



November 7, 2023

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

Dear Speaker Johnson, Leader Schumer, Leader Jeffries, and Leader McConnell:

The U.S. Departments of Treasury, Defense, and State and the U.S. Agency for International Development (USAID) appreciate our continued engagement with Congress on the Administration's National Security Supplemental Request for Fiscal Year 2024 intended to, among other vital things, help our ally Israel in its fight against Hamas and Ukraine in its existential defense against Putin's brutal invasion. This comprehensive package, comprising military, security, economic, and humanitarian assistance, aims to preserve U.S. national security interests at a time of dire global crises.

Russia's economic warfare, including attacks against Ukraine's grain exports and energy infrastructure, is an integral part of its illegal invasion strategy. If Russia can destroy Ukraine's economy, it will hobble the Ukrainian state to the point that it cannot defend itself on the battlefield. This aggression is not only an existential threat to Ukraine, but also a threat to global democracies and our own economic and national security. While our assistance—alongside that from the European Union, the G7, and the International Monetary Fund (IMF)—has helped the Ukrainian military and the Ukrainian people, Russia has bet that its aggression can outlast our collective resolve. We and our partners must continue to enable Ukraine's self-defense, across multiple domains, including economic ones.

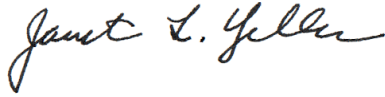
We want to draw your attention to how critical direct budget support is to Ukraine's ability to defend itself.

- **Financial support to Ukraine is inextricably linked to its success on the battlefield.** We therefore strongly urge you to provide \$11.8 billion to Ukraine in direct budget support, a cornerstone of the President's supplemental request. Our investments in Ukraine's success and our work to secure assistance from others will allow us to reduce our budget support from \$14.4 billion in FY2023 to \$11.8 billion in FY2024.

- **Without adequate and timely direct budget support, Ukraine will be unable to defend itself and thwart Russia’s further encroachment toward NATO countries.** Ukraine undertook painful measures to eliminate non-essential expenses and military spending comprises over 100 percent of its tax revenues, making it entirely dependent on outside support to keep the government and economy functioning. U.S. budget assistance is essential for Ukraine’s ability to defend itself against Russia and address the needs of its war-torn population alongside its military operation. Budget support has allowed Ukraine to continue providing the basic services of government to its people—paying teacher salaries, keeping hospitals and schools open, and supporting its first responders—while devoting all its domestically generated resources to fighting the war. Reducing or delaying direct budget support will imperil Ukraine’s military efforts.
- **The Administration’s request of \$11.8 billion for direct budget support represents the minimum amount needed to help cover Ukraine’s baseline needs, after accounting for other possible international support.** We want to be clear – we do not see a path to securing the funds Ukraine desperately needs without U.S. support at the levels we requested. U.S. direct budget support at the requested level is needed to keep Ukraine’s access to \$15.6 billion in IMF financing, which can be extended only if donors jointly fill Ukraine’s remaining budget needs. Without this, Ukraine loses both the financing and the structure and reforms that an IMF program brings. Our allies and partners are stepping up; however, financing from others cannot make up for the large gap that would quickly emerge if the United States were to abandon its commitment to Ukraine:
 - Canada and the EU are now giving more as a percentage of their GDP than the United States has this year. But these and other sources are not sufficient or timely to backfill behind a gap if we pull back.
 - Our request assumes that in 2024 three quarters of economic support to Ukraine will come from sources other than the United States.
- **U.S. direct budget support to Ukraine benefits from an unprecedented level of robust oversight and transparency—an issue of great importance to Congress and the Administration—and will be conditioned on Ukraine making essential reforms.** Conditions in the IMF program and those from EU funding have pushed Ukraine to take on ambitious reforms most notably in anticorruption and good governance practices. U.S. budget support is further conditioned on the implementation of reforms by the Government of Ukraine to improve transparency, strengthen governance of its public institutions, and fight corruption.

We urge you to fully support the Administration’s request to provide \$11.8 billion in direct budget support now to help Ukraine win the war, thereby advancing U.S. national security. A successful Ukraine will demonstrate the resolve of the United States and its partners to defend the territorial sovereignty and fundamental freedoms of democratic countries against authoritarian aggression. It will also create new economic opportunities for the people of Ukraine and its partners who stand by them against Russia’s violent invasion.

Sincerely,



Janet L. Yellen
Secretary of the Treasury



Lloyd J. Austin III
Secretary of Defense



Antony J. Blinken
Secretary of State



Samantha Power
Administrator of United States
Agency for International
Development

cc: The Honorable Kay Granger, Chair, House Committee on Appropriations
The Honorable Rosa DeLauro, Ranking Member, House Committee on Appropriations
The Honorable Patty Murray, Chair, Senate Committee on Appropriations
The Honorable Susan Collins, Vice Chair, Senate Committee on Appropriations
The Honorable Patrick McHenry, Chair, House Committee on Financial Services
The Honorable Maxine Waters, Ranking Member, House Committee on Financial
Services
The Honorable Ben Cardin, Chair, Senate Committee on Foreign Relations
The Honorable James E. Risch, Ranking Member, Senate Committee on Foreign
Relations
The Honorable Michael McCaul, Chair, House Committee on Foreign Affairs
The Honorable Gregory Meeks, Ranking Member, House Committee on Foreign Affairs
The Honorable Jack Reed, Chair, Senate Committee on Armed Services
The Honorable Roger Wicker, Ranking Member, Senate Committee on Armed Services
The Honorable Mike Rogers, Chair, House Committee on Armed Services
The Honorable Adam Smith, Ranking Member, House Committee on Armed Services