

RELEASE IN PART B5

From: Lew, Jacob J <LewJJ@state.gov>
Sent: Monday, December 21, 2009 8:07 PM
To: H
Cc: Sullivan, Jacob J
Subject: RE: Call from OMB

Quick report on the fee analysis:

It looks like there is considerably less than [redacted] to be funded by fees that would normally be counted as offsets under the budget rules. The only way to get to a large number is to switch the fees that go to the general treasury and leave them with State. This may be a way to cosmetically package an increase in international, and we will do the analysis to support a decision to go in that direction, but it will take a lot of work on budget rules and most likely would require legislation that would be a challenge.

We are already counting [redacted] from higher visa fees, and [redacted]
[redacted] Those fees will cover expenses that are already in the budget and it will not help close the gap.

On passport fees there are hundreds of millions of dollars that go to Treasury and a smaller amount associated with the increase that could be directed to state. The key would be to change that split, which Pat does not think will score as an offsetting receipt.

I think the important progress today is that they are thinking about [redacted] as the amount we need to add in non-war expenses and they have initiated a discussion on fees that they were not open to in the past. We need to build the add back amount closer to the [redacted] and in the morning we will have a better idea of what we can offset, but I think we will still need a significant amount of new money.

From: Lew, Jacob J
Sent: Monday, December 21, 2009 6:35 PM
To: 'H'
Subject: Call from OMB

[redacted]

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