

Committee on Ways and Means
Subcommittee on Oversight
U.S. House of Representatives

“Iran Terror Financing and the Tax Code”

Additional Written Comments for the Hearing Record

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Wednesday, November 17, 2015

Mr. Chairman, Mr. Ranking Member, and Members of the Committee:

Thank you for inviting me to testify before your committee on November 4, 2015. The hearing’s oral testimony and question period raised a number of important issues, and so I would like to offer these additional written comments for the record.

I. The Role of Sanctions

The use and value of sanctions was a central concern of the hearing, and so it is worth noting important points that were not addressed in the brief time we had for discussion.

Unilateral sanctions tend to be ineffective; they must be pursued in concert with other countries.

The United States has had sanctions on Iran for decades to little or no effect. It was only when the US was able to build an international sanctions coalition that included dozens of countries that sanctions began to bite. The same would be true for any *new* sanctions, including those related to the tax code. This would be especially relevant regarding sanctions advocated by one witness that would penalize not just US firms but foreign firms headquartered in foreign countries. Congress should be cautious about marching off to impose unilateral sanctions without the consultation and support of US allies. Going it alone may very well backfire.

Sanctions are a useful policy tool, not a magic wand, and by themselves do not explain Iranian behavior.

There appears to be an emerging narrative that it was sanctions alone that forced Iran to the negotiating table, and if the US had only kept up the pressure, rather than negotiating, it could have forced Iran to capitulate. This view ignores both history and the rather large body of scholarly evidence on the effects of sanctions. There is little doubt that US-led international sanctions were an key factor that led to the nuclear negotiations, but it was not the only factor, nor by itself a sufficient cause.

The effect of sanctions was strengthened by President Ahmadinejad’s 8-year mismanagement of the Iranian economy. Ahamdinejad is gone, and his departure alone will result in a modest improvement in Iran’s economic fortunes over what they would have been. The effect of

sanctions was further deepened by the precipitous drop in the price of oil. Perhaps even more important was President Rouhani's election. Of the many candidates running, he was the only one who advocated ending Iran's international isolation (i.e., entering nuclear negotiations). The other candidates advocated a continuation of the so-called "resistance economy." If any one of those candidates had triumphed in the elections, there likely would have been no negotiations.

The social science research on sanctions suggests that sanctions can be useful, having "worked" in roughly a third of the cases studied. Put another way, they did not work two-thirds of the time. The field of sanctions research is a complex one, as it is difficult to compare different kinds of sanctions imposed for different reasons over different time periods in support of different policy objectives. Still, the broad generalization captures the core truth: sanctions can be useful, but they are not a magic wand.

Tax code-related sanctions or sanctions relief is unlikely to matter very much to the investment decisions of US owned foreign subsidiaries.

Perhaps it is not surprising that a tax lawyer thinks that tax provisions are a the most important variable for business investment decisions, as a hammer looks out to the world and sees only nails, but a broader business perspective would yield a different conclusion. Tax advantages, or the lack thereof, will only matter if firms are confident their employees won't be arrested, that they can get bank financing, and the like. As the footnotes in my written testimony suggest, firms will have to be satisfied on a variety of fronts well in advance of considering tax issues, and currently at least, there is not a great deal of business confidence about investment in Iran – not least because the Iranian government has made clear that it does not want American firms there.

II. The Timing of Sanctions

Sanctions Allowed under the Joint Comprehensive Plan of Action (JCPOA)

The JCPOA allows the US and other countries to impose sanctions for behavior outside the scope of the nuclear agreement (e.g., for terrorism, human rights, or other causes), as well as re-constitute sanctions for violations of the agreement.

Sanctions Not Allowed under the JCPOA

But here is what the JCPOA does not allow: a sanctions shell game, that is, simply re-establishing what were previously nuclear sanctions by scratching out the word "nuclear" and substituting another word. It is not only that Iran would reject that as American bad faith, so would our international partners, including our European allies.

The international community might understandably suspect that if the US –after decades of objections to Iran's support for Hezbollah and other organizations -- suddenly passes new sanctions in the immediate aftermath of the nuclear agreement, that it is not a coincidence. Instead, it may be seen an attempt to subvert the agreement. And one could hardly blame analysts for arriving at that conclusion, justified or not, as many of the same lawmakers who vigorously advocate new sanctions are the very same people who condemned the agreement and worked to defeat it.

Even harder to explain will be the fact that these are essentially *prospective* sanctions, that is, sanctions passed in *anticipation* that new acts of terrorism might be carried out, rather than in response to actual incidents of terrorism.

The Alleged Need for “Immediate” Sanctions and the Dangers They Pose

One witness argued that Congress should impose sanctions as soon as possible or the US will be self-deterred from doing so later. On what basis is this conclusion drawn? I see no actual evidence supporting what is little more than asserted speculation. Indeed, it contradicts the historical record on Iranian sanctions. Our international partners have, against all predictions, not only imposed unprecedented sanctions on Iran but remained unified despite other differences with US foreign policy. Indeed, no one imagined that Russia and China would support US-led sanctions, let alone present a united front during negotiations. And here again, it is worth noting that critics of the agreement, including that witness, have a poor record at prediction. As I pointed out in my oral testimony, these critics made all kinds of dire warnings about the interim nuclear agreement (JPOA) that turned out to be incorrect.

If Congress insists on passing new sanctions without specific evidence of Iranian sponsored terrorism, if it sanctions Iran alone and not along with other states that also support terrorism (see below), our allies may very well reject those sanctions. It would also raise the risk that the world will blame the US for a breach of the agreement.¹ Iran might get off scot-free, and any future sanctions cooperation in cases where it is actually warranted could become more difficult.

III. The Logic of Nonproliferation Agreements: All Parties Must Benefit

Agreements work in the first place and are sustainable over time, if all the parties realize benefits from an agreement and thus see the arrangement as in their national interest. That is true as much for the United States as for any other country. One-sided agreements are doomed to fail.

Yet some lawmakers, as well as certain NGOs, would appear to prefer that Iran receive no real sanctions relief from the nuclear agreement. One NGO, for example, is taking out ads in Europe in an attempt to scare European firms from doing business with Iran.

That view is shortsighted and fails to grasp the logic of nonproliferation agreements, if not all agreements more generally.

If Iran does not receive sanctions relief or other benefits from this agreement, it will see no reason to keep its end of the bargain. If the agreement were to collapse as a consequence, we could again find ourselves in a situation where Iran has an unconstrained nuclear program, a two-month break-out time, Iranian hardliners in ascendance, but a less resolute international community, particularly if the US is perceived as having been the reason for the collapse. That

¹ Alireza Nader, “The Impact of Sanctions Relief on Iran,” Testimony presented before the House Oversight and Governmental Reform Committee, Subcommittee on National Security on November 5, 2015, RAND Corporation, pp. 1-8, <http://www.rand.org/pubs/testimonies/CT442.html>

is the worst of all possible worlds, one in which Iran comes out ahead and the US comes out behind.

IV. ,The JCPOA and Concerns about Terrorism

I stand second to none in my opposition to terrorism. It is a topic I have written about and one that has touched my city. The violence of Boston Marathon Bombings included not only the attack on the finish line but the murder of an MIT police officer blocks from my office and a bloody manhunt through the streets of Watertown close to my home.

No country – including Iran—should support terrorism. And as I suggested in my oral testimony, “No American wants Iran to support terrorism, oppress human rights, or engage in any number of other objectionable activities, but the only thing worse than an Iran that does these things is an Iran that does these things and has nuclear weapons. And absent sanctions relief, there will be no agreement, and Iran’s nuclear program will be unconstrained.”

The recent tragic attacks in Paris provide all the more reason to make sure we understand the nature of the threat we face and to devise policies that actually address the challenge.

Defining Terrorism

It is worth remembering, first, what terrorism is, and what it is not. Terrorism is a tactic used by individuals, non-state actors, and states that seeks to create fear and to alter behavior through the use of attacks on innocent civilians or non-combatants. It is to be distinguished, therefore, from other forms of violence, for example those employing regular military forces used in traditional conventional wars.

Not every act of violence is terrorism, and we do ourselves a disservice and inhibit our ability to combat terrorism when we use sloppy definitions that label everything we do not like as terrorism. If everything is terrorism, then the word has no actual content. Murky concepts can lead to misguided policymaking.

During the hearing, it appeared as if several witnesses conflated Iran’s support for Hezbollah and other groups that have employed terrorism with anything and everything that Iran does in the region. At one point, one of the witnesses cited Iran’s plans for increased defense spending, seeming to suggest that all of it would be for terrorism. That is a logical and empirical error.

Iran’s Support for Terror Groups Versus Its Conventional Military Efforts in the Region

It is worth remembering that in Iraq, Iran is fighting Daesh (also known as ISIL). Iran is employing regular military forces to support the Kurds and the Iraqi army, as it battles this terrorist group. Indeed, in Iraq, the US and Iran are on the same side. It would seem odd, therefore, to suggest that an increase in Iran’s defense budget is simply going to terrorism, when that portion going to the war in Iraq is actually intended to fight terrorists.

In addition to supporting regular forces, Iran supports some Iranian militias, who are also fighting Daesh. I have grave concerns about the use of militias, both because of their propensity to engage in revenge attacks and atrocities, and because they will likely pose a direct threat to the

future of Iraqi governance. But to be clear, the government of Iraq has supported and fought alongside Iraqi militias.

In Syria, Iran (and Russia) are aiding the Assad regime. Assad's Syria offers a case of a state, rather than a non-state actor, that employs both traditional applications of military force and the use of terror. Beyond that, in my view, Assad and other Syrian leaders are war criminals, having used chemical weapons and barrel bombs –among other heinous acts- to indiscriminately kill civilians.

Still, it is hard to ignore that in Syria, the groups that Iranian regular forces are battling include (but are not limited to) Daesh and Al Qaeda.

The picture is further complicated by the fact that the US, through the CIA, is assisting the Free Syrian Army (FSA). The FSA has in its ranks violent Islamist extremists.² In addition, the FSA directly coordinates with terrorist groups in its military campaigns against Assad, particularly in south. If the US supports the FSA, and the FSA cooperates with terrorist groups, is the US supporting terrorists? It is a question that is rarely asked.

American Allies' Support for Terror Groups

A similar question comes from Yemen, where the US has joined a Saudi coalition to push back Houthi rebels who had overrun the country. As the *Wall Street Journal* has reported, Saudi-backed forces are fighting alongside and in cooperation with Al Qaeda.³ If the US is supporting Saudi Arabia, and Saudi Arabia is fighting with Al Qaeda, is the US supporting Al Qaeda?

The war in Yemen points to a broader issue. As much as people want to cite Iran as the leading state sponsor of terrorism because of its support for Hezbollah and Hamas, two other countries vie for the title: Saudi Arabia and Pakistan. Saudi Arabia's role goes beyond its partners in Yemen. It provided guns and money to extremist rebels in Syria long before the US got involved in that country. Turkey has also materially supported extremist groups in Syria.⁴ More centrally, Saudi Arabia is the leading promoter of a school of thought in Islam, Wahabism, that provides a religious and intellectual justification for violent extremism.

² On the CIA's assistance to the Free Syrian Army, see Adam Entous, "Covert CIA Mission to Arm Syrian Rebels Goes Awry," *Wall Street Journal*, January 26, 2015, <http://www.wsj.com/articles/covert-cia-mission-to-arm-syrian-rebels-goes-awry-1422329582>. On the participation of extremists in the Free Syrian Army, see Elizabeth O'Bagy, *The Free Syrian Army*, Middle East Security Report No. 9, Institute for the Study of War, March, 2013, pp. 29-31, <http://www.understandingwar.org/sites/default/files/The-Free-Syrian-Army-24MAR.pdf>

³ Maria Abi-Habib and Mohammed Al-Kibsi, "Qaeda Fights on Same Side as Saudi-Backed Militias in Yemen," *Wall Street Journal*, July 16, 2015, <http://www.wsj.com/articles/al-qaeda-fights-on-same-side-as-saudi-backed-militias-in-yemen-1437087067>

⁴ On Saudi Arabia and Turkey's support of Al Qaeda allied groups in Syria, see Jennifer Cafarella and Genevieve Casagrande, *Syrian Opposition Guide*, Backgrounder, Institute for the Study of War October 7, 2015, http://understandingwar.org/sites/default/files/Syrian%20Opposition%20Guide_0.pdf

For its part, Pakistan not only supported terror groups that have carried out attacks against India but sponsored the Taliban and the Haqqani network, both of which employed terrorism and both of which killed American military personnel in Afghanistan. Pakistan is also alleged to have provided refuge for Osama Bin Laden and other members of Al Qaeda.

Saudi Arabia and Turkey, to a lesser extent, Pakistan are all considered American allies, but if lawmakers are serious about the issue of terrorism and intent on imposing new sanctions on the state sponsors of terrorism, then it would be hard to justify a focus on Iran to the exclusion of Saudi Arabia, Turkey, and Pakistan.

In sum, the issue of terrorism is not as simple as some would suggest. Progress against terrorism requires clear definitions that do not mix different problems, a coherent logic, and an objective eye that holds all parties accountable.

Sanctions Relief and Terrorism: a Tenuous Connection

A central theme of the hearing was the concern that sanctions relief would generate funds that would be used to support state sponsored terrorism.

I address these claims in my written testimony, including reference to an assessment by the US intelligence community (IC) that casts doubt on the notion that sanctions relief will mean a sudden boon for militants.

The IC is not the only group to reach this conclusion. Both scholars and work done at the RAND Corporation also dispute the claims that sanctions relief will result in billions of dollars for terrorism.⁵

Nevertheless, one witness cited a *New York Times* article as supporting the claim that:

...Post deal, Iran has become more even aggressive, even more anti-American, and has funded even more terrorism....⁶

A review of the actual *New York Times* report indicates that it does not make the claim that Iran "...has funded more terrorism...." Indeed, the word "terrorism" does not appear in the article.⁷

⁵ Eric Lob, "What Iran Will Really Do with Its Sanctions Relief Windfall," November 4, 2015, <https://www.washingtonpost.com/news/monkey-cage/wp/2015/11/04/what-iran-will-really-do-with-its-sanctions-relief-windfall/?postshare=1321446651691790>; Alireza Nader, "The Impact of Sanctions Relief on Iran," Testimony presented before the House Oversight and Governmental Reform Committee, Subcommittee on National Security on November 5, 2015, RAND Corporation, pp. 1-8, <http://www.rand.org/pubs/testimonies/CT442.html>

⁶ See the 1:17 time mark. Committee on Ways and Means, Subcommittee on Oversight, U.S. House of Representatives, "Iran Terror Financing and the Tax Code," Wednesday, November 4, 2015, <https://www.youtube.com/watch?v=4krOIP28wus&app=desktop>

⁷ Thomas Erdbrink, "Backlash Against U.S. in Iran Seems to Gather Force After Nuclear Deal,"

Instead, the article describes the domestic crackdown by Iranian hardliners who fear that the Iran nuclear deal will strengthen President Rouhani and the pragmatists in Iran. It should be noted that if there is any telling evidence that the JCPOA may have a moderating effect on Iranian policy, it is this crackdown by hardliners who opposed the deal. They clearly fear the Iran agreement will lead to moderation and are desperately trying to prevent that.

V. Missiles

The issue of Iran's missile development was discussed at the hearing, and it might be useful to describe Iran's missile program and place it in a proper context.

Iran has had a committed program of ballistic missile development for years, and possesses one of the larger and more advanced programs in the region. Still, Israel's missiles are more advanced, as are some of the Gulf states' tactical missile programs and missile defense initiatives.⁸

Iran's interest in ballistic missiles is not surprising given the "War of the Cities" during the Iran-Iraq War, when Saddam Hussein lobbed missiles and other munitions at Iranian urban areas in an attempt to demoralize the population. In addition, Iran's defense planners likely view ballistic missiles as an instrument of asymmetric deterrence, given Iran's poor air power capabilities and its limited capacity to project conventional military force. Put another way, Iran may think of ballistic missiles as a useful, if not completely effective, deterrent to air and missile attacks on Iranian territory.

In none of the UN Security Council resolutions is there a requirement that Iran abandon its missile program. The pre-Iran agreement UN Security Council resolutions, notably Resolution 1929 required that governments refrain from the transfer of missile technology to Iran until such time as it entered into negotiations on its nuclear program.⁹ These missile-related sanctions, together with restrictions on the sale of conventional weapons were --like economic sanctions-- a punishment for Iran's nuclear program, with the implied expectation that they would be removed after Iran resolved the nuclear dispute. In other words, the missile sanctions were not about missiles per se but rather important only as it related to Iran's nuclear program. The one exception in this case was any ballistic missile development that might be *directly* related to nuclear weapons as a delivery platform.

New York Times, November 3, 2015,

http://www.nytimes.com/2015/11/04/world/middleeast/backlash-against-us-in-iran-seems-to-gather-force-after-nuclear-deal.html?_r=1

⁸ Michael Elleman, "Gulf I: Iran's Power in the Air," *The Iran Primer*, Michael Elleman's Blog, United Institute of Peace, March 11, 2013,

<http://iranprimer.usip.org/blog/all/Michael%20Elleman>; Anthony H. Cordesman, "The Iran Nuclear Agreement and Iranian Missile Developments," CSIS, July 22, 2015,

<http://csis.org/publication/iran-nuclear-agreement-and-iranian-missile-developments>

⁹ United Nations Security Council, Resolution 1929 (2010), June 9, 2010,

https://www.iaea.org/sites/default/files/unsc_res1929-2010.pdf

Put another way, the JCPOA is a nuclear agreement, not a missile agreement.

Under UNSCR 2231, which implements the JCPOA, the moratorium on missile technology transfers is extended for eight years and Iran is called upon not to carry out ballistic missile tests of nuclear capable missiles.¹⁰ The concept of “nuclear capable” is a murky one, insofar as any missile could, in theory, carry a nuclear payload if the country had the capacity to produce a sufficiently small warhead. (For its part, the US during the Cold War produced nuclear warheads that could be fired from a bazooka -- the Davy Crockett.) But the resolution also permits missile technology transfers during this eight-year period on a case-by-case basis.

Iran, for its part, does not believe that the international community has the right to restrict its missile program outside of its direct relevance to nuclear weapons, and it did not agree to those provisions in UNSCR 2231 (thus the language that Iran is “called upon...”). As such it is not bound in the legal sense.¹¹

When it comes to assessments of Iran’s ballistic missiles, one sometimes reads breathless warnings about Iranian capabilities and its “ICBM program.” One should treat these assessments with skepticism. Iran has never flight-tested an ICBM. Its missile program continues to grapple with issues of accuracy, and while it has made progress over the years, recent assessments point to delays and challenges.¹² To be sure, it is a well established and now a largely indigenous program, but its trajectory points to incremental progress over time. Recently, Adm. Bill Gortney, head of U.S. Northern Command, testified that it would be years before Iran would be able to flight-test an ICBM, and that US assessments were pushing back the estimated projected progress in Iran’s long-range missile efforts.¹³

¹⁰ United Nations Security Council, S/RES/2231 (2015), July 20, 2015, <http://www.un.org/en/sc/inc/pages/pdf/pow/RES2231E.pdf>

¹¹ My thanks to longtime SFRC and SSCI staffer Ed Levine for his help in decoding this language.

¹² Greg Thielmann, “Addressing Iran’s Ballistic Missiles in the JCPOA and UNSC Resolution,” Arms Control Association, Issue Briefs, Volume 7, Issue 8, July 27, 2015, <http://www.armscontrol.org/Issue-Briefs/2015-07-27/Addressing-Irans-Ballistic-Missiles-in-the-JCPOA-and-UNSC-Resolution>; Barbara Salvin, “Sanctions, Sabotage, Science Delay Iran's Missile Program, *Al Monitor*, December 17, 2014, <http://www.al-monitor.com/pulse/originals/2014/12/iran-missile-development-slow.html#>

¹³ Jason Sherman, “Senior Military Officer Says Iranian ICBM Threat Delayed until Later this Decade at 'Earliest',” *Inside Defense*, November 10, 2015, <http://insidedefense.com/daily-news/senior-military-officer-says-iranian-icbm-threat-delayed-until-later-decade-earliest> Inside Defense

VI. Conclusion

I thank the Committee for providing me the opportunity to address these issues. Conceptual clarity and a reliance on facts and evidence rather than assertion and speculation will be important, as we navigate the future.

As I indicated in my testimony, the JCPOA is arguably the most robust multi-lateral nonproliferation agreement ever negotiated in the 70-year history of the nuclear age. It will require wisdom, prudence, and the support of international partners to see that the agreement is successfully realized.

I believe that Congress has an important role to play in the JCPOA's implementation. On the other hand, rash or shortsighted actions by the legislative branch could undermine the US position and leave Iran free to pursue its nuclear program. I stand ready to work with the Committee to make sure we achieve our common goal and first priority: insuring that Iran never acquires nuclear weapons.

November 3, 2015

Honorable Peter Roskam
Chairman, Subcommittee on Oversight
House Committee on Ways and Means
2246 Rayburn House Office Building
Washington, DC 20515

Honorable John Lewis
Ranking Member, Subcommittee on Oversight
House Committee on Ways and Means
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Dear Chairman Roskam and Ranking Member Lewis:

Thank you for undertaking this important investigation and for the opportunity to submit material for the record on your hearing on presidential authority to waive anti-terror provisions in the tax code with respect to the Islamic Republic of Iran. The case to change the status of Iran under the tax code is premised on the notion that the regime has in some meaningful respect "changed" in light of the recently-concluded Iran nuclear deal. We can assure that recent events demonstrate conclusively that the regime has not changed, but remains a pervasive sponsor of terrorism.

On October 29, 2015, Iranian-sponsored Shiite militia members lobbed their trademark Katyusha rockets at the unarmed residents of Camp Liberty (also known as Camp Hurriya) in a brazen assault that Secretary of State John Kerry himself labeled a "terrorist attack." Twenty-four people died, and dozens were injured from rocket fire in an attack carried out by elements of the Iranian regime in the Iraqi ruling establishment.

This was the seventh such attack on the residents since 2009, in which 140 have died and more than 1400 wounded. The residents of Camp Liberty are not mere incidental casualties. The Subcommittee should understand that the residents who were attacked are under the explicit protection of the U.S. government and military, which granted "Protected Persons" status under the Fourth Geneva Convention in July 2004. The U.S. Department of State has committed "...to support safety and security of the residents until the last of the residents leaves Iraq." U.S. military officials including General David Petraeus, General David Phillips and Retired Colonel Wesley Martin (the latter two in charge of protecting the residents as part of Operation Iraqi Freedom), are on record regarding America's obligations to protect this vulnerable population. Camp Liberty's residents even carry a "Protected Person" card with the telephone numbers of the U.S. 89th Military Police Brigade to be dialed "should an incident occur..."

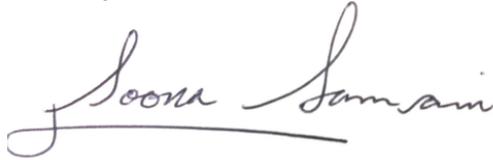
A bipartisan array of your colleagues in the U.S. Congress has condemned the attack on Camp Liberty. In the U.S. Senate, Sen. John McCain issued a very strong statement, as did Senator Robert Menendez. Messages shared by Sen. Roy Blunt and Sen. Jeanne Shaheen on social

media, also condemned the attack. In the House of Representatives, Minority Leader Nancy Pelosi made a statement on the attack, as did Foreign Affairs Committee Chairman Ed Royce and ranking member Rep. Eliot Engel. The Chairman of the Subcommittee on the Middle East and North Africa, Ileana Ros-Lehtinen, also issued a strong statement of condemnation, as well as Rep. Dana Rohrabacher, Rep. Ted Poe, Rep. Loretta Sanchez, Rep. Judy Chu and Rep. Sheila Jackson-Lee, among others.

The bottom line: it is starkly clear that the Iranian regime has not changed. Even before the ink was dry on the nuclear agreement, the regime had sponsored an attack on political opponents that had the explicit promise of protection from the U.S. government. There is simply no basis for changing the treatment of Iran under the anti-terrorism provisions of the Internal Revenue Code.

We look forward to working with you as you move forward with this vital investigation and intend to supplement the docket with information before it closes on November 18, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Soona Samsami". The signature is written in black ink and is positioned above a horizontal line that underlines the name.

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Friday, November 13, 2015

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Good day parties involved. Welfare reform as well as job stability and the health of our American economy are correlated. For this reason I'd like to share my perspective regarding the manner that welfare reform should be considered. As it stands the, the Current Population Survey (CPS), which comes from the Bureau of Labor Statistics, has noted that jobless rate has remained unchanged at 5.0% (<http://www.bls.gov/cps/>). With this in mind, we can look at the future where the Government Accountability Office has found that an approximation of 706,000 households headed by someone 65 years of age or older is carrying student loan debt (see American Student Assistance Retirement Delayed: The Impact of Student Debt on the Daily Lives of Older Americans page 5: http://www.asa.org/site/assets/files/3680/retirement_delayed.pdf). Student loan debt is rising, the jobless rate remains unchanged as of October 2015 and according to the U.S. Federal Budget the actual amount spent during fiscal year 2015 on welfare is upwards of \$366 Billion (http://www.usfederalbudget.us/federal_budget_estimate_vs_actual).

Our challenge is to improve America, maintain our security, work on infrastructure, keep America running through employment. For this we need a healthy and educated work force. I am for the income percentage plan to pay back student loans. Doing it this way will motivate individuals to really consider their education and see the cost directly affect their way of life. It is known amongst all that have attended higher learning that you can receive your financial aid

and also receive government assistance. This is tapping into our economy and debt. We are paying for students to receive their education in the form of a loan then we are paying to keep them sustaining themselves while in school. What is bad is this ties into rising tuition costs and, as pointed out previously, the cycle of our retirees and those that should be retired turning to public assistance at a time in their lives when they should be sitting on their accomplishments.

Looking at our current state we find that there are educated individuals who are living with school debt, unemployed and turning to the government for assistance to sustain themselves. This is a nasty cycle that is being perpetuated. Can we please look at changing this narrative? I propose we bolster apprenticeships (for those that find it suits their lifestyle), and this would be apprenticeships other than in the labor field, as we do not have a strong apprenticeship program at least in Texas beyond the labor field. We implement the income percentage to pay for the respective Degrees that are attained, as individuals will typically change careers in their lifetime. There does not seem to be any statistics on the amount of times that individuals have changed careers but let's look at some of our politicians who came into politics after getting degrees in finance, law, economics, psychology and such. Then look at the average American who has changed careers to adjust to their interests and needs in life. The cost of the degree changes with that. Some experience a loss in income but we also have those that receive a substantial increase in income. This would alter their lifestyle and would lead to paying their school debts as well as not joining the population that are on government assistance in any form. I ask for this respectfully, in hopes of effecting change regarding welfare and our governmental economy,

Respectfully,

Marvin Gil