

# **THE BUDGET IN BRIEF**

**FISCAL YEAR 2007**



**United States  
Department of State**

# **THE BUDGET IN BRIEF**

## **FISCAL YEAR 2007**

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# BUDGET SUMMARY

*In his Second Inaugural Address, President Bush laid out the principles of liberty and democracy that now lead America into the world. The President set a bold mission for our nation, and to achieve it America needs an equally bold diplomacy – a diplomacy that not only reports about the world as it is, but seeks to change the world itself.*

*Dr. Condoleezza Rice  
Secretary of State*

## ***Overview***

America stands committed to a bold mission – the expansion of freedom and democracy in the world. This mission is consistent with our deepest principles and vital to our national interests. For freedom and democracy represent the best way to defeat the ideologies that use terror as weapons and the surest means to build peaceful societies on hope.

Today the greatest threats emerge more within states than between them, and the fundamental character of regimes matters more than the distribution of power. There are no hard lines between our security interests, our development interests, and our democratic ideals. American diplomacy must, therefore, integrate and advance all of these goals together. Our diplomacy must be transformational, with this clear objective: to work through partnerships to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system.

The Department of State continues to press this mission daily, engaging governments and publics around the world to promote human rights, international stability, and economic prosperity. Together with partners on every continent, we are working to create a balance of power that favors freedom. Afghanistan and Iraq have been liberated from brutal regimes, and elected leaders there are now establishing democratic institutions. In addition to coalition efforts to help reconstruct those two nations, we have forged a partnership to further reform and democracy in the broader Middle East and North Africa.

We can measure progress in the democratic revolutions that have stunned the world – the Rose Revolution in Georgia, Orange in the Ukraine, Purple in Iraq, Tulip in Kyrgyzstan, and Cedar in Lebanon. Such changes and free elections are exhilarating events. Yet we know from experience that they can be followed by moments of uncertainty and that the way to a free society is not always smooth. We need not only realistic policies to help nations secure their freedom, but also practical strategies to help them create democratic institutions.

In the FY 2007 budget, we have identified the resources required by the State Department to meet the challenges and seize the opportunities of this extraordinary time of transformation – the resources necessary to ensure that American diplomacy remains the front line of freedom.

# BUDGET SUMMARY

## *FY 2007 Budget Request*

The FY 2007 budget request for all State Department appropriations totals \$9.504 billion – an increase of \$555 million over the FY 2006 level. This funding supports the programs, operations, and infrastructure essential to the conduct of U.S. diplomatic and consular relations worldwide. Funding will also support vigorous U.S. engagement abroad through public diplomacy and international organizations to advance an integrated spectrum of national interests and ideals.

The requested resources will sustain ongoing initiatives for people, security, facilities, information technology, and management reform. They will also address new and increased requirements for transformational diplomacy. Among these requirements are a strengthened American presence in states making the transition to democracy and coordination of U.S. Government civilian efforts to help the world's newest democracies.

Full funding of the FY 2007 budget request will enable the Department to:

- **Develop the workforce for transformational diplomacy**

The request provides \$23 million for 100 new positions to carry out U.S. foreign policy in a changing world. These positions will strengthen the U.S. diplomatic presence on the ground in transition states and countries that are focal points of transformational diplomacy in Africa, East and South Asia, Latin America, and the Middle East. Matching these as part of a plan to change U.S. diplomatic posture, the Department will redistribute positions from Europe and Washington to countries like China, India, Nigeria, and Lebanon, where additional staffing will make a difference. Positions in the request will also support critical foreign language training and the reconstruction and stabilization program, constituting a trained corps to lead interagency response to international crises and conflicts. The request includes an additional \$32 million for the first step of transition to a performance-based pay system and global rate of pay for the Foreign Service.

- **Support the global war on terror**

The request provides \$795 million in Worldwide Security Upgrades to increase security for diplomatic personnel, facilities, and information in the face of international terrorism. This funding will extend the core program to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. Increases will address the exceptional security demands of the U.S. Mission in Afghanistan and needs for chemical/biological protection and soft target security. Because people continue to be the single most important factor in deterrence and response to terrorist acts, the funding will add 50 security professionals.

- **Protect America's borders**

The FY 2007 budget provides \$1.139 billion for the Border Security Program. Emphasizing “secure borders and open doors,” this program protects U.S. borders against the illegal entry of terrorists and others who threaten homeland security, while facilitating the entry of legitimate foreign visitors and students. Revenue from Machine Readable Visa (MRV) fees, Enhanced Border Security Program fees, and visa fraud fees will help fund continuous improvements in systems, processes, and programs – protecting U.S. borders against the illegal entry of terrorists and others who threaten homeland security, while facilitating the entry of legitimate travelers. The budget anticipates additional revenue from the new passport surcharge applied to meet the rising passport demand associated with the Western Hemisphere Travel Initiative. Funding will add 135 consular positions, 89 of which are needed to meet

## BUDGET SUMMARY

that increased passport demand. The request also includes \$10 million in appropriated funds to pilot a 10-fingerprint collection system to support the national security requirement to collect biometric data for U.S. passports and visas.

- **Construct and upgrade secure diplomatic facilities**

The request provides \$1.540 billion to continue security-driven construction projects and address the major physical security and rehabilitation needs of U.S. embassies and consulates. This funding includes \$801 million for the on-going Capital Security Construction Program to replace diplomatic facilities at the most vulnerable posts. In FY 2007, the Department will begin construction of 10 “rightsized” facilities, including new embassy compounds in Addis Ababa, Belgrade, and Manila. In the third year of the Capital Security Cost Sharing Program, USG agencies with personnel overseas under Chief of Mission authority will contribute approximately \$363 million toward the costs of this construction program. The request also includes \$99 million to upgrade compound security at high-risk posts and increase protection for soft targets such as schools and recreation facilities.

- **Invest in information technology**

The request provides \$276 million, including revenue from fees, for Central Fund investments in information technology (IT). With every Department program now dependent on IT, from simple e-mail to specialized systems, these investments are essential for conducting the business of foreign affairs. The requested funding includes \$79 million for modernization of Local Area Networks and global IT infrastructure to provide reliable access to needed information and systems – anytime, anywhere. The funding also includes \$73 million to facilitate collaboration and data sharing internally and with other agencies. The Department’s request for IT in FY 2007 from all funding sources totals \$890 million.

- **Engage and influence through public diplomacy**

The request provides \$351 million in appropriations for public diplomacy to inform foreign audiences and win support for U.S. foreign policy goals. In addition to advocating U.S. policies, public diplomacy communicates the principles that underpin them and creates a sense of common interests and values. The public diplomacy strategy stresses outreach to younger and more diverse audiences. The strategy also seeks to improve rapid response capability to counter misinformation about U.S. policies and dangerous rumors in the same news cycle. Moreover, the strategy places increased emphasis on polling to target public diplomacy programs more effectively and on translating products into local languages to facilitate wider access.

- **Build strategic partnerships through exchanges**

The request provides \$474 million for educational and cultural exchanges to increase mutual understanding and engage the leaders of tomorrow. Aligned with other public diplomacy efforts, these people-to-people programs are uniquely able to address complex and difficult issues and lay foundations for international cooperation. Funding increases will raise the number of foreign and American participants in exchange programs of proven value and create new opportunities to educate and empower, particularly in Muslim world. The funding will support “key influencers” programs to bring to America opinion leaders, journalists, teachers, religious educators, and others who can shape the discourse about the United States and U.S. policies in their home institutions and communities. The funding will also institute Freedom Fellowships to reach talented students from outside traditional elites. Furthermore, the funding will help support the President’s National Security Language Initiative

## BUDGET SUMMARY

by promoting teaching and learning by Americans of critically needed foreign languages, such as Arabic, Farsi, Turkish, Mandarin, Hindi, and Urdu.

- **Meet U.S. commitments to international organizations**

The request provides \$1.269 billion to fund U.S. assessed contributions to 45 international organizations, including the United Nations. The request recognizes U.S. international obligations and reflects a commitment to maintain the financial stability and efficiency of those organizations. Multi-lateral diplomacy through such organizations advances key U.S. policy goals and interests, including promoting economic growth through market economies, settling disputes peacefully, encouraging non-proliferation and arms control, and strengthening international cooperation in agriculture and health.

- **Back international peacekeeping efforts**

The request provides \$1.135 billion to pay the U.S. share of costs for UN peacekeeping missions. This funding will help support peacekeeping efforts in Africa, Europe/Eurasia, the Middle East, and the Caribbean, including missions in Sudan/Darfur, Liberia, Cote d'Ivoire, the Democratic Republic of the Congo, and Haiti. Such peacekeeping activities further U.S. goals by ending conflicts, restoring peace, and strengthening regional stability. They also leverage U.S. political, military, and financial assets through the authority of the UN Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

### ***President's Management Agenda***

In addition to the resources required to support the American diplomatic platform and foreign affairs programs, the FY 2007 budget includes resources for the State Department to work more effectively and efficiently. These resources are needed to help further the Government-wide initiatives of the President's Management Agenda (PMA): budget and performance integration, improved financial performance, strategic management of human capital, competitive sourcing, and expanded electronic government. The Department is also the principal implementing partner – with the Office of Management and Budget the lead – of the PMA initiative on rightsizing the U.S. Government's overseas presence and is one of 14 agencies participating in the PMA initiative on Federal real property asset management.

### ***Performance Plan and Performance Discussions***

The foundation of the Department's performance management system is the Joint Performance Plan (JPP) for State and the U.S. Agency for International Development (USAID). Submitted as part of the FY 2007 budget, this plan is built upon the long-term State and USAID strategic planning framework and reflects the Administration's efforts to better integrate foreign policy and development assistance. The JPP lays out the joint mission and values, benefits of programs to the American public, and major cross-cutting efforts. The JPP also elaborates a coherent, hierarchical strategic planning framework, with strategic goals, performance goals linked to resources, selected initiatives and programs, selected indicators with targets, and lead bureaus and partners.

Substantive discussions of program performance and results, including current ratings by the Program Assessment Rating Tool (PART), can be found in the relevant account justification sections of this volume. This volume also includes a pilot performance presentation in support of the PMA budget and performance integration initiative. This presentation substitutes for the traditional narrative under Worldwide Security Upgrades in the State Programs section.



## **BUDGET SUMMARY**

### ***Budget Request Details***

Details of the FY 2007 budget request for State Department appropriations – with specific resource requirements for the programs, activities, and management initiatives summarized above – are provided in the following sections of this volume.

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## SUMMARY OF FUNDS

(\$ in thousands)

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Administration of Foreign Affairs</b>	<b>7,688,386</b>	<b>6,595,723</b>	<b>6,932,436</b>	<b>336,713</b>
State Programs	5,034,483	4,455,259	4,720,171	264,912
Diplomatic & Consular Programs	4,906,220	4,328,634	4,651,873	323,239
Ongoing Operations (1)(2)	4,256,316	3,647,918	3,856,703	208,785
Worldwide Security Upgrades	649,904	680,716	795,170	114,454
Capital Investment Fund	51,452	58,143	68,298	10,155
Centralized IT Modernization Program	76,811	68,482	0	(68,482)
Embassy Security, Construction & Maintenance	2,095,644	1,489,726	1,539,529	49,803
Ongoing Operations (3)	603,510	591,152	640,161	49,009
Supplemental (4)	592,000	0	0	0
Worldwide Security Upgrades	900,134	898,574	899,368	794
Capital Security Construction	774,831	799,852	800,559	707
Compound Security	125,303	98,722	98,809	87
Office of Inspector General	30,028	29,645	32,508	2,863
Educational & Cultural Exchange Programs	355,932	426,275	474,288	48,013
Representation Allowances	8,525	8,175	8,201	26
Protection of Foreign Missions & Officials	9,762	9,270	9,288	18
Emergencies in the Diplomatic & Consular Service (5)(6)(7)	877	24,872	4,940	(19,932)
Repatriation Loans Program Account (8)	1,313	1,302	1,285	(17)
Payment to the American Institute in Taiwan	19,222	19,499	15,826	(3,673)
Foreign Service Retirement & Disability Fund (mandatory)	132,600	131,700	126,400	(5,300)
<b>International Organizations</b>	<b>2,279,667</b>	<b>2,173,592</b>	<b>2,403,850</b>	<b>230,258</b>
Contributions to International Organizations	1,166,212	1,151,317	1,268,523	117,206
Contributions for International Peacekeeping Activities (9)	1,113,455	1,022,275	1,135,327	113,052
<b>International Commissions</b>	<b>63,273</b>	<b>66,478</b>	<b>63,928</b>	<b>(2,550)</b>
International Boundary & Water Commission - S&E	26,880	27,642	28,453	811
International Boundary & Water Commission - Construction	5,239	5,232	5,237	5
International Fisheries Commissions	21,688	23,693	20,651	(3,042)
American Sections	9,466	9,911	9,587	(324)
Border Environment Cooperation Commission	2,021	2,083	2,175	92
International Joint Commission	6,214	6,417	6,127	(290)
International Boundary Commission	1,231	1,411	1,285	(126)
<b>Related Appropriations</b>	<b>99,410</b>	<b>113,397</b>	<b>103,625</b>	<b>(9,772)</b>
The Asia Foundation	12,826	13,821	10,000	(3,821)
National Endowment for Democracy	59,199	74,042	80,000	5,958
East-West Center	19,240	18,994	12,000	(6,994)
Center for Middle Eastern-Western Dialogue - Trust Fund	6,660	4,936	0	(4,936)
Center for Middle Eastern-Western Dialogue - Program	622	740	750	10
Eisenhower Exchange Fellowship Program	493	494	500	6
Israeli Arab Scholarship Program	370	370	375	5
<b>Total, State Department Appropriations Act</b>	<b>10,130,736</b>	<b>8,949,190</b>	<b>9,503,839</b>	<b>554,649</b>
Migration and Refugee Assistance (10)	884,240	783,090	832,900	49,810
U.S. Emergency Refugee and Migration Assistance	29,760	29,700	55,000	25,300
<b>Other State Department Authorization Act</b>	<b>11,044,736</b>	<b>9,761,980</b>	<b>10,391,739</b>	<b>629,759</b>

## SUMMARY OF FUNDS

All FY 2005 Actuals reflect the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

All FY 2006 Estimates reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

- (1) FY 2005 Actual includes \$734.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).
- (2) FY 2006 Estimate includes \$16 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148) and reflects \$1.1 million transferred to the Peace Corps. The same act provided a rescission to the account of \$10 million, which will be taken from prior-year unobligated balances.
- (3) The Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148) provided a rescission to the account of \$20 million, which will be taken from prior-year unobligated balances.
- (4) FY 2005 Actual includes \$592.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).
- (5) FY 2005 Actual reflects \$0.11 million transferred to the Repatriation Loans Program Account.
- (6) FY 2005 Actual excludes \$2.904 million made available by the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).
- (7) FY 2006 Estimate includes \$15 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).
- (8) FY 2005 Actual includes \$0.11 million transferred from the Emergencies in the Diplomatic and Consular Service account.
- (9) FY 2005 Actual includes \$680.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13) and reflects \$50.0 million transferred to the Peacekeeping Operations account for support of the efforts of the African Union to halt genocide and other atrocities in Darfur, Sudan.
- (10) FY 2005 Actual includes \$120.4 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

## SUPPLEMENTAL APPROPRIATIONS

***Emergency Supplemental Appropriations Act for  
Defense, the Global War on Terror, and  
Tsunami Relief, 2005  
(P.L. 109-13)  
(\$ in thousands)***

Appropriations	FY 2005 Actual
<b>Administration of Foreign Affairs</b>	<b>1,328,904</b>
Diplomatic & Consular Programs: Ongoing Operations	734,000
Embassy Security, Construction & Maintenance: Supplemental	592,000
Emergencies in the Diplomatic & Consular Service	2,904
<b>International Organizations</b>	<b>630,000</b>
Contributions for International Peacekeeping Activities (1)	630,000
<b>Foreign Assistance</b>	<b>120,400</b>
Migration and Refugee Assistance	120,400
<b>Total, Department of State</b>	<b>2,079,304</b>

(1) FY 2005 Actual reflects \$50.0 million transferred to the Peacekeeping Operations account for support of the efforts of the African Union to halt genocide and other atrocities in Darfur, Sudan.

***Emergency Supplemental Appropriations Act to Address  
Hurricanes in the Gulf of Mexico and  
Pandemic Influenza, 2006  
(P.L. 109-148)  
(\$ in thousands)***

Appropriations	FY 2006 Estimate
<b>Administration of Foreign Affairs</b>	<b>29,900</b>
Diplomatic & Consular Programs: Ongoing Operations (1)	14,900
Emergencies in the Diplomatic & Consular Service	15,000
<b>Total, Department of State</b>	<b>29,900</b>

(1) FY 2006 Estimate reflects \$1.1 million transferred to the Peace Corps.

## SUPPLEMENTAL APPROPRIATIONS

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Administration of Foreign Affairs</b>	<b>20,033</b>	<b>20,013</b>	<b>20,185</b>	<b>172</b>
State Programs	18,502	18,453	18,605	152
Diplomatic & Consular Programs Ongoing Operations	17,301	17,197	17,299	102
Worldwide Security Upgrades	1,201	1,256	1,306	50
	0	0	0	0
Embassy Security, Construction & Maintenance	879	898	898	0
	0	0	0	0
Other Administration of Foreign Affairs	652	662	682	20
Office of Inspector General	314	318	318	0
Educational and Cultural Exchange Programs	338	344	364	20
	0	0	0	0
<b>International Commissions</b>	<b>345</b>	<b>345</b>	<b>345</b>	<b>0</b>
International Boundary & Water Commission - S&E	295	295	295	0
International Boundary & Water Commission - Construction	18	18	18	0
American Sections	32	32	32	0
International Boundary Commission	8	8	8	0
International Joint Commission	24	24	24	0
	0	0	0	0
<b>State Appropriations Act</b>	<b>20,378</b>	<b>20,358</b>	<b>20,530</b>	<b>172</b>

Diplomatic & Consular Programs Ongoing Operations position levels do not include 2,712 positions that were funded by MRV fees in FY 2005; 3,087 positions that are being funded by MRV fees in FY 2006; and 3,222 positions that are being funded by MRV fees in FY 2007.

# ADMINISTRATION OF FOREIGN AFFAIRS

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>State Programs</b>	<b>5,034,483</b>	<b>4,455,259</b>	<b>4,720,171</b>	<b>264,912</b>
Diplomatic & Consular Programs	4,906,220	4,328,634	4,651,873	323,239
Ongoing Operations (1)(2)	4,256,316	3,647,918	3,856,703	208,785
Worldwide Security Upgrades	649,904	680,716	795,170	114,454
Capital Investment Fund	51,452	58,143	68,298	10,155
Central Information Technology Modernization Program	76,811	68,482	0	(68,482)
<b>Embassy Security, Construction &amp; Maintenance</b>	<b>2,095,644</b>	<b>1,489,726</b>	<b>1,539,529</b>	<b>49,803</b>
Ongoing Operations (3)	603,510	591,152	640,161	49,009
Supplemental (4)	592,000	0	0	0
Worldwide Security Upgrades	900,134	898,574	899,368	794
Security Construction	774,831	799,852	800,559	707
Compound Security	125,303	98,722	98,809	87
Office of Inspector General	30,028	29,645	32,508	2,863
Educational and Cultural Exchanges	355,932	426,275	474,288	48,013
Representation Allowances	8,525	8,175	8,201	26
Protection of Foreign Missions & Officials	9,762	9,270	9,288	18
Emergencies in the Diplomatic & Consular Service (5)(6)(7)	877	24,872	4,940	(19,932)
Repatriation Loans Program Account (8)	1,313	1,302	1,285	(17)
Payment to the American Institute in Taiwan	19,222	19,499	15,826	(3,673)
F.S. Retirement & Disability Fund (mandatory)	132,600	131,700	126,400	(5,300)
<b>Total, Administration of Foreign Affairs</b>	<b>7,688,386</b>	<b>6,595,723</b>	<b>6,932,436</b>	<b>336,713</b>

All FY 2005 Actuals reflect the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

All FY 2006 Estimates reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

(1) FY 2005 Actual includes \$734.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

(2) FY 2006 Estimate includes \$16 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148) and reflects \$1.1 million transferred to the Peace Corps. The same act provided a rescission to the account of \$10 million, which will be taken from prior-year unobligated balances.

## ADMINISTRATION OF FOREIGN AFFAIRS

- (3) The Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148) provided a rescission to the account of \$20 million, which will be taken from prior-year unobligated balances.
- (4) FY 2005 Actual includes \$592.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).
- (5) FY 2005 Actual reflects \$0.11 million transferred to the Repatriation Loans Program Account.
- (6) FY 2005 Actual excludes \$2.904 million made available by the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).
- (7) FY 2006 Estimate includes \$15 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).
- (8) FY 2005 Actual includes \$0.11 million transferred from the Emergencies in the Diplomatic and Consular Service account.



# STATE PROGRAMS

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Diplomatic & Consular Programs - Ongoing Operations (1)(2)	4,256,316	3,647,918	3,856,703	208,785
Worldwide Security Upgrades	649,904	680,716	795,170	114,454
<b>Subtotal, Diplomatic &amp; Consular Programs</b>	<b>4,906,220</b>	<b>4,328,634</b>	<b>4,651,873</b>	<b>323,239</b>
Capital Investment Fund	51,452	58,143	68,298	10,155
Central Information Technology Modernization Program	76,811	68,482	0	(68,482)
<b>Subtotal, State Programs Appropriations</b>	<b>5,034,483</b>	<b>4,455,259</b>	<b>4,720,171</b>	<b>264,912</b>
Border Security Program/MRV Fees	668,090	734,002	682,969	(51,033)
Enhanced Border Security Program Fees/Visa Fraud Fee/WHTI Surcharge (3)	71,488	255,300	445,800	190,500
IT Central Fund/Expedited Passport Fees	126,110	153,560	207,643	54,083
Other Fees	31,783	40,045	44,570	4,525
<b>Total</b>	<b>5,931,954</b>	<b>5,638,166</b>	<b>6,101,153</b>	<b>462,987</b>

All FY 2005 Actuals reflect the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

All FY 2006 Estimates reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

(1) FY 2005 Actual includes \$734.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief Act, 2005 (P.L. 109-13).

(2) FY 2006 Estimate includes \$16 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148) and reflects \$1.1 million transferred to the Peace Corps. The same act provided a rescission to the account of \$10 million, which will be taken from prior-year unobligated balances.

(3) FY 2006 Estimate and FY 2007 Request reflect the Western Hemisphere Travel Surcharge and other authority to administratively amend the Enhanced Border Security Program fees.

## *Overview*

This is a time of global transformation – and it calls for transformational diplomacy. American diplomacy must and will integrate and advance together U.S. security interests, development efforts, and democratic ideals. In the demanding years ahead, American diplomats will be active in spreading democracy, reducing poverty, helping war-torn countries onto the path of stability and development, and protecting the U.S. homeland.

To succeed in America's bold mission, the Department of State will continue to project a vigorous American presence around the world. Through a network of more than 260 overseas posts, State will

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manage official relations with foreign governments and international organizations. Moreover, State will provide services to American citizens, support U.S. businesses, reach out to audiences abroad through public diplomacy, and develop the extensive local contacts necessary to conduct the business of foreign affairs.

The State Programs appropriations (Diplomatic and Consular Programs and the Capital Investment Fund) provide the critical operating resources and support necessary to fulfill the Department's range of mandates. These appropriations – together with Machine Readable Visa fees, Expedited Passport fees, Enhanced Border Security Program surcharges, visa fraud fees, and other fees and surcharges – fund the people, platform, and programs required to achieve the objectives of transformational diplomacy.

The FY 2007 budget request for State Programs appropriations totals \$4,720,171,000. Additional funding of \$1,380,982,000 is required from consular and other fee revenue.

Guided by the strategic framework of the Joint Performance Plan for State and the U.S. Agency for International Development, the Department continues to press initiatives on people, security, facilities, information technology, and management reform. The resources requested for State Programs are the amounts needed to reach the FY 2007 performance plan targets in these critical areas.

### ***Request Highlights by Account***

#### **Diplomatic and Consular Programs - Ongoing Operations**

The FY 2007 request of \$3,856,703,000 for Diplomatic and Consular Programs is a net increase of \$208,785,000 over the FY 2006 estimated level. The request provides resources to meet the requirements of transformational diplomacy; strengthen the security of U.S. borders; cover cost of living, including domestic and overseas inflation, and other mandatory increases; and provide for high priority increases. These include operating costs for the embassy in Afghanistan, public diplomacy programs, and regionalization and rightsizing investments.

#### **Worldwide Security Upgrades**

The FY 2007 request for Worldwide Security Upgrades is \$795,170,000 – an increase of \$114,454,000 over the FY 2006 estimated level. It provides funding to continue the core program of Worldwide Security Upgrades, including Afghanistan security. Resources will continue perimeter security upgrades, maintain the local guard program, and increase the number of special agents and other security professionals.

#### **Capital Investment Fund**

The FY 2007 request of \$68,298,000 for the Capital Investment Fund sustains the Department's program of investment in information technology. The FY 2007 Information Resource Management (IRM) Central Fund, which includes the Capital Investment Fund combined with \$207,643,000 in estimated Expedited Passport Fees, will provide a total of \$275,941,000 to support the Department's information technology and communications systems initiatives.

#### **Border Security Program**

The FY 2007 request for the Border Security Program, which is funded by Machine Readable Visa (MRV) and Enhanced Border Security Program fees, as well as Diplomatic and Consular Programs appropriations, is \$1,138,769,000 – an increase of \$103,794,000 over FY 2006 program levels of \$1,034,975,000.

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### Other Fees

Diversity Lottery, Fingerprint Fees, and Affidavit of Support Fees – The FY 2007 program includes an estimate of \$7,500,000 for the Diversity Lottery Program. Section 636 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 provides that the State Department may collect and retain a fee that ensures the recovery of the cost to the Department of allocating and processing applications for visas to be issued under the Diversity Lottery Program. The Department's fee is collected from successful applicants for the Diversity Lottery Program to ensure that the costs of administering the lottery and allocating diversity visas are recovered from actual users. These fee collections are available to provide consular services and are used to recover the cost to the State Department of the Diversity Lottery Program. In addition, the FY 2007 program includes an estimate of \$1,500,000 for the FBI Immigrant Visa Fingerprint Fee program. The request also includes \$24,240,000 for the Affidavit of Support (AOS) Program that is funded from a fee collected from persons submitting AOS documentation.

Defense Trade Control Fees – The FY 2007 program includes an estimate of \$5,310,000 for Defense Trade Control Registration Fees in accordance with Section 45 of the State Department Basic Authorities Act of 1956, as amended. These fees are available without fiscal year limitation to pay expenses incurred for specified defense trade control license application processing and other functions.

Commercial Services Fees – The FY 2007 program includes an estimate of \$20,000 for fees charged for the cost of providing commercial services at posts abroad in countries where the Department of Commerce does not perform commercial services for which it collects fees. Pursuant to section 52 of the State Department Basic Authorities Act of 1956, as amended, these fee collections are available until September 30 of the fiscal year following the fiscal year in which the funds were deposited.

United States Information and Educational Exchange Fees – As authorized by section 810 of the United States Information and Educational Exchange Act, authority is requested to have not more than \$6,000,000 credited to the Diplomatic and Consular Programs appropriation from fees and other payments received from English teaching, library, motion pictures, and publications programs, and from fees from educational advising and counseling, and exchange visitor programs.

An accounting of the collections received by the Department of State is provided in the Appendix.

### *Request Highlights by Activity*

**Policy Formulation and Executive Direction (\$399,325,000)** – Direction, policy formulation, and coordination are provided by the Secretary, the Deputy Secretary, the Under Secretaries, Assistant Secretaries and other bureau heads, chiefs of diplomatic missions, and their immediate staffs. They are assisted by legislative affairs and public affairs staffs who explain to the Congress and the American public the U.S. position on foreign policy issues and interests managed by the Department.

**Diplomatic Relations (\$776,241,000 including \$770,240,000 from direct appropriations, \$671,000 from Machine Readable Visa Fees, \$5,310,000 from Defense Trade Control Registration Fees, and \$20,000 from Commercial Services Fees)** – The conduct of diplomatic relations involves a wide spectrum of activities. Some examples are described below:

- In-depth knowledge and understanding of political and economic events in many nations are basic requirements of diplomacy. Achieving them requires quality reporting, analysis, and personal contact work at more than 260 missions abroad and by expert staffs in Washington. Management is required of

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U.S. participation in arms control, non-proliferation, disarmament negotiations, and other verification and compliance activities.

- International economic and trade diplomacy and in-country services to American businesses have become vital to the health of the American economy. The world continues to become more interrelated economically each year through initiatives such as Free Trade Agreements and work with international organizations such as the International Monetary Fund and the World Trade Organization.
- Promoting human rights internationally, supporting emerging democracies and economic development, improving the global environment, and meeting humanitarian emergencies that affect political and economic well-being and stability are vital to America's long-term interest.
- There is a continuous need to keep abreast of scientific and technological developments abroad and to assist cooperatively some nations in these fields by aiding two-way exchanges of information and expert personnel.

**Public Diplomacy (\$357,001,000 including \$351,001,000 from direct appropriations and \$6,000,000 from U.S.I.E.E fees)** – Public Diplomacy (PD) programs of the Department of State engage, educate, and empower foreign publics to advance U.S. national interests. They seek to increase mutual understanding and international cooperation by promoting dialogue between American citizens and institutions and their counterparts abroad. At this crossroads in international history, to defeat terrorists in the battle of ideas and lay the foundation for a lasting peace, the United States requires an aggressive PD effort to advocate U.S. policies and explain the institutions and principles that shape them. The strategic framework for this effort has three key objectives:

- To offer a positive vision of hope that is rooted in America's freedom agenda;
- To isolate and marginalize extremists and undermine their attempts to appropriate religion; and
- To foster a sense of common interests and values between Americans and people of different countries, cultures, and faiths.

Public Diplomacy information and cultural programs are carried out by overseas missions and supported by PD personnel in the Department's regional and functional bureaus, particularly the Bureau of International Information Programs. PD tools currently include: Internet websites; the Washington File, a daily electronic compilation of materials on U.S. policies; U.S. speakers and specialists; digital video conferences and teleconferences; electronic journals; and information resource centers, which provide reference and information support for U.S. missions. Educational and cultural exchange programs (funded from a separate appropriation) are closely aligned with PD and its strategic objectives.

**Consular Relations (\$1,186,315,000 including \$82,817,000 from direct appropriations, \$624,458,000 from MRV fees, \$294,000,000 from Enhanced Border Security Program Fees, \$120,000,000 from a new Western Hemisphere Travel Initiative Surcharge, \$31,800,000 from Visa Fraud Fees, \$7,500,000 from Diversity Lottery Fees, and \$1,500,000 from FBI Fingerprint Fees and \$24,240,000 from the Affidavit of Support Fee)** – The events of September 11 demonstrated the national security implications of having a robust and sophisticated system to process persons seeking visas to travel to the United States. Furthermore, the reaction of the traveling public to those events has combined with the continued international economic situation to decrease significantly the demand for international travel. At the same time, the Department of State is experiencing major increases in the cost of providing consular services as a result of enhanced security measures implemented to strengthen U.S. homeland security. All of these factors combine to place a heavy burden on Department of State operations:

- Non-immigrant visa requests from foreign tourists, students, business people, investors, and government officials undergo a rigorous adjudication process at missions abroad. In FY 2005, over 6.3 million persons applied for non-immigrant visas that generate an MRV fee. All of these applicants underwent a thorough screening to help ensure U.S. homeland security. The State Department expects that demand for non-immigrant visa services will remain at this same level in FY 2006 and FY 2007.

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- Persons seeking immigrant visas to the United States also undergo comprehensive screening during the adjudication process by Consular Officials overseas. In FY 2005, about 685,000 applied for immigrant visas. This workload is expected to remain at the same level in FY 2006 and FY 2007.
- Routine and emergency assistance must be provided to American citizens in distress. In FY 2006 and FY 2007, the Department projects that it will respond to two million citizen services requests worldwide each year.
- American travelers and the U.S. travel industry need to be kept aware of dangerous situations abroad. This is done through Consular Information Sheets, Travel Warnings, and helpful tips to travelers through the Consular Affairs World Wide Web Site available at the Internet Web address: <http://travel.state.gov>.
- Passport applications in the millions must be adjudicated, and passports must be issued or denied for U.S. citizens wanting to travel abroad. In FY 2005, passport demand was 10.2 million applications, with workload expected to grow to 12 million applications in FY 2006 and at least 15 million in FY 2007.
- The worldwide Border Security Program supports all areas of the President's Management Agenda through programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management and Training. These cross-cutting programs are required to secure the borders of the United States against travel here by terrorists, international criminals, or persons whose presence in the U.S. would violate United States immigration law. Border Security plans include continuing to enhance and refresh the equipment and systems that support worldwide consular activities. It also includes continuing modernization of the hardware and software systems that support visa name checks, operating the Border Crossing Card Program in Mexico, implementing biometric collection from visa applicants, strengthening cooperation between the consular and United States law enforcement and intelligence communities, enhancing American Citizen Services, and providing for the staff and operating costs of the Border Security Program. The Border Security Program relies on dedicated funding from increased MRV fees and the new Enhanced Border Security Fees – and in FY 2006 and FY 2007, the Western Hemisphere Travel Surcharge – as well as appropriated funds.

**Supporting Multilateral Diplomacy (\$52,357,000)** – The United States participates in international organizations because we have an interest in working with other nations to maintain stability, uphold laws, facilitate commerce, spur economic growth, maintain a healthy environment, address urgent humanitarian needs, and halt the spread of weapons of mass destruction. Organizations in which we play a leading role include the United Nations, regional bodies such as NATO and the Organization of American States, and a variety of more specialized and technical organizations. The Department monitors and participates in the organizations through both the headquarters staff and its missions to the larger organizations. The increasingly complex nature of world problems makes U.S. involvement in these multilateral organizations even more important to our future. This includes funding for State Department participation in international conferences.

**Diplomatic Security/Counter-Terrorism/Worldwide Security Upgrades (\$1,093,336,000 including \$1,066,374,000 from direct appropriations [\$271,204,000 for Diplomatic Security/Counter-Terrorism and \$795,170,000 from Worldwide Security Upgrades] and \$26,962,000 from MRV Fees)** – These activities provide resources, allocated by application of risk management principles, necessary to meet security responsibilities, both foreign and domestic. Included in these activities are:

- Protection of overseas U.S. government employees through local guards, technical security measures, residential security measures, and armored vehicles;
- Protection of the Secretary and visiting or resident foreign dignitaries;
- Counter-terrorism policy formulation, coordination, and research and development as well as investigations to detect passport, visa, and federal benefits fraud;
- Management of security operations at missions;

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- Protection of information at headquarters through domestic guards and physical security equipment and measures;
- Protection of information abroad through diplomatic couriers, electronic and security equipment, secure conference rooms, development and application of standards for information security, and security protection and inspection of construction property; and
- Counterintelligence investigations, background security investigations, and evaluations.

The State Department is the lead agency in U.S. Government efforts to reduce the terrorist threat to Americans overseas. The Department works closely with other governments to strengthen international counterterrorism cooperation, sends expert teams to augment U.S. embassies in crisis situations, and eliminates physical security vulnerabilities at our diplomatic missions.

**Information Resource Management (\$806,733,000 including \$505,163,000 from Diplomatic and Consular Programs, \$68,298,000 from the Capital Investment Fund, \$25,629,000 from MRV Fees, and \$207,643,000 from Expedited Passport Fees)** – This program provides the resources for the effective and efficient creation, collection, processing, transmission, dissemination, storage, and disposition of information required for the formulation and execution of foreign policy and for the conduct of daily business, including consular services. The information needs of the President, the Secretary of State, the Department and its overseas missions, and approximately 100 other government organizations drive the resource requirements. This activity includes:

- Corporate information systems and services such as: core foreign affairs systems supporting the Secretary and principal officers; consular systems for passport and visa issuance and reporting; financial systems; administrative systems for personnel and property; and information services provided by Departmental libraries and publishing, records, Freedom of Information Act, and historical offices;
- Infrastructure systems such as: the Diplomatic Telecommunications System; mainframe computer centers; Automated Data Processing, communication and message centers at headquarters and at missions abroad; mail and pouch services; and special communications support for the Secretary and the White House at meetings abroad; and
- Development and maintenance of software and hardware for classified and unclassified word processing, electronic mail, spreadsheets, graphics, and data base management.

**Training Services (\$105,062,000 including \$99,813,000 from direct appropriations and \$5,249,000 from MRV fees)** – Investments in training are vital to a changing and streamlining organization. Training programs provide the language, area, information technology, consular, and other professional skills needed for the conduct of foreign relations. The Department’s training program is the principal responsibility of the Foreign Service Institute, which has an innovative training strategy designed to support directly new and emerging policy and management priorities.

**Medical Services (\$30,180,000)** – The Medical Program promotes the health of all under its care by encouraging prevention of illness and facilitating access to health care. This activity encompasses medical programs for the Department of State and the Foreign Service as well as other U.S. Government departments and agencies overseas. Approximately 31,000 employees and their eligible family members receive medical care at about 190 overseas health units overseas and in Washington, DC.

**Rental Payments to GSA (\$156,308,000)** – GSA finances its real property management activities through user charges, set at commercially comparable rates, collected from agencies occupying GSA-controlled properties. This funding provides payment for domestic space occupied by the Department.

**Overseas Program Support (\$545,838,000)** – This activity includes administrative activities at more than 260 posts abroad, such as overseas administrative support for over 100 U.S. Government organizations;

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personnel and financial management services; and short-term lease property management and building maintenance staff, shipping and customs clearance, and motor pool services.

**Domestic Infrastructure and Program Support (\$459,405,000)** – This activity includes the infrastructure located in the United States that is dedicated to the administrative support of U.S. diplomatic activities and other U.S. Government agencies overseas, such as domestic personnel and financial management services, domestic building operations and routine maintenance, acquisition services, and other general administrative services.

**Post Assignment Travel (\$133,052,000)** – Post Assignment Travel funds the cost of travel, transportation, and related items in connection with the appointment, transfer, and separation of the Department's American full-time permanent staff and their families. The Department's general tour of duty policy (with some exceptions) is four years at most overseas posts, and two years at posts with extreme hardship conditions.

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### *Funds* *Resource Summary* (\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Policy Formulation	338,065	369,651	399,325	29,674
Conduct of Diplomatic Relations	662,127	712,813	776,241	63,428
Public Diplomacy	319,890	335,734	357,001	21,267
Conduct of Consular Relations	828,369	1,065,390	1,186,315	120,925
Multilateral Diplomacy	47,956	50,229	52,357	2,128
Diplomatic Security/Counterterrorism /Worldwide Security Upgrades	923,949	960,605	1,093,336	132,731
Information Resource Management	753,968	784,512	806,733	22,221
Training Services	93,961	98,957	105,062	6,105
Medical Services	28,778	28,687	30,180	1,493
Rental Payments to GSA	133,279	149,088	156,308	7,220
Overseas Program Support	497,461	507,731	545,838	38,107
Domestic Infrastructure and Program Support	443,669	444,384	459,405	15,021
Post Assignment Travel	126,482	130,385	133,052	2,667
Supplemental	734,000	0	0	0
<b>Total</b>	<b>5,931,954</b>	<b>5,638,166</b>	<b>6,101,153</b>	<b>462,987</b>

FY 2005 Actual includes \$734.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief Act, 2005 (P.L. 109-13).



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### *Positions Resource Summary*

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Policy Formulation	1,999	2,008	2,008	0
Conduct of Diplomatic Relations	3,889	3,933	4,020	87
Public Diplomacy	2,663	2,663	2,663	0
Conduct of Consular Relations	4,429	4,645	4,780	135
Multilateral Diplomacy	306	304	304	0
Diplomatic Security/Law Enforcement Cooperation/Worldwide Security Upgrades	2,841	2,897	2,947	50
Information Resource Management	1,964	1,954	1,954	0
Training Services	584	584	599	15
Medical Services	75	75	75	0
Overseas Program Support	517	518	518	0
Domestic Infrastructure and Program Support	1,947	1,959	1,959	0
<b>Total</b>	<b>21,214</b>	<b>21,540</b>	<b>21,827</b>	<b>287</b>

Includes positions funded by direct appropriations and Border Security Program fees.

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### *Highlights of Budget Changes*

(\$ in thousands)

	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
<b>FY 2005 Actual (1) (2) (3)</b>	<b>4,256,316</b>	<b>649,904</b>	<b>128,263</b>	<b>5,034,483</b>
<b>FY 2006 Estimate (4) (5) (6)</b>	<b>3,647,918</b>	<b>680,716</b>	<b>126,625</b>	<b>4,455,259</b>
<b>Current Services</b>				
<b>Base Adjustments - Decreases</b>	<b>(63,573)</b>	<b>0</b>	<b>(58,327)</b>	<b>(121,900)</b>
One-Time FY 2006 Regionalization Costs	(3,000)	0	0	(3,000)
Avian Flu Supplemental	(14,900)	0	0	(14,900)
Border Security Program Appropriated Funding	(45,673)	0	0	(45,673)
Centralized Information Technology Modernization Program/Capital Investment Fund	0	0	(58,327)	(58,327)
<b>Base Adjustments and Annualization of 2006 Requirements</b>	<b>88,241</b>	<b>3,545</b>	<b>0</b>	<b>91,786</b>
Iraq Base Operations	65,000	0	0	65,000
Increase INR Analytical Capability	232	0	0	232
Transfer from OIG: Annual Financial Audit/Terminal Leave Costs	1,100	0	0	1,100
Annualization of 2006 American COLA, Hiring, Benefits	21,909	3,545	0	25,454
<b>Anticipated FY 2007 Wage Requirements</b>	<b>55,071</b>	<b>2,232</b>	<b>0</b>	<b>57,303</b>
FY 2007 American Cost of Living Adjustment	31,345	2,232	0	33,577
FSN Wage Increases	23,726	0	0	23,726
<b>Anticipated FY 2007 Price Requirements</b>	<b>37,428</b>	<b>38,192</b>	<b>0</b>	<b>75,620</b>
Overseas Inflation	14,506	0	0	14,506
Domestic Price	10,167	6,418	0	16,585
GSA Rent	7,220	0	0	7,220
Local Guard Program and Other Global Inflation	4,388	31,774	0	36,162
Domestic Guard Program Inflation	727	0	0	727
Medical Inflation	278	0	0	278
Workers Compensation	142	0	0	142
<b>Total Increases</b>	<b>180,740</b>	<b>43,969</b>	<b>0</b>	<b>224,709</b>
<b>Net Total, Built-In Changes</b>	<b>117,167</b>	<b>43,969</b>	<b>(58,327)</b>	<b>102,809</b>
<b>FY 2007 Current Services</b>	<b>3,765,085</b>	<b>724,685</b>	<b>68,298</b>	<b>4,558,068</b>

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	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
<b>Program Increases</b>				
<b>Transformational Diplomacy</b>	<b>67,768</b>	<b>35,019</b>	<b>0</b>	<b>102,787</b>
Transformational Diplomacy Staffing	23,387	0	0	23,387
Foreign Service Modernization Transition	32,000	0	0	32,000
Afghanistan Operations and Security	8,381	35,019	0	43,400
Asia-Pacific Partnership	4,000	0	0	4,000
<b>Security</b>	<b>0</b>	<b>35,466</b>	<b>0</b>	<b>35,466</b>
High Threat Protection: Security Staffing (50 positions)/Protective Details	0	30,485	0	30,485
Chemical/Biological Protection	0	981	0	981
Soft Target Countermeasures	0	4,000	0	4,000
<b>Global Support and Regionalization</b>	<b>3,850</b>	<b>0</b>	<b>0</b>	<b>3,850</b>
<b>Public Diplomacy</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>
<b>Border Security Program 10-Print Pilot</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>
<b>Total, Program Increases</b>	<b>91,618</b>	<b>70,485</b>	<b>0</b>	<b>162,103</b>
<b>FY 2007 President's Budget Request</b>	<b>3,856,703</b>	<b>795,170</b>	<b>68,298</b>	<b>4,720,171</b>

(1) FY 2005 Actuals reflect the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447)

(2) FY 2005 Actual for Diplomatic and Consular Programs includes \$734.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief Act, 2005 (P.L. 109-13).

(3) FY 2005 Actual for the Capital Investment Fund includes the Capital Investment Fund (\$51,452,000) and Centralized Information Technology Modernization Program (\$76,811,000).

(4) FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

(5) FY 2006 Estimate for Diplomatic and Consular Programs includes \$16 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148) and reflects \$1.1 million transferred to the Peace Corps. The same act provided a rescission to the account of \$10 million, which will be taken from prior-year unobligated balances.

(6) FY 2006 Estimate for the Capital Investment Fund includes the Capital Investment Fund (\$58,143,000) and the Centralized Information Technology Modernization Program (\$68,482,000).

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### *Explanation of Current Estimate*

The FY 2006 current estimate for State Programs appropriations of \$4,455,259,000 consists of the following amounts:

- \$3,647,918,000 estimated for Diplomatic and Consular Programs (D&CP) Ongoing Operations.
- \$680,716,000 estimated for Worldwide Security Upgrades (WSU).
- \$58,143,000 estimated for the Capital Investment Fund and \$68,482,000 estimated for the Centralized Information Technology Modernization Program.

### *Explanation of FY 2007 Built-In Changes – Decreases*

Decreases (non-recurring costs and adjustments) total \$121,900,000 for Department of State Programs appropriations as follows:

- One-time FY 2006 Regionalization Costs: -\$3,000,000. This adjustment reflects one-time costs in FY 2006 in Diplomatic and Consular Programs Ongoing Operations related to the relocation of the Regional Program Office in Vienna to the New Consulate Office Complex in Frankfurt.
- Avian Flu Supplemental: -\$14,900,000. The FY 2006 current estimate for Diplomatic and Consular Programs Ongoing Operations includes \$14,900,000 provided by the FY 2006 supplemental for the costs associated with supporting avian influenza country coordination, development of an avian influenza response plan, diplomatic outreach, and health support of U.S. Government employees stationed abroad. This amount reflects the transfer of \$1,100,000 to Peace Corps as provided by the supplemental.
- Border Security Program Appropriated Funding: -\$45,673,000. This decrease, combined with a decrease in FY 2006, eliminates the stop-gap appropriation support for the Border Security Program, begun through supplemental funding in FY 2004. As a result, the Border Security Program will be fully funded by fees in FY 2007, with the exception of \$10,000,000 requested for a pilot 10-fingerprint collection program.
- Centralized Information Technology Modernization Program/Capital Investment Fund: -\$58,327,000. This reflects adjustments to funding sources for the IT Central Fund including a decrease in requested direct appropriations offset by an increase in the request for Expedited Passport Fee spending authority.

### *Explanation of FY 2007 Built-In Changes – Increases*

The increases for FY 2007 built-in changes total \$224,709,000. This amount provides for the base adjustments detailed below, the anticipated 2.2 percent American pay increase, and overall FSN wage increases of 3.15 percent consistent with anticipated rates of overseas consumer price inflation, as well as a 1.02 percent increase for domestic inflation and an overall average 3.8 percent increase for overseas non-wage inflation. The breakdown of the total increase is as follows:

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### **Base Adjustments and Annualization of FY 2006 Requirements: \$91,786,000**

This amount reflects the full-year cost of the following:

- Iraq Base Operations: \$65,000,000. This funding will establish a funding base for FY 2007 within the regular Diplomatic and Consular Programs appropriation for core embassy functions within the U.S. Mission, Baghdad.
- Increase INR Analytical Capability: 2 positions and \$232,000. This amount represents the net result of an increase of four positions for the Bureau of Intelligence and Research to enhance analytical capability, and a transfer of two positions from the Bureau to the National Counterterrorism Center (NCTC).
- Transfer from OIG: \$1,100,000. This amount represents transfer of funding responsibility for the Annual Financial Audit and certain Terminal Leave Costs previously funded by the OIG appropriation to D&CP appropriation funding responsibility.
- FY 2006 American Cost-of-Living Adjustment, Hiring, and Benefits: \$25,454,000 (\$21,909,000 for D&CP and \$3,545,000 for WSU). Additional funding is required to annualize the FY 2007 cost of the 2006 American Pay Raise and the annualization of the Department's cost of benefits increases during 2006.

### **Anticipated FY 2007 Wage Requirements: \$57,303,000**

This amount is required for the following anticipated wage increases during FY 2007:

- American Cost-of-Living Adjustment: \$33,577,000 (\$31,345,000 for D&CP and \$2,232,000 for WSU). This amount reflects the anticipated 2.2 percent general American cost-of-living increase in FY 2007.
- FSN Wage Increases: \$23,726,000. This increase includes FSN salary adjustments consistent with local prevailing wage rates, needed to keep the Department competitive with other foreign countries' embassies and private firms in order to retain competent staff and to comply with local law, as required.

### **Anticipated 2007 Price Requirements: \$75,620,000**

This amount is required for the following anticipated price increases during FY 2007:

- Overseas Price: \$14,506,000 (D&CP). This amount will fund an estimated average 3.8 percent increase in overseas utilities, supplies, and contractual services. The rates of overseas inflation are generally higher than experienced in the United States. Overseas posts purchase a relatively large proportion of items and services on the local economies which trend toward greater price increases for items such as utilities, communications, security, and information services and equipment.
- Domestic Price: \$16,585,000 (\$10,167,000 for D&CP and \$6,418,000 for WSU). This amount will fund an estimated 1.02 percent increase in domestic inflation for items such as:
  - GPO and other printing services;
  - Travel and per diem costs;
  - Transportation of equipment and other items;
  - Rents, communications, and utilities;
  - Leasing, service, and maintenance costs primarily in the Department's information management programs;
  - Payments for transit subsidy;
  - Supplies and materials; and

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- Equipment purchases.
- GSA Rental Payment: \$7,220,000. This increase results from estimated increases in rental rates for buildings occupied by the Department.
- Local Guard Program and Other Global Inflation: \$36,162,000 (\$4,388,000 for D&CP and \$31,774,000 for WSU). This amount represents the overseas wage and price increases including those required to maintain the Department's numerous contracts for local guard services at overseas posts.
- Domestic Guard Inflation: \$727,000. This amount will fund the estimated increase required for domestic guard services.
- Medical Inflation: \$278,000. This amount represents the price increase required for medical supplies and services worldwide.
- Workers Compensation: \$142,000. Funding is required to support the increase in the Department's bill from the Department of Labor for Worker's Compensation payment.

### ***Explanation of FY 2007 Program Changes***

The FY 2007 request includes \$162,103,000 for high priority initiatives and investments that are critical to achieving the objectives of transformational diplomacy. These resources include \$102,787,000 to support Transformational Diplomacy; \$35,466,000 for Security; \$3,850,000 for Global Support and Regionalization; \$10,000,000 for Public Diplomacy; and \$10,000,000 for the Border Security Program.

### **Transformational Diplomacy: 100 Positions and \$102,787,000**

#### **Transformational Diplomacy Staffing: 100 Positions and \$23,387,000**

##### Transformational Diplomacy: 70 positions

To advance transformational diplomacy, the Department must continue to adjust its diplomatic posture overseas. In the 21st century, emerging nations like India, China, Brazil, Egypt, Indonesia, and South Africa are increasingly the focus of U.S. foreign policy. At the same time, the new front lines of our diplomacy are appearing more clearly in transitional countries of Africa, Latin America, and the Middle East. Our current global posture does not sufficiently reflect that fact. For instance, nearly the same number of State Department personnel are in Germany, a country of 82 million people, as there are in India, a country of one billion people. It is clear today that America must do more to reposition our diplomatic forces around the world, so over the next few years the United States will shift diplomatic positions to new critical posts for the 21st century. The Department will begin in Fiscal Year 2006 to redistribute 100 positions, mostly from Europe and Washington, to countries like China, India, Nigeria, and Lebanon, where additional staffing will make an essential difference. The internal redistribution using existing resources addresses only a portion of the need, however, to complete the Secretary's plan for Global Diplomatic Repositioning.

The 70 new positions herein requested would be used to strengthen and expand our diplomatic posture in transition states and other countries key to the objectives of transformational diplomacy. The essential point is that these additional positions reflect changes in our foreign policy priorities, not merely workload and other management considerations. The Department plan for Fiscal Year 2007 will build upon the objectives of the Fiscal Year 2006 changes. It is expected that the bulk of these 70 positions would go to missions with critical need in transitional countries in the Middle East, South

## STATE PROGRAMS

Asia, and Africa. The Transformational Diplomacy objectives in these areas can not be achieved through internal redistribution alone.

### Foreign Language Training: 15 positions

The FY 2007 request for Foreign Language Training is a product of three inter-related demands for foreign language skills. The first is the recently renewed emphasis on public diplomacy and telling America's story overseas, requiring that the Department place increased emphasis on language capabilities in order to better engage foreign audiences. The second, in direct response to the first, involves new requirements that Foreign Service personnel obtain broader foreign language skills and keep these skills fresh. Finally, due to projected retirements, the Department anticipates a significant exodus of language speakers, especially in critical languages and of the most proficient speakers. All 15 positions would be dedicated to language training in critical needs languages, particularly Arabic and Farsi.

### Office of the Coordinator for Reconstruction and Stabilization: 15 positions

The Office of the Coordinator for Reconstruction and Stabilization (S/CRS) has a mandate from National Security Council (NSC) Principals and via a Presidential directive to lead, coordinate, and institutionalize U.S. Government civilian capacity to prevent or prepare for post-conflict situations and to help stabilize and reconstruct societies in transition from conflict or civil strife so they can reach a sustainable path toward peace, democracy and a market economy. S/CRS will coordinate interagency capacity and interoperability for Washington management of post-conflict operations ensuring coordinated and effective field responses. S/CRS staff manage conflict prevention efforts with Regional Bureaus and interagency and manage USG reconstruction and stabilization responses in 2-3 countries, providing management support to Regional bureaus and leading planning process to link USG programs and resources to overall strategies. S/CRS also distills and applies lessons learned; coordinates on capacity building with the international community, and leads interagency participation in military exercises focused on reconstruction and stabilization missions, providing support to scenario development and exercising civilian planning and deployment functions.

To continue to achieve its mission in FY 2007, S/CRS will further institutionalize office functions and support the Active Response Corps within the Department of State for rapid diplomatic response. Focus will be on recruitment and development of civilian surge capacity, "jointness" with military in planning and exercises, and organization and training of integrated interagency field teams.

### **Foreign Service Modernization Transition: \$32,000,000**

The requested funding supports the first step of transition to a performance-based pay system and global rate of pay for Foreign Service personnel grade FS-01 and below. The forthcoming Foreign Service Modernization legislative proposal linked to this funding would amend Section 406 of the Foreign Service Act (22 U.S.C. 3966) to eliminate longevity-based pay increases and institute a strictly pay-for-performance system similar to that instituted for the Senior Foreign Service in P.L. 108-447. The proposal would establish a global rate of pay for the Foreign Service to attract and retain a labor market for worldwide-available personnel, based on the needs of the Service, consistent with other pay systems with similar worldwide availability requirements. This global rate addresses the increasing pay disincentive to overseas service from the loss of locality based payments under 5 USC 5304. The Modernization proposal would equalize the Foreign Service global rate at the Washington, D.C. rate, including locality pay, over two years. The requested funding supports the first step of this transition. Additional funding will be required in FY 2008 and FY 2009 to fully close the gap, in order to begin a new pay-for-performance system effective April 2008, under a uniform global rate pay system.



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### **Afghanistan Operations: \$43,400,000**

As a critical element of the Global War on Terrorism, the United States has committed to assist the Government of Afghanistan (GOA) in its recovery process. To accomplish this, the Department is continually reassessing its capacity to provide the kind of assistance that is most useful to the host government, understanding that this is one of America's highest foreign policy priorities. The Department has major resource needs to operate in this environment and has been aided in the past by supplemental appropriations. The majority of this funding request for \$8,381,000 is driven by the need to build these costs into the Department's permanent funding base including funding for the Afghanistan Reconstruction Group (ARG), the Provincial Reconstruction Teams (PRTs) and the operations of the new embassy compound. Security requirements totaling \$35,019,000 for the U.S. Mission in Afghanistan are detailed in the Worldwide Security Upgrades section in this chapter.

### **Asia-Pacific Partnership: \$4,000,000**

The Asia-Pacific Partnership on Clean Development and Climate (APP) is a voluntary partnership between the United States and Australia, China, India, Japan, and South Korea. The APP has been created to accelerate the development and deployment of cleaner, more efficient technologies to address national pollution reduction, energy security and climate change. The partnership will work through public-private partnerships and will be organized into up to eight key project areas: cleaner fossil energy; renewables and distributed generations; power generation and transmission; aluminum; steel; cement; buildings and appliances; and mining. The task forces will meet several times per year concentrating their work on action plans for programs that will produce results, transfer technology, improve efficiency, and reduce emissions in the countries forming the partnership. The Department of State leads the coordination of the U.S. Government policy and programmatic engagement in the partnership. The Department will also create an informal secretariat that will organize partnership meetings. This request supports policy coordination, travel and administrative oversight for the partnership.

The requested increase will fund the Policy Coordination and Program Development group, which will support the development and implementation of U.S. participation in up to eight task forces. This group will develop proposals and establish frameworks for project reviews. This group will also work with business leaders to incorporate their views, programs and innovations in all eight areas of task forces. In addition, the increase will fund the Secretariat, which will support high level meetings and coordinate efforts of eight task forces, including technical meetings, document preparation, public outreach, and program tracking. The development of a website will serve as a communications medium, project clearinghouse and tracking and public outreach.

### **Security: 50 Positions and \$35,466,000**

A separate justification for the 50 positions and increases totaling \$35,466,000 is included in the Worldwide Security Upgrades section in this chapter.

### **Global Support and Regionalization: \$3,850,000**

In support of transformational diplomacy, the Department is aggressively pursuing regionalization of administrative support services and rightsizing administrative support staffs overseas with the goals of moving more of the delivery of administrative support services to safe locations and of re-engineering and automating the processes to contain costs. The Department is developing a plan that can lead to greater centralization and regionalization of functions for all critical danger posts in FY 2006, medium sized posts

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in FY 2007, and large posts through FY 2008. Working within regional and functional bureaus, the Department plans to fund pilot projects to identify effective new approaches to service delivery, building the business case for change and creating a flexible administrative support platform to support transformational diplomacy. The pilots will lay the groundwork for new regional or central support architecture that will support posts more effectively and efficiently while establishing and standardizing best practices for overseas operations.

### **Public Diplomacy: \$10,000,000**

This is a critical time in international history and a critical time for U.S. Public Diplomacy. To win the global war on terror, the United States must defeat the terrorists not only on the battlefield, but also in the battle of ideas. And in the long run, the only way to achieve lasting peace is to offer a hopeful alternative to terrorist ideologies of hatred and fear. To succeed in both requires an aggressive effort to communicate and share America's fundamental values.

The Under Secretary for Public Diplomacy and Public Affairs has developed a strategic framework to ensure that America's ideas and ideals prevail. This framework has three key objectives: (1) to offer a positive vision of hope that is rooted in America's freedom agenda; (2) to isolate and marginalize extremists and undermine their attempts to appropriate religion; and (3) to foster a sense of common interests and values between Americans and people of different countries, cultures, and faiths.

An increase of \$10,000,000 is requested for Public Diplomacy to support these three objectives through engagement, empowerment, and evaluation.

### **Engagement and Empowerment**

**Speaker Program Expansion: \$1,265,000** – The Department will create a new youth speaker program, modeled after the U.S. Speakers Program, in which Americans from a variety of walks of life are recruited to travel and participate in programs developed especially to engage younger groups. The Department will also expand the Speakers Program to recruit American experts from diverse walks of life to travel to one or more foreign countries to engage audiences, often skeptical of US foreign policy, through lectures, workshops, and seminars. This proposal will provide a more strategic focus for the U.S. Speaker program to sustain and reinforce interaction with targeted overseas audiences using a mix of communication tools, including videoconferencing and web-based techniques.

**Arabic and Chinese Language: \$1,700,000** – This funding will expand the Department's Arabic and Chinese language services by providing a more complete offering of policy statements, texts and transcripts and contextual materials, in formats that intended audiences are most comfortable with, for example, web sites, listservs, webcasting, text messaging, etc. Expanding Arabic will be in support of the President's charge to spread democracy in the broader Middle East – an important step in the fight against terror. Expanding Chinese language services will allow the Department to reach audiences in one of the fastest growing regions of the world.

**American Corners: \$3,200,000** – The President has charged the public diplomacy community to engage with international audiences – to tell America's story and also listen to the stories of others. American Corners provides the logistical foundation for interactive dialog – and in most countries, the only source for that dialogue. American Corners make use of interactive technology and provide visitors access to material about the U.S. in a multi-media format. The Department maintains the central repository for information on the status of the worldwide American Corner initiative and provides content development, information resource expertise, help in the development of the information component, training and workshops for American Corners and Mission staff. Expansion of American Corners will provide an opportunity to

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explore life and culture in the United States and in many localities will provide one of the best places to obtain accurate and current information about economic, cultural, political, educational and social trends in the United States.

**Countering Disinformation and Discrediting Terrorists: \$2,000,000** – The Department will use a proactive approach to an effort to discredit terrorists and diminish their appeal to win the war on terror. IIP has created a program to debunk false stories about the United States. In continuing the program, it will expose un-Islamic behavior by terrorists; support partners in their campaigns to de-legitimize extremists in their midst; partner with foreign community leaders for rolling public education campaigns to decrease Arab and Muslim tolerance for terrorist organizations and their messages of hatred and violence; and create a more aggressive counter-disinformation capability. This program will draw on the expertise of embassies and Middle East specialists inside and outside government to devise ways for U.S. policy makers to more effectively address extremism. Through partnerships with moderate, credible host country institutions and interests in the Muslim world, the Department will conduct professional, intensive issue advocacy-type campaigns to offer an alternative to extremist appeals and expose those appeals for what they really are. The program will use focus groups, polling research, and all the professional tools that would be used in a U.S. issue advocacy campaign, adapted to local conditions.

**Television (TV) Co-Operatives and Media Broadcast Projects: \$585,000** – Television and video broadcasting products continue to be powerful strategic tools for bringing America's foreign policy message to worldwide audiences. Television broadcasting can deliver messages instantly anywhere in the world at any time. The TV Co-Op program has proven to be one of the most integral components to the Department's overseas media outreach. TV Co-Ops offer foreign audiences a positive view of U.S. culture, democracy and societal issues through the eyes of a local newscaster. The Department is seeking to implement additional TV Co-Ops that will target Arab and Muslim audiences in order to build closer relationships, counter extremists, enhance the credibility of the United States and re-establish the image of the U.S. as a partner for positive change.

### **Evaluation**

**Evaluation and Polling: \$1,250,000** – The Department will establish a fully effective, performance-based executive direction and evaluation capability. The Evaluation Unit will continue to develop a "culture of measurement" by training Public Diplomacy program managers on program planning, including needs assessments and audience research, and early planning for monitoring and evaluation; design and implement outcome assessments; and create a centralized program planning, management and performance database that will include planning guidelines, needs assessment information, audience analysis data and evaluation findings. The Department will also expand its polling and survey program in Arab and Muslim-majority countries. The primary long-term challenge for U.S. public diplomacy is to address negative views of the United States, U.S. policy, and the war on terrorism in Muslim-majority and Arab countries. Results of annual polls will provide critical information on the causes of negative opinion and the segments of the public whose views are open to change.

### **Border Security Program 10-Print Pilot: \$10,000,000**

The request includes a \$10,000,000 increase in appropriated funds for the Border Security Program for pilot deployment of the collection of 10 fingerprints as the Department continues working to achieve full and real-time interoperability across biometric screening systems for a 10 fingerprint collection standard from foreign travelers, as part of the U.S. Visit Program. The funding will cover facility expansion, technology development, and advanced interoperability. In the future, first-time visitors to the United States will be

## **STATE PROGRAMS**

enrolled in the program by submitting ten fingerprints, allowing the U.S. Government to be able to identify visitors with even greater accuracy.

# WORLDWIDE SECURITY UPGRADES

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Staff	1,201	1,256	1,306	50
Funds	649,904	680,716	795,170	114,454

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

FY 2005 and FY 2006 funding levels do not include supplemental appropriations for security costs in Afghanistan.

### *Explanation of Request*

The Worldwide Security Upgrades (WSU) Program provides core funding for the protection of life, property, and information of the Department of State and for Homeland Security matters such as visa and passport fraud criminal investigations. Since the bombings of U.S. embassies in Africa in 1998 and the attacks of 9/11, the U.S. Government has actively engaged in diplomacy in high conflict environments. At the same time, conventional threats are increasing in number and new threats are emerging rapidly. The threat of international terrorism remains at a dangerous level, raising the minimum-security requirements for all diplomatic missions worldwide. The 1998 East African bombings demonstrated that diplomatic facilities can be targeted even in low threat environments. Technical threats to gain access surreptitiously to computer networks and national security information have multiplied and grown in sophistication.

The FY 2007 request is summarized in the following table:

(\$ in thousands)

Activities	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Request
<b>Ongoing Security Activities</b>	<b>607,084</b>	<b>637,870</b>	<b>681,839</b>
Guards - Worldwide Protection	251,811	259,930	280,765
Physical Security Equipment	18,412	21,150	22,845
Technical Support/Infrastructure	75,752	82,513	89,127
Information/Systems Security	48,618	51,880	56,039
Armored Vehicles	21,090	22,143	23,918
Personnel/Training	166,325	173,161	179,881
Chemical/Biological Program	17,052	18,991	20,513
Radio Program	8,024	8,102	8,751
<b>Perimeter Security Enhancements</b>	<b>42,820</b>	<b>42,846</b>	<b>42,846</b>
<b>Security Initiatives</b>	<b>0</b>	<b>0</b>	<b>70,485</b>
Security Staffing/High Threat Protection	0	0	30,485
Afghanistan Security	0	0	35,019
Chemical/Biological Preparedness	0	0	981
Soft Target Countermeasures	0	0	4,000
<b>Total, Worldwide Security Upgrades</b>	<b>649,904</b>	<b>680,716</b>	<b>795,170</b>

## **WORLDWIDE SECURITY UPGRADES**

### **Maintaining Ongoing Security Activities: \$681,839,000**

The amount required to maintain ongoing activities is \$681,839,000 and reflects an increase of \$43,969,000 to fund FY 2006 annualized and FY 2007 anticipated wage and price increases.

### **Perimeter Security: \$42,846,000**

The Department is requesting \$42,486,000 to continue the second phase of this program to address critical vulnerabilities in perimeter security at facilities worldwide. This is the fourth year of a seven-year effort to strengthen technical security capabilities at buildings outside of primary embassy or consulate compounds as well as to sustain the life-cycle replacement program for the installations completed under the initial program.

In FY 2006, 30 non-chancery buildings (large office annexes and other key facilities) received technical security upgrades. The scheduled life-cycle replacement and state-of-the-art upgrades for equipment such as vehicle barriers, cameras, and recording devices will keep them technically effective to provide the highest possible level of protection for our personnel and facilities around the world. The same level of effort continued in the third year of this initiative, using the funding received in the FY 2006 appropriation.

The FY 2007 request will fund technical security upgrades at a fourth group of 30 annexes and other high priority buildings not included in the original program, but which remain at significant risk. This funding will also continue the program to provide upgrades of 210 non-chancery buildings to be achieved over the next 5 years. Finally, the FY 2007 request will provide for the further life-cycle replacement of explosive detectors, perimeter x-ray screening machines, walk-through metal detectors, backup power systems, and closed circuit television control and recording upgrades for an additional portion of the 243 original installations.

### **Security Staffing/High Threat Protection: 50 positions and \$30,485,000**

Diplomatic Security (DS) Special Agents and other security professionals are on the front lines in the Global War on Terrorism protecting American lives and property overseas and in the United States.

- Regional Security Officer/High Threat Protection Support: Thirty-five Special Agents will increase protection for U.S. Government personnel and American citizens overseas. These personnel are required to respond to increased threat levels and rapidly changing terrorist tactics.
- Security Engineering Officers: Fifteen Security Engineering and Technical Support personnel will deploy, evaluate, and maintain physical security systems for the protection of life, facilities, and information overseas.

### **Afghanistan Security: \$35,019,000**

Afghanistan remains a national security priority. The requested funding will provide for embassy protective details, compound security, and operational support for the guard compound. The conduct of Transformational Diplomacy in this extremely high threat environment places exceptional demands on Diplomatic Security personnel. Operations in Afghanistan have been previously funded through supplemental funding. This increase establishes the funding in the base to protect U.S. Government personnel in Kabul and provincial locations.

# WORLDWIDE SECURITY UPGRADES

## **Chemical/Biological Preparedness: \$981,000**

Initial deployment of escape masks was completed in FY 2005. The requested funding provides increased sustainment training and lifecycle replacement of chemical/biological escape masks for overseas missions.

## **Soft Target Countermeasures: \$4,000,000**

The Department must respond to the current security threat environment and increase protection for personnel outside the mission. An increase in FY 2007 of \$4,000,000 will support increased training for Chiefs of Mission and Diplomatic Security personnel, training for all individuals residing overseas through distance learning courses, expanded dissemination of threat information to unofficial Americans overseas through increased operations of the Overseas Security Advisory Council (OSAC), and advanced support costs for security operations at the 2008 Beijing Olympics. The requested funding supports implementation of recommendations from the Government Accountability Office.

## ***Program Description***

Worldwide Security Upgrades supports the Department's performance goals for diplomatic security, regional stability and assisting American citizens to travel, conduct business and live abroad securely. Key initiatives and programs are described below:

### **Performance Goal: Diplomatic Security**

**Worldwide Protection, including Facilities and Physical Security Measures:** The FY 2007 request represents a full re-evaluation of requirements for the protection of life and facilities and of personnel support including the protection of 260 overseas and 100 domestic facilities and over 50,000 persons on Chief of Mission authority. Major improvements considered in this request include:

- Strengthening the Regional Security Officers program worldwide;
- Increased local guard presence at embassies and residences worldwide and lifecycle improvements of mission safe-haven facilities;
- Life-cycle replacement programs for many categories of physical facility measures and equipment, including vehicle barriers, agent bulletproof vests, and local guard force equipment;
- Incorporation of increased protection needs of the Secretary of State in the execution of Transformational Diplomacy;
- Expanded use of key technologies, such as the continued implementation of alarms, security cameras, and lock-and-leave facilities worldwide;
- Increased travel and resources for emergency support to fortify missions temporarily in emergencies;
- Protection of new missions, such as the new Gaza interest section in Jerusalem; and
- Strengthening DS Command Center operations to ensure optimal 24/7 support to posts worldwide.

**Cyber Security and Sensitive Information Security:** The FY 2007 request includes resources to address increases in cyber security threats and fortifies the Regional Computer Security Officer program to strengthen controls over information security at posts, including access by locally engaged staff.

**Personnel Clearances:** The number of security clearance investigations performed by the Department has increased in recent years, and DS expects comparable growth into FY 2007. Growth will be driven by issues such as continued involvement in Afghanistan and in other conflict resolution and reconstruction efforts, the construction of the new embassy compound in China, and the Electronic Passport Program Initiative. Consistent with the Intelligence Reform and Terrorism Prevention Act, DS is required to reduce the time necessary to perform overseas investigations on behalf of all federal agencies.

## WORLDWIDE SECURITY UPGRADES

**Training and Competence:** The FY 2007 request includes funds for updated training for DS Special Agents on safety equipment, information on various security threats and techniques used by terrorists and defenses against them, and instruction on the operation of new intrusion detection systems.

**Technology and Infrastructure Support:** The FY 2007 request includes funding to make effective use of technologies in DS protection efforts. Examples are the Security Management System enterprise and Blue Force Tracker. SMSe is a worldwide network designed to link cameras, alarms, and access control systems at posts to allow real-time monitoring from the DS Command Center. Blue Force Tracker provides identification, location, and tracking information of users in theater. Blue Force Tracking, using a national communications architecture and infrastructure, gives DS continuous locations of users and transmits immediate notification of distress calls to DS customers and Quick Reaction Forces worldwide.

Initiative/ Program	<b>Diplomatic Security</b>	
<b>Description</b>	Worldwide protection of life and property at Department of State domestic and overseas facilities	
<b>Indicator</b>	Worldwide protection of life and property at Department of State domestic and overseas facilities	
<b>Targets</b>	<b>FY 2007</b>	<ul style="list-style-type: none"> <li>• Implement phase 1 of new standards for worldwide protection, including guard coverage, lifecycle replacement of physical facility equipment, and technical requirements.</li> <li>• Right-size Secretary of State protective details without impact to other areas.</li> <li>• Cover volume increases in the protection of information, including cyber security and security clearances.</li> <li>• Strengthen training programs and implement refresher/new threats training.</li> </ul>
	<b>FY 2006</b>	<ul style="list-style-type: none"> <li>• Address critical needs in worldwide protection in terms of guards, facilities, and equipment.</li> <li>• Support increased travel of the Secretary of State by reassigning resources from non-critical areas.</li> </ul>

**Performance Goal: Regional Stability**

Initiative/ Program	<b>Regional Stability</b>	
<b>Description</b>	Security support to US diplomatic efforts in high conflict areas such as Afghanistan, Haiti, Sudan, and Gaza.	
<b>Indicator</b>	<b>Indicator #1: Ability of US Government to Continue to Operate in High Conflict Environments</b>	
<b>Targets</b>	<b>FY 2007</b>	Continue operations in Afghanistan and support to Special Diplomatic Envoys and national priority conflict resolution/reconstruction efforts.
	<b>FY 2006</b>	Continue operations in Afghanistan, Gaza, and Haiti.

**Performance Goal: Assist American citizens to travel, conduct business and live abroad securely**



## WORLDWIDE SECURITY UPGRADES

**Soft Targets:** The FY 2007 budget request includes funding to strengthen threat information dissemination to the private sector, especially those conducted by the OSAC. The budget also considers evaluation of the security framework of the Pan American Games in 2007 and advance lodging costs for the 2008 Beijing Olympics.

Initiative/ Program	<b>Assist American citizens to travel, conduct business, and live abroad securely</b>	
<b>Description</b>	Disseminate information about threats to the American public and create a more secure environment for public events with a significant volume of Americans	
<b>Indicator</b>	<b>Indicator #2: Number of constituents and web page hits</b>	
<b>Targets</b>	<b>FY 2007</b>	Increase the number of constituents and associates by 200 and web page hits by 5% over FY2006.
	<b>FY 2006</b>	Increase the number of constituents and associates by 200 and web page hits by 5% over FY2005.
<b>Indicator</b>	<b>Indicator #3: Major events</b>	
<b>Targets</b>	<b>FY 2007</b>	Validate security of the Pan American Games and provide advance security coordination for the 2008 Beijing Olympics.
	<b>FY 2006</b>	Support the Turin Winter Olympics, Paralympics, and World Cup.

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# IT CENTRAL FUND

## *Summary Statement*

(\$ in thousands)

Appropriations	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Request
Capital Investment Fund	51,452	58,143	68,298
Centralized Information Technology Modernization Program	76,811	68,482	0
IT Investment/Expedited Passport Fees	126,110	153,560	207,643
<b>Total, IT Central Fund</b>	<b>254,373</b>	<b>280,185</b>	<b>275,941</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Overview*

U.S. diplomacy and overseas operations have grown increasingly dependent on information technology. Carrying out United States foreign policy and promoting US interests require ready access to relevant information at a moment's notice. Information and IT systems and services must be available around the world, around the clock to US personnel in Washington and at over 300 locations. Recent events throughout the world have emphasized the importance of IT services in providing rapid and reliable communications. The future will demand even more - more rapid exchange of high quality information, more effective collaboration among all agencies operating overseas, greater efficiency in delivery of services, and enhanced security in protecting personnel and assets. The State Department has made great strides in modernizing its IT infrastructure and systems, and must now continuously improve its ability to provide modern anywhere/anytime access to vital information needed for successful diplomacy.

Four top business drivers for IT in FY 2007 are (1) promoting greater integration and collaboration among the more than 40 civilian agencies with overseas operations; (2) rightsizing our overseas embassies and missions to promote efficiency and security; (3) promoting interagency e-government solutions for lines of business wherever practical; and (4) comprehensive planning and investment to ensure global continuity of operations (COOP) in the event of disasters or crises. These drivers will require the Department to fine-tune many of its IT programs and are reflected in this request.

The FY 2007 IT Central Fund request, which is comprised of the Capital Investment Fund and Expedited Passport Fees, provides the IT tools and programs needed to support the Department's mission. Central Fund resources are invested to build effective, secure, and integrated IT systems supporting U.S. diplomacy worldwide, and to provide for the safeguarding and upkeep of the global IT infrastructure that is the foundation for the Department's operations.

The State Department has been implementing the IT Strategic Plan published in 2000, covering goals, objectives, and initiatives that have been substantially accomplished. This plan has produced significant results in delivering IT services throughout the world. All eligible overseas posts are fully connected via the Department's classified and unclassified networks, providing reliable connectivity to even the most remote locations. Internet access is provided from the desktop. A centralized IT refresh and modernization program has been put in place to ensure that the IT infrastructure remains fully maintained and highly

## IT CENTRAL FUND

standardized. Application modernization is in progress, with most applications now being re-tooled to provide web-based access and greater levels of integration. IT staff skills have been upgraded and hiring and retention issues have been addressed. Of perhaps greatest importance, an effective e-governance process has been put in place to oversee major IT investments and ensure consistency with priorities.

In April 2004, the Department published a strategic IT goals paper, a management-level blueprint for the IT program for the balance of this decade. In the nearly 2 years since publication of the goals paper, the Department has conducted an intensive discussion of the vision and goals, ensuring broad understanding and support by management and staff at all levels. The end result of this process will be publication of a comprehensive IT Strategic Plan (ITSP) for 2006-2010.

As the plan was developed and discussed internally and with external partners such as OMB, it became clear that it would be highly valuable to transform it into a Joint ITSP addressing the needs of State and the US Agency for International Development (USAID). The intent is to seek out opportunities to promote interagency collaboration in furthering joint mission objectives and to capitalize on economies of scale in delivering services. The Joint ITSP will mirror the *FY 2004–2009 Department of State and USAID Strategic Plan*. In addition to the immediate benefits the two agencies will realize from the joint ITSP, the Plan will also provide a platform for expanding interagency collaboration and global rightsizing to all agencies operating overseas.

The Department's budget request for FY 2007 reflects the transition to the goals structure embodied in the FY 2006-2010 Goals Paper and will serve as the basis for subsequent allocation and management of IT resources. This and the upcoming Joint ITSP is based on a clear vision for IT: *Empowering diplomacy with tools and information available anytime, anywhere.*

- Goal 1: The Right Information: *Knowledge Leadership For Diplomacy*
- Goal 2: Anytime/Anywhere Computing: *Diplomats On The Move*
- Goal 3: External Partnerships: *Diplomacy Through Collaboration*
- Goal 4: Risk Management: *Mission Effectiveness and Security*
- Goal 5: Work Practices and Workforce: *Leading Change*

These goals build on the current IT Strategic Plan and will ensure that State continues an IT program that provides excellent and innovative support to all aspects of modern diplomacy.

The Department's highest priorities for FY 2007 respond directly to the business drivers noted above. They include (1) sustaining and improving the infrastructure to provide increased accessibility to the full range of IT services from all kinds of end user devices (e.g., laptops, cell phones, thin clients) regardless of location; (2) business applications that are broadly accessible to authorized end-users via web-based tools and e-government solutions; (3) improved knowledge management tools for content management, customer relationship management, and intelligent search, retrieval, analysis, and presentation; and (4) interagency collaboration and coordination, with particular emphasis on joint efforts with USAID.

The Department continues to rely on its effective and broadly representative e-Gov IT governance process; this process has driven the FY 2007 budget request. The Assistant Secretary-level e-Gov Program Board, whose members represent the broad interests of the Department, has overseen and approved the new IT Goals Paper. This Board and senior executives from USAID will approve the new ITSP as well.

The following table summarizes the FY 2007 investment funding needed by the Department to achieve its strategic IT goals and objectives:

# IT CENTRAL FUND

## *Investments Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Goal 1: The Right Information: Knowledge Leadership for Diplomacy</b>	<b>40,761</b>	<b>52,668</b>	<b>19,288</b>	<b>(33,380)</b>
State Messaging and Archive Retrieval Toolset (SMART)	32,066	39,672	3,870	(35,802)
Electronic Medical Record (EMR)	2,875	2,500	2,500	0
Content Management System	2,324	2,446	4,557	2,111
Other Goal One Initiatives	3,496	8,050	8,361	311
<b>Goal 2: Anytime/Anywhere Computing: Diplomats on the Move</b>	<b>135,863</b>	<b>143,837</b>	<b>169,511</b>	<b>25,674</b>
Global IT Modernization	61,038	61,478	79,359	17,881
Department Bandwidth Costs	38,541	40,000	40,000	0
Enterprise Network Management	10,056	10,056	11,000	944
Enterprise Software - Licensing & Maintenance	11,220	10,348	15,639	5,291
Enterprise Server Operations Centers	3,313	3,000	3,313	313
Other Goal Two Initiatives	11,695	18,955	20,200	1,245
<b>Goal 3: External Partnerships: Diplomacy Through Collaboration</b>	<b>63,240</b>	<b>69,156</b>	<b>73,158</b>	<b>4,002</b>
Joint Financial Management Systems	7,857	12,545	9,067	(3,478)
Global Financial Management System (GFMS)	3,643	0	0	0
Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration	5,487	5,487	1,463	(4,024)
Travel Manager Program	1,073	3,499	3,500	1
Worldwide Agency-wide Locally Engaged Staff Payroll (WALES)	0	950	2,000	1,050
A/LM Integrated Logistics Management System (ILMS)	20,182	18,000	20,450	2,450
Integrated Personnel Management System (IPMS)	11,267	11,267	7,940	(3,327)
Joint Assistance Management System (JAMS)	0	500	5,320	4,820
Other Goal Three Initiatives	13,731	16,908	23,418	6,510
<b>Goal 4: Risk Management: Mission Effectiveness and Security</b>	<b>8,102</b>	<b>7,718</b>	<b>7,139</b>	<b>(579)</b>
Public Key Infrastructure (PKI) /Biometrics	8,102	7,718	7,139	(579)
<b>Goal 5: Work Practices and Workforce: Leading Change</b>	<b>6,407</b>	<b>6,806</b>	<b>6,845</b>	<b>39</b>
<b>Total, IT Central Fund</b>	<b>254,373</b>	<b>280,185</b>	<b>275,941</b>	<b>(4,244)</b>

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### **Goal 1: The Right Information: Knowledge Leadership for Diplomacy**

The Department must leverage its investment in reliable global IT infrastructure by expanding direct support for the mission-driven processes of diplomacy, interagency foreign affairs, development, and disaster assistance. This entails developing an information environment, including value-added knowledge bases focused on areas of interest; deploying effective, user-oriented tools for discovering and analyzing useful information; and establishing a Department-wide solution for content management and information publishing and dissemination. It also entails establishing a process and IT support for management to monitor activities, performance, and results. Specific initiatives to be pursued in FY 2007 include:

#### **State Messaging and Archive Retrieval Toolset (SMART): \$3,870,000**

The FY 2007 request provides program management support for SMART. The SMART program is a vital and essential building block of the Department's overarching e-Diplomacy strategy, which includes effective knowledge management as well as inter-agency information sharing and collaboration.

SMART will replace the fragmented collection of outmoded manual and automated systems that currently support foreign policy activities on a worldwide basis. Message creation, exchange, and management will be achieved via desktop client or web access for users accessing from remote locations. SMART will have many of the characteristics of systems that people use at home, notably web portals, remote access, and powerful search and retrieval.

#### **Electronic Medical Record (EMR): \$2,500,000**

The Electronic Medical Record (EMR) System establishes the essential medical record infrastructure that the Department of State must have to provide quality health care services for all U.S. Foreign Affairs agencies worldwide. The EMR provides a single, electronic, authoritative source of information that is retrievable by multiple providers for patient care, medical evacuations and hospitalizations, medical clearance decisions, medical record release actions, and medical program planning and management. The EMR also provides a standard, rapid and secure way to enter new medical record information into a patient's Department of State medical record. The EMR is an integration of commercial off-the-shelf (COTS) medical record software; unique State Department medical applications (e.g. medical clearances); and scanned medical records, which are currently being integrated with web-based development software.

EMR is being developed and deployed in three phases, including both domestic and overseas deployments. Currently, Version 1.0 is in operation domestically and overseas. During FY 2006, development of Overseas Version 2.0 will be completed and some components will be deployed at overseas posts. Deployment of the remaining modules will begin in FY 2007. Version 2 will permit overseas health units to view scanned medical records and enter mental health patient notes, medical clearance exam information, and patients' primary care information in a centralized system.

#### **Content Management System (CMS): \$4,557,000**

The CMS project provides centralized content management, web hosting, search and web reporting tools for Embassies and the Department of State's public diplomacy websites to get the right information to the right people at the right time. The CMS provides the delivery platform and infrastructure to develop, maintain, and host centralized multilingual content to streamline the creation and delivery of high quality information for both print and web content for Embassy and international audiences. The CMS will improve the efficiency of embassy operations by streamlining and providing automated support for content development, workflow, and publishing. More important, it will improve the ability of the Department to

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deliver highly effective, custom-tailored messages to audiences around the world, thus furthering the diplomatic mission.

Although the CMS project focused initially on public diplomacy, the Department of State and USAID will consider expanding the scope of the effort to cover the comprehensive content management needs specified under Goal 1 of the IT Goals Paper, which calls for establishment of a central information management service/virtual library. The CMS is an important tool supporting this effort.

CMS Phase 1 has been successfully deployed at over 100 overseas locations and is in use for central management of all public diplomacy content. In FY 2005, new public diplomacy web site capabilities were implemented in additional languages (e.g., Spanish, Farsi). Phase II, which is currently in progress and 48% complete, will carry out site migration and new product implementations to all USINFO websites, 20 embassy websites, additional language websites, and new products. The CMS has also hosted new products from the Bureau of Public Affairs, which includes their new Spanish site and Kids site, and the special project Persian Site in Farsi. In FY 2006, the CMS project will extend digital products and content through Print Publication Integration, and will add new posts/consulates into the CMS. In FY 2007, CMS will be deployed to an additional 100 overseas locations, and new technology advances will be implemented to stay current with modern content management practices.

### **Other Goal 1 Initiatives: \$8,361,000**

The Department will pursue other initiatives to promote knowledge management in support of diplomacy, including the Department's web site, Enterprise Information Portal, customer relationship management, Bureau of Intelligence and Research systems, Public Affairs Database Support, and records disposition. State and USAID will explore pilot deployments of innovative technologies for interagency information management and sharing. The overarching focus for FY 2007 will be to determine how best to provide end users with the information and tools they need to further the U.S. diplomatic mission.

### **Goal 2: Anytime/Anywhere Computing: Diplomats on the Move**

Under Goal 2, the Department will provide an IT infrastructure that supports reliable access to needed information and systems from anywhere via standard end-user devices such as laptop and desktop computers, PDAs, and cell phones. Users will have access while working at home (telecommuting and telework), while on travel, and while out of the office. To accomplish this goal, the Department will continue to maintain its global IT infrastructure, and will explore technology extensions that enable secure mobile access. The Department is working with USAID and other agencies to capitalize on technologies that have proven successful in meeting similar functional and security requirements. Specific initiatives that support Goal 2 are summarized below.

### **Global IT Modernization: \$79,359,000**

In FY 2007, the Department will continue the Global IT Modernization (GITM) program to ensure that its global IT infrastructure is kept current. Through this program, the Department centrally manages the periodic replacement and modernization of classified and unclassified desktop computers, servers, network equipment, and circuits at the Department's domestic facilities and at all overseas posts on a four-year life cycle. As equipment is replaced, infrastructure is re-engineered, as appropriate, taking into account newer technology, security and best practices. GITM allows the Department to sustain a true global infrastructure, ensuring compliance with standards, full interoperability, and cost-effective administration. To enable the Department to take the next step and provide anytime/anywhere access, the infrastructure must be sufficiently robust and reliable.

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The GITM plan for FY 2007 is to modernize 157 sites, comprised of 71 overseas OpenNet sites, 73 overseas ClassNet sites, and 13 domestic facilities.

### **Department Bandwidth: \$40,000,000**

This request funds the Department's FY 2007 requirements for bandwidth, which enables the exchange of information between the Department's headquarters and American diplomatic and consular posts around the world. As the demand grows to transmit a wide-variety of electronic information, including large sound and graphics files in support of U.S. foreign policy objectives, funding for expanded bandwidth circuits of sufficient volume and speed must be available. This request funds costs for bandwidth and related services provided by the Diplomatic Telecommunications Service Program Office (DTS-PO), as well as special circuits for individual embassies, internet service provider costs, and very small aperture terminal (VSAT) services.

Steady increases in demand for network capacity, availability, and reliability will continue and will be managed through the Department's strategic plan. Business drivers such as rightsizing, interagency collaboration, telework, and anytime/anywhere access will drive network needs.

Virtual Private Network (VPN) sites and commercial Internet Service Providers (ISPs) will be used to meet the increases in the Department's network bandwidth requirements for FY 2006 and beyond. This approach will permit management to rightsize DTS-PO bandwidth based on cost and other factors.

### **Enterprise Network Management: \$11,000,000**

This request supports the Department's on-going management and improvement of its networks – a critical step toward increasing the security and integrity of the Department's IT infrastructure. Priority activities planned for FY 2007 are:

- Bringing alternate communications capability to all overseas posts - a VPN provides encrypted communication tunnels through the public Internet, thus reducing the cost per bit of bandwidth and improving performance and reliability;
- Continuing integration of State and USAID networks, creating a seamless networking environment supporting both agencies as well as interagency collaboration;
- Voice-over-Internet Protocol (VoIP), permitting cost-effective, secure world-wide telecommunications;
- Developing and implementing a revised architecture for the global classified network;
- Improving network availability to 99.7% enterprise-wide; and
- Increasing the application of remote management processes to software distribution and patch management.

### **Enterprise Software -- Licensing and Maintenance: \$15,639,000**

The Department has entered into centralized software licensing arrangements for critical software. The goals of enterprise licensing include cost savings, standardization, and internal efficiencies in negotiating with vendors. Centralizing the licensing process ensures that all software is kept current and secure. The Department is committed to leveraging economies of scale for large software acquisition and works closely with the GSA Smart-Buy program and is a member of the Smart-Buy steering committee.

In FY 2007, the Department will support additional enterprise-wide requirements through enterprise license agreements. Among the items to be addressed are file compression, disk wiping, and a reporting toolkit. Although these particular types of software are currently in use at the Department, there are no existing



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enterprise agreements covering them. The FY 2007 request also provides coverage for the increased number of users at the Department.

### **Enterprise Server Operations Centers (ESOCs): \$3,313,000**

For several years, the Department has operated Enterprise Server Operations Centers to consolidate data processing centers. The ESOCs promote central management of Department servers, yielding efficiency gains and ensuring a critical mass of data center management expertise. Centralization of data processing centers is one step in rightsizing IT support provided around the world. This funding will allow the Department to make steady progress in the centralization of servers.

### **Other Goal 2 Initiatives: \$20,200,000**

Other initiatives that focus directly on achieving the goals of anytime, anywhere access include the FEMA backup and recovery facility, which serves as an Alternate Communications Site (ACS) for the Department in the event of a major interruption of service due to terrorist attacks, natural disasters, or catastrophic failure; anti-virus software; post telephone system upgrades; secure voice communications; and secure video/data services throughout the Department.

### **Goal 3: External Partnerships: Diplomacy Through Collaboration**

The Department is committed to electronic Government with resulting improvements in citizen services, mission effectiveness, and efficiency. The focus is in three areas: (1) participating in government-wide e-Gov initiatives; (2) streamlining administrative operations; and (3) enhancing interagency and external collaboration, especially overseas and with the intelligence and foreign affairs communities. An important ongoing priority is to provide a suite of effective and efficient application systems that ensure diplomatic readiness. The Department has been working to provide diplomatic readiness and management functions in a more streamlined, consolidated, and cost-effective manner. This request will also facilitate the use of web-enabled applications, create more useful reporting tools, and improve the Department's ability to share data, both internally and with other agencies. It will also position the Department for greater participation in government-wide administrative solutions as they emerge and become available.

### ***Financial Management***

The Department will continue to integrate and upgrade its global financial management systems in FY 2007. Goals include high levels of data consolidation, web-enablement, coordination with USAID, and positioning for government-wide e-Gov efforts.

Key initiatives for FY 2007 in financial management include:

- Joint Financial Management Systems (JFMS) (\$9,067,000) -- Provide State and USAID with a common financial management platform to support overseas and domestic worldwide financial management and reporting. JFMS is the follow-on project to the Global Financial Management System, which consolidated and improved State financial systems.
- Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration (\$1,463,000) -- This request will support a smooth transition from the current CAPPS system to an OPM/OMB approved ePayroll platform, the one operated by the National Finance Center (NFC). The NFC unit that provides the ePayroll service is now completing a gap analysis to serve as a basis for a migration plan and cost estimate. Subsequently the Department will negotiate a

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performance-based, long-term Service Level Agreement (SLA) with fixed fees to mitigate risks that might otherwise require a life cycle cost adjustment.

- Travel Manager Program (\$3,500,000) -- Consistent with the President's Management Agenda (PMA), the Department will migrate to the new government-wide eTravel service (eTS), while continuing to provide a modern, standard and streamlined travel program during the transition. The Department has selected one of GSA's approved eTravel service providers as its eTS vendor. In FY 2007 the Department will continue overseas deployment and complete all migration by September 2008.
- Worldwide Agency-wide Locally Engaged Staff Payroll (WALES) (\$2,000,000) -- OPM and OMB have designated the Department as an ePayroll provider for civilian agencies (USAID and 40 other agencies) that employ Foreign Service Nationals (FSNs) outside the United States. FSNs are local residents who provide essential support for many functions performed at overseas posts and missions. The focus in FY 2007 is on application development.

### **Integrated Logistics Management System (ILMS): \$20,450,000**

ILMS is a major reengineering and development effort to create a modern, user-oriented system for all logistics functions, including purchasing, supply, transportation, and warehouse/inventory management. ILMS emphasizes operations streamlining and self-service.

The FY2007 request will fund system documentation, knowledge transfer and activities associated with implementing a new, performance based, systems integration contract. An intermediate version upgrade is scheduled in FY2007. ILMS will work in tandem with the Post Administrative Support System (PASS). Also, the Department plans to continue working with USAID to align requirements, software versions and hardware configuration consistent with the goals specified in the IT Goals Paper. Source selection activities are scheduled for completion by December 2007 with a new contract vehicle in place by mid FY 2008.

### **Integrated Personnel Management System (IPMS): \$7,940,000**

The State Department will continue work on IPMS, the key corporate application supporting the Department's overall strategic human resources goal. IPMS is instrumental in ensuring that State has the right people, with the right training, in the right place, at the right time. The long-term mission of IPMS is to provide the Department with superior human capital management in support of its diplomatic mission.

During FY 2007, the Department will continue operations and maintenance of IPMS and its components, and will focus on key upgrades, including: upgrading the underlying software platforms; planning for increasing State/USAID integration in support of HR processes; leveraging best practices of other agencies; and reengineering data warehouse capabilities and web portal functionality.

### **Joint Assistance Management System (JAMS): \$5,320,000**

The Joint Assistance Management System (JAMS) is a cooperative effort by USAID and State to modernize the acquisition and assistance process. The JAMS program is led by USAID. The program will develop and implement a joint solution that will facilitate core grant and assistance systems needs across both organizations. The business case for this initiative will provide the administrative details and checkpoints required for JAMS to receive funding through State's eGov process. This request represents the Department's share of the FY 2007 estimated cost.

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### **Other Goal 3 Initiatives: \$23,418,000**

Other initiatives in this area will aid in business process streamlining, interagency communication, and e-Government/Lines of Business (LoB) initiatives. They include the Humanitarian Information Unit (HIU); E-Allowances; Promoting Interagency Connectivity through existing inter-agency networks (e.g. Secret Internet Protocol Router Network (SIPRNET) and Open Source Information System (OSIS)), and other mechanisms; Post Administrative Software Suite (PASS); Enterprise Application Integration (EAI); Joint Planning and Performance System (JPPS) (formerly CFPS); Joint State/USAID Enterprise Architecture; and IT Capital Planning. The Department currently participates in 20 e-Government programs including E-Authentication; E-Grants; and Integrated Acquisition, as well as 3 LoB initiatives: Financial Management; Grants Management; and Human Resources.

### **Goal 4: Risk Management: Mission Effectiveness and Security**

Under Goal 4, State and USAID will adopt a comprehensive and unified approach to all aspects of IT security. Such a joint IT security program is essential for accomplishing the other joint goals in the new IT Strategic Plan. The intent is to enable broad access to information and systems; secure internal and external collaboration; rapid and secure introduction of new technologies; and comprehensive business continuity plans that can be relied upon to work in the event of a disaster.

State and USAID will apply the best practices of each agency, as well as industry and government innovations in IT security. Security risk management will be based on a partnership model, through which system sponsors, IT professionals, and security experts will collaborate to make risk management decisions and ensure that IT assets are protected commensurate with risk. Security will be designed and built into all IT projects and programs from the earliest stages. Innovative security approaches, such as biometrics, will be in place to monitor and control user access to IT systems and information, thus enabling anytime, anywhere access, and secure extranets for internal and external collaboration

### **Public Key Infrastructure and Biometrics: \$7,139,000**

Public Key Infrastructure (PKI) supports user authentication and biometrics to control access to State Department information resources on ClassNet and OpenNet Plus; improves IT security against external and internal threats; and supports digital signature requirements enumerated in the Electronic Signatures in National and Global Commerce Act (E-SIGN). PKI will also help satisfy provisions set forth by the Government Paperwork Elimination Act (GPEA) by reducing the amount of paper produced for physical signature. Other uses include exchange of contractor information between overseas secure embassy construction sites and the Department; investigative reports by Diplomatic Security; and protection of sensitive and personal medical records to serve the Foreign Service and others stationed overseas.

The Department's PKI program has completed 99.9 percent of its domestic deployment, and approximately 30 percent of its overseas deployment as of 31 March 2005. The target date for full Department-wide deployment is December 2006, at which point the program will enter the Operations and Maintenance phase.

### **Goal 5: Work Practices And Workforce: Leading Change: \$6,845,000**

Goal 5 focuses on ensuring that end-user staff have the skills necessary to use the new IT tools, systems, and information being made available under the other four goals; continuously enhancing the skill base of the Department's IT staff; and creating and sustaining an efficient and effective IT support organization. The latter will focus on ensuring that the Department promotes continuous innovation in use of IT in support of the diplomatic mission.

## **IT CENTRAL FUND**

In FY 2007, this request will be used for innovative training management, distance learning, and technology at the Foreign Service Institute (FSI).

# BORDER SECURITY PROGRAM

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Machine Readable Visa (MRV) Fees	668,090	734,002	682,969
Diplomatic and Consular Programs	73,998	45,673	10,000
Western Hemisphere Travel Surcharge	0	48,000	120,000
<b>Enhanced Border Security Program Fees</b>	<b>71,488</b>	<b>175,500</b>	<b>294,000</b>
Passport Security Surcharge	54,488	144,000	262,500
Immigrant Visa Security Surcharge	9,000	16,400	16,400
Diversity Fee	8,000	15,100	15,100
Fraud Prevention Fee	0	31,800	31,800
<b>Total, Border Security Program Expenses</b>	<b>813,576</b>	<b>1,034,975</b>	<b>1,138,769</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Overview*

The Department of State plays a critical role in protecting U.S. citizens as they travel or reside abroad and in securing our nation's borders through the proper adjudication of passports and visas. The Bureau of Consular Affairs (CA) is the lead bureau in the Department's Border Security Program, which emphasizes efforts to secure borders and open doors. CA is responsible for denying entry into the United States of individuals who pose a threat to this country and for facilitating the entry of legitimate foreign visitors and students; protecting Americans citizens abroad; researching, developing and deploying automated systems; and implementing policies, procedures and processes in coordination with other federal agencies in support of homeland security goals. The State Department's Border Security Program encompasses all consular activities and provides funds to all regional bureaus and seven other bureaus which support domestic and consular operations. CA has five specific objectives for border security.

#### **Information Technology:**

Develop, maintain and enhance information systems and ensure their interoperability with other agencies. Deploy the latest software releases to consular users on a timely basis for use in processing passports, adjudicating visas, issuing travel documents, and improving name check systems. Consolidate disparate databases to foster exchange of information for quick, complete decision-making. Expand the use of facial recognition and other biometrics that are major components of exit/entry programs to include US VISIT. Expand and enhance name-check and case-tracking systems.

#### **Connectivity:**

Ensure worldwide, redundant connectivity in support of passport and visa processing, including sufficient bandwidth to support data sharing and transmission of electronic images, biometric information, and

## **BORDER SECURITY PROGRAM**

passport and visa applications round-the-clock. Manage an internet site offering a growing menu of on-line assistance for those seeking consular services worldwide.

### **Infrastructure**

Ensure that consular staff worldwide have the most modern equipment and software to support their operations. Key elements are an effective replacement and refresh schedule, adequate numbers of systems administrators and support personnel, and development of software programs to meet legislative requirements.

### **Integrity**

Strengthen consular processes and services that comprise key elements of an interlocking network of border security. Safeguard the security of consular documents, expand professional development, and utilize fully automated processes in passport and visa fraud detection and deterrence. Maintain an active schedule of Consular Management Assistance Team (CMAT) visits to overseas posts to review management controls and standard operating procedures used in the implementation of critical security-related requirements.

### **Human Resources**

Provide sufficient qualified staff, trained in consular processes and anti-fraud techniques, to fill both vacant and new consular positions. Work with the Department to meet additional program growth domestically and overseas, and to hire, train and assign enough personnel to meet increasing workload demands.

## BORDER SECURITY PROGRAM

The following chart summarizes the costs of the major activities of the Border Security Program:

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Consular Project Initiatives</b>	<b>336,474</b>	<b>427,470</b>	<b>453,674</b>	<b>26,204</b>
Consular Systems Install and Operations	40,885	45,000	36,000	(9,000)
Consular Systems Modernization and Support	71,898	74,786	82,514	7,728
Automated Namecheck Systems: CLASS	16,000	17,000	16,000	(1,000)
MRV Administrative Support	61,667	55,903	54,835	(1,068)
Public Information Support	8,250	9,574	10,574	1,000
Document Integrity/Fraud Programs	750	32,550	32,550	0
Consular Training (FSI)	4,480	5,195	5,249	54
Passport Operations	70,473	110,111	130,878	20,767
Passport Facilities	3,900	4,684	6,895	2,211
Passport Systems	33,520	41,455	47,605	6,150
Visa Processing	15,905	23,350	22,422	(928)
American Citizen Services	2,600	2,323	2,323	0
Intelligence Support Unit (INR)	1,320	648	671	23
Facilities Management (A)	4,826	4,891	5,158	267
<b>Diplomatic Security</b>	<b>10,745</b>	<b>11,127</b>	<b>11,658</b>	<b>531</b>
Investigative Support/Guards	10,745	11,127	11,658	531
<b>Technology Backbone – IRM</b>	<b>18,900</b>	<b>18,000</b>	<b>18,500</b>	<b>500</b>
IRM Computer Systems and Operations /Diplomatic Telecommunications Support	18,900	18,000	18,500	500
<b>Border Security Staff (American Salaries)</b>	<b>226,749</b>	<b>243,384</b>	<b>258,176</b>	<b>14,792</b>
Consular Affairs	90,649	103,292	113,886	10,594
Bureau of Administration	89	89	89	0
Information Resource Management	3,039	3,039	3,039	0
Diplomatic Security	14,434	14,434	14,434	0
Overseas Staff	118,538	122,530	126,728	4,198
<b>Border Security Support</b>	<b>220,708</b>	<b>334,994</b>	<b>396,761</b>	<b>61,767</b>
Consular Affairs	76,042	182,599	241,193	58,594
Diplomatic Security	870	870	870	0
Information Resource Management	4,090	4,090	4,090	0
Western Hemisphere Affairs (BCC)	2,000	2,000	2,000	0
Overseas Support	137,706	145,435	148,608	3,173
<b>Total, Border Security Program</b>	<b>813,576</b>	<b>1,034,975</b>	<b>1,138,769</b>	<b>103,794</b>
<i>DHS Reimbursement</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>	<i>0</i>

# **BORDER SECURITY PROGRAM**

## **FY 2007 Initiatives**

The Department of State, working through the Bureau of Consular Affairs, is a key border security agency. CA plays a crucial role in border security by protecting and assisting Americans abroad, by ensuring the integrity of the passport issuing process, and by working with the Department of Homeland Security (DHS) to strengthen the visa process. It provides consular personnel worldwide with the policies, tools, and training to facilitate legitimate international travel while denying entry to those foreigners who would do us harm. Key initiatives for FY 2007 include database integration with the FBI and other agencies involved in the processing of electronic Security Advisory Opinions (SAO), with the goal of an entirely electronic SAO process by FY 2007. Other data sharing initiatives that support homeland security and reduce fraud include a data link with the Social Security Administration, enabling transfer of data between SSA and the Department of State. Through an agreement with the Department of Justice, Interpol now has access to the Consular Lost and Stolen Passport database. CA is negotiating with DHS for an umbrella Memorandum of Understanding that will provide CA with access to even more DHS data. Consular Affairs also plans to expand visa biometric collection from the current two-fingerprint to 10-fingerprint collection with a pilot program in FY 2006.

CA will continue to strengthen homeland security by ensuring that the consular function has appropriate facilities and is staffed at sufficient levels by consular officers who are trained to screen out terrorists, criminals and others who would do us harm. CA will also provide training to consular employees and other offices and agencies that have joined with us in efforts to protect our country and fellow citizens. CA will work closely with the Foreign Service Institute (FSI) to expand and improve courses that better prepare consular officers to identify terrorists and others who should not receive visas. Instruction also focuses on giving officers tools that will help them assist victims of crime, terrorism and natural disasters, as well as assist U.S. citizens wishing to vote abroad. CA will continue remote and computer-based training on consular systems to supplement hands-on training by visiting experts. It will maintain support desks to provide key links between employees and the development and support elements in the Consular Systems Division.

The Department's implementation of the Western Hemisphere Travel Initiative (WHTI) will be a major initiative in FY 2007. This program, enacted through Section 7209 of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), requires the Secretary of Homeland Security, in consultation with the Secretary of State, to develop and implement a plan by January 2008 that requires U.S. citizens and previously exempted foreigners to present a passport or other secure documentation proving identity and citizenship when entering the United States. Implementing the WHTI will require the Department to significantly expand its passport productive capacity, including additional staff, systems support and facilities. Between regular projected workload increases and WHTI, CA expects workload to almost double from the 9 million applications received in FY 2004 to 17 million applications in FY 2008. Total costs through FY 2008 are anticipated to be approximately \$301.6 million, including the salaries of 219 new employees that need to be hired between Fiscal Years 2006 and 2008: 130 employees planned for FY 2006 and 89 new hires in FY 2007. This is in addition to 105 new positions added at the end of FY 2005. Authorities to collect and retain fees to support increased WHTI requirements were provided through the Passport Security Enhancement Act of 2005 (P.L. 109-167).

The Department will also continue expanded efforts to detect visa fraud. The Department estimates receiving \$31.8 million in FY 2007 through the H-1B/L Visa Fraud Detection Fee to combat fraud by applicants for those types of visas. The Department will seek expanded authority to use funds generated from this fee to cover fraud detection efforts related to all other visas.

The following paragraphs summarize the major activities of the Border Security Program:



## **BORDER SECURITY PROGRAM**

### **Consular Systems Installation and Operations: \$36,000,000**

The Congressional mandate to incorporate biometric technology into all visas as well as expand means of data capture and interagency sharing requires new hardware procurement and increased levels of installation/training, technical support beyond the regular 12-18 month refresher training and 36 – 48 month hardware replacement programs at overseas posts and domestic offices. Regular training in modernized systems requires coordination with FSI, increased computer-based training, and hands-on training by visiting experts in consular automated systems.

### **Consular Systems Modernization and Support: \$82,514,000**

This funding covers development of new or redesigned consular systems with emphasis upon visa, American Citizens Services (ACS) and other applications that support Consular Operations abroad. Key initiatives in FY 2007 include expansion of on-line data collection for visa applicants; fine-tuning the FY 2006 deployed ACS-Plus system, visa systems consolidation, support and expansion of the biometrics checking program, and continual support/expansion of database and interagency data sharing operations. This funding also supports consular systems support life cycle tasks, including Configuration Management and the security certification and accreditation processes. Equipment used to collect visa biometric collection (i.e., fingerprint collection) is included in this budget, as is funding for initial deployment of 10 fingerprint collection.

### **Automated Name Check Systems CLASS: \$16,000,000**

The consular namecheck systems form the centerpiece of the border security program. The effectiveness of name checks through the Consular Lookout and Support System (CLASS) on persons seeking U.S. passports or visas must constantly be improved. Accomplishing this goal requires continual refinement to cultural name analysis, and training to field officers to improve their understanding of linguistics and name check results. The process of lookout data exchange with other agencies is continuously improving just as international sharing of name checks is being expanded to include lost and stolen travel document information. CA will continue to migrate from a mainframe-based technology to a server-based technology known as eCLASS. In addition, the capacity of CLASS is being expanded to incorporate Interpol and deportation lookout system, lost and stolen passport data, and a revised name check algorithm to better handle Asian names.

### **MRV Support Costs: \$54,835,000**

The program will continue to use Machine Readable Visa (MRV) fee revenues to support overseas consular operations. Funds will be used for such overseas expenses as fees paid to banks to collect the MRV fee from applicants, the salaries of locally engaged consular employees, and the salaries, benefits and equipment of consular agents. The program will also continue to fund minor requests for office equipment, renovations and furniture in consular sections worldwide. As in prior fiscal years, CA will continue to provide peak season staffing, TDY assistance to posts overseas, and underwrite the cost of Consular Management Assistance Teams engaged in overseas management reviews.

### **Public Information Support: \$10,574,000**

CA's website for international travelers and consular services ([www.travel.state.gov](http://www.travel.state.gov)) continues to set records for the number of inquiries received. In order to enhance the usability of the web site, the Bureau now has an updated site with improved navigation and features. CA continues to rely on two call centers to provide the public with the most responsive information available in the most cost-effective manner. One center deals with routine passport information; the other offers non-Privacy Act-protected information regarding the safety and welfare of American citizens abroad.

# **BORDER SECURITY PROGRAM**

## **Document Integrity/Anti-Fraud Programs (FPP): \$32,550,000**

Maintaining its emphasis on enhanced U.S. border security, CA will continue its efforts to improve the integrity of consular documents such as visas and passports. The requested funds will provide for improved information sharing, publications, coordination with other offices and agencies, and training and operational support for consular sections abroad, passport agencies and the two national visa centers. CA's goal is to ensure that overseas consular officers and domestic passport agency employees have the necessary tools and skills to uncover and combat fraud.

The immigrant visa fraud unit at the National Visa Center (NVC) has shown great success in identifying fraudulent immigrant visa petitions. New procedures permit NVC to return fraudulent petitions to DHS/USCIS detected at consular sections abroad.

To better assist consular personnel in the detection and prevention of non-immigrant visa fraud, CA will apply the Department's portion of the H-1B/L Visa Fraud Detection Fee, anticipated to be \$31.8 million in FY 2007, to support fraud prevention and detection programs through expansion of the Consular Consolidated Database (CCD), and through augmentation of the non-immigrant visa fraud program at the Kentucky Consular Center (KCC), where petition-based NIV applications are carefully screened before transmission to posts overseas. Currently, funds received through the H-1B/L Visa Fraud Detection Fee are restricted to use in detecting fraud related to just those types of visas. The Department will seek expanded authority to use funds generated from this fee to cover fraud detection efforts related to all other visas.

## **FSI – Consular Training: \$5,249,000**

Consular training is provided for domestic and overseas personnel in classes, conferences, workshops, and on-line. The training targets consular officers, consular agents, Foreign Service National employees, and systems staff that support automated consular systems. The courses cover the protection of U.S. citizens abroad, including crisis planning, assistance to victims of crime, the Hague Convention on Intercountry Adoptions, and the Hague Convention on the Legal Aspects of International Child Abduction; immigrant and non-immigrant visa adjudication policies and procedures; consular systems applications and other consular computer resources; name checking and identity recognition techniques; and anti-fraud and counter-terrorism techniques. CA and FSI have collaborated to make major changes in consular training courses, enhancing training on counter-terrorism, security issues, and fraud detection. Funding also provides administrative support for FSI's growing number of consular training programs.

## **Passport Operations: \$130,878,000**

Section 7209 of the Intelligence Reform and Terrorism Prevention Act of 2004 requires the Department of Homeland Security and the Department of State to implement a plan by January 1, 2008, that requires U.S. citizens (and non-U.S. citizens) to present a passport or other authorized travel document that denotes identity and citizenship when entering the United States. This requirement will result in dramatic increase in passport workload, well above CA's current passport adjudication and production capacity. FY 2005 passport demand was 10.2 million applications with workload expected to grow to 12 million applications in FY 2006 and 15 million by the end of FY 2007.

Rising passport demand, coupled with the new requirement for biometric identifiers in U.S. passports, will require innovative techniques such as remote issuance capability. To enhance efficiency, passport adjudication will take place at an expanded Charleston Passport Center and a contractor-operated facility will personalize the books and return them to the applicants.

## **Passport Facilities: \$6,895,000**

Funds will be used to maintain the infrastructure of domestic passport agencies located nationwide, and Passport Services headquarters located in Washington, D.C. Items funded from this budget include certain

## **BORDER SECURITY PROGRAM**

rents, maintenance services, renovations, telephone systems, utilities, furniture and office equipment. These funds also include the facilities expenses for the new adjudication center opening in FY 2006.

### **Passport Systems: \$47,605,000**

During FY 2007, CA will continue operational support, equipment replacement plans and the Help Desk for 17 passport facilities and centers. The Bureau will provide systems support, including records management for an estimated passport workload of 15 million books in FY 2007. In addition, the program will continue to improve and refine the biometric process and the passport chip technology which begins in FY 2006. CA will introduce a Passport Card designed as a secure, easy to use identity document to facilitate travelers crossing our land borders, consistent with the Intelligence Reform and Terrorism Prevention Act of 2004. CA will also begin the design and development of a re-engineered and integrated Passport software application system to replace the current legacy 15-year-old production system.

### **Visa Processing: \$22,422,000**

As part of the Bureau's ongoing strategy to better manage worldwide visa operations, including fraud detection and prevention, the Visa Office has identified several types of work processes that are appropriate for centralization in the U.S.-based, contracted operations at the Kentucky Consular Center (KCC) and the National Visa Center (NVC). Centralization of these functions enables the Department to utilize resources more effectively and improve service to U.S.-based petitioners and agents. The KCC manages the Diversity Immigrant Visa Program, supports petition-based non-immigrant visa operations, provides secure storage and imaging of visa records, and manages other visa processes. By FY 2007, NVC will process all security advisory opinions and fingerprints of immigrant visa applicants electronically and have a web-based information system in place that allows interested parties to review case status on-line.

### **American Citizen Services: \$2,323,000**

The Office of Overseas Citizens Services acts for the Department of State as the central authority for both the Hague Convention on International Adoptions and the International Adoption Act. Resources provided through this function help to promulgate regulations, designate and monitor accrediting entities, develop a Convention Complaint Registry, and provide outreach and training to entities and individuals involved in inter-country adoption. CA, as the central U.S. Government authority on the Hague Convention on the Civil Aspect of International Child Abduction, has undertaken an aggressive training program to inform U.S. judges and attorneys of the convention obligations, and in training foreign judges who hear cases involving American children abducted abroad.

CA will continue to provide specialized assistance to U.S. citizens who are the victims of crime or terrorism while living or traveling abroad. Assistance includes coordinating with other Federal agencies and victims' services agencies to ensure that appropriate services are available to help victims and their families cope with the physical, psychological and financial impact of terrorism and violent crime. Training programs, both in Washington and abroad, provide the specialized knowledge and resources to better equip consular officers to deal with these challenging cases.

In FY 2007, the Office of Overseas Citizen Services will continue to implement voter assistance programs, provide emergency support to destitute American citizens, and provide information to travelers through its web site and Internet-based registration system (IBRS).

### **INR – Intelligence Support Unit: \$671,000**

Funding provided to the Bureau of Intelligence and Research (INR) will support programs that seek to identify individuals who pose potential threats to the United States and prevent their entry into the country. These programs include the CA Watch that provides support and guidance on visa issues and organized crime, and acts as point of contact for the Terrorist Screening Center (TSC) and National Counter-terrorism Center (NCTC) to transmit new lookouts, hits, alerts and proposed visa revocations to CA.

## **BORDER SECURITY PROGRAM**

### **Bureau of Administration - Facilities Management: \$5,158,000**

This funding provides for facilities maintenance, custodial services and utilities at the National Visa and National Passport Centers in New Hampshire; the Kentucky Consular Center; and the Charleston Passport Center in South Carolina. These funds also include GSA rent for some CA office space in Washington, D.C.

### **Diplomatic Security: \$11,658,000**

The Bureau of Diplomatic Security (DS) hires and assigns protection officers to guard all domestic CA facilities using funding provided through the Border Security Program. In addition, DS plays an important role in border security by investigating and assisting in the prosecution of passport and visa fraud worldwide, and by combating organized crime activities linked to passport and visa fraud. Funding will also be used to enhance surveillance equipment capabilities, fund travel of Department employees to testify in Federal and overseas courts, and to expand the use of databases used in fraud investigations.

### **IRM - Technology Support: \$18,500,000**

Funds for the Bureau of Information Resource Management (IRM) will be used to provide support for the mainframe-based CLASS name check system. This function includes around-the-clock systems monitoring, contingency operations, technical support, and systems software programming as required for consular operations worldwide. It also includes infrastructure support for the server-based distributed eCLASS platform and redundancy, and backup contingency and disaster recovery for both CLASS and eCLASS to comply with Homeland Security and Critical Infrastructure Protection (CIP) Requirements.

### **Border Security Staff – American Salaries: \$258,176,000**

During FY 2005, the Border Security Program funded the salaries and benefits of 2,902 full-time positions that include consular staff, both Civil Service and Foreign Service, as well as some Diplomatic Security and Information Resource Management employees. The 2,902 position base reflects additional passport staff hired to meet workload increases as well as the consolidation of the Consular Associate Replacement Program (CARP) into the Border Security Program. Under the CARP program, 190 new consular officers were hired over a three-year period and funded under the Department's regular appropriations.

For FY 2006 the Department plans to increase staff by 185 positions (28 overseas and 157 domestic), and by another 135 positions in FY 2007 (40 overseas and 95 domestic). These increases will result in a total of 3,222 Border Security Program positions by the end of FY 2007. Included in these numbers are 130 positions in FY 2006 and 89 in FY 2007 that are necessary to meet the demands for passport adjudication associated with the Western Hemisphere Travel Initiative. This is in addition to the 105 new positions added at the end of FY 2005.

### **Border Security Support: \$396,761,000**

Requested funds for this program activity cover basic expenses of the Border Security Program. Funds for this activity cover the start-up and recurring expenses associated with overseas consular positions, with funding to the regional bureaus to pay the salary and benefits (e.g., cost of living allowances, educational allowances and danger pay) of full-time consular officers. These funds also pay for consumables and supplies for the visa and passport programs, including visa foils and passport books. The FY 2007 estimated cost of passport books with an embedded contactless chip is \$185,598,000.

### **BCC Reimbursement to DHS: \$12,000,000**

The Department continues to reimburse the Department of Homeland Security for expenses related to the Border Crossing Card program. Since the program began in April 1998, DHS/USCIS (formerly INS) has been responsible for production of the BCC. The reimbursement is a direct transfer of revenue to the DHS.

# EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Worldwide Security Upgrades</b>	<b>900,134</b>	<b>898,574</b>	<b>899,368</b>	<b>794</b>
Security Construction	774,831	799,852	800,559	707
Compound Security	110,503	83,914	83,988	74
Soft Targets	14,800	14,808	14,821	13
<b>Operations</b>	<b>596,801</b>	<b>582,288</b>	<b>629,353</b>	<b>47,065</b>
Planning and Development	8,880	9,378	10,682	1,304
Real Estate and Property Management	6,068	6,540	6,923	383
Project Execution	86,333	84,866	85,935	1,069
Operations and Maintenance	447,174	426,707	469,791	43,084
Information Management and Support	25,653	32,394	33,215	821
Harry S Truman Building and Domestic Renovations	22,693	22,403	22,807	404
<b>Headquarters</b>	<b>6,709</b>	<b>8,864</b>	<b>10,808</b>	<b>1,944</b>
<b>Supplemental Appropriations</b>	<b>592,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Appropriation Total</b>	<b>2,095,644</b>	<b>1,489,726</b>	<b>1,539,529</b>	<b>49,803</b>

FY 2005 Actuals reflect the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2005 Actual for Supplemental Appropriations includes \$592.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief Act, 2005 (P.L. 109-13).

FY 2006 Estimates reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

The Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148) provided a rescission to the ESCM account of \$20 million, which will be taken from prior-year unobligated balances.

### *Explanation of Request*

The Bureau of Overseas Buildings Operations (OBO), funded through the Embassy Security, Construction, and Maintenance (ESCM) appropriation, is responsible for managing the Department of State's (DOS) real property assets providing U.S. diplomatic and consular missions with secure, safe, and functional facilities. This mission is critical to the Secretary's "Transformational Diplomacy" effort, providing the Department's

## EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

employees with tools essential to achieving U.S. foreign policy objectives.

This request seeks sufficient resources to maintain OBO's progress in replacing non-secure diplomatic facilities. OBO has delivered 27 new facilities since 2001 and has an additional 40 under design or construction. These 67 new facilities represent 35% of the 195 identified for replacement – setting a record pace for delivering modern and secure diplomatic facilities on-time and within budget. In FY 2006, the Department expects to award contracts for 14 new facilities and is requesting funding in FY 2007 for the design and construction of 10 new facilities.

The innovative strategies employed by OBO have resulted in significant dividends. In FY 2005, OBO executed the first year of the Capital Security Cost Sharing program designed to accelerate the replacement of diplomatic compounds that do not meet security standards. This program increases the resources available to fund the replacement of new embassy compounds by levying a per capita charge on those agencies occupying diplomatic facilities, providing an incentive for agencies to “rightsize” their overseas staffing – a major initiative of the President's Management Agenda. OBO is also using a “Build-to-Lease” strategy to acquire quality housing and unclassified office facilities worldwide at a faster pace by having qualified contractors build safe and functional structures that can be leased by the U.S. Government. This increases OBO's flexibility to meet post requirements and leverages private sector funds to improve the Department's security and safety posture.

While the capital construction program will replace the most vulnerable facilities, over a quarter of overseas posts will not receive a new embassy compound (NEC) under the current program. The value of the Department's real estate assets exceeds \$12 billion and includes over 15,000 properties – a large and challenging portfolio to maintain. With a robust and successful capital construction program in place, OBO is shifting more focus to the operations and maintenance (O&M) activities required to keep the Department's existing inventory of facilities operational. With this renewed focus, management will apply the same results-based process and lessons learned from the capital construction programs to improve the effectiveness of the O&M programs and reduce the backlog of maintenance requirements. These new initiatives and associated funding request are critical to protecting the Department's long-term investment in new facilities and extending the useful life of facilities not scheduled for replacement.

### ***Capital Construction and the Capital Security Cost Sharing Program***

OBO continues to work with partners throughout the Federal Government and private sector to plan and implement a comprehensive program that addresses the security, safety, and operational issues that confront overseas facilities. The Department is incorporating rightsizing efforts with a construction program that uses industry best practices to achieve efficient and effective results for U.S. taxpayers.

The FY 2007 request includes funding for the third year of the five-year phase-in of the Capital Security Cost Sharing Program (CSCSP). This program, together with the Capital Security Construction Program, will provide \$1.2 billion in FY 2007 for the planning, design, and construction of NECs. The CSCSP was established to accelerate the replacement of unsafe, unsecure, and outdated diplomatic facilities that are used overseas by U.S. Government agencies. Additionally, the program creates incentives within all agencies of the Government to scrutinize and rightsize their overseas presence to avoid unnecessary costs and security risks by charging each agency for projected, as well as existing, authorized positions. Each agency with staff overseas under Chief of Mission authority will pay a fair share towards construction of new diplomatic facilities based on the number of authorized positions and the type of space occupied. After the five-year phase in, the program will be funded at a level of approximately \$1.4 billion per year.

# EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

## *Functional Programs*

In addition to the capital construction program that serves to replace overseas diplomatic facilities, OBO manages a number of ongoing functional programs that are vital to the execution of the worldwide security program and the maintenance of an aging and largely unsafe inventory of facilities. Failure to meet recurring maintenance and repair needs would add to the existing maintenance backlog; diminish the value of these government assets, including the newly constructed NECs; and result in higher maintenance and rehabilitation costs in future years.

## *Program Description*

The FY 2007 budget request of \$1.54 billion and 898 positions for ESCM is an increase of \$49.8 million over the FY 2006 estimate. An increase of \$54.4 million, including an \$0.8 million increase for the Capital Security and Compound Security, will maintain operations at current services levels. These increases are offset by a net reduction of \$4.6 million for program activities.

### *Worldwide Security Upgrades - \$899.4 million*

This request includes \$800.6 million for the Capital Security Construction Program that, when added to \$363 million in funds contributed by other agencies through the CSCSP and other reimbursements, will provide a total of approximately \$1.2 billion for the planning, design, and construction of NECs. These funds will allow the Department to meet its key goal of constructing secure facilities at high-risk overseas posts to protect employees from terrorists and other security threats. The FY 2007 plan includes:

- Construction of NEC facilities in Addis Ababa, Ethiopia; Antananarivo, Madagascar; Asuncion, Paraguay; Belgrade, Serbia and Montenegro; Kinshasa, Democratic Republic of the Congo; Lusaka, Zambia; Manila, Philippines; Ouagadougou, Burkina Faso; Riga, Latvia; and Tijuana, Mexico.
- Acquisition of sites for future NEC projects and planning activities.

In addition, \$98.8 million is requested to continue the Department's compound security program. As described in the Long-Range Overseas Buildings Plan, the FY 2007 request will fund compound security upgrades, installation of forced entry/ballistic resistant doors and windows, maintenance of shatter resistant window film, and environmental security protection, and setback properties should they become available for acquisition. This program includes \$14.8 million for security enhancements to soft targets such as overseas schools, residential compounds, and other locations where Americans gather.

### *Operations – \$640.2 million*

The Operations request provides funding for the six major program areas within OBO: Planning and Development, Real Estate, Project Execution, Operations and Maintenance, Information Management and Support, and Main State and Domestic Renovations. Funding of these operational needs is critical for the support of the Capital programs as well as to ensure adequate stewardship of the Department's existing facilities.

#### *Planning and Development - \$10.7 million*

Proper planning is the critical component of OBO's philosophy of "getting it right." The Planning and Development Office provides the central focus for overseas facility planning efforts and is the linchpin in OBO's efforts to continue the change from a "budget drives planning" mindset to one of "planning drives the budget." This office, which is responsible for producing the Long-Range Overseas Buildings Plan (LROBP) and Asset Management Plan (AMP), conducts business case analyses and

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provides the detailed Long Range Facility planning, space requirements planning, project development, and cost management support necessary to design and construct new facilities or renovate existing ones, as well as manage any new initiatives. The FY 2007 request includes \$1.3 million for mandatory wage and price increases

### Real Estate - \$6.9 million

Site selection and acquisition are critical steps in the success of any new construction project, but they can be the most difficult to negotiate and complete. This program supports all aspects of real property acquisition, management, and disposal. The FY 2007 request includes \$0.4 million for mandatory wage and price increases.

### Project Execution - \$85.9 million

The Project Execution Office is the single point of responsibility and accountability for design, construction, and the commissioning of all facilities. This funding will allow the Department to reach its goal of completing one hundred percent of construction projects on time and within budget. The request comprises several different programs responsible for different aspects of execution.

- Construction and Commissioning - \$26.3 million This program funds expenses for the domestic and on-site construction management staff that oversee the work of the general contractors building and renovating the Department's overseas facilities. Beginning in FY 2005, OBO discontinued the practice of budgeting for project supervision costs for non-capital projects in the Construction and Commissioning account. These costs are now included as part of the individual project budgets. As a result, the FY 2007 request reflects a net decrease of \$0.2 million, consisting of the realignment of \$2.8 million of project supervision to individual projects; and an increase of \$2.6 million to offset mandatory wage and price increases.
- Design and Engineering - \$29.6 million The Design and Engineering Division provides assistance in soliciting and negotiating architectural and engineering services contracts and reviewing project drawings, specifications, and associated documents. Program funding includes the salary and support costs for OBO's Design and Engineering Division. The staff resolves design problems and changes during the construction process, and assists with procurement of U.S. Government furnished equipment. In addition to participating in the project planning and programming phases (including project definition and engineering support), staff members assist the Facility Management Division in determining criteria and standards governing operations, maintenance, and repair requirements. The FY 2007 request includes an increase of \$3.2 million to expand the Department's efforts to identify emerging building innovation technologies, implement energy conservation measures, promote strategies to reduce vulnerability to natural hazards, address the backlog of facilities in the Department's inventory that do not meet the Uniform Federal Accessibility Standards, and offset mandatory wage and price increases.
- Security Management - \$18.2 million This program provides security measures that safeguard overseas construction projects from potentially hostile terrorist acts and intelligence efforts. Beginning in FY 2005, OBO discontinued the practice of budgeting for security management costs for non-capital projects in the Security Management account. These costs are now included as part of the individual project budgets. The FY 2007 request reflects a net decrease of \$2.4 million, consisting of the realignment of \$3.3 million of construction security costs to individual projects; and an increase of \$0.9 million to offset mandatory wage and price increases.
- Interiors and Furnishings - \$11.8 million This program provides interior planning and design for new office and support buildings, existing office facilities under rehabilitation, and new lease fitout



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projects. In addition, it formulates policy, standards, and procedural guidance for interiors of office facilities and provides for the maintenance and replacement of furniture, furnishings, and equipment in representational spaces. The FY 2007 request includes an increase of \$0.5 million to offset mandatory wage and price increases.

### Operations and Maintenance - \$469.8 million

The Operations and Maintenance (O&M) Office is the Department's single point of responsibility and accountability for operations and maintenance of U.S. Government-owned or leased structures. Inherent in this mission is the responsibility to ensure compliance with all O&M-related aspects of the President's Management Agenda initiative on Federal Real Property Management. The Leasehold, Maintenance and Repair of Buildings, Facility Management, Facility Rehabilitation, Fire Protection, Safety, Health, and Environmental Management, Art in Embassies, and Post Communications programs reside within this office.

- Leaseholds - \$288.5 million Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease, lease-purchase, and build-lease agreements. The decision to lease or purchase a property is based on economic analysis of the cost alternatives and the availability of funds. This program funds all activities associated with leasing overseas properties, including market assessments, legal expenses, and fee recording. It also provides living quarters allowance payments to Department employees at selected posts where U.S. Government provided housing is not available.

The Leasehold Program funds long-term leased (i.e., lease terms of ten years or longer) residential and non-residential properties overseas supporting all foreign affairs agencies under the supervision of the Chief of Mission. The Department also funds short-term leased residential and non-residential space for its own personnel. In cases where the Department leases shared office facilities on a short-term basis, the costs for such leases are distributed among all tenant agencies through the International Cooperative Administrative Support Services (ICASS) system. Under a Memorandum of Agreement with the Department of Defense, the Department is reimbursed for the cost of housing Marine Security Guards that are deployed overseas.

The FY 2007 request of \$288.5 million is necessary to ensure that the Department can meet current lease commitments and provide safe, secure and functional facilities (both office and residential) for overseas staff where government owned facilities or a NEC are not an option. OBO continues to review internal business practices and implement process improvements to limit cost growth and identify inefficiencies in the pool of leased facilities. OBO hopes to limit future funding requests with the savings achieved through these management initiatives.

The request includes an increase of \$37.8 million to cover overseas inflation and anticipates \$72.0 million in reimbursements from other Federal agencies.

- Maintenance and Repair of Buildings - \$57.1 million The core business of this program is to provide for the upkeep of the Department's existing inventory of U.S. Government-owned and long-term leased overseas properties. Proper stewardship of this inventory, which includes the Department's recently completed NECs, requires a continuing investment in maintenance and repair to retain asset value, retard deterioration, and ensure facilities are appropriate for conducting diplomacy.

The Department allocates maintenance and repair of buildings funding by two major activities: Routine Maintenance and Repair, and Special Maintenance and Improvement Projects. Routine Maintenance and Repair includes preventive maintenance of building systems, as well as recurring

## EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

activities such as painting, weather-stripping, termite control, minor repairs, replacement of fixtures, and the acquisition of building supplies used for recurring maintenance requirements. Special Maintenance and Improvement Projects restore, alter, and modernize existing facilities.

The FY 2007 request includes an increase of \$0.6 million for routine maintenance, \$0.3 million for Special Maintenance and Improvement projects, and \$0.3 million for mandatory wage and price increases.

- Major Rehabilitation - \$41.1 million This program rehabilitates, upgrades, or replaces worn out building systems that can no longer be physically or economically maintained by routine, preventative, and unscheduled maintenance and repair activities. System rehabilitation, replacement, and upgrade is done to extend the life of the building and ensure continued serviceability, provide a secure and safe environment for U.S. Government employees, and capitalize on efficiencies from new technologies. The request of \$41.1 million supports projects planned for FY 2007 in accordance with the LROBP. This entire request is required to fund ongoing requirements for projects already started.
- Facility Management - \$62.1 million This program provides technical assistance and support to overseas posts in maintaining major building systems, as well as all maintenance-related activities associated with the planning and execution of the NEC program. This includes performing maintenance inspections, developing preventive maintenance programs specific to post requirements, and offering hands-on technical support and materials necessary where such assistance is not otherwise available. The FY 2007 request increase of \$3.7 million will cover mandatory wage and price increases.
- Fire Protection - \$8.7 million This program provides a variety of services to the Department's overseas posts including: conducting fire inspections, promoting and presenting training programs, installing fire detection alarm systems, and supplying posts with critical fire and life safety equipment. The FY 2007 request is an increase of \$0.2 million to cover mandatory wage and price increases.
- Safety, Health, and Environmental Management - \$3.7 million The Safety, Health, and Environmental Management (SHEM) program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize the environmental impact of Department activities, and provide occupational health and environmental services to Department of State domestic facilities. This is done by providing technical expertise and support to overseas managers to help them avoid accidents, eliminate workplace hazards and environmental contaminants, and meet with Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) standards. The FY 2007 increase of \$51.0 thousand provides funding for mandatory wage and price increases.
- Art in Embassies Program - \$1.7 million The Art in Embassies program administers loans and donations of American works from museums, institutions, corporations, galleries, and individual artists and collectors to communicate American values and cultural diversity through the display of these works at overseas posts. The \$0.2 million increase supports programs that contribute directly to the Department's "Transformational Diplomacy" initiative.
- Post Communications - \$6.9 million The Post Communications program provides funding for the life-cycle replacement of all telephone systems located in U.S. Government-owned and long-term leased, non-residential facilities overseas. The goal of this program is to replace obsolete telephone

## EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

systems with modern, reliable, digital systems capable of delivering a full range of services. This funding will provide for the replacement of systems at 5 posts in FY 2007, in accordance with the LROBPP.

### Information Management and Support – \$33.2 million

The request for Information Management and Support seeks funding for all information technology (IT) and management support to OBO program offices. This request reflects increases necessary to maintain current systems and facilities, which will ensure adequate support for a growing program.

### Harry S Truman Building and Domestic Renovations - \$22.8 million

The Department of State owns or operates and maintains numerous facilities in metropolitan Washington, D.C. and in other U.S. locales. To protect these real property investments and to ensure adequate working conditions for employees, the Department developed a Capital Improvement Program to upgrade building systems and to correct long identified deficiencies in these facilities. This request reflects funding necessary for the continuation of the Harry S Truman (HST) headquarters building renovation and maintenance and repair projects to Department of State owned property.

### Headquarters - \$10.8 million

This request provides for the salaries and support costs of the 75 positions providing executive direction, resource management, and developmental training for the entire OBO staff. In addition to the funds required to meet the salary requirements for currently authorized positions, OBO is requesting funding for initiatives directly linked to the President's Management Agenda and designed to improve OBO flexibility and effectiveness in addressing the Department's unique facilities requirements.

### **Performance in OBO's Results Based Organization**

The mission of OBO is to provide U.S. Diplomatic and Consular missions with secure, safe, and functional facilities to assist them in achieving U.S. foreign policy objectives. To achieve this mission, OBO is focused on four priority goals that advance diplomatic readiness, are aligned with Department of State objectives, and reflect the priorities outlined in the President's Management Agenda. These goals are:

- Capital Security Construction – Award capital security construction projects which have been listed in the LROBP after consultation with other agencies, and complete the construction on time and within budget. The program will provide NECs that are secure, safe, and functional for U.S. Government employees to pursue the national interests of the United States through transformational diplomacy.
- Compound and Physical Security – Provide physical security upgrades and compound security to Department overseas facilities to protect employees from terrorist and other security threats. This also includes security upgrades for soft targets such as schools, recreational facilities, and residences.
- Maintenance of Assets – Maintain, repair, and rehabilitate overseas Diplomatic and Consular facilities in an effective manner that enhances the quality of life of employees while allowing them to perform their duties in secure, safe, and functional facilities.
- Asset Management – Acquire, dispose of, and manage the Department's overseas real property in a professional manner that meets Department needs; is performed on terms favorable to the U.S. Government; and is defensible to OMB, the Congress, and the American public.

## EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

In support of these four goals, each component of the OBO organization has established performance targets that benchmark critical functions. Management reviews performance against these targets monthly to identify potential problems and ensure effective performance. OBO management also meets quarterly with its Industry Advisory Panel to review and discuss issues, with the aim of maximizing the free exchange of ideas and best practices between the Government and private sector. This request includes a budget and performance summary linking funding, positions, and performance targets for each significant component.

### *Performance Targets and Results*

OBO has demonstrated that its organization, culture, and processes have resulted in outstanding performance. Since 2001, OBO has consistently delivered and the following metrics reflect this transformation:

- Completed construction of 27 new facilities since 2001:

Abu Dhabi, United Arab Emirates	Abidjan, Cote D'Ivoire	Abuja, Nigeria
Baghdad, Iraq (IOB)	Bogota, Colombia (IOB)	Cape Town, South Africa
Dar es Salaam, Tanzania	Dar es Salaam, Tanzania (USAID)	Dili, East Timor (IOB)
Doha, Qatar	Frankfurt, Germany	Istanbul, Turkey
Kabul, Afghanistan	Kabul, Afghanistan (ARG/USAID)	Kampala, Uganda
Lima, Peru (USAID)	Luanda, Angola	Nairobi, Kenya
Phnom Penh, Cambodia	São Paulo, Brazil	Sofia, Bulgaria
Tashkent, Uzbekistan	Tbilisi, Georgia	Tunis, Tunisia
Yaounde, Cameroon	Yerevan, Armenia	Zagreb, Croatia

- Continued to manage the on-going construction/design of 40 new facilities:

Accra, Ghana	Accra, Ghana (USAID)	Algiers, Algeria
Astana, Kazakhstan	Athens, Greece	Baghdad, Iraq
Bamako, Mali	Bamako, Mali, (USAID)	Beijing, China
Belmopan, Belize	Berlin, Germany	Bogota, Colombia
Bridgetown, Barbados	Ciudad Juarez, Mexico	Conakry, Guinea
Conakry, Guinea (USAID)	Dushanbe, Tajikistan	Freetown, Sierra Leone
Jerusalem, Jerusalem	Kampala, Uganda (USAID)	Kathmandu, Nepal
Kathmandu, Nepal (USAID)	Khartoum, Sudan	Kigali, Rwanda
Kingston, Jamaica	Kingston, Jamaica (USAID)	Lome, Togo
Managua, Nicaragua	Managua, Nicaragua (USAID)	Moscow, Russia
Mumbai, India	Nairobi, Kenya (USAID)	Quito, Ecuador
Panama City, Panama	Phnom Penh, Cambodia (USAID)	Port au Prince, Haiti
Rangoon, Burma	Skopje, Macedonia	Taipei, Taiwan, (Design)
Tirana, Albania		

- Anticipate awarding contracts for 14 new facilities in FY 2006:

Abuja, Nigeria (USAID)	Beirut, Lebanon	Brazzaville, Republic of the Congo
Djibouti, Djibouti	Guangzhou, China	Harare, Zimbabwe (NEC and Annex)
Johannesburg, South Africa	Khartoum, Sudan (Annex)	Libreville, Gabon
Sarajevo, Bosnia-Herzegovina	Skopje, Macedonia (Annex)	Surabaya, Indonesia
Suva, Fiji	Tbilisi, Georgia (USAID)	

## EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

- Anticipate awarding contracts for 10 new facilities in FY 2007:

Addis Ababa, Ethiopia	Antananarivo, Madagascar	Asuncion, Paraguay
Belgrade, Serbia and Montenegro	Kinshasa, Dem. Republic of the Congo	Lusaka, Zambia
Manila, Philippines	Ouagadougou, Burkina Faso	Riga, Latvia
Tijuana, Mexico		

OBO continues to look for ways to its improve cost-effective performance. Continuous improvement is important since a majority of facilities still need to be repaired, rehabilitated, rebuilt, restored, or replaced. Proper funding is critical to the success of OBO initiatives in order to sustain this progress, as well as to ensure compliance with the President’s Management Agenda initiative on Federal Real Property Management (Executive Order 13327).

### ***PART / Program Evaluation***

Using the Program Assessment Rating Tool (PART), the Office of Management and Budget has examined the Capital Security Construction and Strategic Capital programs. On this last PART assessment, the OBO Capital Security Construction Program received a 97% rating, ranking it within the top 1% of all scores in the entire Federal Government and the Strategic Capital Program was also rated highly with an effective score of 86%. The entire OBO organization was found to be well managed, with strong planning and evaluation processes in place to monitor program progress and address any deficiencies in a timely fashion.

As the PART reviews indicate, the management changes and performance initiatives begun by OBO in FY 2001 have produced dramatically improved performance and outstanding results, most notably in the Capital Security Construction Program, where ambitious performance targets are met or exceeded. In addition, OBO has incorporated the recommendations from these PART exercises to build upon the already successful OBO management practices.

In light of the current evaluation by PART and the demonstrated achievements of OBO management, the FY 2007 request includes increased funding for the Capital Security Construction Program in the Embassy Security, Construction, and Maintenance account.

Key indicators used by the program managers include: number of new sites acquired for Capital Security Construction projects, number of Capital Security Construction projects awarded in accordance with the LROBP, ratio of construction management costs to total LROBP construction project costs for projects in excess of \$25 million, and percent of Capital Security Construction projects within schedule and budget based on the construction contract.

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# OFFICE OF INSPECTOR GENERAL

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Administration and Staff Activities	5,740	5,878	6,454	576
Inspections, Audits, Investigations	22,536	21,955	24,189	2,234
Policy Formulation	1,752	1,812	1,865	53
<b>Appropriation Total</b>	<b>30,028</b>	<b>29,645</b>	<b>32,508</b>	<b>2,863</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

This request funds the activities of the Office of Inspector General (OIG), including audits, inspections, investigations, and security and intelligence reviews of the worldwide operations and programs of the Department of State (Department) and the Broadcasting Board of Governors (BBG). OIG will continue to focus its work on Department and BBG progress in the four strategic areas detailed in its five-year strategic plan: implementation of foreign policy; protection of people, facilities, and information; effectiveness of financial and administrative support systems and controls; and accountability and integrity in programs and operations. The requested funding will increase OIG's capability and flexibility to meet the expanding demands for reviews of programs, operations, and foreign affairs activities related to mission-critical issues such as security, transformational diplomacy, border security, information technology, and public diplomacy. In addition, the funding will permit OIG to undertake critical work related to Iraq and Afghanistan, increase capabilities in audit and investigative activities, and improve efficiency and effectiveness through the use of information and other technology.

The request of \$32,508,000 is an increase of \$2,863,000 above the FY2006 enacted level. The increase provides \$1.6 million for a senior coordinator position and other staff to oversee and perform work related to Department and BBG operations and U.S. foreign policy interests in Iraq and Afghanistan; \$1.2 million for ten positions to begin restoring OIG's audit and investigation oversight capacity, which has been significantly eroded during a decade in which the resource and program growth of the Department and BBG have significantly outpaced that of OIG's oversight capability; \$0.8 million for wage and price increases; and \$0.4 million for information and other technology, including video conferencing and data imaging, storage, and retrieval software and hardware to improve efficiency.

These increases are offset by a \$1.1 million base transfer to the Department, primarily for the costs associated with the annual financial statement audit.

# OFFICE OF INSPECTOR GENERAL

## *Program Description*

The OIG monitors the Department and the BBG operations and promotes positive change to improve their management, strengthen their integrity and accountability, reduce their risks and vulnerabilities, and ensure the most efficient, effective, and economic use of their resources. OIG's work with the Department and BBG extends to more than 50,000 Department and BBG employees and 265 missions and other facilities worldwide funded through combined annual appropriations of approximately \$9.5 billion. OIG's work identifies problems and vulnerabilities and makes recommendations to correct them, investigates allegations of misconduct and violations of law and regulation, and reviews grants, contracts, financial operations, and other resource-intensive programs to identify cost savings and efficiencies, including resources that can be put to better use.

As mandated by the Inspector General Act of 1978, as amended, and the Foreign Service Act of 1980, as amended, and other governing legislation, OIG conducts audits, inspections, and investigations that provide independent, objective, and professional assessments of Department and BBG operations and activities and recommends ways to strengthen and improve their economy, efficiency, and effectiveness; to detect and prevent fraud, waste, abuse, and mismanagement; and to investigate activities that may violate law and regulation. OIG also assesses the implementation of U.S. foreign policy, primarily through inspection of overseas posts and domestic offices, to ensure that their activities are consistent with the goals established by the President and the Secretary of State; and independently evaluates the formulation, applicability, and implementation of security standards at all U.S. diplomatic and consular posts and BBG overseas operations that fall under chief of mission authority.

## *Benefits*

OIG contributes to the Secretary's transformational diplomacy goals by assessing how missions around the world are succeeding in promoting democracy and supporting other transformational diplomacy initiatives. OIG's activities focus on the most risk-prone and mission-critical operations of the Department: protection of people and facilities, counter-terrorism and border security, human resources, information security, financial management, and the U.S. Missions in Iraq and Afghanistan. This work provides a substantial return on investment in terms of cost savings to the government and improvements to the effectiveness, efficiency, economy, and integrity of Department and BBG operations and the safety, quality of life, and accountability of their personnel.

Audits, inspections, and other reviews identify vulnerabilities that may threaten the integrity and security of Department and BBG operations, as well as improvements needed to strengthen program integrity and accountability, eliminate waste, and ensure resources are used as intended. The results of OIG reviews and investigations provide the Department, BBG, OMB, Congress, and the American taxpayer with assurance that Department and BBG programs and operations are managed effectively, efficiently, and with integrity; and that government managers, employees, and contractors are held accountable for their performance and conduct. OIG oversight also provides assurance to the Office of Management and Budget (OMB) and Congress on progress made by the Department and BBG in addressing the management improvement initiatives mandated by the President's Management Agenda and in demonstrating the effectiveness of Department programs evaluated through OMB's Performance Assessment Review Tool and other means.



# EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Academic Exchanges	200,704	241,550	258,278	16,728
Professional and Cultural Exchange Programs	118,478	145,652	162,618	16,966
Exchanges Support	42,407	48,000	49,777	1,777
Program and Performance	-	-	3,615	3,615
<b>Total Direct Obligations</b>	<b>361,589</b>	<b>435,202</b>	<b>474,288</b>	<b>39,086</b>
Balances/Recoveries Applied From Prior Years	(14,584)	(8,927)	-	8,927
Balances Carried Forward	8,927	-	-	-
<b>Appropriation Total</b>	<b>355,932</b>	<b>426,275</b>	<b>474,288</b>	<b>48,013</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

In addition to the direct appropriated amounts shown, the U.S. Agency for International Development (USAID) provided funds for Economic Support Fund (ESF) and Support for East European Democracy Act (SEED) activities in FY 2005. In FY 2005, a total of \$32,660,000 was available for obligations from ESF and SEED including FY 2004 balances of \$800,000 and FY 2005 transfers of \$31,860,000. A total of \$26,703,348 was obligated; \$48,596 lapsed; and \$5,908,056 in balances will be available in FY 2006. Additional transfers from USAID for ESF and SEED are anticipated in FY 2006 and FY 2007.

### *Explanation of Request*

Exchange programs initiate and maintain critical dialogue that builds and sustains partnerships between America and the rest of the world in the war against terrorism. Citizen diplomacy develops and spreads mutual understanding between nations and, as a key element of the President's Freedom Agenda, works across geographical and social boundaries to dispel false notions concerning America, its values, and its intentions while increasing the capacity of Americans to understand foreign societies and engage with foreign counterparts.

The Department's public diplomacy strategy hinges on three goals: providing a positive vision of hope that is rooted in the President's Freedom Agenda; isolating and marginalizing the extremists and undermining their appropriation of religion; and fostering a sense of common interests and common values between Americans and people of different countries, cultures and faiths, including women and underserved sectors of society.

The FY 2007 request of \$474,288,000 reflects a net increase of \$48,013,000 over the FY 2006 enacted level, an increase that will strengthen the exchanges component of public diplomacy by raising the number of participants in programs of proven value and by creating new opportunities to engage, educate and empower foreign and American participants in exchanges, particularly in the Muslim world. The educational power of these programs transforms attitudes over lifetimes and from one generation to the

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

next. Their potential to advance the development of civil societies, to build Americans' international knowledge of other countries, and to increase other countries' understanding and cooperation with the U.S. is central to America's campaign against terrorism and extremism and to the long-term U.S. national interest.

The request includes funding for the newly created National Security Language Initiative (NSLI) that will expand the linguistic skills of Americans in a number of critical foreign languages, such as Arabic, Russian, Turkish, Chinese, Hindi and Urdu through the Fulbright Program, Youth Exchanges and Gilman scholarships. At the same time, Freedom Fellowships, a new academic exchange initiative, will engage populations that have not traditionally been addressed by exchange programs.

In addition, the "Key Influencers" and "Freedom Agenda" initiatives will combine to advance democratic and civil reform by focusing on key figures of influence and building long-term institutional relationships. The request will enable the International Visitor Leadership Program to expand the Edward R. Murrow Journalism Program and the Fortune 500 project for women entrepreneurs. Both these efforts target key influencers and emphasize the importance of public private sector partnerships. The Freedom Agenda initiative will move communities forward by engaging key influencers and institutions as they work to understand and develop democracy, respect for individual rights and good governance by forging strong and lasting links between American and foreign counterpart institutions.

Further, the request institutionalizes Alumni and Evaluation programs, recognizing the critical programmatic and policy roles these activities represent. The initiatives will amplify the experience of opinion leaders who have participated in the Department's exchange programs after their return home, extending the impact of the funds expended on the initial exchange activity. Creating a permanent evaluation program will ensure that this widely recognized and highly successful function will be able not only to continue, but to expand the evaluation of programs, providing policymakers with specific measures of impact and useful tools for planning and adjusting programs.

Finally, the request will ensure that sufficient staffing and administrative support are provided to properly manage and maintain the high quality of these programs, which have increasingly become essential components of U.S. foreign policy.

### *Program Description*

ECA programming falls under the broad categories of Academic Programs, Professional and Cultural Exchanges, Program and Performance, and Exchanges Support.

**Academic Exchanges** – Academic exchanges between the United States and foreign countries include the following programs: J. William Fulbright Educational Exchange Program for the exchange of scholars, students, and teachers (and mid-career professionals from developing nations through the Hubert H. Humphrey Fellowships, a Fulbright activity); programs to promote English learning overseas; projects for the professional development of teachers; activities to advise foreign students about the value of educational opportunities in the United States (a major service sector with positive foreign trade activity); undergraduate scholarships such as the Benjamin Gilman program which funds foreign study for economically disadvantaged Americans, and similar programs for foreign undergraduates to study in the U.S.

**Professional and Cultural Exchanges** – These exchanges include the International Visitor Leadership Program, which supports travel in the United States by current and emerging foreign leaders to obtain first-hand knowledge about American people, politics, and culture. Working in partnership with non-profit non-governmental organizations and the private sector, the Citizen Exchanges Office sponsors professional,

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

cultural and youth exchanges, such as the Future Leaders Exchange Program (FLEX) and the Youth Exchange and Study Program (YES), cultural and sports envoys, and citizen ambassadors.

**Program and Performance** – This includes special crosscutting programs conducted outside of the major program accounts directed at establishing and maintaining Alumni networks, and determining the effectiveness of programs through a comprehensive schema of evaluation. This includes the performance measurement of programs in accordance with the Government Performance and Results Act of 1993.

**Exchanges Support** – Exchanges support includes staff costs, information technology cost, and support for exchange programs management, increasing cooperation among U.S. government agencies that administer international exchange and training programs, and support for the U.S. Cultural Property Advisory Committee that acts on requests from foreign governments to the United States to assist in cultural preservation and the prevention of the theft of cultural heritage material.

### *Benefits*

In an age of instant global communication, public perceptions of U.S. policies and motivations have an untold impact on the conduct of American foreign policy. International relations are no longer defined primarily by policies and ideologies, but by perceptions of culture, traditions, values, and beliefs.

Exchanges create opportunities for U.S. and foreign publics to understand each other's societies and cultures directly, and create respected individual ambassadors who can explain our country and convey American values.

To build support for U.S. policy abroad, the United States must go beyond governments to inform people and organizations that influence policy and frame public discussion directly. ECA's unique contribution to foreign policy is its ability to engage key individuals and institutions through exchanges that change perceptions and attitudes. These experiences provide participants representative of all segments of societies with firsthand knowledge of American culture, politics, and values, as well as increase U.S. understanding of other countries and peoples, and help build trust and the long-term interpersonal relationships needed to counter stereotypes and address political, economic, and social issues that fuel hostility and conflict. Rarely has the need for a sustained effort to ensure foreign understanding of the country and society been so clearly evident, or so directly related to U.S. long-term national security.

### *PART / Program Evaluation*

Using its Program Assessment Rating Tool (PART), the Office of Management and Budget evaluated exchanges in all regions of the world and reevaluated the Department's exchange programs in the Near East and South Asia regions for the FY 2006 budget. Global exchanges were rated effective with a score of 97 percent, and exchanges in NEA and SA were again assessed as effective and given a score of 98 percent. Both scores place exchanges within the top one percent of all government programs assessed with the PART.

OMB's reviews noted that exchanges addressed a strategic goal of U.S. foreign policy: the need to increase mutual understanding between Americans and citizens of other countries. Moreover, the programs were judged to be well managed, with strong planning and evaluation processes and tools in place.

The reviews found the exchange programs successful at achieving or exceeding annual targets. For example, exchanges programs are on course to meet or better FY 2005 percentages of participants who increased their understanding of the United States following their program experience, and of participants

## **EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS**

who effected positive change in their organization or community based on knowledge gained from their exchange. Other key outcome indicators used by program managers include the percentage of exchange participants who report a more favorable view of the United States one year or longer after their exchange experience and the percentage of participants who continue professional collaborations with people in the United States more than five years after their exchange. An important efficiency measure is the ratio of total administrative cost to program cost.

The Bureau of Educational and Cultural Affairs (ECA) worked diligently to revamp the way that it monitors and evaluates programs and effectively links budget to performance, including the deployment of an on-line performance measurement system. Recognizing ECA's success, OMB recommended that ECA policy and evaluation staff work with other offices and bureaus of the Department to provide advice, guidance and expertise. ECA evaluation staff now serves as the foundation for a newly created Public Diplomacy Evaluation Office and has taken the lead in performance planning for public diplomacy.

# REPRESENTATION ALLOWANCES

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>8,525</b>	<b>8,175</b>	<b>8,201</b>	<b>26</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

Representational events provide an essential tool for diplomatic staff to personally engage government, business, academic and cultural leaders in host countries. A broader base of contacts is one method to improve understanding between the United States and the people of the world. By providing resources for representational events at the more than 260 embassies, missions, and consulates worldwide, the FY 2007 request will continue to support U.S. national interests, economic activities, and other diplomatic functions. With the FY 2007 request the Department will be able to stage appropriate representation events and apply this vital diplomatic tool to enhance the effectiveness of U.S. national and foreign policy interests.

### *Program Description*

This appropriation enables diplomatic and consular personnel to engage in official representational activities overseas and at missions to international organizations.

The activities funded by this appropriation typically include:

- interaction with influential individuals and organizations, including the local media, key political elites, academics and members of non-governmental organizations to assess the overseas public affairs climate and convey and reinforce acceptance of U.S. policies and values;
- promotion of peaceful relations between the U.S. and other countries by fostering mutual understanding through academic, professional, and cultural activities;
- promotion of U.S. national interests through formal and informal interactions with knowledgeable foreign officials and long-term residents, usually at receptions, small working luncheons, and informal dinners;
- protection of U.S. citizens' interests by developing and maintaining personal relationships with foreign officials, which facilitates providing assistance and solving problems of Americans abroad;
- promotion of economic activities by establishing and maintaining relationships with foreign and American officials, business persons, labor leaders, and others who may be helpful in performing duties connected with promoting and protecting American trade; and
- fulfillment of commemorative and ceremonial requirements such as Fourth of July celebrations or the laying of a wreath at the tomb of a local national hero.

## REPRESENTATION ALLOWANCES

### *Benefits*

Activities performed under this appropriation facilitate the effective conveyance of U.S. foreign policy goals and objectives, the gathering of information central to the formulation of our bilateral and multilateral foreign policy, and the cultivation of and support for U.S. policies and values.

# PROTECTION OF FOREIGN MISSIONS & OFFICIALS

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Extraordinary Protection of Foreign Missions/Officials New York	7,810	7,509	7,527	18
Extraordinary Protection of Foreign Missions/Officials Rest of U.S.	1,952	1,761	1,761	0
<b>Appropriation Total</b>	<b>9,762</b>	<b>9,270</b>	<b>9,288</b>	<b>18</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request of \$9,288,000 (to remain available for two fiscal years) funds requirements for the extraordinary protection of international organizations and foreign missions and officials in the United States. This level allows the Department to meet protection requirements across the country.

### *Program Description*

Under section 214 of the State Department Basic Authorities Act, and 3 USC 202(8), 202(10), and 208, the Department of State provides for the extraordinary protection of international organizations, foreign missions and officials, and foreign dignitaries (under certain circumstances) throughout the United States. The Bureau of Diplomatic Security administers this program in the following manner:

- Extraordinary Protection of International Organizations and Foreign Missions and Officials in New York** - Extraordinary protection of foreign missions and officials, including those accredited to the United Nations and other international organizations, and visiting foreign dignitaries under certain circumstances is arranged when deemed necessary by the Secretary of State either at the request of a foreign mission or international organization, at the initiative of the Department of State, or in response to a request by state or local law enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other federal agencies, including the U.S. Marshals Service and the Bureau of Alcohol, Tobacco, and Firearms; contract for the services of private security firms; or reimburse state or local authorities for extraordinary protective services.

## PROTECTION OF FOREIGN MISSIONS & OFFICIALS

- **Extraordinary Protection of International Organizations, Foreign Missions and Officials Elsewhere in the United States** - Throughout the rest of the United States, extraordinary protection of international organizations, foreign missions and officials, and visiting foreign dignitaries under certain legally prescribed circumstances is arranged when deemed necessary by the Secretary of State either at the request of a foreign mission or international organization, at the initiative of the Department of State, or upon a request by state or local law enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other federal agencies, including the U.S. Secret Service and the U.S. Park Police; contract for the services of private security firms; or reimburse state or local authorities for extraordinary protective services.

### *Benefits*

This program is used by the United States Government to fulfill its obligation under the Vienna Convention and other international treaties to ensure reasonable security for foreign missions and officials in the United States.

Examples of the protection given to foreign missions and officials include:

- permanent protection for certain foreign missions, consulates, and chanceries throughout the United States;
- intermittent protection for certain other consulates in the United States;
- protection for foreign officials and certain other distinguished foreign visitors during the annual United Nations General Assembly; and
- protection of foreign government officials while in the United States to conduct official business with the United States Government and while visiting metropolitan areas where there are 20 or more full-time consular or diplomatic missions.

These benefits help ensure reciprocal treatment of our diplomats and officials abroad.



# EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>877</b>	<b>24,872</b>	<b>4,940</b>	<b>(19,932)</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2005 Actual reflects \$0.11 million transferred to the Repatriation Loans Program Account.

FY 2005 Actual excludes \$2.904 million made available by the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

FY 2006 Estimate includes \$15 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request of \$4,940,000 is \$19,932,000 below the FY 2006 level. These resources will allow the Department to meet emergency requirements, and other needs in the conduct of foreign affairs, including:

- payments for rewards related to terrorism, narco-terrorism and war crimes, as well as ongoing or new rewards publicity campaigns;
- travel, per diem, and other related expenses for evacuation of American government employees and their families from troubled areas to the United States and/or “safe haven” posts;
- allowances granted to State Department employees and their dependents evacuated in such emergencies;
- travel, per diem and other related expenses for the emergency response teams that provide immediate medical and administrative assistance to posts that have undergone a terrorist incident or natural disaster;
- reimbursement to Department of Homeland Security of travel, per diem, equipment, and salaries of the International Medical Surgical Response Team (IMSuRT) physicians who provide emergency medical services to assess, treat, and prepare for evacuation of injured American personnel and their families in the event of natural or manmade disaster;
- reimbursement to Department of Defense for hostage rescue contingencies;
- investigations and apprehension of groups or individuals involved in fraudulent issuance of U.S. passports and visas;
- representation expenses for senior domestic officials related to the conduct of foreign affairs; and
- other purposes as authorized under this appropriation.

# EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

## *Program Description*

The Emergencies in the Diplomatic and Consular Service appropriation is a no-year account utilized to meet unforeseen emergencies and other requirements that arise in the conduct of foreign affairs.

The appropriation is available to:

- Meet emergency situations in the conduct of foreign affairs, such as the evacuation of USG employees and their families from areas of political unrest or natural disaster.
- Assist host governments with quick transportation of specialized equipment to locations where American citizens and U.S. interests are in jeopardy due to terrorist incidents overseas. This fund will expedite payments for airlifting specialized equipment to locate hostages.
- Pay rewards for information concerning acts of international terrorism, international narco-terrorism, drug trafficking, and war crimes. There are standing offers which cover numerous terrorist incidents carried out by Al-Qa'ida operatives and close affiliates, such as the September 11, 2001, World Trade Center/Pentagon terrorist attacks; the bombing of the Saudi Residential Compounds; the bombing of American Diplomatic Convoy in Gaza; the bombings in Bali, Indonesia; the Bwindi murder in Uganda; the United Texas Petroleum (UTP) murders in Karachi; the U.S. Consulate murders in Karachi; the Daniel Pearl case; the bombings of the USS Cole, the embassies in Nairobi and Dar Es Salaam, and the World Trade Center (1993); the truck bombing of the U.S. Marine Barracks in Beirut; the Embassy Islamabad killings; the Revolutionary Armed Forces of Colombia (FARC) kidnapers of the downed American pilots in Colombia; the targeting of major international drug lords operating internationally; and the arrest of war criminals in the Former Republic of Yugoslavia, Rwanda, and the Congo. There are also standing reward offers for several members of the former regime of Saddam Hussein.
- Support certain representational activities, such as those incurred during visits of official foreign dignitaries, peace talks, and at international summits.
- Support reimbursements for hostage rescue contingencies.

## *Benefits*

In FY 2005, funds were used to:

- Provide for the evacuation and related support of USG employees and their families. Evacuations due to threats of terrorism occurred in Sanaa, Yemen and Tashkent, Uzbekistan. Evacuations due to civil unrest occurred in Abidjan, Cote d'Ivoire; Lome, Togo; La Paz, Bolivia; and, on two separate occasions, in Port au Prince, Haiti. Evacuations due to natural disaster occurred in Kingston, Jamaica (hurricane); and Georgetown, Guyana (floods).
- Provide for rewards payments totaling \$18.6 million; publicize the rewards program overseas for information leading to the apprehension, effective prosecution, and punishment of individuals responsible for terrorist activities; for the prevention of acts of international terrorism outside the territorial jurisdiction of the United States against U.S. citizens or property; and increase the publicity campaign in Colombia and Mexico targeting major narcotics traffickers.

# REPATRIATION LOANS PROGRAM ACCOUNT

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>1,313</b>	<b>1,302</b>	<b>1,285</b>	<b>(17)</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2005 Actual includes \$0.11 million transferred from the Emergencies in the Diplomatic and Consular Service account.

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

## *Explanation of Request*

The FY 2007 request will allow the Department of State to subsidize and administer the Repatriation Loans program consistent with the Credit Reform Act of 1990 and at a funding level consistent with historical requirements. This activity is funded as a direct loan program in accordance with the Credit Reform Act. The Department of State receives a limited level of financing for direct loans from the Department of the Treasury in a separate financing account, disburses these funds to U.S. citizens as needed abroad, and repays the Treasury as the repatriation loans are collected from the public.

FY 2007 subsidy request of \$695,000 (60%) will provide a loan level of \$1,158,333. The subsidy appropriation represents the estimated costs to the U.S. Government of loans that are unlikely to be repaid. For FY 2007, the Department is requesting continuation of authority within the Emergencies in the Diplomatic and Consular Service account to allow the transfer of up to \$1 million into this account if loan requirements exceed the requested level.

The FY 2007 administration request of \$590,000 will provide for operation and management of the loan program consistent with the Credit Reform Act. The Department is requesting continuation of authority to transfer the administration portion of this request to the Diplomatic and Consular Programs account. This transfer makes administration of the program more efficient by simplifying financial planning and accounting procedures.

## *Program Description*

As authorized by section 4 of the State Department Basic Authorities Act of 1956, as amended, the Department of State's Repatriation Loans program provides emergency loans to assist destitute Americans abroad with no other source of funds to return to the United States in times of crisis. They include Americans temporarily abroad who are without funds because of unforeseen events such as theft, illness, or accident; individuals suffering from serious physical or mental illness who need to return to the United States for medical care; Americans residing abroad with an alien spouse needing assistance to escape an abusive situation; and individuals caught in a disaster or emergency abroad who need to be removed from harm's way. Approval of a repatriation loan is not based on an applicant's credit worthiness but rather

## REPATRIATION LOANS PROGRAM ACCOUNT

destitution. Repatriation loans are provided for temporary subsistence and transportation to the nearest U.S. port of entry.

Consular officers first attempt to obtain funds for the person in need from family members and/or friends in the United States. If this cannot be done, the post is authorized in certain circumstances to purchase transportation for direct return to the United States and to provide food and lodging for the period prior to the next available flight, via U.S. carrier whenever possible. The recipient is required to sign a promissory note for the amount of the loan. The Department of State actively seeks repayment of these loans. To encourage repayment, the recipient's passport is restricted at the time the loan is granted to allow return to the United States only. This restriction remains in effect until the loan is repaid.

### *Benefits*

The Repatriation Loan Program directly benefits American citizens by providing them with the means to return to the United States if destitute or otherwise in need of such assistance. The program also serves U.S. foreign policy interests where exigent circumstances require an individual's return to the U.S. to respect host country laws or preserve public safety. In FY 2005, 860 repatriation loan cases were processed abroad in the following regions: Africa, 80 cases; the Americas, 301 cases; Asia (including Near East and South Asia), 195 cases; Europe, 240 cases; and Oceania, 44 cases.

# PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Agriculture Services	518	525	425	(100)
Commercial Services	1,665	1,687	1,220	(467)
Consular Services	4,348	4,323	2,600	(1,723)
Economic Services	1,733	1,744	1,243	(501)
Other Services	7,536	7,763	6,860	(903)
Public Affairs Services	1,812	1,836	1,822	(14)
Washington Headquarters	1,610	1,621	1,656	35
<b>Appropriation Total</b>	<b>19,222</b>	<b>19,499</b>	<b>15,826</b>	<b>(3,673)</b>

FY 2005 Estimate reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request funds a contractual agreement between the American Institute in Taiwan (AIT) and the Department of State in accordance with the Taiwan Relations Act, Public Law 96-8. This request of \$15,826,000 assumes operations will continue at the current FY 2006 level with the balance of \$3,673,000 derived from visa fee revenues.

### **Funding From Other Sources**

The American Institute in Taiwan, a nonprofit corporation, has historically received reimbursement for services performed. In FY 2007, AIT anticipates collecting a total of \$34 million. This includes approximately \$20 million in visa processing fees and \$14 million in reimbursements from other agency contracts as well as compensation associated with supporting the Foreign Service Institute's Chinese Language School. Of the estimated \$20 million in visa processing fees, approximately \$18 million will be needed to cover direct and indirect operating expenses in addition to the appropriation provided. The remaining \$2 million will be set aside for the capital projects account and consular service upgrades.

### *Program Description*

Since its inception in 1979 under the Taiwan Relations Act (Public Law 96-8), the American Institute in Taiwan has been committed to strengthening relations between the people of the United States and the people of Taiwan. Under the Taiwan Relations Act, the USG conducts unofficial relations with the people of Taiwan through AIT. AIT was established to carry out the Act by providing economic and commercial

## PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

services, cultural and information programs, and travel services for Americans and the people on Taiwan. To support U.S. interests in Taiwan, AIT promotes U.S. exports; participates in cultural, scientific, and information exchange programs; analyzes and reports on political and economic events of importance to the U.S. and Taiwan; provides consular services (non-immigrant, immigrant, and American citizen); and performs liaison functions on behalf of the Department of State and various USG agencies with their Taiwan counterpart organizations.

The Institute maintains an office in Taipei, a small Washington headquarters office, and a branch office in Kaohsiung that handles matters related to commercial promotion, consular services, cultural affairs, and the Container Security Initiative.

Pursuant to Section 6(a) of the Taiwan Relations Act, "Programs, transactions, and other relations conducted or carried out by the President or any agency of the United States Government with respect to Taiwan shall, in the manner and to the extent directed by the President, be conducted and carried out by or through the American Institute in Taiwan...." Under contract with the U.S. Department of State, AIT is reimbursed for the Department's share of salaries, benefits, rents, representation, and other expenses associated with operations in Taiwan and in the United States. The broad range of contractual responsibilities is described below:

- Economic Services includes reporting on economic developments in Taiwan, negotiations on trade barriers to U.S. products and services, resolution of trade disputes, and negotiations on other trade and investment policy matters. The primary areas covered in bilateral consultations and negotiations include general market access for goods and services such as telecommunications, pharmaceuticals, financial and investment services, and textiles and apparel; investment; intellectual property rights protection; and environmental issues.
- Commercial Services activities include a strong trade promotion program for U.S. exporters. Activities include one-on-one counseling on business conditions, the issuance of credit reports on Taiwanese companies, searches for representatives for U.S. business organizations, bulletins on specific export conditions, and market research on generic lines of business. AIT also serves the large resident U.S. business community in Taiwan.
- Consular Services functions include processing of immigrant and non-immigrant visas, notarial services, reports of births of Americans, interrogatories on behalf of Americans in legal processes, and passport services. AIT assists Americans in cases involving death, arrest, welfare and whereabouts, and voter registration.
- Public Affairs Services encompasses outreach to Taiwan's aggressive and influential media, the coordination of visitor programs to the U.S., presentations on American history, culture and society through exhibits and programs, contributions to the Foundation for Scholarly Exchange, and maintenance of an electronic library of English language materials and books.
- Agricultural Affairs identifies new trade opportunities, analyzes agriculture trade issues, assists U.S. agriculture exporters, and promotes the sale of American agricultural products and services.
- Other Services activities represent a diverse category of functions including: political reporting in a rapidly evolving democratic environment, support for the defense needs of Taiwan, cooperation to combat international drug trafficking, and administrative support for program activities.
- The Washington Office carries out the executive, negotiation, and liaison functions between various U.S. Government agencies and the Taipei Economic and Cultural Representative Office (TECRO). The office also provides executive and administrative direction for AIT and public affairs programming for business and other interest groups in the United States. In accordance with the AIT-TECRO Agreement on Privileges and Immunities, the office also issues identity cards and tax-exemption cards

## **PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN**

to TECRO employees and their dependents, and assists in handling matters in cooperation with the U.S Department of State and the Department of Homeland Security, Directorate of Border and Transportation Security regarding visas and adjustments of status.

### ***Benefits***

The activities of AIT strengthen commercial, cultural, and other relations between the people of the United States and the people on Taiwan and promote continued stability in the Taiwan Strait.

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# FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>132,600</b>	<b>131,700</b>	<b>126,400</b>	<b>(5,300)</b>

### *Explanation of Request*

The request for this account represents the cost of sustaining adequate funding of the Foreign Service Retirement and Disability Fund (FSRDF). The FY 2007 request reflects the mandatory funding requirement based on the most recent evaluation of the FSRDF performed by the Department of Treasury, using current statistical data including the Federal pay raise information.

### *Program Description*

The FSRDF includes the operations of two separate retirement systems, the Foreign Service Retirement and Disability System (FSRDS) and the Foreign Service Pension System (FSPS). The FSRDF was established to provide pensions to all retired and disabled members of the Foreign Service, who are enrolled in either of the two systems. The purpose of this appropriation is to maintain the required funding level of the FSRDS. This appropriation is the mandatory funding required, in addition to the other sources of funding mentioned below. The appropriation is one of several sources of income to the FSRDF.

Funding is maintained through:

- contributions by participants;
- matching government contributions;
- special government contributions, including this program;
- interest on investments; and
- voluntary contributions.

Payments to the FSRDF are authorized by sections 805 and 821 of the Foreign Service Act of 1980 (P.L. 96-465), as amended. Section 821 authorizes payments to be made in 30 annual installments to pay unfunded liability costs due to:

- new or liberalized benefits;
- new groups of beneficiaries; and
- salary increases on which benefits are computed.

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## INTERNATIONAL ORGANIZATIONS

### *Resource Summary*

(\$ in thousands)

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Contributions to International Organizations	1,166,212	1,151,317	1,268,523	117,206
Contributions for International Peacekeeping Activities	1,113,455	1,022,275	1,135,327	113,052
<b>Total, International Organizations</b>	<b>2,279,667</b>	<b>2,173,592</b>	<b>2,403,850</b>	<b>230,258</b>

FY 2005 Actuals reflect the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-477).

FY 2006 Estimates reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

FY 2005 Actual for CIPA includes \$680.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13) and reflects \$50.0 million transferred to the Peacekeeping Operations account for support of the efforts of the African Union to halt genocide and other atrocities in Darfur, Sudan.

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# CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Total Requirements</b>	<b>1,165,536</b>	<b>1,238,266</b>	<b>1,268,523</b>	<b>30,257</b>
FY 2004 Exchange Rate and Other Changes	92,098	0	0	0
FY 2005 Exchange Rate and Other Changes	(91,422)	91,422	0	(91,422)
FY 2006 Exchange Rate and Other Changes	0	(178,371)	0	178,371
<b>Appropriation Total</b>	<b>1,166,212</b>	<b>1,151,317</b>	<b>1,268,523</b>	<b>117,206</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-477).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request of \$1,268,523,000 represents full funding; consistent with statutory restrictions, of U.S. assessed contributions to the 45 international organizations funded through this appropriation. The request recognizes the United States' international obligations to the United Nations (UN) and other international organizations.

### *Program Description*

The various activities under this appropriation include assessed contributions to:

- the **UN and Affiliated Agencies**, that cover such diverse fields as peaceful uses of nuclear energy, international peace and security, international war crimes tribunals, arms control activities, international agricultural programs, labor, health and medical research, postal services, telecommunications, shipping, civil aviation, scientific cooperation, education, meteorology, maritime safety and pollution control, and patent classifications and copyrights;
- the **Inter-American Organizations** that are deeply involved in matters of democracy, freedom, counter-terrorism, counter-narcotics, human rights, development, animal and plant health, international law, eradication of endemic diseases, and cartographic and geophysics surveys in the Western Hemisphere;
- the **Regional Organizations** that are involved in matters of economic and social development, national security, and consultations with representatives of national legislative bodies in geographic areas of high interest to the United States; and

## CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

- **Other International Organizations** that are mainly concerned with international trade (including a broad range of commodities), the environment, and legal decision making and arbitration through courts and administrative bodies operating at international levels.

### *Benefits*

Membership in international organizations benefits the United States in the following ways:

- building U.S. coalitions and gaining support for U.S. interests and policies, and pursuing multilateral programs and activities that advance U.S. interests and democratic principles and fundamental human rights based on the rule of law;
- promoting economic growth through market economies, free trade and investment, and efficient and accountable multilateral development assistance;
- settling disputes peacefully and providing an effective means to address our specific national interests in certain geographic areas of the world and strengthening our alliances in these areas;
- encouraging non-proliferation, nuclear safeguards, arms control, and disarmament;
- adopting international standards and promoting the sharing of information to facilitate the creation of wealth, including through international trade, telecommunications, transportation, intellectual property protection, environmental protection, and scientific exchange; and
- strengthening international cooperation in environment, agriculture, technology, science, education, health, and drug abuse prevention.

## CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

### *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>United Nations &amp; Affiliated Agencies</b>				
Food & Agriculture Organization	89,716	83,981	89,332	5,351
Int'l. Atomic Energy Agency	79,829	77,447	83,192	5,745
Int'l. Civil Aviation Organization	12,650	14,894	15,180	286
Int'l. Labor Organization	63,107	59,866	63,338	3,472
Int'l. Maritime Organization	1,479	1,435	1,565	130
Int'l. Telecommunications Union	7,655	7,370	7,656	286
United Nations – Regular	362,209	438,952	422,761	(16,191)
United Nations - War Crimes Tribunals	35,039	31,620	33,201	1,581
UN – Capital Master Plan	6,000	10,595	22,110	11,515
UN Educational, Scientific & Cultural Organization	76,754	68,191	69,599	1,408
Universal Postal Union	1,770	1,629	1,690	61
World Health Organization	96,110	96,111	101,421	5,310
World Intellectual Property Organization	1,137	1,076	1,121	45
World Meteorological Organization	12,143	10,399	10,804	405
<b>Subtotal, UN and Affiliated Agencies</b>	<b>845,598</b>	<b>903,566</b>	<b>922,970</b>	<b>19,404</b>
<b>Inter-American Organizations</b>				
Inter-American Institute for Cooperation on Agriculture	16,560	16,600	16,620	20
Organization of American States	55,661	64,396	56,540	(7,856)
Pan American Health Organization	57,009	56,709	56,609	(100)
Pan American Institute of Geography And History	324	324	324	-
<b>Subtotal, Inter-American Organizations</b>	<b>129,554</b>	<b>138,029</b>	<b>130,093</b>	<b>(7,936)</b>
<b>Regional Organizations</b>				
Asia-Pacific Economic Cooperation	601	601	695	94
Colombo Plan Council for Technical Cooperation	15	15	15	-
North Atlantic Assembly	853	834	916	82
North Atlantic Treaty Organization	49,054	54,853	62,332	7,479
Organization for Economic Cooperation and Development	80,389	85,100	92,323	7,223
South Pacific Commission	1,539	1,450	1,450	-
<b>Subtotal, Regional Organizations</b>	<b>132,451</b>	<b>142,853</b>	<b>157,731</b>	<b>14,878</b>

## CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

### *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Other International Organizations</b>				
Customs Cooperation Council	4,147	3,971	4,221	250
Hague Conference on Private Int'l. Law	203	194	200	6
Int'l. Agency for Research on Cancer	1,707	1,865	1,865	-
Int'l. Bureau of the Permanent Court of Arbitration	60	59	61	2
Int'l. Bureau for the Publication of Customs Tariffs	133	119	123	4
Int'l. Bureau of Weights & Measures	1,091	1,117	1,178	61
Int'l. Center for the Study of Preservation & Restoration of Cultural Property	910	930	963	33
Int'l. Coffee Organization	323	479	501	22
Int'l. Copper Study Group	68	47	61	14
Int'l. Cotton Advisory Committee	327	396	440	44
Int'l. Grains Council	593	514	537	23
Int'l. Hydrographic Organization	113	104	120	16
Int'l. Institute for the Unification of Private Law	139	136	141	5
Int'l. Lead & Zinc Study Group	81	45	46	1
Int'l. Office of Epizootics	135	132	137	5
Int'l. Organization for Legal Metrology	129	142	150	8
Int'l. Rubber Study Group	126	113	118	5
Int'l. Seed Testing Association	9	9	9	-
Int'l. Tropical Timber Organization	212	197	246	49
Int'l. Union for the Conservation of Nature & Natural Resources	351	344	361	17
Organization for the Prohibition of Chemical Weapons	25,351	22,498	24,731	2,233
Int'l. Union for the Protection of New Varieties of Plants	212	203	269	66
World Trade Organization/General Agreement on Tariffs and Trade	21,513	20,204	21,251	1,047
<b>Subtotal, Other International Organizations</b>	<b>57,933</b>	<b>53,818</b>	<b>57,729</b>	<b>3,911</b>
<b>Total Requirements</b>	<b>1,165,536</b>	<b>1,238,266</b>	<b>1,268,523</b>	<b>30,257</b>
FY 2004 Exchange Rate and Other Changes	92,098	-	-	-
FY 2005 Exchange Rate and Other Changes	(91,422)	91,422	-	(91,422)
FY 2006 Exchange Rate and Other Changes	-	(178,371)	-	178,371
<b>Total, Contributions to International Organizations</b>	<b>1,166,212</b>	<b>1,151,317</b>	<b>1,268,523</b>	<b>117,206</b>



# CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Total Requirements</b>	<b>1,258,465</b>	<b>1,399,027</b>	<b>1,135,327</b>	<b>(263,700)</b>
FY 2005 Adjustment	(145,010)	0	0	0
FY 2006 Adjustment	0	(376,752)	0	376,752
<b>Appropriation Total</b>	<b>1,113,455</b>	<b>1,022,275</b>	<b>1,135,327</b>	<b>113,052</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-477).

FY 2005 Actual includes \$680.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13) and reflects \$50.0 million transferred to the Peacekeeping Operations account for support of the efforts of the African Union to halt genocide and other atrocities in Darfur, Sudan.

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request provides for funds for the U.S. share of expenses of United Nations (UN) peacekeeping operations. The FY 2007 requests provides \$1,135,327,000 for funding of projected FY 2007 operations. The Department requests that 15% of FY 2007 funds be appropriated as “two-year funds” due to the demonstrated unpredictability of the requirements in this account from year to year and the nature of multi-year operations that have mandates overlapping the U.S. fiscal year.

### *Program Description*

This appropriation will fund the U.S. assessed share of UN peacekeeping operations as follows:

- **UN Disengagement Observer Force** (UNDOF, initial UN mandate in May 1974) – acts as a buffer between Syria and Israeli troops in the strategic Golan Heights area.
- **UN Interim Force in Lebanon** (UNIFIL, initial UN mandate in March 1978) – (1) restores international peace and security in southern Lebanon; and (2) restores Lebanese sovereignty in the south of Lebanon.
- **UN Mission in Western Sahara** (MINURSO, initial UN mandate in April 1991) – monitors the cease-fire and assists in conducting a referendum on the future status of the Western Sahara. The budget request reflects an assumption of a significant decrease in operations as the mission prepares to close.
- **UN Mission in Kosovo** (UNMIK, initial UN mandate in June 1999) – provides an interim administration for Kosovo while establishing and overseeing the development of provisional, democratic and self-governing institutions in the province. UNMIK also facilitates a safe environment for all people in Kosovo. The budget request reflects an assumption of a scaling back of the mission as Kosovo assumes increased responsibilities.

## **CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES**

- **UN Observer Mission in Georgia** (UNOMIG, initial UN mandate in August 1993) – monitors compliance with the cease-fire agreement reached between the Republic of Georgia and Abkhaz separatist forces on May 14, 1994.
- **War Crimes Tribunals in Yugoslavia and Rwanda** (established for Yugoslavia in February 1993 and for Rwanda in November 1994) – examines war crimes in these areas. Half of each of these tribunals is funded by a special assessment using the UN regular budget scale of assessments (which is paid out of the Contributions to International Organizations account), and the other half is funded using the UN peacekeeping scale (which is paid out of this account).
- **UN Operations in the Democratic Republic of Congo** (MONUC, initial UN mandate in August 1999) – covers expenses of UN activities in the Democratic Republic of Congo (DROC) in support of the Lusaka accords goals of withdrawal of foreign forces and the disarmament and demobilization of armed rebel groups, and conduct free and fair elections. The budget request assumes a significant decrease in operations as MONUC moves toward closure.
- **UN Mission in Ethiopia/Eritrea** (UNMEE, initial UN mandate July 31, 2000) – In support of the cessation of hostilities and the peace agreements signed by Ethiopia and Eritrea in 2000, and following the Boundary Commission determination on the delimitation of the border areas, UNMEE will observe and provide technical support for the demarcation of the disputed areas. The budget request assumes that progress is resumed and the mission will begin scaling back operations and moving toward completion.
- **UN Mission to Liberia** (UNMIL, established September 19, 2003) – supports the implementation of the ceasefire agreement and, in conjunction with the ECOWAS and other international partners, assists the Government of Liberia in restructuring and reestablishing national authority throughout the country, supports humanitarian and human rights assistance, and supports security reform. UNMIL will begin a draw down as the new government rebuilds its military and police following the national elections.
- **UN Operation in Cote d'Ivoire** (UNOCI, initial UN mandate in February 2004) – monitors the cease-fire, and assists Cote d'Ivoire's transitional power-sharing government in disarming and repatriating the former combatants, maintains liaison with the Ivorian armed forces, helps the government monitor the border, facilitates the free flow of people, goods and humanitarian assistance, and assists the government in preparing for elections in 2006. Restoring stability to Cote d'Ivoire is a critical element in restoring peace to the entire West African region. Budget request reflects scaling back the mission as objectives are met in FY 2007.
- **UN Mission in Haiti** (MINUSTAH, established April 30, 2004) – The peacekeeping mission replaced the Multinational Interim Force (MIF) on July 1. The UN mission assists in the reestablishment of Haiti's police functions, coordinates with other International Organizations in providing assistance in Haiti, assists in organizing Haitian elections, and helps create an environment where the Haitian political process and economic recovery can take hold.
- **Sudan/Darfur Operations** (UNMIS, established March 24, 2005) – The task of UNMIS is to support implementation of the Comprehensive Peace Agreement signed by the parties; to facilitate and coordinate, within its capabilities and in its areas of deployment, the voluntary return of refugees and internally displaced persons and humanitarian assistance; assist the parties in the mine action sector; contribute towards international efforts to protect and promote human rights in Sudan, as well as to coordinate international efforts towards the protection of civilians, with particular attention to vulnerable groups including internally displaced persons, returning refugees, and women and children.

# CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

## Completed Missions

- **UN Force in Cyprus** (UNFICYP, created March 1964) – Objective was to halt violence between the Turkish Cypriot and Greek Cypriot communities. The budget request assumes that the mission will be terminated in FY 2007.
- **UN Mission to Sierra Leone** (UNAMSIL created October 1999) terminated in December 2005. Assisted the Government of Sierra Leone to reestablish its authority and restore law and order throughout the country. The mission has made significant progress in a country that had seen widespread human rights abuses and cruelty. Significant mistakes in the early days of the mission were overcome and lessons learned have been applied to other missions based on the success of UNAMSIL.
- **UN Mission in Burundi** (ONUB, created May 21, 2004) – The peacekeeping responsibilities of the African Mission in Burundi that were transferred to ONUB in June 2005 include disarmament, demobilization and reintegration, elections, human rights, and demining. Elections were conducted and the transition to the new government was completed with installation of the new President on August 26, 2005. ONUB chairs the Joint Ceasefire Commission, which brings together the Burundian Armed Forces and various armed groups to oversee implementation of the ceasefire accords and discuss army reform. The budget request assumes that the mission will be terminated in FY 2007.
- **UN Mission of Support in East Timor** (UNMISET) terminated in May 2005. In May 2002, East Timor became an independent country, marking the end of a three-year process towards independence under the guidance of the United Nations. UNMISET was established to provide assistance to core administrative structures critical to the viability and political stability of East Timor; to provide interim law enforcement and public security and to assist in developing the East Timor Police Service (ETPS); and contribute to the maintenance of the new country's external and internal security throughout the post-independence period to ensure the security and stability of the nascent state.

## *Benefits*

United Nations peacekeeping operations can be an effective means of containing conflict and resolving disputes in support of U.S. national interests. Acting in this way to support U.S. interests through the UN allows the U.S. to share the risks and costs of dealing with international crises with other nations. Deployment of UN peacekeeping operations, and selective U.S. participation in them, is an important tool for advancing U.S. interests and leadership.

Peacekeeping:

- separates adversaries;
- maintains cease-fires;
- facilitates the delivery of humanitarian relief;
- helps create conditions where refugees and displaced persons can return home;
- constrains the forces of opposing parties;
- facilitates peace talks; and
- creates conditions conducive to political reconciliation and the conduct of free elections.

## **CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES**

In these and other ways, peacekeeping operations can help nurture new democracies, lower the global tide of refugees, reduce the likelihood of unsanctioned interventions, and prevent small conflicts from growing into larger wars. These results directly serve the national interests of the United States.

### ***PART / Program Evaluation***

For preparation of the FY 2007 budget, the Administration evaluated the Department's Contributions for International Peacekeeping Activities (CIPA) account by, in part, drawing upon the long-term and key annual performance goals with ambitious targets and timeframes developed for the FY 2006 Program Assessment Rating Tool (PART) review. In the review for FY 2006, the program has been rated as Effective and received excellent scores with regard to the program's purpose and design. The Bureau of International Organization Affairs has responded to OMB's recommendations by implementing measurable annual performance targets, establishing an efficiency measure, and demonstrating that managers are held accountable for achieving key U.S. foreign policy objectives.

The FY 2007 budget request is based on the Department's long-term goal of closing missions when objectives are met, as measured by progress towards specific goals for each peacekeeping mission.

## CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

### *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
U.N. Disengagement Observer Force on the Golan Heights (UNDOF)	11,064	11,241	11,241	0
U.N. Interim Force in Lebanon (UNIFIL)	14,745	24,228	24,228	0
U.N. Mission for the Referendum in Western Sahara (MINURSO)	10,992	11,749	5,000	(6,749)
U.N. Mission in Kosovo (UNMIK)	73,933	66,221	50,000	(16,221)
U.N. Peacekeeping Force in Cyprus (UNFICYP)	7,369	6,570	0	(6,570)
U.N. Observer Mission in Georgia (UNOMIG)	9,041	9,416	9,416	0
War Crimes Tribunal - Yugoslavia (UNICTY)	23,881	23,881	25,075	1,194
War Crimes Tribunal - Rwanda (UNICTR)	18,312	18,312	19,228	916
U.N. Mission in Sierra Leone (UNAMSIL)	54,562	0	0	0
U.N. Operations in the Democratic Republic of the Congo (MONUC)	284,593	302,077	152,745	(149,332)
U.N. Mission in Ethiopia and Eritrea (UNMEE)	46,282	44,260	39,296	(4,964)
Burundi Operation (ONUB)	90,941	79,606	0	(79,606)
U.N. Mission in Liberia (UNMIL)	235,421	198,473	150,000	(48,473)
U.N. Mission in Sudan (UNMIS)	131,945	375,100	441,873	66,773
U.N. Operation in Cote d'Ivoire (UNOCI)	101,459	99,716	84,225	(15,491)
U.N. Mission in Haiti (MINUSTAH)	133,342	128,177	123,000	(5,177)
U.N. Mission of Support in East Timor (UNMISSET)	10,583	0	0	0
<b>Annual Requirements</b>	<b>1,258,465</b>	<b>1,399,027</b>	<b>1,135,327</b>	<b>(263,700)</b>
FY 2005 Adjustment	(145,010)	0	0	0
FY 2006 Adjustment	0	(376,752)	0	376,752
<b>Total, Contributions for International Peacekeeping Activities</b>	<b>1,113,455</b>	<b>1,022,275</b>	<b>1,135,327</b>	<b>113,052</b>

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# INTERNATIONAL COMMISSIONS

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>International Boundary and Water Commission</b>	<b>32,119</b>	<b>32,874</b>	<b>33,690</b>	<b>816</b>
Salaries & Expenses	26,880	27,642	28,453	811
Construction	5,239	5,232	5,237	5
<b>International Fisheries Commissions</b>	<b>21,688</b>	<b>23,693</b>	<b>20,651</b>	<b>(3,042)</b>
<b>American Sections</b>	<b>9,466</b>	<b>9,911</b>	<b>9,587</b>	<b>(324)</b>
Border Environment Cooperation Commission	2,021	2,083	2,175	92
International Joint Commission	6,214	6,417	6,127	(290)
International Boundary Commission	1,231	1,411	1,285	(126)
<b>Total, International Commissions</b>	<b>63,273</b>	<b>66,478</b>	<b>63,928</b>	<b>(2,550)</b>

All FY 2005 Actuals reflect the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

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# INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES AND MEXICO - SALARIES AND EXPENSES

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Administration	5,923	5,476	5,645	169
Engineering	2,961	2,382	2,451	69
Operations and Maintenance	17,996	19,784	20,357	573
<b>Appropriation Total</b>	<b>26,880</b>	<b>27,642</b>	<b>28,453</b>	<b>811</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request provides \$28,453,000 for Administration, Engineering, and Operations & Maintenance (O&M) activities for the International Boundary and Water Commission, an increase of \$811,000 over the FY 2006 appropriation. This request includes wage increases of \$483,419, and \$327,581 to fund anticipated increases in the operation and maintenance of agency-wide operations.

### *Program Description*

The mission of the International Boundary and Water Commission (IBWC) is to:

- apply the rights and obligations that the governments of the United States and Mexico assumed under numerous boundary and water treaties and related agreements;
- improve the water quality of the boundary rivers (the Tijuana, Colorado, and Rio Grande Rivers);
- resolve border sanitation problems;
- distribute boundary rivers' water to both countries at agreed upon proportions;
- operate the international flood control projects along the boundary rivers;
- operate the international reservoirs for the conservation of Rio Grande water and for hydroelectric generation;
- preserve and maintain the boundary in the international rivers (the Rio Grande and Colorado Rivers);
- maintain and demarcate the land boundary; and
- operate and maintain international wastewater treatment facilities.

The IBWC Salaries and Expenses appropriation ensures that the rights and obligations of treaties and agreements between the United States and Mexico are met through administration, engineering, and the operation and maintenance activities using funds appropriated to IBWC. O&M activities will continue to

# **INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES AND MEXICO - SALARIES AND EXPENSES**

be performed at two international wastewater treatment plants, two international dams and power plants, five diversion dams on the Rio Grande, and numerous smaller in-river structures, such as weirs and grade-control structures. Additionally, the USIBWC is responsible for the O&M of six flood-control projects with over 550 miles of levee and related structures. These flood control projects protect approximately 3 million residents and 1.5 million acres of adjoining farmland in the U.S. and Mexico. Program stability in this activity is vital to continue operations and maintenance of aging structures along the entire 1,952-mile border and to accomplish necessary studies and special maintenance requirements.

In addition, the Commission will:

- implement joint water quality programs for the observation of the biological, mineral, chemical, and toxic quality of international river waters;
- ensure compliance with National Pollution Discharge Elimination System (NPDES) permits for the Nogales International Wastewater Treatment Plant, located in Nogales, Arizona, and the South Bay International Wastewater Treatment Plant, located in San Ysidro, California;
- design water conveyance structures for the new higher capacity American Canal, including box culverts, wasteways, and transition structures; and design of operation and maintenance facilities for flood control, hydrologic, groundwater, sanitation (water quality), and boundary demarcation and preservation projects;
- conduct various planning (pre-design) and environmental studies to address a variety of border issues, including surveys, environmental investigations, water quality, border sanitation and boundary preservation studies and other small-scale studies required prior to design and construction; and
- investigate and report on the most feasible measures for solving border sanitation problems along the U.S.-Mexico border.

## ***Benefits***

The work of the IBWC facilitates the solution of international boundary and water problems, which benefits populations on the international border between the U.S. and Mexico and improves relations between the two countries. Particular emphasis is placed on the resolution of critical environmental issues.

## ***PART / Program Evaluation***

The USIBWC supports three of the Department's performance goals – close, strong and effective U.S. ties with allies, friends, partners and regional organizations; the containment or resolution of existing and emergency regional conflicts; and the development of partnerships, initiatives, and international treaties and agreements that protect the environment and promote efficient energy use and resource management.

The USIBWC is in the process of developing annual and long-range work plans for each program, to identify and prioritize agency requirements in accordance with the President's Management Agenda (Government Wide Initiatives) and USIBWC strategic plan. The USIBWC has implemented measures and technologies to maximize benefits and minimize costs whenever possible.

The USIBWC has used a streamlined process to address heavy equipment needs at its 12 field offices. Instead of replacing all heavy equipment, the USIBWC will only replace the most commonly used and needed pieces of heavy equipment critical to agency operations. The agency will share this heavy

## **INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES AND MEXICO - SALARIES AND EXPENSES**

equipment among regional field offices, and rent used equipment when specific needs arise. In FY 2005, the USIBWC purchased two semi-truck transport trailers (lowboys) to transport and share heavy equipment. Sharing and renting of heavy equipment is expected to provide a cost reduction of approximately \$4.5 million over our original plan.

The USIBWC is using new technologies and methods to efficiently evaluate our Rio Grande Flood Control Projects, which include approximately 510 miles of levees. The USIBWC conducted an integrated “high tech” approach using geophysical methods to identify questionable or high-risk flood levee segments. This innovative approach has substantially decreased the number of geotechnical soil samples needed to evaluate the structural integrity of the levee system, while providing more comprehensive coverage. Implementations of geophysical methods are estimated to have saved the agency between \$7 million to \$8 million over traditional geotechnical investigative methods in the lower Rio Grande area alone.

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**INTERNATIONAL BOUNDARY AND WATER COMMISSION  
UNITED STATES - CONSTRUCTION**

***Resource Summary***

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Boundary-Wide Program</b>	<b>1,126</b>	<b>1,197</b>	<b>850</b>	<b>(347)</b>
Facilities Renovation	576	828	575	(253)
Heavy Equipment Replacement	300	369	275	(94)
Land Mobile Radio System Replacement	250	0	0	0
<b>Water Quantity Program</b>	<b>3,125</b>	<b>3,636</b>	<b>3,387</b>	<b>(249)</b>
Rio Grande Canalization	1,750	249	250	1
Rio Grande Flood Control System Rehabilitation	1,000	2,590	2,437	(153)
Safety of Dams Rehabilitation	275	598	550	(48)
Colorado River Boundary and Capacity Preservation	100	199	150	(49)
<b>Water Quality Program</b>	<b>988</b>	<b>399</b>	<b>1,000</b>	<b>601</b>
Secondary Treatment of Tijuana Sewage	0	399	1,000	601
Surfrider Consent Decree Compliance	988	0	0	0
<b>Appropriation Total</b>	<b>5,239</b>	<b>5,232</b>	<b>5,237</b>	<b>5</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

***Explanation of Request***

The FY 2007 budget request of \$5,237,000 will increase the IBWC Construction appropriation by \$5,000 above the FY 2006 enacted level. This increase provides funding for ongoing projects of the Commission. The FY 2007 request will provide an increase of \$601,000 in the Water Quality Program to comply with Public Law 106-457, as amended by Public Law 108-425, The Tijuana River Valley Estuary and Beach Sewage Cleanup Act, which is offset by funding decreases of \$347,000 in the Boundary-wide Program, and \$249,000 in the Water Quantity Program.

The USIBWC will continue to carry out construction and rehabilitation projects related to border sanitation, infrastructure security, flood control, distribution and deliveries of international waters, and boundary demarcation. These projects are organized into three program groups: Boundary-wide, Water Quantity, and Water Quality. In this endeavor, the USIBWC will explore best and innovative practices from both the private and other public sectors. The FY 2007 funding requests for the construction activities are as follows:

## **INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION**

### **Boundary-Wide Program (\$850,000):**

**Facilities Renovation - \$575,000:** Originally funded in FY 1992, this project will continue with a multi-year program to renovate and modernize deteriorated USIBWC facilities along the U.S.-Mexico border region to current industry standards. These facilities, most of which were constructed between 1930 and 1950, require major rehabilitation work to meet OSHA safety standards, current environmental laws, and to provide more efficient, effective and secure working environments. The project consists of structural, electrical and mechanical improvements, as well as renovations necessary for compliance with environmental, occupational safety and health, handicap, and other regulatory requirements.

The FY 2007 request will be used to construct the second phase of upgrades at Falcon Water Treatment Plant, and re-roof three USIBWC homes that house dam operators at Falcon Dam. Funding will also be used to replace the perimeter fencing and lighting at Mercedes to provide increased security at the facility.

**Heavy Equipment Replacement - \$275,000:** Originally funded in FY 2001, this program will continue to replace existing deteriorated and obsolete heavy construction equipment. Funding will improve the agency's operational efficiency and productivity by significantly reducing the time spent repairing old equipment. Heavy construction equipment is essential for daily operations such as levee maintenance, floodway mowing, erosion control, arroyo clearing, roadway maintenance, riprap replacement, sludge, and silt removal. Having the proper equipment available and in an operational status has proven also to be critical during flood events and other emergencies. The proper equipment greatly improves the agency's ability to control flooding and protect approximately 3 million residents and 1.5 million acres of property.

FY 2007 request will be used to purchase a front-end loader for the Upper Rio Grande field offices.

### **Water Quantity Program (\$3,387,000):**

**Rio Grande Canalization - \$250,000:** Initially funded in FY 1993, this project will stabilize the Rio Grande channel between Caballo Dam in New Mexico and American Dam at El Paso, Texas. This project, authorized by the Act of August 29, 1935 (49 Stat. 961), facilitates water deliveries to Mexico under the 1906 Convention and protects against Rio Grande floods. Channel scouring has exposed foundations of bridges, siphons, flumes and diversion dams in portions of the Rio Grande channel. In addition, preliminary engineering studies indicate that the existing protective levee system may be inadequate to provide flood protection for the design flood of the system, placing the adjacent communities and farmland in jeopardy. Thus, the USIBWC will construct the necessary erosion protection works in the Rio Grande, rehabilitate deficient areas of the flood control system, and construct required environmental mitigation efforts along the project.

The FY 2007 request will fund the project design and environmental mitigation design for rehabilitation of levees in Canutillo, Texas.

**Rio Grande Flood Control System Rehabilitation - \$2,437,000:** This project, which started in FY 2001, will continue a multi-year effort to evaluate and rehabilitate the Rio Grande Flood Control System along the international segment of the river, downstream of the Rio Grande Canalization Project. The project work includes engineering evaluation of approximately 370 miles of the levee system, rehabilitation of the inadequate levees, replacement of the failed Riverside diversion dam, preservation of the river channel and flood plain, inundation mapping, and aerial boundary mapping and demarcation efforts along the Rio Grande.

The FY 2007 request will be used to prepare the project design for the 12-mile levee reach from Peñitas to the Main Floodway, and continue construction of the Hidalgo Loop Levee which will include approximately 0.5 mile of new levee and about 600 feet of floodwalls.

**Safety of Dams Rehabilitation - \$550,000:** Originally funded in FY 2001, this project will continue a multiyear effort for the rehabilitation and proper operation of all USIBWC dams, as recommended by the Joint Technical Advisors of the Federal Safety of Dams Program. The U.S. Section of the IBWC is solely

## **INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION**

responsible for operation and maintenance of two diversion dams on the Rio Grande (American and International), and jointly responsible for four international dams (Amistad, Falcon, Anzalduas, and Retamal). These dams provide for distribution of the Rio Grande waters between the U.S. and Mexico as well as for the conservation, flood control, water storage, power generation, and regulation of the flow of the river

The FY 2007 request will be used to construct upgrades of gate penstocks numbers 1, and 5 and to continue the rehabilitation of the spillway gates, hoist equipment, and all-weather equipment at Amistad dam. The request will also provide for upgrade of the gate position indicators, backup power, and switchgear at Retamal dam.

**Colorado River Boundary and Capacity Preservation - \$150,000:** Originally funded in FY 1998, this project will restore the carrying capacity of the international segment of the Colorado River as required by Minute 291 to ensure compliance with the 1944 Water Treaty. Floods in 1983 and 1993 filled the Colorado River with approximately 20 million cubic yards of sediment. This sedimentation, which reduced the capacity of the channel and promoted vegetation growth, threatens the USIBWC's ability to deliver a guaranteed annual allocated volume of Colorado River waters to Mexico as required by the 1944 Water Treaty. The project will include surveying, mapping, vegetation management, channel alignment excavation and protection, revision of the international flow standards, and international boundary restoration and preservation efforts.

The FY 2007 request will be used to initiate silt removal operations on the upstream portion of Morelos Dam. The hydraulic model based on the new project design flows will be concluded and agreed to with the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers, and Mexico.

### **Water Quality Program (\$1,000,000):**

**Secondary Treatment of Tijuana Sewage (Public Law 106-457) - \$1,000,000:** The project will provide for the secondary treatment of Tijuana sewage as mandated by Public Law 106-457, The Tijuana River Estuary and Beach Cleanup Act of 2000. Public Law 106-457 provides for the secondary treatment of a total of not more than 50 mgd in Mexico of effluent from the SBIWTP, if such treatment is not provided for at a facility in the United States, and of additional sewage emanating from the Tijuana River area, Mexico. In FY 2006 the USIBWC will continue to evaluate available alternatives in order achieve compliance with PL 106-457.

The FY 2007 request will provide funds for costs associated with the contract for implementation of the Public Law, and as agreed upon in IBWC Minute No. 311 between Mexico and the U.S.

### ***Program Description***

The purpose of the IBWC-Construction program is to investigate, design, construct, operate, and maintain joint construction projects independent of or with Mexico that address boundary demarcation, border sanitation, trans-boundary groundwater, and flood control problems. This appropriation ensures that the rights and obligations of treaties and agreements between the United States and Mexico are met through construction activities using funds appropriated to the USIBWC. In addition, the Commission will:

- implement joint water quality programs for the observation of the biological, mineral, chemical, and toxic quality of international river waters;
- promote successful resolution of a broad range of trans-boundary environmental issues;

## **INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION**

- ensure compliance with National Pollution Discharge System (NPDES) permits for the Nogales International Wastewater Treatment Plant (NIWTP) located in Nogales, Arizona, and the South Bay International Wastewater Treatment Plant (SBIWTP) located in San Ysidro, California;
- design, construct and maintain water conveyance structures, and operation and maintenance facilities for flood control, hydrologic, groundwater, sanitation (water quality), and boundary demarcation and preservation projects;
- investigate and report on the most feasible measures for solving border sanitation problems along the U.S.-Mexico border; and
- conduct various planning (pre-design) and environmental studies for flood control, hydrologic, groundwater, border sanitation (water quality), and boundary demarcation and preservation programs.

### ***Benefits***

Benefits of this appropriation include:

- implementing boundary preservation, water conveyance, flood control, and sanitation projects consistent with treaty obligations between the Governments of the United States and Mexico, and various Acts of Congress;
- promoting successful resolution of a broad range of trans-boundary environmental issues;
- maintaining the natural boundary between the United States and Mexico;
- preventing potentially destructive flooding in towns along the boundary; and
- preserving the water quality for human and other use on both sides of the boundary.

### ***PART / Program Evaluation***

The U.S. Section of the IBWC is tentatively scheduled for its first PART review in 2006, as a component of State's budget request for FY 2008. The USIBWC supports three of the Department's performance goals – close, strong and effective U.S. ties with allies, friends, partners and regional organizations; the containment or resolution of existing and emergency regional conflicts; and the development of partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management.

The USIBWC is in the process of developing annual and long-range work plans for each program, to identify and prioritize agency requirements in accordance with the President's Management Agenda (Government Wide Initiatives) and USIBWC strategic plan. The USIBWC has implemented measures and technologies to maximize benefits and minimize costs whenever possible.

The USIBWC has used a streamlined process to address heavy equipment needs at its 12 field offices. Instead of replacing all heavy equipment, the USIBWC will only replace the most commonly used and needed pieces of heavy equipment critical to agency operations. The agency will share this heavy equipment among regional field offices, and rent used equipment when specific needs arise. In FY 2005, the USIBWC purchased two semi-truck transport trailers (lowboys) to transport and share heavy equipment. Sharing and renting of heavy equipment is expected to provide a cost reduction of approximately \$4.5 million over our original plan.



## **INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION**

The USIBWC is using new technologies and methods to efficiently evaluate our Rio Grande Flood Control Projects, which include approximately 510 miles of levees. The USIBWC conducted an integrated “high tech” approach using geophysical methods to identify questionable or high-risk flood levee segments. This innovative approach has substantially decreased the number of geotechnical soil samples needed to evaluate the structural integrity of the levee system, while providing more comprehensive coverage. Implementations of geophysical methods are estimated to have saved the agency between \$7 million to \$8 million over traditional geotechnical investigative methods in the lower Rio Grande area alone.

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# INTERNATIONAL FISHERIES COMMISSIONS

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Great Lakes Fishery Commission (GLFC)	13,011	14,677	12,140	(2,537)
Inter-American Tropical Tuna Commission (IATTC)	2,201	1,938	1,800	(138)
International Pacific Halibut Commission (IPHC)	1,961	2,948	2,300	(648)
Other Marine Conservation Organizations	1,751	1,240	1,361	121
Pacific Salmon Commission (PSC)	2,664	2,700	2,800	100
Western and Central Pacific Fisheries Commission (WCPFC)	100	190	250	60
<b>Appropriation Total</b>	<b>21,688</b>	<b>23,693</b>	<b>20,651</b>	<b>(3,042)</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request provides \$20,651,000 for U.S. support for the International Fisheries Commissions.

This request includes:

- \$12,140,000 for the Great Lakes Fishery Commission and \$2,300,000 for the International Pacific Halibut Commission, which support the core functions of these two commissions;
- \$2,800,000 for the Pacific Salmon Commission, which includes \$100,000 to fund negotiations for the key Pacific Salmon Treaty annexes that expire in 2008;
- \$1,800,000 for the Inter-American Tropical Tuna Commission to continue programs necessary to conserve and manage the commercial tuna stocks;
- \$1,361,000 to pay the U.S. share of annual assessments and program expenses of the 11 other commissions and activities included under this appropriation; and
- \$250,000 for the Western and Central Pacific Fisheries Commission, which the United States anticipates joining in FY 2006 with the first full U.S. assessment due in FY 2007.

# INTERNATIONAL FISHERIES COMMISSIONS

## *Program Description*

These organizations facilitate international cooperation to achieve conservation of shared living marine resources and/or sustainable use of shared fish populations by:

- coordinating scientific research into the size, health, and distribution of shared fish populations and other living marine resources, and evaluating the effects of fishing and environmental conditions on these resources;
- recommending conservation and management measures to member governments based on scientific advice; and
- where appropriate, allocating harvesting rights to member nations according to relevant criteria and consistent with approved conservation and management measures.

The International Fisheries Commissions appropriation provides for:

- the treaty-mandated U.S. share of operating expenses of ten international fisheries commissions and organizations, one sea turtle convention, the International Whaling Commission, two international marine science organizations, and the Antarctic Treaty;
- travel expenses of U.S. Commissioners and their advisors; and
- compensation payments to non-government employees of the Pacific Salmon Commission for days actually worked as U.S. Commissioners, panel members, advisors, and/or alternates.

## *Benefits*

U.S. leadership in these organizations secures and maintains access to a fair share of international fisheries resources for U.S. commercial and recreational fishers, protects vulnerable marine species, strengthens the well-being of coastal communities, and advances key U.S. interests such as regional economic stability and protection of the global marine environment.

Membership in these organizations produces the following benefits to the United States:

- management and conservation of commercial and recreational fisheries that generate income over \$12 billion annually to the U.S. economy;
- continuation of efforts to eradicate sea lampreys in the Great Lakes and their tributaries to allow depleted fish stocks to rebuild;
- assurance that U.S. fishermen have the opportunity to harvest an equitable share of common fish resources;
- protection against the depletion of fishery resources and degradation of the marine and the Antarctic environment;
- assurance of the protection of whale stocks through the International Whaling Commission;
- peaceful uses of the Antarctic region, including marine protected areas;
- conservation of vulnerable marine species such as sea turtles and dolphins; and
- fora for discussion of problems of mutual interest among the United States and other fishing nations.

# INTERNATIONAL FISHERIES COMMISSIONS

## *PART / Program Evaluation*

The International Fisheries Commissions underwent initial PART analysis in FY 2004 for the FY 2006 budget. This review identified program planning, management, results, and accountability to be “adequate.” This review indicated that each commission has ambitious short- and long-term measures (including three efficiency measures), which have been met or exceeded, for example:

- number of multilateral regional fisheries management organizations implementing comprehensive schemes to improve compliance with conservation and management measures by both members and non-members and
- estimated parasitic sea lamprey abundance in all Great Lakes as a proportion of the maximum target level that would allow for healthy fish populations.

The Bureau of Oceans and International Environmental and Scientific Affairs (OES) will continue to work with OMB to implement recommendations from the PART analysis. OES will continue to improve its program-wide measures; in particular, OES will increase the number of outcome-oriented measures and efficiency measures.

# INTERNATIONAL FISHERIES COMMISSIONS

## Other Marine Conservation Organizations

### *Request by Commission*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Antarctic Treaty	48	33	50	17
Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)	83	81	90	9
Expenses of the US Commissioners	102	120	120	0
Inter-American Sea Turtle Convention Commission (IASTC)	257	120	90	(30)
International Commission for the Conservation of Atlantic Tunas (ICCAT)	292	242	260	18
International Council for the Exploration of the Sea (ICES)	317	182	200	18
International Whaling Commission (IWC)	158	160	170	10
North Atlantic Salmon Conservation Organization (NASCO)	75	38	45	7
North Pacific Anadromous Fish Commission (NPAFC)	120	125	125	0
North Pacific Marine Science Organization (PICES)	174	89	90	1
Northwest Atlantic Fisheries Organization (NAFO)	125	50	121	71
<b>Other Marine Conservation Organizations Total</b>	<b>1,751</b>	<b>1,240</b>	<b>1,361</b>	<b>121</b>

# BORDER ENVIRONMENT COOPERATION COMMISSION

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>2,021</b>	<b>2,083</b>	<b>2,175</b>	<b>92</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The Border Environment Cooperation Commission (BECC) is a bi-national institution, jointly funded by the United States and Mexico. The \$2,175,000 request for FY 2007 is the U.S. contribution to the BECC, an increase of \$92,000 above the FY 2006 estimate. The increase will fund wage and price increases and safety issues. The FY 2007 contribution will enable the BECC to continue assisting border communities in the identification, development, design and certification of border environmental infrastructure projects that will be considered by lending or grant-making institutions, such as the North American Development Bank (NADB). It will also enable the BECC to continue its public involvement and public outreach process. Border communities have a great need not only for infrastructure but also for resources to develop that infrastructure properly. Through an effective partnership, the Environmental Protection Agency's (EPA) Project Development Assistance Program (PDAP) has provided \$41,200,000 in funds to the BECC that are used to provide technical assistance to communities to develop and design water and wastewater projects since the inception of the program through FY 2005. Funding for development and design of solid waste projects comes from the NADB, and funding for development and design of other sector projects come from BECC operating funds and the NADB. Other sector projects include, but are not limited to, hazardous waste, air quality, public transportation, clean and efficient energy, municipal planning and development, water conservation, waste and wastewater hookups, and waste reduction and recycling.

### *Program Description*

Established and authorized under a side agreement to the North American Free Trade Agreement (NAFTA), the BECC's central objective is to assist states, local communities, private industry, and non-governmental organizations in developing effective solutions to environmental problems along the U.S.-Mexico border. The geographical area includes 100 km in the U.S and 300 km in Mexico. The BECC provides technical and financial planning assistance and certifies environmental infrastructure projects.

The BECC assists states, localities, and private investors that propose environmental infrastructure projects by providing technical support--such as engineering analysis, project development and design, financial feasibility studies, community participation, environmental assessment and sustainable development--to border communities seeking to develop environmental infrastructure projects. In addition, the BECC mobilizes the resources from U.S. and Mexican environmental agencies and other sources, and provides access to the resources of the NADB. Under the BECC's public participation program, the BECC notifies

## **BORDER ENVIRONMENT COOPERATION COMMISSION**

the public about specific projects and receives comments from affected communities to ensure extensive public involvement and support in the policies and decisions of the Commission.

The BECC projects to certify approximately 7 projects in FY 2006 with an estimated value of \$188 million. The process of identifying potential new projects and developing these projects has matured into a comprehensive system well coordinated and integrated with the NADB and federal agencies in both countries.

In FY 2006 and FY 2007 the BECC projects it will receive approximately 40 applications that satisfy the BECC basic criteria as follows: (a) location within the designated geographical area, (b) solving an environmental or human health issue, and (c) constituting a water, wastewater, solid waste, or sector projects. BECC's mission continues to be the improvement of quality of life for the more than 22.3 million residents residing within the designated geographical area.

BECC is governed by a bi-national Board of Directors, composed of ten members (five from the U.S. and five from Mexico), representing federal, state and civil society on the border. Members of the Board of Directors are appointed by the President of the United States and the Secretariat of Environmental and Natural Resources for Mexico.

### ***Benefits***

The benefits of the BECC include:

- Assistance for states and localities and other public entities and private investors in:
  - coordinating environmental infrastructure projects to address serious environmental degradation problems along the 2,000 mile U.S.-Mexico border;
  - developing, implementing, and overseeing environmental infrastructure projects in the border region, including the development, design, and other technical aspects of such projects;
  - analyzing the financial feasibility and/or the environmental and sustainable development aspects of environmental infrastructure projects in the border region;
  - evaluating social and economic benefits of environmental infrastructure projects in the border region; and
  - organizing, developing, and arranging public and private financing for environmental infrastructure projects in the border region;
- Certification of applications for financing to the NADB for environmental infrastructure projects in the border region;
- Innovative approaches to address common environmental infrastructure needs along the international border; and
- Forum for public input into critical decision making on the development and implementation of infrastructure projects.

### ***PART / Program Evaluation***

The BECC has initiated the development of a comprehensive needs assessment that provides, together with the project prioritization analysis, a projects and issues agenda for future fiscal years. The BECC measures



## **BORDER ENVIRONMENT COOPERATION COMMISSION**

performance of the projects and issues agenda by the implementation of project components and resolution of social and environmental issues.

The BECC continues to work through the EPA's PDAP, Department of State, Government of Mexico, and other grant funding agencies in an effort to accomplish its mission. Key ongoing strategies for improving the health, environment, and other conditions for the more than 22.3 million residents of the U.S.-Mexico border region include:

- development and administration of a needs assessments through the input of communities, local authorities and State governments;
- implementation of a strategic plan with the intention of integrating a complete BECC work program, as a basis for planning future actions and use of resources;
- continued assistance to border communities in identifying potential alternatives to environmental and health problems;
- ensuring compliance with BECC public participation and outreach process;
- continued improvements to the project management information system (PMIS);
- continuing with ISO recertification process; and
- continuation of performance-based budgeting.

The BECC has achieved targets for protecting the environment, promoting efficient energy use and resource management in support of its mandate of improving social and environmental issues by addressing environmental, health, and other conditions in the U.S.-Mexico border region.

Since its inception, the BECC has certified 105 projects, benefiting over 8,000,000 residents in communities along the U.S.-Mexico border region. Of the 105 projects certified, 24 projects are in operation, 39 projects are under construction, 11 projects are in the bidding process, 25 projects are under design, and the six (6) remaining projects are either being redefined or inactive (funding was obtained elsewhere). These projects represent a total investment of over \$30.6 million in technical assistance, and an investment of \$2.18 billion in construction projects.

In FY 2006 and FY 2007 the BECC intends to continue developing and designing projects for certification by its Board of Directors. The BECC has completed the development of a needs assessment to identify existing requirements in the communities in the U.S. and Mexico border region. The collected information will be used in support of its strategic plan. The needs assessment will have an annual follow-up with the purpose of identifying new projects. The BECC completed the process of prioritizing projects for FY 2005-FY 2006 in order to determine what project needs will be addressed first.

In addition, the BECC continues to improve its project management information system (PMIS) in an effort to better track the BECC's performance, identify opportunities for improvement in project development, and streamline the process even further. The BECC also expects that by the beginning of FY 2006, it will have instituted a project costing system which will create the foundation for the implementation of performance-based budgeting (PBB). The development of the project costing system will permit the BECC to track project labor costs, identify any duplication of efforts, identify areas for improvement, measure efficiencies and inefficiencies, and cut costs through targeted improvements. This will provide the core data for a new system of process and efficiency measures.

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# INTERNATIONAL JOINT COMMISSION

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Special & Technical Investigations by U.S. Geological Survey	560	573	590	17
U.S. Section	5,654	5,844	5,537	(307)
<b>Appropriation Total</b>	<b>6,214</b>	<b>6,417</b>	<b>6,127</b>	<b>(290)</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 International Joint Commission (IJC) budget request is \$6,127,000. Funding at this level will support operations of the International Joint Commission (IJC) and special investigations by the U.S. Geological Survey through reallocation to highest priority efforts.

### *Program Description*

The IJC's mission is to develop and, where appropriate, administer programs to assist the governments of the United States and Canada to address water quality and quantity issues and air pollution problems along the U.S./Canadian border through the implementation of the provisions of the Boundary Waters Treaty of 1909 and related international agreements. In addition, the United States' share of the IJC's Great Lakes Regional Office (Windsor, Ontario), created by the U.S.-Canada Great Lakes Water Quality Agreement (GLWQA), is funded through this account.

During FY 2007, the IJC will continue to manage water levels and flows in the Great Lakes and other boundary waters to achieve an appropriate balance among the many significant interests dependent on or affected by water levels. The unpredictable increase in both drought and flooding events in border watersheds has placed greater demands on the resource, especially in the west, and intensified the need for careful and well analyzed control of the outflows from regulated structures during high and low water periods.

In FY 2007, the IJC also plans to continue work as detailed in the Plan of Study for the Upper Great Lakes, completing the Plan's Year 1 efforts and undertaking the Plan's Year 2 efforts. The five-year study assesses changes in the St. Clair River and determines changes required to the Orders of Approval for the operation of structures at the outlet of Lake Superior affecting water levels and flows on Lakes Superior, Michigan, Huron, and Erie (Minnesota, Wisconsin, Michigan, Illinois, Indiana, Ohio, Pennsylvania, New York, and Ontario.) The orders governing the Upper Great Lakes are nearly a quarter-century old and do not fully

## INTERNATIONAL JOINT COMMISSION

consider the needs of interests that have grown in the region over time, environmental considerations, potential changes in timing and volume of water supplies, and the effects of possible changes in the St. Clair River. Significant variations in water levels have and will continue to have social and economic impacts. Work on the Upper Great Lakes study will achieve efficiency by building on the knowledge, methods, and models developed in the Lake Ontario - St. Lawrence Study while recognizing differences necessitated by the degree of outflow control and the geographic scope of the Upper Lakes.

The IJC will continue work on references (requests for IJC studies) issued by the two governments over the previous fiscal years and those expected to be issued during FY 2007 and will carry out its responsibilities pursuant to its Orders of Approval and under the Great Lakes Water Quality Agreement and Boundary Waters Treaty. These activities include:

- continuing support of international watershed initiatives in the border region for the purpose of improving cross-border communication, protecting shared resources, and facilitating local and regional problem solving;
- continuing a multi-year review of orders for regulation of the controlling structure on the Okanogan River (British Columbia and Washington);
- continuing the analysis of common groundwater and surface water uses in boundary areas outside the Great Lakes Basin as requested from governments of the U.S. and Canada;
- assessing progress in developing and implementing Lakewide Management Plans and in remediation clean up of Areas of Concern designated under the Great Lakes Water Quality Agreement;
- convening a biennial meeting on the Great Lakes Water Quality Agreement to consult with the public;
- continuing to assist the governments in their comprehensive review of the Great Lakes Water Quality Agreement;
- implementing an integrated approach to water quality and water quantity responsibilities in the Souris River basin (North Dakota, Manitoba, Saskatchewan);
- subject to the receipt of referrals from governments, continuing a program to harmonize and coordinate binational programs to prevent the introduction of aquatic alien invasive species into the Great Lakes and other border regions and assessing progress by the governments in this effort, assessing the impacts of proposed coal-bed methane development in the Flathead River basin (Montana and British Columbia); evaluating transboundary impacts of operations by Teck Cominco along the Columbia River (Washington and British Columbia); and undertaking the assessment of a proposed mine on the Taku River in British Columbia that may pose a risk of substantial damage to the salmon fishery in Alaska; and
- supporting the U.S. Government's program to monitor water levels and flows in several boundary and transboundary rivers and to meet apportionment requirements, which is accomplished through an interagency agreement with the United States Geological Survey (USGS).

### *Benefits*

The quality and quantity of boundary waters, including the Great Lakes, are maintained and monitored to ensure that millions of Americans and Canadians will not lose the economic, recreational and aesthetic benefits that they now derive from these waters nor suffer from damages to the resource. The prompt and effective prevention and/or resolution of potential environmental or other disputes ensure the maintenance of the strong relationship that exists between Canada and the United States.

# INTERNATIONAL JOINT COMMISSION

## *PART / Program Evaluation*

The IJC supports three of the Department's performance goals -- close, strong and effective U.S. ties with allies, friends, partners and regional organizations; the containment or resolution of existing and emergency regional conflicts; and the development of partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management. The IJC's annual project agenda consists of scientific and technical studies performed at the request of the two national governments, some known in advance, others requested in the course of the fiscal year.

A long-term program goal is to ensure the IJC's ability to address existing and emerging issues to help the two governments prevent and resolve disputes, such that the IJC is able to respond to references issued by the two governments, and to address issues early and as much as possible at the local level so that more substantive transboundary controversies are averted and the need for formal references avoided. A short-term program goal toward this end is steady progress in ensuring scientific, technical, and institutional capacity. The structure of the Commission's boards and task forces is a critical component of this capacity, providing a forum for relevant agencies, academics, industry, and others in both countries to bring their scientific and technical expertise to bear, to address emerging issues, and to discuss these issues with the local public. In FY 2005, the IJC and its 21 boards and task forces conducted 59 public consultation meetings in communities along or near the international boundary. Also in FY 2005, 18 reports were issued under the auspices of the IJC and its boards and task forces providing information on work undertaken on the Commission's various responsibilities, information on water quality and water quantity requirements, and issues and developments in various watersheds along the boundary.

A second long-term program goal is to ensure that the operation of facilities affecting international water levels and flows remains relevant for current and anticipated conditions. A short-term goal within this context is to ensure steady progress in reviewing the IJC's decades-old international approvals in light of changed social, technical, and climatic conditions. The IJC's Study Board reviewing the 50-year old regulation of Lake Ontario- St. Lawrence River outflows is completing its work in early FY 2006. The IJC expects to consider the options provided by the Board, make its decision, and implement that decision during FY 2006. The Study Board's five-year effort is within budget and on schedule. The IJC plans to take advantage of lessons learned by initiating in FY 2006 a multi-year review of the 25-year old regulation of Lake Superior outflows and its effects on the Upper Great Lakes. The IJC also plans in FY2006 to develop a Plan of Study for the review required of Zosel Dam on the Okanogan River.

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# INTERNATIONAL BOUNDARY COMMISSION

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>1,231</b>	<b>1,411</b>	<b>1,285</b>	<b>(126)</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 budget request of \$1,285,000 for the International Boundary Commission (IBC) will support the Treaty requirements to maintain the U.S - Canadian Boundary. Funding will allow the IBC to conduct four field projects that will maintain the required effective boundary line between the U.S. and Canada. The planned projects are:

- Repair and Maintenance of the Range Towers in Point Roberts, WA;
- Clearing boundary vista and Monument Maintenance along the North Line and Monument Brook Maine/New Brunswick (87 miles);
- Monument maintenance and vista clearing along the 49<sup>th</sup> Parallel Minnesota/Manitoba (60 miles); and
- GPS survey of the 49<sup>th</sup> Parallel Montana/ British Columbia.

The IBC will continue its advisory and regulatory roles concerning construction crossing the boundary and to provide boundary specific information and technical data to the public and private sectors.

### *Program Description*

The IBC is obligated by the Treaty of 1925 to maintain an “effective” boundary line between the United States and Canada. The Treaty specifies that, to be “effective”, the boundary line must be accurately delineated and marked with stable identifying monuments, offering a 20-foot wide clear line-of-sight (i.e., “vista”) from one boundary monument to the next along the entire 5,525 mile border. The IBC maintains more than 5,500 boundary monuments and more than 2,800 reference monuments which are used to locate the water boundary. To preserve the integrity of the international boundary line, the IBC regulates construction crossing the boundary and provides boundary-specific positional and cartographic data to the public and private sectors. The IBC appropriation provides funds to implement U.S. obligations under the Treaty, thereby maintaining and preserving an effective boundary line between the two countries that ensures the sovereignty of each nation over its territory by clearly establishing where one’s rights and responsibilities end and the other’s begins, thus virtually eliminating the potential for serious and costly boundary disputes.

## INTERNATIONAL BOUNDARY COMMISSION

Although the boundary was cleared, surveyed and marked years ago, a cyclical program of maintenance is required to sustain an effective boundary line. The necessity of continuous maintenance is due to the deterioration/destruction of boundary monuments and to brush and timber overgrowth obstructing the 20-foot wide vista.

The IBC has begun to convert all North American Datum 27 (NAD27) map coordinates that currently define the boundary to NAD 83 positions.

The FY 2006 budget of \$1,411,000 will fund the IBC operations and three boundary maintenance projects:

- Monument maintenance, vista clearing and resurvey of the 49<sup>th</sup> Parallel (35 miles) Montana/Saskatchewan,
- Vista clearing and monument maintenance of the 49<sup>th</sup> Parallel (60 miles) in Minnesota/Manitoba, and
- Inspection resurvey and monument maintenance on the St. John River (72 miles) in Maine/New Brunswick.

Additionally the Commission will begin the first year of a five-year program to re-map the United States - Canadian Boundary.

### ***Benefits***

A well-marked and maintained boundary supports the missions of federal, state and local law enforcement agencies, especially in the aftermath of the September 11 terrorist attacks. A well-defined boundary is necessary so that individuals coming upon the boundary anywhere along its length are aware of the country they are in, and thus what laws they are under. An ambiguous boundary line would needlessly complicate and disrupt the business of government and private industry as well as the lives of the people living and working along it.

### ***PART / Program Evaluation***

The work of the IBC supports the Department's strategic goals in Regional Stability and Homeland Security. The IBC proposes to track performance by comparing the projects accomplished to the projects targeted for that year in the IBC's 15-year long-term and 5-year short-term plans for maintaining an effective boundary.



## RELATED APPROPRIATIONS

### *Resource Summary*

(\$ in thousands)

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
The Asia Foundation	12,826	13,821	10,000	(3,821)
National Endowment for Democracy	59,199	74,042	80,000	5,958
East-West Center	19,240	18,994	12,000	(6,994)
Center for Middle Eastern-Western Dialogue - Trust Fund	6,660	4,936	0	(4,936)
Center for Middle Eastern-Western Dialogue - Program	622	740	750	10
Eisenhower Exchange Fellowship Program	493	494	500	6
Israeli Arab Scholarship Program	370	370	375	5
<b>Total, Related Appropriations</b>	<b>99,410</b>	<b>113,397</b>	<b>103,625</b>	<b>(9,772)</b>

All FY 2005 Actuals reflect the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

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# THE ASIA FOUNDATION

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Operating Activity Expenses	1,575	1,698	1,228	(470)
Program Grants and Services	11,251	12,123	8,772	(3,351)
<b>Appropriation Total</b>	<b>12,826</b>	<b>13,821</b>	<b>10,000</b>	<b>(3,821)</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request will provide funding for The Asia Foundation (TAF) at \$10,000,000.

This level of funding will support programs that focus on conflict resolution and counter extremism; improve governance practices and the rule of law; strengthen democratic institutions including the protection of human rights; increase citizen participation in public policy; expand women's rights and anti-trafficking efforts; increase economic opportunity through small business development; and develop stronger, more effective open market economies. The FY 2007 request will promote political moderation and tolerance within Muslim minority and majority countries in Asia in unstable countries such as Afghanistan and Pakistan, and less stable countries such as Nepal and Cambodia. TAF will continue working to promote free and fair elections, constitutional development, human rights, education and local government reform. Other programs will continue to develop democratic institutions to increase the pace of legal reform in China, Vietnam, Indonesia and Thailand, including policy reforms to improve the investment environment, fight corruption and protect intellectual property.

TAF will continue to increase its private fund-raising efforts and expects to raise \$4 million in private funds during FY 2007. TAF will continue to receive in-kind contributions, notably donated books and journals from American publishers which are distributed through TAF's Books for Asia program and reach 5,000 institutions in the region. Since 1954, TAF has distributed over 40 million books to Asian institutions. The request for operating activity expenses reflects the current indirect cost rate negotiated between the Department of State and TAF, which is 14% of direct costs.

### *Program Description*

TAF programs complement official efforts to advance U.S. interests in Asia. As a non-governmental grant-making organization, TAF is a distinctive American on-the-ground presence in Asia. Few other nongovernmental organizations can claim TAF's capacity to deliver effective programs and build local capacity in the government, civil society and private sectors.

## THE ASIA FOUNDATION

TAF delivers concrete programs at both the grass roots and policy levels, capitalizing on its longstanding presence and on an essential combination of strengths, including a depth of understanding and sensitivity to local and regional political and economic developments; commitment to results; widespread governmental and non-governmental contacts; the ability to react quickly to identify and develop timely program responses to key foreign policy issues and opportunities; and proven capacity as a program manager and grant maker. TAF's ability to work flexibly, often at break neck speed, such as during the Emergency and Constitutional Loya Jirgas and elections in Afghanistan, is highly valued by the Department of State. TAF funds programs in front line states such as Indonesia, Afghanistan and Pakistan, and in countries where on-the-ground programs make a significant tangible contribution to American public diplomacy through books, exchanges and the generation of good will that benefit the lives of people in Asia.

TAF plays an important role in helping the U.S. Government attain its strategic goals in Asia. TAF's reputation enables it to undertake programs difficult for the U.S. Government to address directly (including issues related to religion and ethnicity), to take risks to promote reform, and respond rapidly in troubled areas with sensitivity and an effectiveness made possible through experience and local relationships. TAF operates in countries of high priority to the U.S., but where the U.S. does not maintain a development presence, such as China and the Korean Peninsula, and has been encouraged by the Department of State to be an early bridge to countries emerging from isolation or authoritarian rule, as in the case of North Korea, and in earlier times, Mongolia, Vietnam and China. TAF's programs are directly linked to U.S. Government goals and objectives, including the number one priority of combating terrorism and dealing with its root causes.

TAF achievements include: introduction of civic education curricula to promote democratic principles, moderate Islam, and tolerance within Indonesia's 46 State Islamic Institutes and 142 private Islamic colleges, reaching 10% of all tertiary students in the country and curriculum reform for over 400 Islamic primary schools reaching 120,000 students; the establishment of the only center for progressive Muslims in Southeast Asia, The International Center for Islam and Pluralism; provision of civic education and operations support for the registration of voters and polling for presidential elections in Afghanistan; training in China on legal rights for thousands of migrant women workers; support for anti-trafficking NGOs in Cambodia and Thailand; support for 130,000 domestic election monitors and voter education programs during the 2004 Indonesian presidential and parliamentary election, mobilizing Muslim, Catholic and other nongovernmental organizations, and reaching over 110 million voters; enhancing access to justice through the Community Mediation Boards in Sri Lanka, which handle more than 100,000 cases per year; development of a model for mediation of conflict at the village level now serving 11 districts in Nepal; support for monitors of the peace process between the government and the Moro Islamic Liberation Front (MILF) in the Philippines; and legal reform and parliamentary development in East Timor.

TAF responded immediately to the tsunami crisis by providing support to one of Indonesia's mass-based Muslim organizations, Muhammadiyah (which has extensive networks in Aceh), to place additional health and social service experts in Aceh, re-establish radio and communications networks and by providing faith-based organizations and the Rotary Club in Sri Lanka with funding to help in the distribution of critical relief supplies in tsunami-hit eastern Sri Lanka.

The Asia Foundation is primarily a grant-making organization with 17 offices in Asia. Through support for innovative program activities, education, public policy dialogue, research, human resource development, technical assistance, and institutional strengthening, TAF contributes to U.S. and Asian interests by:

- strengthening key democratic institutions such as legislatures and courts, professional organizations, citizen advocacy and human rights groups; promoting religious tolerance and conflict resolution; and building constituencies to promote legal reform;

## THE ASIA FOUNDATION

- protecting the rights of women, and countering domestic violence and trafficking of women and children;
- supporting open market economies and liberalized trade and investment policies, and strengthening key financial institutions;
- promoting leadership development through professional training and study tours for staff members of grantee institutions; and facilitating U.S.-Asian dialogue on political, economic, and security issues affecting U.S. interests in the region; and
- managing the Books for Asia program, which annually distributes over half a million donated American books, and journals throughout Asia and supporting education reform.

### *Benefits*

The Asia Foundation is uniquely positioned to address immediate needs in Asia through programs that advance priority U.S. interests. With its longstanding field presence, TAF has a depth of experience, rapid response, and grant making capacity that makes it an important, reliable resource that can identify critical needs, develop creative approaches, and manage results-oriented programs in Asia. TAF's flexible grant making helps develop new Asian leadership and institutional capacity. TAF's presence in Asia and its nongovernmental status help provide a buffer against controversy. TAF is able to undertake programs that are difficult for the U.S. government to implement directly, including programs that focus on issues such as religion, ethnicity or human rights. TAF programs also contribute to American public diplomacy through books, exchanges and the generation of good will from on-the-ground projects that improve the lives of people in Asia.

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# NATIONAL ENDOWMENT FOR DEMOCRACY

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>59,199</b>	<b>74,042</b>	<b>80,000</b>	<b>5,958</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request of \$80,000,000 funds the National Endowment for Democracy (NED). This level of funding will support programs in the Middle East, Africa, Asia, Eurasia, Central and Eastern Europe, and Latin America, as well as multi-regional programs. NED's programs have the following objectives:

- helping to support countries in transition to more open democratic systems, placing special emphasis on the defense of human rights and the provision of access to independent information;
- promoting democratization in semi-authoritarian countries by monitoring the conduct of elections, expanding constitutional, legal, and political space for civil society, NGOs, and political party development, establishing links between civil society and political parties, and encouraging cross-border assistance within regions;
- aiding the practice of democracy in countries with significant Muslim populations by promoting good governance and economic reform, strengthening political parties, encouraging women's participation, and supporting grassroots organizations that defend human rights and promote democratic values;
- assisting the consolidation of new democracies, paying close attention to the problems of governance by increasing both accountability and broad-based participation;
- helping to heal war-torn societies, providing critically needed support to groups in civil society that defend human rights, educate about democracy, and provide training in conflict resolution;
- providing democratic activists with access to new information and communication technologies; and
- developing strong regional networks that bring together democratic leaders in Africa, Latin America, the Middle East, Asia, Central and Eastern Europe, and Eurasia for mutual collaboration and assistance.

### *Program Description*

The National Endowment for Democracy (NED) is a private, non-profit organization created in 1983 to strengthen democratic institutions around the world through non-governmental efforts. An independent, bi-partisan board of directors governs NED. With its annual appropriation, NED makes hundreds of grants each year to support pro-democracy groups in Africa, Asia, Central and Eastern Europe, Latin America, the Middle East, and Eurasia. NED's mission is to support peaceful and stable transitions to more open political and economic systems characterized by effective governance and legal systems, an engaged and responsible civil society, and open markets.

# NATIONAL ENDOWMENT FOR DEMOCRACY

Programs in the areas of labor, open markets, and political party development are funded through four core institutes: the American Center for International Labor Solidarity (ACILS), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI), and the National Democratic Institute (NDI). Also, NED annually funds hundreds of programs in the areas of human rights, civic education, independent media, rule of law, strengthening non-governmental organizations, and other aspects of democratic development.

## *Benefits*

NED's programs advance long-term U.S. interests and address immediate needs in strengthening democracy, human rights, and the rule of law. Promoting democracy through the National Endowment for Democracy is vital to U.S. national security since democracies typically do not sponsor terrorism, proliferate weapons of mass destruction, create destabilizing flows of refugees, or go to war with one another. Terrorism feeds off tyranny by finding recruits among the politically repressed and sanctuary from states that use terror against their own people. NED's program can begin to sever this link and advance the values of democracy, individual rights, and cultural pluralism in the world. Additionally, NED's support for free market reforms encourages regional trading opportunities and helps foster economic growth.

## *PART / Program Evaluation*

At the beginning of each grant-making year, a Planning Document is developed by NED staff on a region-by-region basis, working with designated Board experts and NED's core institutes. The document sets forth priority programmatic areas, countries and regions, and establishes targets for the entire budget available for grants. The Board reviews the document at the beginning of the year, and during the year monitors how well annual program objectives are being met.

NED awards more than 900 grants annually. Each proposed project must contain an evaluation plan before it can be approved by the Board. In addition, no grant can be renewed before an assessment of its previous year's activities has been presented to the Board.

Quantitative measurements are more easily obtained than qualitative by monitoring the frequency of specific activities involved in the project, e.g., the number of direct participants and the quantity of written, video, or audio materials produced, depending on the nature of the region. Qualitative measurements are ascertained through review of program products by experts, media reporting or commentary generated by program activities, questionnaires filled out by participants, or evidence that, for example, specific democratic reforms have taken place or are being considered in the target country, or that participation in civic organizations has increased as a result of program activities. Under some circumstances, when project activities are undertaken in a particularly hostile environment, the fact that an organization has been able to carry out its programs is evidence that a particular grant has been effective. The progress of grants is monitored through self-evaluations by grantees, on-site visits by NED program officers, and independent evaluations of selected projects by outside experts.



# EAST-WEST CENTER

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>19,240</b>	<b>18,994</b>	<b>12,000</b>	<b>(6,994)</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request of \$12,000,000 funds the Center for Cultural and Technical Interchange Between East and West (the East-West Center).

Funding supports programs designed to:

- contribute to a peaceful, prosperous, and just Asia Pacific community by serving as a vigorous hub for cooperative research, education, and dialogue on critical issues of common concern to the Asia Pacific region and the United States; and
- prepare Americans for an era in which the Asia Pacific region is increasingly important to the United States.

### *Program Description*

Congress established the East-West Center (EWC) in Hawaii in 1960 as a national education and research organization to promote U.S.-Asia Pacific relations and understanding through cooperative study, training, and research. The Center's program is directed toward a region with more than 50 percent of the world's population.

The EWC is a public, non-profit institution chartered by the State of Hawaii with an 18-member international board of governors. Some 1,500 scholars, government and business leaders, educators, journalists, and other professionals from throughout the region work through the EWC annually. By bringing such individuals together for collaborative projects, the EWC projects U.S. values, ideas, and interests into the region. The EWC is positioning itself as a public-private partnership activity. Programs include:

- Research – The Research Program covers four broad areas of study: politics, governance and security; economics; environmental change, vulnerability and governance; and population and health. Collaborative research at the Center contributes to: (1) the strengthening of regional, sub-regional and national institutions of governance; (2) the promotion of mutually beneficial growth

## EAST-WEST CENTER

that is equitable and sustainable; and (3) the management and resolution of critical regional problems as well as significant issues of common concern at the national level.

- Education, Training and Seminars – The EWC offers a wide range of educational opportunities for students and professionals specializing in Asia and the Pacific. These include support for undergraduate and graduate study, visiting fellowships, and special programs for Pacific Islanders and East Timorese, among others. The Asian Studies Development Program (ASDP) has developed relationships with approximately 420 colleges and universities in reaching American college students to expand their knowledge about Asia and the Pacific. Through its Seminar Program, the Center seeks to become a major venue for productive policy and results-oriented seminars on issues relating to Asia Pacific community building. Seminars for political, corporate and academic leaders in several areas of thematic emphasis are offered throughout the year.

### *Benefits*

The EWC advances long-term U.S. interests and addresses multilateral needs in Asia and the Pacific, including fostering mutual understanding, strengthening democracy and human rights, and encouraging global growth and security. Presidents, prime ministers, ambassadors, scholars, business executives, and journalists use the EWC as a forum to advance international cooperation. The EWC is one of the most active U.S. organizations engaged in the Pacific Islands region, bringing heads of government annually to the U.S. Among its resources is a network of more than 50,000 alumni around the world.

The EWC has an established methodology for cooperative, group-oriented public diplomacy programs that is quite distinctive from the more typical exchanges that are focused on individuals. The group activities also generate highly motivated alumni. The EWC uses its 40 alumni chapters for programming and enhancing its mission.

Private agencies, individuals, corporations, and foreign governments provide additional support. The EWC expects to generate additional support of \$17 million in FY 2006 and \$12 million in FY 2007.

# CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>622</b>	<b>740</b>	<b>750</b>	<b>10</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice, State appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request seeks appropriation authority to spend \$750,000 in estimated interest and earnings of the Center for Middle Eastern-Western Dialogue Trust Fund. These funds will be used for programming activities and conferences that the Center will convene.

### *Program Description*

The Consolidated Appropriations Act, 2004 (P.L. 108-199) created the Center for Middle Eastern-Western Dialogue Trust Fund to support the operations of the Center on an annual basis. The Council of American Overseas Research Centers (CAORC), in collaboration with the Department of State, is overseeing development of the Center.

The purpose of the Center is to develop programs of cooperative study, training, and research for students and scholars to exchange views and ideas. The Center will focus on development of region-based groups that will conduct research on topics of contemporary importance to build international dialogue and understanding. It will also convene conferences on topics related to critical issues such as Muslim youth and the media, regional cooperation in areas like the Caspian Basin and Afghanistan-Pakistan, and portrayal of the Israel-Palestine conflict by regional and worldwide media.

The Center's Steering Committee is chaired by CAORC and composed of experts from universities, NGOs, and the Department of State. The Committee is identifying potential partners in the U.S. and in the broader Middle East and North Africa region and making recommendations for program activities and institutional management of the Center. CAORC is serving as the liaison with concerned Federal and private agencies and will monitor progress and report annually to Congress on their conferences and other activities.

### *Benefits*

The goal of the Center is to promote dialogue on key issues, the growth of civil society and democratic institutions, and peaceful resolution of differences. Toward this goal, the Center will further scholarship and implement programs to encourage mutual understanding between the United States and Europe and the people of Southeast Europe, the Near and Middle East, Central Asia, and North Africa.

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# EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>493</b>	<b>494</b>	<b>500</b>	<b>6</b>

FY 2005 Actual reflects the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request seeks appropriation authority to spend \$500,000 in estimated interest earnings of the Eisenhower Exchange Fellowship Program Trust Fund. The funding will be applied to:

- providing learning and networking opportunities for mid-career international and U.S. leaders in preparation for increasingly senior positions in government, business and the NGO sectors;
- exposing these emerging leaders to best practices in building democratic institutions and free markets; and
- advancing peace through the increased international dialogue, understanding, and collaboration which results from the fellowships and from an active global alumni leadership network.

### *Program Description*

The Eisenhower Exchange Fellowship Program (EEF) promotes international understanding and economic productivity through the exchange of information, ideas, and perspectives among emerging leaders throughout the world.

EEF was created in 1953 to honor President Eisenhower. The Eisenhower Exchange Fellowship Program Act of 1990 (P.L. 101-454) authorized a permanent endowment for the program and established a trust fund for this purpose.

The 1992 Department of State and Related Agencies Appropriations Act provided \$5 million to establish a permanent endowment for the Program, and appropriated the interest and earnings in the Fund to Eisenhower Exchanges Fellowships, Inc. The 1995 Department of State and Related Agencies Appropriations Act made an additional payment of \$2.5 million to the endowment.

The program brings outstanding professionals who are rising leaders in their countries to the United States and sends American counterparts abroad with a custom-designed program for each participant. EEF consists of these major components:

## **EISENHOWER EXCHANGE FELLOWSHIP PROGRAM**

- Multi-Nation Program (MNP) - Provides two-month U.S. fellowships for an Eisenhower Fellow from each of 24 to 27 countries;
- Single Nation or Single Area Program (SNP) - Provides two-month U.S. fellowships for 15 to 25 Fellows representing a range of professions from a single country or area;
- USA Program (USA) - Sends 10 to 15 Americans abroad, for one to three months, to countries where their fields can be enriched by persons, organizations, and institutions encountered there; and
- Eisenhower Fellowships Network (EFN) - Links alumni Fellows worldwide, enabling Fellows to collaborate on projects, extend and strengthen relationships, and develop international links. More than 1,600 men and women from over 100 countries have joined the ranks of Eisenhower Fellows since 1953, and the vast majority remain actively engaged in the Eisenhower Fellowships Network.

### ***Benefits***

EEF exchanges strengthen democratic development, open markets and global understanding by creating opportunities for emerging U.S. and foreign leaders to experience each other's societies and cultures directly and to work together on an ongoing basis in the interests of international peace and prosperity.

# ISRAELI ARAB SCHOLARSHIP PROGRAM

## *Resource Summary*

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Appropriation Total</b>	<b>370</b>	<b>370</b>	<b>375</b>	<b>5</b>

FY 2005 Actual reflects the rescission of 0.54% to Commerce, Justice and State Appropriated accounts and the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005, (P.L. 108-447).

FY 2006 Estimate reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

The FY 2007 request seeks appropriation authority to spend \$375,000 in estimated interest earnings of the Israeli Arab Scholarship Fund. The funding will be applied to:

- increasing educational opportunities for Israeli Arab students to study and conduct research in the United States and
- advancing peace through international understanding.

### *Program Description*

The Israeli Arab Scholarship Program (IASP) fosters mutual understanding between Arab citizens of Israel and the United States through international exchange and training activities.

The Israeli Arab Scholarship Program funds scholarships for Israeli Arabs to attend institutions of higher education in the United States. This program is authorized by Section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (P.L. 102-138). A permanent endowment of \$4,978,500 was established in 1992 with funds made available under Section 556(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1990 (as amended by Section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1991).

### *Benefits*

The income generated by this endowment provides scholarships for Israeli Arab students to study in the United States. IASP exchanges strengthen international peace and create opportunities for understanding each other's societies and cultures directly.

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## FOREIGN ASSISTANCE

### *Resource Summary*

(\$ in thousands)

Appropriations	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
Migration & Refugee Assistance	884,240	783,090	832,900	49,810
Emergency Refugee/Migration Assistance	29,760	29,700	55,000	25,300
<b>Total, Foreign Assistance</b>	<b>914,000</b>	<b>812,790</b>	<b>887,900</b>	<b>75,110</b>

FY 2005 Actuals reflect the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2005 Actual for MRA includes \$120.4 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

FY 2006 Estimates reflect the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

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# MIGRATION & REFUGEE ASSISTANCE

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>Overseas Assistance</b>	<b>649,152</b>	<b>562,765</b>	<b>547,988</b>	<b>(14,777)</b>
Africa	229,351	245,486	235,920	(9,566)
Africa SUP	94,400	0	0	0
East Asia	22,778	22,594	20,405	(2,189)
Europe	48,189	44,335	40,040	(4,295)
Near East	98,442	97,215	113,325	16,110
South Asia	59,098	49,190	44,424	(4,766)
Western Hemisphere	23,775	24,335	21,978	(2,357)
Migration	13,425	12,889	11,640	(1,249)
Strategic Global Priorities	59,694	66,721	60,256	(6,465)
<b>Refugee Admissions</b>	<b>163,664</b>	<b>159,440</b>	<b>222,694</b>	<b>63,254</b>
Refugee Admissions	137,664	159,440	222,694	63,254
Refugee Admissions (Protection) SUP	26,000	0	0	0
<b>Humanitarian Migrants to Israel</b>	<b>49,600</b>	<b>39,600</b>	<b>40,000</b>	<b>400</b>
<b>Administrative Expenses</b>	<b>21,824</b>	<b>21,285</b>	<b>22,218</b>	<b>933</b>
<b>Appropriation Total</b>	<b>884,240</b>	<b>783,090</b>	<b>832,900</b>	<b>49,810</b>

FY 2005 Actual reflects the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

In FY 2005, \$763.84 million was appropriated under P.L. 108-447. In addition, the MRA account received \$120.4 million in FY 2005 from the FY 2005 Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13), of which \$94.4 million went to the Overseas Assistance lines for Africa (\$93.4 million), Strategic Global Priorities (\$700,000), and Migration (\$300,000) and \$26 million went to Refugee Admissions. These figures are included in the FY 2005 column above.

Approximately \$10.7 million appropriated in FY 2004 was carried forward into FY 2005 as follows: Overseas Assistance Europe (\$1.8 million), Overseas Assistance Western Hemisphere (\$1.6 million), Refugee Admissions (\$4.3 million), and Administrative Expenses (\$3 million).

Of the \$768.84 million appropriated in FY 2005, approximately \$5.1 million was carried forward into FY 2006, of which approximately \$4.1 million was carried forward in Administrative Expenses and \$1 million was carried forward in Overseas Assistance. These figures are included in the above chart in FY 2005, the year in which they were appropriated.

FY 2006 Estimate reflects the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

Humanitarian Response is one of the U.S. national interests outlined within the joint Department of State/U.S. Agency for International Development Strategic Framework. The Migration and Refugee

## MIGRATION & REFUGEE ASSISTANCE

Assistance (MRA) and the U.S. Emergency Refugee and Migration Assistance (ERMA) appropriations are two of the primary funding mechanisms for demonstrating American compassion internationally. These funds are provided primarily to multilateral organizations such as the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), the International Organization for Migration (IOM), and the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), as well as to other international and non-governmental organizations. These funds support the following specific goals:

- Protection and Durable Solutions - Ensure access to effective protection for refugees and conflict victims, and, in certain cases, internally displaced persons (IDPs). Prevent refoulement (involuntary return to a place where a person would face persecution), promote access to asylum, enhance physical protection (especially for women and children), and promote durable solutions (including voluntary return and local integration).
- Assistance - Provide effective and efficient humanitarian assistance across geographic regions and according to internationally accepted standards.
- Resettlement - Provide permanent resettlement in the U.S. to those refugees who need it, ensure that adequate security, health, and antifraud measures are fully implemented in processing these cases, and support adequate reception arrangements for these refugees so that they can begin the process of becoming self-sufficient, fully-integrated members of U.S. society.
- International Migration - Support policies and programs for orderly international migration based on protection of human rights and respect for national sovereignty. This goal includes continued funding for a program that facilitates the integration of humanitarian migrants in Israel.

Important specific priorities in FY 2007 include: respond to emergency requirements of Sudanese refugees and IDPs; support return and reintegration of refugees and IDPs in Afghanistan, Iraq, Sudan, and other parts of Africa; provide durable solutions to Bhutanese refugees in Nepal; increase refugee admissions; continue efforts to enhance the protection of refugees and conflict victims, including programs that guard against the exploitation of beneficiaries of humanitarian assistance; and press other donors to provide their fair share of assistance to international humanitarian organizations.

### **Overseas Assistance**

The FY 2007 request for Overseas Assistance is \$547,988,000.

Requirements by region include:

- Africa - \$235,920,000. The FY 2007 request reflects the fact that because of recent peace agreements, return and reintegration opportunities currently abound in Africa. Burundi, DRC, and Liberian refugee repatriations are well underway and are expected to continue through 2007, with returns, estimated to exceed one million refugees over the next two-three years, including over 500,000 returns to Southern Sudan. At the same time, we anticipate continued protection and assistance needs for refugees who cannot return home, including the Darfur Sudanese, Somalis, and Western Saharans. The request includes USG contributions for UNHCR and ICRC, which help address the basic life support needs of vulnerable refugees and conflict victims in Africa and ensure that those who can return home are reintegrated into their home communities. Some funding is also included for other IOs and NGOs that work with UNHCR to fill gaps in basic relief and reintegration programs.

## MIGRATION & REFUGEE ASSISTANCE

- East Asia - \$20,405,000. The FY 2007 request includes support for UNHCR and ICRC programs throughout the region as well as for the humanitarian assistance and protection needs of vulnerable North Koreans outside the Democratic People's Republic of Korea (DPRK). The request continues support for critical NGO programs that assist Burmese refugees in Thailand.
- Europe - \$40,040,000. Although Balkan countries have agreed to resolve refugee and IDP issues by 2007, depending on final status discussions in Kosovo and increased autonomy in Montenegro, decisions could lead to population movements. With the UNHCR and ICRC operational capacities in the region reduced, NGOs will be needed to help fill assistance gaps. As the peace processes continue in the South Caucasus, the FY 2007 request would provide some support for continued assistance to IDPs as well as preparations for IDP repatriation in case peace is achieved in either of the two conflicts – Abkhazia and Nagorno Karabakh. U.S. assistance in the North Caucasus region is seen as a measure of engagement and leadership on Chechnya, and continued PRM humanitarian assistance in FY 2007 is critical during the transition from relief to development in Chechnya. MRA will support UNHCR, other UN agencies, the ICRC, and NGOs to continue providing life-sustaining assistance to the most vulnerable refugees and IDPs in the Caucasus.
- Near East - \$113,325,000. UNRWA remains an important force for stability in Gaza and the West Bank. The FY 2007 request continues support for UNRWA's assistance programs, which benefit over four million Palestinian refugees in the region. UNRWA has a critical role in supporting relief and development in post-withdrawal Gaza. These funds will go toward meeting the costs of delivering education, health, and social services programs in a difficult environment and for critical security monitoring. The FY 2007 request continues support for the sustainable reintegration of the hundreds of thousands of returning Iraqi refugees and other vulnerable populations and for building the capacity of the Iraqi Ministry of Displacement and Migration to assist those returnees. The security situation has slowed the rate at which these efforts can be undertaken, and it is anticipated that the Government of Iraq, UN and NGOs will continue to rely heavily on strong U.S. support for humanitarian assistance. MRA funds will also support UNHCR and ICRC programs in the Near East.
- South Asia - \$44,424,000. With 2007 expected to be the final year of assisted Afghan repatriation, a significant number of Afghans are expected to avail themselves of this opportunity in its final months. In addition to repatriation assistance, the FY 2007 request will support UNHCR and NGO programs in Afghanistan and Pakistan in the areas of health, shelter, education, and livelihood to bolster sustainable reintegration of returnees. FY 2007 funds will also continue to support assistance for the most vulnerable of those who remain in asylum countries. Elsewhere in the region, the request includes continued assistance to Tibetan, Bhutanese and Sri Lankan refugees and support for monitoring of conflicts and assistance for conflict victims in Kashmir/Jammu, Sri Lanka, and Nepal.
- Western Hemisphere - \$21,978,000. Assistance to persons displaced by the conflict in Colombia will continue to be a priority for the United States. The FY 2007 request provides some emergency assistance to the more than two million IDPs inside Colombia and thousands of refugees outside Colombia. The request includes support to the regional programs of UNHCR and ICRC. It also includes funds to meet the Department's commitment to support the needs of migrants at the Guantanamo Bay Naval Base who have been found to be in need of protection as well as their initial resettlement in third countries.
- Migration - \$11,640,000. The FY 2007 request will provide support, through IOM and its partners, to U.S. anti-trafficking initiatives, primarily to prevent the exploitation of women and children worldwide and provide assistance to trafficked victims, including through return and reintegration programs. It

## MIGRATION & REFUGEE ASSISTANCE

will also meet the requirements of the U.S. assessed contribution to IOM. MRA funds will be used to continue support for regional migration dialogues in Latin America, Africa, Europe, and Asia.

- Strategic Global Priorities - \$60,256,000. The FY 2007 request will provide critical funding to programs that provide protection to the most vulnerable populations, including women and children, maintaining a special focus on gender-based violence (GBV) through targeted funding for stand-alone GBV programs. It seeks to ensure that IOs and NGOs have the tools to respond quickly and effectively to emerging crises, protect populations in need, and their staffs in increasingly insecure environments. The request includes support for the headquarters budgets of UNHCR and ICRC, reflecting the crucial role these organizations play in providing protection and humanitarian assistance to refugees and conflict victims. Funding is also included to support UNHCR's emergency response capacity.

### **Refugee Admissions**

The FY 2007 request for Refugee Admissions is \$222,694,000. Higher admissions levels in FY 2004 and FY 2005 demonstrate that the increased security needed in the post-9/11 environment are being integrated in to the identification and processing of refugees. The FY 2007 request maintains the Administration's commitment to continue to grow this program. The FY 2007 global and regional admissions ceilings will be set by a Presidential Determination after the Congressional consultations process later in FY 2006.

### **Humanitarian Migrants to Israel**

The FY 2007 request of \$40,000,000 maintains the FY 2006 level of support for the humanitarian migrants program of the United Israel Appeal (UIA). It reflects the resource level necessary to support a package of services designed to promote integration of migrants into Israeli society, including transportation to Israel, Hebrew language instruction, transitional housing, education, and vocational training, and will support an acceleration of the movement of Ethiopian migrants to Israel that was started in FY 2006.

### **Administrative Expenses**

The FY 2007 request of \$22,218,000 for administrative expenses provides the Bureau with the resources to manage effectively and responsibly critical humanitarian programs funded through the MRA and ERMA appropriations.

With this administrative budget, the Bureau manages resources of approximately \$900 million and an array of significant humanitarian policy issues as well as the refugee admissions program. PRM staff address program design and implementation, monitor and evaluate operational activities, and support other parts of the State Department in integrating refugee and humanitarian issues into broader foreign policy concerns. They play an equally important humanitarian diplomacy role. Costs related to the small staff dedicated to international population activities are included in the State Department's Diplomatic and Consular Programs account.

### ***Program Description***

The United States helps to meet the needs of refugees and conflict victims by supporting programs of overseas assistance implemented by international and nongovernmental organizations and by accepting refugees of special humanitarian concern for resettlement in the United States. Central to these efforts is recognition that refugee problems are matters of international concern, requiring multilateral solutions. UNHCR estimates that there are just over 17 million persons under its mandate worldwide, including refugees, returnees, certain IDP populations, and stateless persons. An additional 4.2 million Palestinian

## MIGRATION & REFUGEE ASSISTANCE

refugees are currently registered with UNRWA. ICRC's chief beneficiaries are conflict victims such as civilians caught in conflict zones and prisoners of war.

The focus of U.S. humanitarian foreign policy is:

- providing life-sustaining protection and relief for persons who have fled persecution and conflict;
- obtaining effective and timely responses from the international community to assist refugees and displaced persons;
- seeking solutions to the origins of refugee problems; and
- supporting voluntary repatriation, local integration, and resettlement.

Overseas assistance is carried out through voluntary contributions to:

- United Nations High Commissioner for Refugees (UNHCR);
- International Committee of the Red Cross (ICRC);
- United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);
- International Organization for Migration (IOM);
- Other international organizations (e.g., UNICEF, OCHA, UNDP); and
- Non-governmental organizations.

Refugee admissions are supported through funding to:

- private voluntary agencies that conduct refugee processing and cultural orientation overseas, as well as state and private agencies that provide initial reception and placement services in the United States;
- IOM, which provides transportation, refugee processing, medical screening services, and cultural orientation for refugees coming to the United States; and
- UNHCR, which refers refugees in need of third country resettlement to the U.S. and other countries.

The Humanitarian Migrants to Israel program is implemented through a grant to the United Israel Appeal.

### ***Benefits***

Migration and Refugee Assistance funds:

- maintain U.S. global leadership in humanitarian affairs and international refugee and migration policy;
- help preserve first asylum in countries that might otherwise close borders to refugees;
- provide for the protection of and direct humanitarian assistance to refugees, conflict victims, vulnerable migrants, and some internally displaced persons according to established arrangements with other USG agencies;
- support voluntary repatriation and reintegration of refugees and internally displaced persons when political conditions allow;
- develop multilateral support and burden-sharing for refugee and conflict victim needs; and
- bring refugees who are of special humanitarian concern to the United States for resettlement.

# MIGRATION & REFUGEE ASSISTANCE

## *PART / Program Evaluation*

### **Protection and Durable Solutions**

For preparation of the FY 2007 budget, the Administration assessed the Department's Protection and Durable Solutions Program using the Program Assessment Rating Tool (PART). This PART review focused mainly on the International Committee of the Red Cross (ICRC) program. The program was rated as effective because it is particularly well-designed and well-managed. The Office of Management and Budget (OMB) noted that the Department has successfully encouraged program partners to commit to results-oriented program management, and that the program has made steady progress toward its stated annual and long-term goals.

The Administration will continue to improve and standardize the program's budget presentation documents to ensure budget requests are clearly and consistently linked to individual program's goals and performance measures. It will also review the findings of the State Department Inspector General's 2006 inspection of PRM and address any areas for improvement related to protection and durable solutions.

Key program performance indicators include: (1) capacity of the Red Cross movement to restore family links; (2) number of countries with effective refugee registration systems; and (3) reduction of the long-standing global refugee population due to the achievement of durable solutions.

### **Other PRM Programs**

For the FY 2007 budget, the Administration assessed the Department's work with international and non-governmental organizations to address specific policy priorities, fill gaps in refugee assistance, and promote orderly and humane migration policies, using the PART. In this PART review, the program was rated effective. According to the assessment, the NGO program is strategically designed to complement assistance efforts by UNHCR and ICRC to protect and assist refugees, victims of conflict, IDPs, and vulnerable migrants, including victims of human trafficking. OMB noted that the NGO portion of the program is well-managed through a criteria-based application process and with formal financial performance review.

The review noted improvements in the proportion of funding devoted to preventing and responding to gender-based violence (GBV), and in the proportion of foreign governments that have increased activities to combat trafficking in persons (TIP) where PRM funds projects. To ensure continued progress in these and other priority areas, the Administration will expand the formal monitoring and evaluation of PRM's programs.

Key program performance indicators include: (1) percentage of PRM-funded NGO or 'other IO' assistance projects that include activities that focus on prevention and response to GBV; (2) percentage of foreign governments with PRM-funded anti-trafficking projects that have increased their activities to combat TIP; and (3) percentage of funding to NGO and 'other IO' projects that are monitoring and evaluated through formal reporting channels.

During previous budget preparations, the Administration assessed three additional PRM programs: Refugee Admissions to the U.S., Humanitarian Migrants to Israel, and U.S. Contribution to the United Nations High Commissioner for Refugees. Reviews conducted for the FY 2007 budget continued to rate each of these programs effective. The Department monitors progress toward program goals using performance indicators.



# U.S. EMERGENCY REFUGEE & MIGRATION ASSISTANCE

## *Resource Summary*

(\$ in thousands)

Activities	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Increase/ Decrease
<b>ERMA Fund</b>	<b>29,760</b>	<b>29,700</b>	<b>55,000</b>	<b>25,300</b>

FY 2005 Actual reflects the general rescission of 0.80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

FY 2006 Estimate reflects the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

### *Explanation of Request*

A \$55,000,000 replenishment of the United States Emergency Refugee and Migration Assistance (ERMA) Fund is essential to preserving the President's ability to respond quickly to the many unforeseen and urgent refugee and migration needs that occur worldwide each year.

### *Program Description*

The ERMA Fund is a no-year appropriation that is drawn upon to meet refugee and migration needs whenever the President determines that it is important to the national interest to do so.

Pursuant to the Migration and Refugee Assistance Act of 1962, as amended, the President authorizes drawdowns from the ERMA Fund when unexpected refugee and migration needs require immediate financial support. At the beginning of FY 2006, \$28.2 million remained in the fund. During the first quarter of FY 2006, \$5 million was drawn down from the Fund to support unexpected urgent humanitarian needs of refugees and other victims of the October 2005 earthquake in Pakistan, leaving \$53.2 million available as of the second quarter of FY 2006.

A total of \$42.7 million was drawn down from the ERMA Fund in FY 2005 for the following needs:

Presidential Determination 2005-01: \$8 million

- On October 7, 2004, \$8 million was authorized to support unexpected and urgent needs related to Burundi refugee repatriation and reintegration.

Presidential Determination 2005-23: \$34.7 million

- On March 29, 2005, \$34.7 million was authorized to respond to the humanitarian crisis in the West Bank and Gaza (\$20 million) and to support unexpected and urgent needs related to refugee repatriation and reintegration in Burundi (\$10 million) and the Democratic Republic of the Congo (\$4.7 million).

## **U.S. EMERGENCY REFUGEE & MIGRATION ASSISTANCE**

### ***Benefits***

The ERMA Fund provides the President with the flexibility to respond on a timely basis to emergency refugee and migration crises around the world.

# DEPARTMENT OF STATE FEE COLLECTIONS

## *Overview*

Like other U.S. Government agencies, the Department of State has the authority to charge user fees pursuant to 31 U.S.C. 9701. The Department also has specific statutory authority to charge certain consular fees (8 U.S.C. 1351; 22 U.S.C. 214, 4201, 4215, 4219, 4223, 4225), as well as certain other fees – for example, fees for the use of the National Foreign Affairs Training Center authorized in section 53 of the State Department Basic Authorizations Act of 1956 (22 U.S.C. 2725). While certain of these fees are required to be deposited into miscellaneous receipts, a number of fee authorities specifically permit the Department to charge and retain the fees collected. The following section cites the authority for major fee collections and notes the use of each fee.

## *Fee Collections by Bureau*

### **Bureau of Consular Affairs:**

#### **Machine Readable Visa Fees**

Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (P.L. 102-236), as amended, authorizes the Department to charge a fee for processing machine readable non-immigrant visas and to deposit such fees as offsetting collections to any Department appropriation to recover the costs of providing consular services. These fees finance much of the Department's Border Security Program.

#### **Expedited Passport Fees**

The Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 1995 (P.L. 103-317) authorizes the Department to charge and retain a fee for expedited passport services, to be deposited as an offsetting collection. These fee receipts currently are dedicated to information technology programs.

#### **Passport Security Surcharge and Immigrant Visa Security Surcharge**

The Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 2005 (P.L. 108-447) authorizes the Department to charge and retain surcharges for biometric security related to the issuance of passports and immigrant visas. These fees finance a significant portion of the Department's Border Security Program.

#### **H-1B and L Fraud Prevention and Detection Fee**

Section 426 of the Consolidated Appropriations Act, 2005 (P. L. 108-447) authorizes one-third of fees collected by the Department of Homeland Security for H-1B and L applications to be deposited into a Department of State account for the prevention and detection of fraud related to H-1B and L visas. Section 402 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terrorism and Tsunami Relief (Public Law 109-13) expands the program to cover H-2B visas. These fees are part of the Department's Border Security Program.

#### **Western Hemisphere Travel Surcharge**

The recently enacted Passport Services Enhancement Act of 2005 (P.L. 109-167) authorizes the Department to charge a fee to meet increased demand for passports as a result of the Department's implementation of the Western Hemisphere Travel Initiative. This program, enacted through Section 7209 of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), requires the Secretary of Homeland Security, in consultation with the Secretary of State, to develop and implement a plan by January 2008 that requires U.S. citizens and certain non-U.S. citizens to present a passport or other secure documentation proving identity and citizenship when entering the United States.

# DEPARTMENT OF STATE FEE COLLECTIONS

## **Diversity Visa Fees**

Section 636 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (P.L. 104-208) provides that the State Department may collect and retain a fee that ensures the recovery of the cost to the Department of allocating and processing applications for visas to be issued under the Diversity Lottery Program. These fee collections are available until expended to provide consular services and are deposited as an offsetting collection.

## **FBI Fingerprint Fees**

The Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 1995 (P.L. 103-317) provides that thereafter all receipts received from an increase in the charge for immigration visas attributable to the cost of processing an applicant's fingerprints shall be deposited as an offsetting collection. This allows State to pass on to the visa applicant the cost of FBI fingerprint checks, for which the FBI charges State a fee.

## **Affidavit of Support Fees**

Section 232 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, 2000 and 2001 (P.L. 106-113), as amended, authorizes the Department to charge and retain fees relating to affidavits of support required under section 213A of the Immigration and Nationality Act. These fee collections are available until expended and are deposited as an offsetting collection to recover the cost of providing consular services.

## **Bureau of Economic and Business Affairs:**

### **Commercial Services Fees**

Section 52 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2724) authorizes the Department to collect certain fees to recover the cost of providing commercial services at posts abroad in countries where the Department of Commerce does not perform commercial services. These fees are available until September 30 of the fiscal year following the fiscal year in which the funds were deposited.

## **Bureau of Political Military Affairs:**

### **Defense Trade Control Fees**

Registration fees are charged by the Office of Defense Trade Controls in accordance with Section 45 of the State Department Basic Authorities Act (22 U.S.C. 2717) and are available without fiscal year limitation for specified expenses related to Defense Trade Control licensing, compliance, and enforcement activities.

## **Bureau of Educational and Cultural Affairs and Bureau of International Information Programs:**

### **Information and Educational Exchange Fees**

As authorized by section 810 of the United States Information and Educational Exchange Act (22 U.S.C. 1475e) and pursuant to annual appropriations, fees or other payments received are available until expended from the following:

- English Teaching Program
- Library Program
- Publication Program
- Book Program
- Student Advising Program
- Exchange Visitor Services.

# DEPARTMENT OF STATE FEE COLLECTIONS

## **Foreign Service Institute:**

### **Fees for Use of National Foreign Affairs Training Center**

Section 53 of the State Department Basic Authorities Act (22 U.S.C. 2725) authorizes the Secretary to charge a fee for use of the National Foreign Affairs Training Center of the Department of State. Amounts collected (including reimbursements and surcharges) are deposited as an offsetting collection to Department of State appropriations to recover the costs of such use and remain available for obligation until expended.

## **Bureau of Administration:**

### **Fees for Use of Diplomatic Reception Rooms**

Section 54 of the State Department Basic Authorities Act (22 U.S.C. 2726) authorizes the Secretary to charge a fee for use of the diplomatic reception rooms of the Department of State. Amounts collected (including reimbursements and surcharges) are deposited as an offsetting collection to Department of State appropriations to recover the costs of such use and remain available for obligation until expended.

# DEPARTMENT OF STATE FEE COLLECTIONS

(\$ in thousands)

Revenue Source	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>Machine Readable Visas Processing Fees</b>			
Carryforward Allocations	97,331	65,629	-
Prior Year Collections Unallocated	114,315	142,485	98,277
Current Year Collections Projected (Net)	629,213	629,213	629,213
Total Collections Available	840,859	837,327	727,490
Carryforward Allocations Planned	30,284	5,048	-
Current Year Allocation Plan	668,090	734,002	682,969
Total Allocations	698,374	739,050	682,969
Carryforward Allocations Returned	67,047	60,581	-
Unallocated Collections	75,438	37,696	44,521
Ending Unallocated Collections	142,485	98,277	44,521
<b>Western Hemisphere Travel Surcharge</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	-	-
Current Year Collections Projected (Net)	-	48,000	120,000
Total Collections Available	-	48,000	120,000
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	-	48,000	120,000
Total Allocations	-	48,000	120,000
Carryforward Allocations Returned	-	-	-
Unallocated Collections	-	-	-
Ending Unallocated Collections	-	-	-
<b>Passport Security Surcharge</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	12,628	12,628
Current Year Collections Projected (Net)	67,116	144,000	262,500
Total Collections Available	67,116	156,628	275,128
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	54,488	144,000	262,500
Total Allocations	54,488	144,000	262,500
Carryforward Allocations Returned	-	-	-
Unallocated Collections	12,628	12,628	12,628
Ending Unallocated Collections	12,628	12,628	12,628
<b>Immigrant Visa Security Surcharge</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	6,889	6,889
Current Year Collections Projected (Net)	15,889	16,400	16,400
Total Collections Available	15,889	23,289	23,289
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	9,000	16,400	16,400
Total Allocations	9,000	16,400	16,400
Carryforward Allocations Returned	-	-	-
Unallocated Collections	6,889	6,889	6,889
Ending Unallocated Collections	6,889	6,889	6,889

## DEPARTMENT OF STATE FEE COLLECTIONS

Revenue Source	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>Diversity Fee (Border Security)</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	2,000	2,000
Current Year Collections Projected (Net)	10,000	15,100	15,100
Total Collections Available	10,000	17,100	17,100
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	8,000	15,100	15,100
Total Allocations	8,000	15,100	15,100
Carryforward Allocations Returned	-	-	-
Unallocated Collections	2,000	2,000	2,000
Ending Unallocated Collections	2,000	2,000	2,000
<b>H-1B and L Visa Fraud Detection Fee</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	28,534	28,534
Current Year Collections Projected (Net)	28,534	31,800	31,800
Total Collections Available	28,534	60,334	60,334
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	-	31,800	31,800
Total Allocations	-	31,800	31,800
Carryforward Allocations Returned	-	-	-
Unallocated Collections	28,534	28,534	28,534
Ending Unallocated Collections	28,534	28,534	28,534
<b>Visa Fingerprint Fees</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	7,459	10,618	12,278
Current Year Collections Projected (Net)	4,359	2,860	2,860
Total Collections Available	11,818	13,478	15,138
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	1,200	1,200	1,500
Total Allocations	1,200	1,200	1,500
Carryforward Allocations Returned	-	-	-
Unallocated Collections	10,618	12,278	13,638
Ending Unallocated Collections	10,618	12,278	13,638
<b>Affidavit of Support Fees</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	10,560	20,513	19,313
Current Year Collections Projected (Net)	26,753	19,000	19,000
Total Collections Available	37,313	39,513	38,313
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	16,800	20,200	24,240
Total Allocations	16,800	20,200	24,240
Carryforward Allocations Returned	-	-	-
Unallocated Collections	20,513	19,313	14,073
Ending Unallocated Collections	20,513	19,313	14,073

## DEPARTMENT OF STATE FEE COLLECTIONS

Revenue Source	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>Diversity Lottery Fees</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	4,955	3,524	2,724
Current Year Collections Projected (Net)	3,869	5,500	5,500
Total Collections Available	8,824	9,024	8,224
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	5,300	6,300	7,500
Total Allocations	5,300	6,300	7,500
Carryforward Allocations Returned	-	-	-
Unallocated Collections	3,524	2,724	724
Ending Unallocated Collections	3,524	2,724	724
<b>Expedited Passport Fees</b>			
Carryforward Allocations	4,440	10,045	-
Prior Year Collections Unallocated	2,071	18,612	25,052
Current Year Collections Projected (Net)	142,651	160,000	202,000
Total Collections Available	149,162	188,657	227,052
Carryforward Allocations Planned	4,440	10,045	-
Current Year Allocation Plan	126,110	153,560	207,643
Total Allocations	130,550	163,605	207,643
Carryforward Allocations Returned	-	-	-
Unallocated Collections	18,612	25,052	19,409
Ending Unallocated Collections	18,612	25,052	19,409
<b>Defense Trade Control Fees</b>			
Carryforward Allocations	1,191	-	-
Prior Year Collections Unallocated	-	1,018	-
Current Year Collections Projected (Net)	5,309	5,310	5,310
Total Collections Available	6,500	6,328	5,310
Carryforward Allocations Planned	1,191	-	-
Current Year Allocation Plan	4,291	6,328	5,310
Total Allocations	5,482	6,328	5,310
Carryforward Allocations Returned	-	-	-
Unallocated Collections	1,018	-	-
Ending Unallocated Collections	1,018	-	-
<b>Commercial Service Fees</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	7	1	-
Current Year Collections Projected (Net)	16	16	20
Total Collections Available	23	17	20
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	22	17	20
Total Allocations	22	17	20
Carryforward Allocations Returned	-	-	-
Unallocated Collections	1	-	-
Ending Unallocated Collections	1	-	-



## DEPARTMENT OF STATE FEE COLLECTIONS

Revenue Source	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>Sec. 810 USI &amp; EE Act Fees</b>			
Carryforward Allocations	4,872	-	-
Prior Year Collections Unallocated	47	2,545	2,545
Current Year Collections Projected (Net)	4,170	6,000	6,000
Total Collections Available	11,587	8,545	8,545
Carryforward Allocations Planned	4,872	-	-
Current Year Allocation Plan	4,170	6,000	6,000
Total Allocations	9,042	6,000	6,000
Carryforward Allocations Returned	-	-	-
Unallocated Collections	2,545	2,545	2,545
Ending Unallocated Collections	2,545	2,545	2,545

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## LEGISLATIVE LANGUAGE CHANGES

### Note on Changes:

This section explains changes in the text of appropriations language other than changes in dollar amounts or fiscal year designations. Proposed deletions are denoted by enclosures in brackets [] and strikethrough text. Proposed insertions are denoted by *bold italics*.

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### DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by section 801 of the United States Information and Educational Exchange Act of 1948; representation to certain international organizations in which the United States participates pursuant to treaties ratified pursuant to the advice and consent of the Senate or specific Acts of Congress; arms control, nonproliferation and disarmament activities as authorized; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, [~~\$3,680,019,000~~] \$3,856,703,000: *Provided*, [~~That not to exceed 71 permanent positions and \$9,804,000 shall be for the Bureau of Legislative Affairs: *Provided further*,~~] That of the amount made available under this heading, not to exceed \$4,000,000 may be transferred to, and merged with, funds in the “Emergencies in the Diplomatic and Consular Service” appropriations account, to be available only for emergency evacuations and terrorism rewards: [~~*Provided further*, That of the amount made available under this heading, not less than \$334,000,000 shall be available only for public diplomacy international information programs: *Provided further*, That of the amount made available under this heading, not less than \$2,000,000 shall be for a contribution to the Scholar Rescue Fund endowment: *Provided further*, That of the amount made available under this heading, \$3,000,000 shall be available only for the operations of the Office on Right Sizing the United States Government Overseas Presence:~~] *Provided further*, That funds available under this heading may be available for a United States Government interagency task force to examine, coordinate and oversee United States participation in the United Nations headquarters renovation project: [~~*Provided further*, That no funds may be obligated or expended for processing licenses for the export of satellites of United States origin (including commercial satellites and satellite components) to the People’s Republic of China unless, at least 15 days in advance, the Committees on Appropriations of the House of Representatives and the Senate are notified of such proposed action:~~] *Provided further*, That funds appropriated under this heading are available, pursuant to 31 U.S.C. 1108(g), for the field examination of programs and activities in the United States funded from any account contained in this title.

In addition, not to exceed [~~\$1,469,000~~] \$1,513,000 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act; in addition, as authorized by section 5 of such Act, \$490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational Exchange Act, not to exceed \$6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs and from fees from educational advising and counseling and exchange visitor programs; and, in addition, not to exceed \$15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities.

In addition, for the costs of worldwide security upgrades, [~~\$689,523,000~~] \$795,170,000, to remain available until expended.

***In addition, beginning in FY 2007 and thereafter, the Secretary of State is authorized to amend administratively the amounts of the surcharges related to consular services in support of enhanced***

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*border security that are in addition to the passport and immigrant visa fees provided for prior to enactment of the Consolidated Appropriations Act, 2005 (P.L. 108-447). (Department of State and Related Agency Appropriations Act, 2006.)*

Proposed Changes:

- (1) The first deletion eliminates an FTE ceiling and earmark that unduly restrict the Secretary's ability to manage the Department and allocate resources to meet mission needs and goals.
- (2) The second deletion eliminates three earmarks (relating to public diplomacy, the Scholar Rescue Fund, and right-sizing) that unduly restrict the Secretary's ability to allocate resources to meet mission needs and goals.
- (3) The third deletion eliminates a proviso that hampers the ability of the Department to review license applications in a timely manner and precludes any processing, even consideration leading to decisions to reject license applications, by making all review subject to notification procedures. It limits options to returning such applications without action.
- (4) The insertion allows for the fees provided for in the FY 2005 CJS Act to be administratively adjusted in fiscal year 2007 and thereafter. This change provides the Department with the flexibility to adjust the passport and visa surcharges in response to changes in costs and/or requirements.

Note: A legislative proposal will be submitted to amend Sections 406 and 403 of the Foreign Service Act (22 U.S.C. 3966 and 3963, respectively) to institute a pay-for-performance system for the Foreign Service. A transition period would begin April 2007 and conclude in April 2008 with full implementation.

### [CENTRALIZED INFORMATION TECHNOLOGY MODERNIZATION PROGRAM]

~~[For expenses relating to the modernization of the information technology systems and networks of the Department of State, \$69,368,000, to remain available until expended.] (Department of State and Related Agency Appropriations Act, 2006.)~~

Proposed Changes:

No request is being made for this appropriation in FY 2007.

### CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, [~~\$1,166,212,000: *Provided*, That the Secretary of State shall, at the time of the submission of the President's budget to Congress under section 1105(a) of title 31, United States Code, transmit to the Committees on Appropriations the most recent biennial budget prepared by the United Nations for the operations of the United Nations: *Provided further*, that the Secretary of State shall notify the Committees on Appropriations at least 15 days in advance (or in an emergency, as far in advance as is practicable) of any United Nations action to increase funding for any United Nations program without identifying an offsetting decrease elsewhere in the United Nations budget and cause the United Nations budget for the biennium 2006-2007 to exceed the revised United Nations budget level for the biennium 2004-2005 of \$3,695,480,000] \$1,268,523,000: *Provided [further]*, That any payment of~~

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arrearages under this title shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: *Provided further*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings, ***except that such restriction shall not apply to loans to the United Nations for renovation of its headquarters.*** (*Department of State and Related Agency Appropriations Act, 2006.*)

Proposed Changes:

- (1) The first deletion eliminates a proviso requiring the Department to submit the UN biennial budget that is burdensome and not useful as the budget adopted by the UN inevitably varies from the budget request document (which is over 1,300 pages and available online). The UN does not prepare a revised version of the budget request document to reflect the changes made during final deliberations of the General Assembly.
- (2) The second deletion eliminates the proviso requiring 15-day advance congressional notification of UN actions to increase funding for UN programs that injects an unworkable level of oversight into U.S. diplomatic efforts at the UN. The proviso is exceedingly difficult to implement because program decisions are taken throughout the year while budget decisions generally are taken at year's end. Moreover, the 15-day notice requirement can almost never be met as budget decisions are typically made at the last minute as a result of close negotiating. The better approach would be for the Department to brief the committees on developments at the UN.
- (3) The insertion is necessary so that U.S. contributions can be applied to UN headquarter renovation loan interest costs, consistent with the loan authority provided for by Congress in the Consolidated Appropriations Act, 2005 (P.L. 108-447). Successful negotiations on the UN renovation project will be virtually impossible to achieve if the credibility of U.S. intentions is undermined by a lack of authority to fund its share of the project (including project financing).

### CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, [~~\$1,035,550,000~~] \$1,135,327,000, of which 15 percent shall remain available until September 30, [~~2007~~] **2008: *Provided***, That [~~none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peacekeeping mission unless,~~] ***it is the sense of the Congress that*** at least 15 days in advance of voting for the new or expanded mission in the United Nations Security Council (or in an emergency as far in advance as is practicable): (1) the Committees on Appropriations and other appropriate committees of the Congress [~~are~~] ***should be*** notified of the estimated cost and length of the mission, the national interest that will be served, and the planned exit strategy; (2) the Committees on Appropriations and other appropriate committees of the Congress [~~are~~] ***should be*** notified that the United Nations has taken appropriate measures to prevent United Nations employees, contractor personnel, and peacekeeping forces serving in any United Nations peacekeeping mission from trafficking in persons, exploiting victims of trafficking, or committing acts of illegal sexual exploitation, and to hold accountable individuals who engage in such acts while participating in the peacekeeping mission; and (3) a reprogramming of funds pursuant to section 605 of this Act [~~is~~] ***should be*** submitted, and the procedures therein followed, setting forth the source of funds that will be used to pay for the cost of the new or expanded mission: *Provided further*, That funds shall be available for peacekeeping expenses only upon a certification by the Secretary of State to the appropriate committees of the Congress that American manufacturers and suppliers are being given opportunities to provide

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equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers [ ~~: *Provided further*, That none of the funds made available under this heading are available to pay the United States share of the cost of court monitoring that is part of any United Nations peacekeeping mission~~]. (*Department of State and Related Agency Appropriations Act, 2006.*)

### Proposed Changes:

- (1) The first deletion and insertion amends a proviso that, if mandatory, would impermissibly interfere with the Executive's conduct of foreign relations, as set forth in the President's signing statement to the FY 2006 SSJC Appropriations Act.
- (2) The second deletion eliminates a proviso that addresses the UN mission in Bosnia, a peacekeeping mission that no longer exists and is outdated.

## MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, [~~\$791,000,000~~] \$832,900,000, to remain available until expended: *Provided*, That not more than \$23,000,000 may be available for administrative expenses: *Provided further*, That not less than \$40,000,000 of the funds made available under this heading shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel [ ~~: *Provided further*, That funds appropriated under this heading may be made available for a headquarters contribution to the International Committee of the Red Cross only if the Secretary of State determines (and so reports to the appropriate committees of Congress) that the Magen David Adom Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement~~]: *Provided further*, That funds appropriated under this heading should be made available to develop effective responses to protracted refugee situations, including the development of programs to assist long-term refugee populations within and outside traditional camp settings that support refugees living or working in local communities such as integration of refugees into local schools and services, resource conservation projects and other projects designed to diminish conflict between refugee hosting communities and refugees, and encouraging dialogue among refugee hosting communities, the United Nations High Commissioner for Refugees, and international and nongovernmental refugee assistance organizations to promote the rights to which refugees are entitled under the Convention Relating to the Status of Refugees of July 28, 1951 and the Protocol Relating to the Status of Refugees, done at New York January 31, 1967]. (*Department of State and Related Agency Appropriations Act, 2006.*)

### Proposed Changes:

The deletion primarily eliminates earmarks that unduly restrict the flexibility of the Secretary to allocate resources.

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### UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 2601(c)), [~~\$30,000,000~~] **and notwithstanding section 2(c)(2) of such Act**, \$55,000,000 to remain available until expended. (*Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006.*)

Proposed changes:

The insertion would provide the President with greater flexibility to respond to the many unforeseen and urgent refugee and migration needs that occur worldwide each year.

### CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE TRUST FUND

~~[For a grant to the Center for Middle Eastern-Western Dialogue Trust Fund (22 U.S.C. 2078), \$5,000,000 for operation of the Center for Middle Eastern-Western Dialogue in Istanbul, Turkey. In addition, for]~~ **For** necessary expenses of the Center for Middle Eastern-Western Dialogue Trust Fund, the total amount of the interest and earnings accruing to such Fund on or before September 30, [~~2006~~] **2007**, to remain available until expended. (*Department of State and Related Agency Appropriations Act, 2006*)

Proposed Changes:

The deletion reflects the request to appropriate only the interest and earnings of the Trust Fund.

### GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCY

SEC. 401. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of title 5, United States Code; for services as authorized by 5 U.S.C. 3109; and for hire of passenger transportation pursuant to 31 U.S.C. 1343(b).

SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this title may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided*, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the Broadcasting Board of Governors in this title may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided further*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. [~~None of the funds made available in this title may be used by the Department of State or the Broadcasting Board of Governors to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.~~] **Funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation (PBC) only if that assistance is directed at promoting reform, improving the professionalism of the PBC and its staff, and promoting messages of tolerance rather than incitement in PBC programming.**

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SEC. 404. (a) The Senior Policy Operating Group on Trafficking in Persons, established under section [~~406 of division B of Public Law 108-7~~] **105 (f) of the Victims of Trafficking and Violence Protection Act of 2000 (22 U.S.C. 7103(f))** to coordinate agency activities regarding policies (including grants and grant policies) involving the international trafficking in persons, shall coordinate all such policies related to the activities of traffickers and victims of severe forms of trafficking.

(b) None of the funds provided in this or any other Act shall be expended to perform functions that duplicate coordinating responsibilities of the Operating Group.

(c) The Operating Group shall continue to report only to the authorities that appointed them pursuant to section [~~406 of division B of Public Law 108-7~~] **105 (f)**.

[~~SEC. 405. For the purposes of registration of birth, certification of nationality, or issuance of a passport of a United States citizen born in the city of Jerusalem, the Secretary of State shall, upon request of the citizen, record the place of birth as Israel.~~]

[~~SEC. 406. Notwithstanding any other provision of law, of the funds appropriated by this Act under the heading “Diplomatic and Consular Programs”: \$5,000,000 shall be made available for an endowment for the Center for Asian Democracy; \$100,000 shall be made available for a grant to the Center for the Study of the Presidency for a public diplomacy initiative; \$300,000 shall be made available for a grant to Operation Smile for a public diplomacy program; and \$350,000 shall be made available for a grant to MiraMed for programs to combat human trafficking.~~]

[~~SEC. 407. Funds appropriated under this title for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 15 of the State Department Basic Authorities Act of 1956, section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).~~]

[~~SEC. 408. (a) Funds provided in this title for the following accounts shall be made available for programs in the amounts contained in the respective tables included in the report accompanying this Act:~~

~~“Educational and Cultural Exchange Programs”;~~

~~“National Endowment for Democracy”;~~

~~“International Broadcasting Operations”;~~

~~“Broadcasting Capital Improvements”.~~

~~(b) Any proposed increases or decreases to the amounts contained in such tables in the accompanying report shall be subject to the regular notification procedures in section 605 of this Act.~~

~~(c) The Secretary of State shall notify the Committees on Appropriations 15 days in advance of recommending the issuance of any license subject to Executive Order No. 13067.~~]

[~~SEC. 409. Notwithstanding any other provision of law, of the funds appropriated or otherwise made available in this title, not more than \$1,035,500,000 shall be available for payment to the United Nations for assessed and other expenses of international peacekeeping activities.~~]

[~~SEC. 410. Section 1334 of the Foreign Affairs Reform and Restructuring Act of 1998 (22 U.S.C. 6553) is amended by striking “October 1, 2005” and inserting “October 1, 2006”.~~]

[~~SEC. 411. None of the funds appropriated under this title may be made available to pay any contribution of the United States to the United Nations if the United Nations implements or imposes any taxation on any United States persons.~~]

[~~SEC. 412. It is the sense of the Congress that the amount of any loan for the renovation of the United Nations headquarters building located in New York, New York, should not exceed \$600,000,000:~~



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~~Provided, That if any loan exceeds \$600,000,000, the Secretary of State shall notify the Congress of the current cost of the renovation and cost containment measures.]~~

~~[SEC. 413. None of the funds made available by this title may be used for any United Nations undertaking when it is made known to the Federal official having authority to obligate or expend such funds that: (1) the United Nations undertaking is a peacekeeping mission; (2) such undertaking will involve United States Armed Forces under the command or operational control of a foreign national; and (3) the President's military advisors have not submitted to the President a recommendation that such involvement is in the national security interests of the United States and the President has not submitted to the Congress such a recommendation.]~~

~~[SEC. 414. (a) None of the funds appropriated or otherwise made available under this title shall be expended for any purpose for which appropriations are prohibited by section 609 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999. (b) The requirements in subparagraphs (A) and (B) of section 609 of that Act shall continue to apply during fiscal year 2006.]~~

SEC. ~~[415]~~ **405.** (a) None of the funds appropriated or otherwise made available under this title shall be expended for any purpose for which appropriations are prohibited by section 616 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999. (b) The requirements in subsections (b) and (c) of section 616 of that Act shall continue to apply during fiscal year ~~[2006]~~ **2007**.

SEC. ~~[416]~~ **406.** (a) Except as provided in subsection (b), a project to construct a diplomatic facility of the United States may not include office space or other accommodations for an employee of a Federal agency or department if the Secretary of State determines that such department or agency has not provided to the Department of State the full amount of funding required by subsection (e) of section 604 of the Secure Embassy Construction and Counterterrorism Act of 1999 (as enacted into law by section 1000(a)(7) of Public Law 106-113 and contained in appendix G of that Act; 113 Stat. 1501A-453), as amended by section 629 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005. (b) Notwithstanding the prohibition in subsection (a), a project to construct a diplomatic facility of the United States may include office space or other accommodations for members of the Marine Corps.

SEC. ~~[417]~~ **407.** Ceilings and earmarks contained in this title shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this title.

**SEC. 408. (a) IN GENERAL.—Section 404(b)(2)(B) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, as amended (22 U.S.C. 287e note) is further amended at the end by adding the following:**

**“(v) For assessments made during calendar years 2005, 2006, 2007, and 2008, 27.1 percent.”**  
(Department of State and Related Agency Appropriations Act, 2006.)

Proposed Changes:

- (1) The first deletion (Sec. 403) eliminates a provision regarding the PBC.
- (2) The second deletion (Sec. 404) corrects the authority that established the Senior Policy Operating Group. Section 406 of division B of Public Law 108-7 has since been repealed.

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- (3) The third deletion (Sec. 405) eliminates a section that is unconstitutional. If construed as mandatory rather than advisory, the section would impermissibly interfere with the Executive's conduct of foreign relations, as set forth in the President's signing statement to the FY 2006 Science, State, Justice, Commerce Appropriations Act.
- (4) The fourth deletion (Sec. 406) eliminates an earmark that unduly restricts the Secretary's ability to allocate resources to meet mission needs and goals.
- (5) The fifth deletion (Sec. 407) eliminates a section that is unnecessary if an authorization bill is signed into law. In the event there is not an authorization act, the waivers contained in this section would be required.
- (6) The sixth deletion (Sec. 408) eliminates a section that is excessive and unconstitutional. Normal thresholds and requirements of section 605 reprogramming procedure should suffice. Requiring advance notification in section 408(c) of recommendations by the Secretary of State regarding OFAC-administered sanctions under E.O. 13067 raises constitutional concerns in that it impinges upon the deliberative processes of the Executive branch as well as the President's authority to supervise the unitary Executive branch. It could also delay timely consideration of licenses.
- (7) The seventh deletion (Sec. 409) eliminates a section that unduly restricts the Secretary's ability to allocate resources to meet mission needs and goals. The decision to create new or expanded UN peacekeeping missions does not allow for time in the regular US appropriation process to request funding to pay consequent UN assessments. The ability to transfer funds to this account will provide the Administration with options for paying those assessments.
- (8) The eighth deletion (Sec. 410) eliminates a section that need not be repeated as the FY 2006 SSJC Appropriations Act amended 22 USC 6553.
- (9) The ninth deletion (Sec. 411) eliminates a section that is unnecessary and raises potential constitutional concerns. The United Nations does not have the authority to tax U.S. persons, and the United States consistently opposes any effort to give the United Nations such authority.
- (10) The tenth deletion (Sec. 412) eliminates a section concerning a loan amount. The Administration will do everything possible to contain the costs of the UN headquarters renovation project, but opposes language that seeks to restrict the amount of the loan that Congress has already authorized and the USG has already offered to the UN.
- (11) The eleventh deletion (Sec. 413) eliminates a section to which the Administration has consistently objected as placing unconstitutional conditions on the President's authority to command the armed forces and to supervise the unitary executive branch.
- (12) The twelfth deletion (Sec. 414) eliminates a section to which the Administration has consistently objected concerning Vietnam because it is an unconstitutional condition on the President's power to determine the conditions upon which the United States will maintain diplomatic relations with a country.
- (13) The insertion of new Sec. 408 provides legislative language for peacekeeping cap relief that is necessary to enable the United States to pay its assessments in full.