

# Congress of the United States

Washington, DC 20515

February 26, 2025

The Honorable Marco Rubio  
Secretary of State  
U.S. Department of State  
2201 C Street NW  
Washington, D.C. 20520

Dear Secretary Rubio:

Since January 20, the majority of U.S. foreign assistance implementors have not received payments for providing critical humanitarian assistance. This delay in the delivery of payments will dismantle the operational abilities of in-country partners, staffing needs, distribution of urgent humanitarian assistance, and critical local networks globally. I write to urge you to immediately resume the full operation of the Phoenix and Payment Management Services (PMS) systems and ensure humanitarian and development organizations receive their payments for services rendered.

The U.S. Agency for International Development (USAID) and the U.S. State Department use two online portals, the Phoenix and PMS systems, to transfer payments to foreign assistance implementors for providing humanitarian and development services globally. The online portals are operated by hundreds of USAID staff to ensure proper vetting and efficient delivery of payments. However, due to the Administration's foreign assistance freeze and stop-work orders, there has been a worldwide delay in payments for assistance provided prior to January 19.

Thus far, the Administration has implemented efforts, led by an unelected billionaire, Elon Musk, to effectively dismantle USAID. On January 20, President Trump issued an Executive Order (EO) to pause new disbursements of U.S. foreign development assistance for 90 days. On January 24, you circulated a global cable that issued an immediate stop-work order and pause on current and new foreign assistance spending and programs. This global cable included a waiver for emergency food assistance. On January 27, USAID sent stop-work orders for approximately 400 Institutional Support Contractors at the Bureau for Global Health, terminating their employment. Since the issuance of the EO, most USAID employees have been removed from offices and from access to critical systems. On January 28, you announced waivers for life-saving humanitarian assistance. On February 14, a federal judge ordered the Administration to resume foreign aid payments for programs in existence prior to January 19. The Director of the Office of Foreign Assistance at the State Department and Deputy Administrator-designate for USAID, Peter Marocco, stated that the payment systems would be operational on February 18, but they are not. On February 25, a federal judge directed the Administration to unfreeze foreign aid within two days, due to its failure to comply with the previous court order to ensure money is delivered to aid groups. Although 180 waivers for key programs have been issued and a federal judge has ordered the Administration to lift the freeze, the stop-work order and dramatic cuts in USAID staffing have led to a delay in payments to foreign assistance implementors due to a shortage of USAID employees to operate the Phoenix and PMS systems and a halt in the distribution of life-saving foreign assistance globally.

Essential programs to promote global health, counter food insecurity, and provide water sanitation and hygiene services are unable to resume their work because funding remains frozen. More than 40 USAID-funded projects that have received waivers are frozen because the Phoenix and PMS systems have not operated for weeks. InterAction, which represents 165 humanitarian and development assistance organizations, has stated that organizations have not been paid for services rendered as far back as December. The President's Malaria


Initiative and President's Emergency Plan for AIDS Relief provide life-saving humanitarian assistance and are covered by the waiver but are unable to resume covered work such as delivering tests, nets, treatments, and drugs because they have not received start-work orders or payments.

As the world faces several humanitarian and violent crises, the U.S. cannot turn its back to the world's most vulnerable populations during their time of need or ignore its commitments. Approximately 110 million children due to receive polio vaccines may now go unprotected. In Ethiopia, more than 68,000 people will lose access to safe drinking water and become vulnerable to preventable diseases. In Sudan, 48 Health Facilities will shut down and 300,000 people will lose health services. In Haiti, loss of financial and agricultural support will quickly lead to hunger among 15,000 people.

For 60 years, U.S. humanitarian and development assistance, delivered through USAID, has saved tens of millions of lives and ensured that America is stronger, safer, and more prosperous. I strongly urge you to ensure that the Phoenix and PMS systems are fully operational so foreign assistance implementers can receive their payments and resume their life-saving work.

Thank you for your time and attention to this critical request.

Sincerely,

  
Gerald E. Connolly  
Ranking Member  
House Committee on Oversight  
and Government Reform