

11 **THE CHAIRMAN.** Thank you.

12 Does anyone else wish to speak to the resolution?

13 [No response.]

14 **THE CHAIRMAN.** If not, I would ask that we move it by voice. All those in favor will
15 say aye.

16 [Chorus of ayes.]

17 **THE CHAIRMAN.** All those opposed will say nay.

18 [No response.]

19 **THE CHAIRMAN.** The ayes have it, and the resolution is favorably reported.

20 Unless there is any other member who wishes —

1 **SENATOR CORKER.** Mr. Chairman, if I could. There are some members here who
2 would like to have their voices heard relative to some of the actions today. If we could
3 leave the record open for a while and give them the opportunity to do that.

4 **THE CHAIRMAN.** We will leave it open until the close of business today. The record
5 will remain open until the close of business today.

6 And with that, no other further business, the meeting is adjourned.

[Whereupon, at 2:35 p.m., the hearing was adjourned.]