

OVERSEAS CONTINGENCY OPERATIONS

Resource Summary

(\$ in thousands)

Appropriations	FY 2012 Actual*	FY 2013 CR ⁽¹⁾	FY 2014 Request	Increase / Decrease From FY2012
Administration of Foreign Affairs	4,513,346	4,513,346	1,499,141	(3,014,205)
Diplomatic & Consular Programs	4,306,364	4,389,064	1,199,491	(3,106,873)
Iraq	3,025,755	3,229,455	647,229	(2,378,526)
<i>Undistributed Iraq funds (non-add)</i>	<i>1,564,620</i>	<i>2,861,955</i>	<i>0</i>	<i>(1,564,620)</i>
Afghanistan (includes WSP)	1,023,862	1,023,862	497,935	(525,927)
Pakistan (includes WSP)	135,747	135,747	54,327	(81,420)
NEA	121,000	0	0	(121,000)
Embassy Security, Construction, and Maintenance	115,700	33,000	250,000	134,300
Office of Inspector General	67,182	67,182	49,650	(17,532)
Educational & Cultural Affairs	15,600	15,600	0	(15,600)
Conflict Stabilization Operations	8,500	8,500	0	(8,500)
International Organizations	101,300	101,300	0	(101,300)
Contributions to International Organizations	101,300	101,300	0	(101,300)
Total	4,614,646	4,614,646	1,499,141	(3,115,505)

FY 2012 Actual includes the transfer of \$82.7 million from Diplomatic and Consular Programs to Embassy Security, Construction, and Maintenance. Of the \$33 million appropriated to ESCM originally programmed for Iraq leases, \$24 million was reprogrammed in the FY 2012 ESCM Spend Plan Congressional Notification to fund the lease fit-out in Tripoli.

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

Overview

In FY 2014, the Department will continue its extraordinary national security efforts in the frontline states of Iraq, Afghanistan, and Pakistan. In Iraq, the Department will continue to support a sovereign, stable, and self-reliant Iraq, while normalizing Mission Baghdad operations. In Afghanistan, the Department will be in the final stages of military-to-civilian transition focused on the long-term viability of the police, military, and the central government and governmental institutions, and countering the influence of extremists and terrorist organizations. In Pakistan, the Department will continue to disrupt violent groups that destabilize the region while strengthening Pakistan's resolve to combat these issues.

The Department's request for Overseas Contingency Operations (OCO)—temporary and extraordinary funding to meet the significant demands of operating in frontline states—reflects those resources to support the personnel, programs, and projects that are essential to meeting these national security challenges.

The Department's FY 2014 OCO request is \$1.5 billion, which is \$3.1 billion (68 percent) below the FY 2012 Actual level. Ongoing regularization of diplomatic activities in Iraq, combined with proposed reductions in the scope and scale of activities in Afghanistan, account for most of the savings. In light of substantial OCO funding in the full-year FY 2013 CR, the Department expects to support total FY 2014 requirements with a combination of the FY 2014 OCO request and estimated FY 2013 carryover.

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Highlights of Budget Changes Diplomatic and Consular Programs – OCO (\$ in thousands)

	D&CP Ongoing Operations	Worldwide Security Protection	D&CP Total
FY 2013 Estimate	4,152,863	236,201	4,389,064
Base Adjustments	0	0	0
Total, Current Services	4,152,863	236,201	4,389,064
Program Changes	(3,344,333)	154,760	(3,189,573)
OCO to Enduring Shifts	(173,175)	(81,144)	(254,319)
Iraq (non-add)	(5,563)	0	(5,563)
Afghanistan (non-add)	(124,092)	(55,348)	(179,440)
Pakistan (non-add)	(43,520)	(25,796)	(69,316)
Program Changes – All Other	(3,171,158)	235,904	(2,935,254)
Total, FY 2014 Request	808,530	390,961	1,199,491

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Diplomatic and Consular Programs - OCO

(\$ in thousands)

Funding Categories	FY 2012 Actual	FY 2013 CR	FY 2014 Request	Increase / Decrease From FY2012
Total, Diplomatic and Consular Programs	4,306,364	4,389,064	1,199,491	(3,106,873)
Human Resources	41,532	41,532	17,382	(24,150)
American Salaries, Central Account	41,532	41,532	17,382	(24,150)
Public Diplomacy American Salaries (non-add)	0	0	0	0
WSP - American Salaries (non-add)	15,809	0	0	(15,809)
Overseas Programs	2,630,623	3,856,241	223,402	(2,407,221)
Near Eastern Affairs	1,789,458	2,958,556	79,483	(1,709,975)
South and Central Asian Affairs	795,317	851,837	116,622	(678,695)
Public Diplomacy	45,848	45,848	27,297	(18,551)
Security Programs	1,634,209	491,291	958,707	(675,502)
Worldwide Security Protection - Afghanistan	182,537	182,537	371,882	189,345
WSP Current Services - Bureau Managed (non-add)	(1,398)	182,537	182,537	183,935
WSP Program Changes (non-add)	183,935	0	189,345	5,410
Worldwide Security Protection - Pakistan	37,855	37,855	19,079	(18,776)
WSP Current Services - Bureau Managed (non-add)	(4,751)	37,855	37,855	42,606
WSP Program Changes (non-add)	42,606	0	(18,776)	(61,382)
Diplomatic Security	1,413,817	270,899	567,746	(846,071)

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Iraq *Resource Summary* (\$ in thousands)

Appropriations	FY 2012 Actual	FY 2013 CR ⁽¹⁾	FY 2014 Request	Increase / Decrease From FY2012
State Programs	3,025,755	3,229,455	647,229	(2,378,526)
D&CP - Iraq	1,461,135	367,500	647,229	(813,906)
Undistributed Iraq Funds	1,564,620	2,861,955	0	(1,564,620)

CR Level does not include \$2.36 billion in carryover from FY 2012, as described in the December 2012 D&CP FY 2013 Operating Plan.

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

Program Description

The U.S. Mission in Iraq remains dedicated to building a strategic partnership in which the U.S. can advance its economic and security interests in the region. Given its potential economic strength and political influence, Iraq is clearly poised to play a key role in the Middle East. The departure of U.S. troops from Iraq marked a milestone in the relationship as the development of Iraq as a sovereign, stable, and self-reliant country continues. Iraq is now a key partner for the U.S. in the region. Iraq has functioning government institutions including an active legislature, is playing an increasingly constructive role in the region, and has a bright economic future as oil revenues surpass pre-Saddam Hussein production levels with continued rapid growth to come. The U.S. maintains vigorous and broad engagement with Iraq on diplomatic, political, economic, and security issues in accordance with the U.S.-Iraq Strategic Framework Agreement. Although much progress has been made, sporadic sectarian conflict and attempted interference by disruptive regional actors continue to pose a challenge to U.S. interests in Iraq and across the region.

The U.S. Embassy's constituent posts in Iraq continue to stretch its engagement across a wide spectrum of issues, and build long-term relationships with power centers outside the capital. Consulate General Erbil is key to facilitating agreements between the federal government in Baghdad and the Kurdish Regional Government (KRG), and is crucial to the preservation of a stable, unified Iraq. Consulate General Basrah serves Iraq's Shi'a heartland and is also the home of 80 percent of Iraq's known oil and gas reserves. With Iraq's hydrocarbons representing about 70 percent of GDP and over 90 percent of Iraqi government revenue, development of these resources provides Iraq the best long term opportunity to diversify its economy, improve basic services, and invest in its own reconstruction.

The U.S. Embassy in Baghdad is the foundation for all U.S. Government programs and efforts in Iraq. The Embassy presence allows for the monitoring, reporting, and engaging with actors and institutions on national-level issues, including sectarian tensions, economic development, and international investment while working with the Government of Iraq as it builds strong, stable relationships with neighboring states and within the region. Amid a climate of regional uncertainty, the U.S. presence in Iraq acts as a guarantor that potentially destabilizing grievances will be addressed, and that neighboring states need not interject themselves.

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Justification of Request

The Diplomatic and Consular Programs FY 2014 Overseas Contingency Operation (OCO) request for Iraq Operations is \$647.2 million, a net decrease of \$2.4 billion below the FY 2012 Actual and covers costs related to the extraordinary nature of the security environment in Iraq. The reductions are primarily driven by the continued reduction in estimates for sustainment and security contracts, a reduction in the footprint of U.S. and third-country national direct hires and contractors resulting from the reorganization of the Erbil Diplomatic Support Center and the handover of 85 percent of the Prosperity site to the Iraqi government. The request also assumes that the International Cooperative Administrative Support Services (ICASS) system does not expand the number of agencies billed in FY 2013. State Operations OCO funds will cover ICASS costs for those agencies without OCO funding. This request reflects new FY 2014 budget authority assuming available estimated carryover from FY 2013 and does not reflect actual full-year requirements for FY 2014. Major program category totals include:

U.S. Mission Operations and Other Support Operations: \$4,133,000

The FY 2014 Request reflects a reduction in direct hire and support staff as the result of the accelerated glide path. The resources required for U.S. mission operations and other support operations will support: \$3.7 million for general mission operations and \$0.4 million for offshore support.

The total FY 2014 OCO requirement is \$9.1 million which will be funded by \$4.1 million in the FY 2014 OCO request and the estimated FY 2013 carryover of \$5 million.

Logistics Support: \$59,121,000

The FY 2014 Request takes into account reductions related to the reorganization of the Erbil Diplomatic Support Center and the relocation of all personnel from the Prosperity site to the Baghdad Embassy Compound and subsequent return of 85 percent of Prosperity to the Iraqi government. Savings will also be realized as the mission transitions from the Logistics Civil Augmentation Program (LOGCAP IV) to the Operations and Maintenance Support Services (OMSS) and Baghdad Life Support Services (BLISS) contracts. Logistics resources support the following activities: \$7.3 million for aviation, \$19.6 million for other logistical contracts, \$30.5 million for OMSS and BLISS, and \$1.7 million for ICASS.

The total FY 2014 OCO requirement is \$131 million which will be funded by \$59.1 million in the FY 2014 OCO request and the estimated FY 2013 carryover of \$71.9 million.

Security: \$567,746,000

The FY 2014 Request for security, a \$789.6 million reduction from the FY 2012 Actual level reflects reductions in the physical footprint at the Erbil Diplomatic Support Center (EDSC) and Prosperity in Baghdad; reductions in the aviation platform, specifically the elimination of the "Little Bird" program; and reduced armored vehicle requirements. The reduction also reflects anticipated reimbursements from other U.S. Government agencies.

Security operations includes \$6.8 million for compound/mancamp operations; \$18.0 million for equipment such as special protective equipment and high threat protection equipment; \$78.3 million for other support/operations, which includes funding for ICASS, annual recurring support costs such as post-held premiums and danger pay (this requirement reflects decreases of nearly \$166 million associated with the accelerated glide path and the transition from a basic life support package to ICASS, as well as revised reimbursement assumptions from other agencies); \$129.5 million for personal security details

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(PSDs); \$57.2 million for physical and technical security; \$1.8 million for regional security operations, which includes annual recurring support costs for Regional Security Officers (RSOs); \$93.3 million for static/local guards (this requirement reflects \$30.9 million in reductions associated with the anticipated closure of Prosperity in March 2013); and \$182.8 million for consulate operations, which primarily funds aviation requirements via the Aviation Working Capital Fund, PSDs in Basrah and Erbil, and static/local guards in Basrah and Erbil. This funding reflects reductions of \$30.9 million associated with the anticipated reorganization of the Erbil Diplomatic Support Center by September 2013 and includes no funding for Kirkuk.

The total FY 2014 OCO requirement is \$838.6 million which will be funded by \$567.7 million in the FY 2014 OCO request and the estimated FY 2013 carryover of \$270.9 million.

Interim Consulate Operations: \$16,229,000

The FY 2014 Request reflects reductions related to the reorganization of the Erbil Diplomatic Support Center and a reduction in direct hire and support staff as the result of the Accelerated Glide Path. Resources required for interim consulate operations will support the following FY 2014 activities: \$0.1 million for salaries, \$2.0 million for operational support, and \$14.1 million for logistical contracts.

The total FY 2014 OCO requirement is \$35.9 million which will be funded by \$16.2 million in the FY 2014 OCO request and the estimated FY 2013 carryover of \$19.7 million.

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Afghanistan *Resource Summary* (\$ in thousands)

Appropriations	FY 2012 Actual	FY 2013 CR ⁽¹⁾	FY 2014 Request	Increase / Decrease From FY2012
State Programs	1,023,862	1,023,862	497,935	(525,927)
Diplomatic & Consular Programs Ongoing Operations	833,993	833,993	126,053	(707,940)
Worldwide Security Programs	189,869	189,869	371,882	182,013

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

Program Description

The goal of the United States in Afghanistan continues to be to disrupt, dismantle, and defeat al-Qaida and its extremist allies. In pursuit of this goal, the Government-wide strategy has been on three reinforcing tracks: military, civilian, and diplomatic. The first two have set the table for the success of the third, which supports an Afghan-led political process to split the weakened Taliban from al-Qaida and reconcile those who will renounce violence and accept the Afghan constitution. Concurrently, the Department is working with the Afghans to consolidate and accelerate the development of their capacity for security, governance, and economic growth.

Transition to Afghan security lead has begun and will be complete by the end of 2014. As provinces complete the security transition process and field platforms are closed, the Department and other civilian agency partners are decreasing their civilian personnel numbers working towards a post-2014 enduring presence level. Throughout 2013 and 2014, the Mission will continue to have diplomats, development experts, and other specialists from nine U.S. Government departments working with key Afghan ministries, provincial and district leaders, and other Afghans on such areas of strategic importance as agriculture, rule of law, border issues, women's rights, and communications. Inter-agency participation is essential to these efforts, and the whole-of-government approach continues to be supported by the OCO request. The request is made through the Diplomatic and Consular Programs account to support these civilian uplift personnel and to secure Chief of Mission facilities and personnel.

The FY 2014 OCO request includes the resources necessary to continue the transition from a military to civilian-led effort in Afghanistan. Most one-time infrastructure investment will have been accomplished by the end of FY 2013, and as such this budget provides major reductions in operating and investment costs.

Justification of Request

The FY 2014 D&CP OCO request is \$497.9 million, a \$525.9 million decrease from the FY 2012 OCO Actual level which includes a \$340.6 million decrease for U.S. Mission Operations and Information Technology, \$221.1 million decrease for Aviation, \$146.2 million decrease for facilities construction and build-out, and an increase of \$182 million for Security. The resources requested will support civilians

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engaged in capacity building, as well as stabilization and development, which are essential to U.S. efforts in Afghanistan, and security operations. Specifically, the FY 2014 OCO request includes:

U.S. Mission Operations and Information Technology: \$50,375,000

The Mission Operations and IT request is \$50.4 million, a \$340.6 million decrease from the FY 2012 Actual level. The request supports American and locally employed staff salaries, benefits, allowances, travel, training, life support/ICASS support, infrastructure, replacement furnishings/equipment and information technology. Additionally, the request reduces funding available for transfer to other agencies to support the continued deployment of civilian experts as the civilian agency presence in Afghanistan continues to downsize. The public diplomacy request is \$12.4 million. Public diplomacy OCO funding concentrates on programs to educate and prepare the Afghan people, especially women, for the April 2014 elections. The Public Affairs Section will continue to counter extremist messaging, and work with the incoming Afghan government to transition many of the English-teaching and other programs to government run programs. This public diplomacy request represents a reduction of \$5.7 million from the FY 2012 Actual level; this decrease is a result of completing major communications projects.

Aviation: \$75,678,000

The aviation request is \$75.7 million, a reduction of \$221.1 million from the FY 2012 Actual level. The Department has previously acquired the fleet needed to safely perform the diplomatic mission in Afghanistan. The aviation budget supports operation and maintenance of the fleet currently assembled in country.

Security: \$371,882,000

The FY 2014 Request for security is \$371.9 million, an increase of \$182 million over the FY 2012 Actual level. The request will provide the necessary resources for the Bureau of Diplomatic Security (through Worldwide Security Protection) to continue to protect and secure U.S. government personnel carrying out their mission at Embassy Kabul and at other locations throughout the country. The request is predicated on the assumption that security conditions through-out Afghanistan do not dramatically change from the current levels, i.e. self-drive in the north and west and escorts required in the south and east.

The request includes \$9 million for equipment such as bandwidth for the Tactical Operations Center equipment, Command, Control, Communication, Intel (C4I) equipment, and special protective equipment; \$87.1 million for physical and technical security, including Sense and Warn, personnel tracking and locating devices and Unmanned Aerial Vehicles (UAV); \$4.8 million for other support operations such as annual recurring support costs, i.e. post-held premiums, R&R, etc. for Assistant Regional Security Officers, aviation services, courier shipping costs, and weapons of mass destruction training, which prepares personnel to react in the event of biohazard or chemical attack; \$17.9 million for Regional Security-related costs including support costs for RSOs and Security Protective Specialist positions; \$120.2 million for protective details necessary to provide secure movements to chief of mission personnel; and \$132.9 million for static/local guards, including the protection of facilities at Valdez and Alvarado being upgraded to Chief of Mission facilities.

Also included within the FY 2014 Request are shifts from the OCO account to the Enduring account, totaling -\$55.3 million, including: -\$7.3 million for American Salaries; -\$12.6 million for armored vehicles; -\$6.2 million for equipment; -\$8.3 million for other support/operations; -\$7.0 million for Regional Security operations such as post-held premiums and danger pay; -\$13.8 million for physical and technical security; and -\$54,000 for training specific to preparing for and responding to biological/chemical attacks.

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Pakistan *Resource Summary* (\$ in thousands)

Appropriations	FY 2012 Actual	FY 2013 CR ⁽¹⁾	FY 2014 Request	Increase / Decrease From FY2012
State Programs	135,747	135,747	54,327	(81,420)
Diplomatic & Consular Programs Ongoing Operations	89,415	89,415	35,248	(54,167)
Worldwide Security Programs	46,332	46,332	19,079	(27,253)

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

Program Description

The United States has a deep national security interest in a democratic Pakistan that is developing economically, playing a positive role in the war on terror, and contributing to peace and stability in the region. Pakistan lies at the heart of the U.S. counterterrorism strategy, the peace process in Afghanistan, nuclear non-proliferation efforts, and economic integration and development in South and Central Asia. Therefore, the United States will continue to engage Pakistan with its political, economic, and security challenges that threaten Pakistan's stability, and in turn undermine regional stability. The United States is committed to a long-term, broad-based partnership with the government and the people of Pakistan.

The Department's efforts in Pakistan are extraordinary yet temporary. OCO funding is requested to support a robust diplomatic presence to create a durable stability in this strategic region. The United States places a heavy emphasis on diplomacy and outreach in Pakistan. The resources requested provide support critical to U.S. priorities including:

- Sustaining close cooperation with the country. This requires sustaining a cooperative relationship with the government of Pakistan on the diplomatic, military, and intelligence fronts.
- Ensuring the safety and security of nuclear installations in Pakistan, a top priority of the U.S. and one of the most important engagements currently being undertaken by the U.S. in Pakistan.
- Working in tandem with the Pakistan government to facilitate the Afghanistan peace process.
- Promoting and supporting improved relations between India and Pakistan.

Justification of Request

The FY 2014 D&CP OCO Request is \$54.3 million, an \$81.4 million decrease from the FY 2012 OCO Actual level. The FY 2014 Request maintains the current Department diplomatic platform.

U.S. Mission Operations: \$23,248,000

The Mission Operations request is \$23.2 million, a decrease of \$66.2 million below the FY 2012 Actual level. Of the \$66.2 million, \$49.1 million was shifted to enduring for staffing and ongoing mission operations, \$12.9 million is a reduction in public diplomacy programs, and \$4.2 million is a reduction for

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one time expenditures such as bandwidth. The \$14.9 million public diplomacy request continues support for major communications initiatives to combat extremist voices.

Facility Improvement and Build-Out: \$12,000,000

The request includes \$12 million for temporary construction to expand Karachi office space. This funding is intended for reimbursement to Embassy Security, Construction, and Maintenance.

Security: \$19,079,000

The security request is \$19.1 million, a net \$27.3 million decrease from the FY 2012 Actual level. Of the \$27.3 million decrease, \$15.4 million is realigning resources from OCO to enduring for requirements such as \$3.6 million in American salaries, \$5.8 million for static guard requirements, and \$6 million for armored vehicle life cycle replacement. The remaining net decrease of \$11.9 million is for the nonrenewal of a personnel security detail contract. The request includes \$4 million for armored vehicles; \$0.5 million in reduced requirements associated with equipment; \$12.2 million for other support operations; \$0.3 million for protective details; and \$2.1 million for training.