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DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 2003

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

FRANK R. WOLF, Virginia, *Chairman*

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LUCILLE ROYBAL-ALLARD, California
ROBERT E. "BUD" CRAMER, JR., Alabama
PATRICK J. KENNEDY, Rhode Island

NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

MIKE RINGLER, CHRISTINE KOJAC, LESLIE ALBRIGHT, and JOHN F. MARTENS
Subcommittee Staff

PART 3

Justification of the Budget Estimates

Department of State 1
Broadcasting Board of Governors 854

Printed for the use of the Committee on Appropriations

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United States Department of State

CONGRESSIONAL PRESENTATION DOCUMENT

Fiscal Year 2003

DEPARTMENT OF STATE
FY 2003 CONGRESSIONAL PRESENTATION DOCUMENT

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BUDGET SUMMARY

"As long as the United States of America is determined and strong, this will not be an age of terror; this will be an age of liberty, here and across the world."

President George W. Bush
Address to a Joint Session of Congress and the American People
September 20, 2001

Overview

At the start of last year, we were heavily engaged in the beginnings of not only a new Administration but also a new emphasis on the Department of State regarding what it does for America and the world. In the seven months leading to September, we made good progress in realizing the new emphasis by gaining the increased resources required for our first year and by putting those dollars to work effectively.

Then the tragic events of September 11 changed the world. The counterterrorism campaign that the nation immediately launched upon still demands our attention today – and will continue to do so far into the foreseeable future. In the context of this campaign, the conduct of the nation's foreign affairs has taken on a heightened sense of urgency while gaining immensely in achieving the increased emphasis we were seeking.

In the months since September, we have had enormous success in the war on terrorism – a new U.S.-Pakistan relationship, a reinvigorated U.S.-India relationship, a new interim authority in Afghanistan, the elimination of the repressive regime of the Taliban, the destruction of al-Qaeda in Afghanistan, the delivery of humanitarian relief to Afghanistan's citizens, and a strong global coalition of nations at work to disrupt and destroy terrorism worldwide.

The State Department has been at the core of this tremendous effort. The new emphasis on foreign affairs that we sought to build slowly and carefully over several years was amplified immeasurably by the immediate challenge of one tragic day. And because of the dedicated, hard-working people in the Foreign Service, the Civil Service, and the Foreign Service Nationals around the world, we met the challenge. But there is much more work to be done – work associated with the war on terrorism and with our fundamental foreign policy interests – and we continue to need the resources to do it.

What We Have Done

Because the FY 2002 budget request resulted in an increase in resources for State operations, we are implementing our priority initiatives. We broke records in new employment recruits and are busy hiring, training, and putting these men and women to work. Our overseas building program has prospered significantly under new management practices that have cut costs and improved construction times, quality, and security; a more detailed and disciplined construction plan is in place; and new construction proceeds at a brisk pace. Our program to bring state-of-the-art information technology to all of the Department is well underway. Security enhancements – including new security hiring – are also in process. But more needs to be done and the dollars we are requesting Congress provides us for Fiscal Year 2003 are much needed if we are to continue to bring the State Department into the 21st century.

BUDGET SUMMARY

Details of the FY 2003 Budget Request

The President's $7.721 billion request for the State Department will allow us to:

- Continue initiatives to recruit, hire, train, and deploy the right work force. The budget request includes $100 million for the next step in the hiring initiative we began in FY2002. Further information on this hiring initiative can be found on page 32 (State Programs);

- Continue to upgrade the security of our overseas facilities. The budget request includes over $1.4 billion to improve physical security, correct serious deficiencies, and provide for security-driven construction of new facilities at high-risk posts around the world. Additional security construction program information can be found beginning on page 57 (Embassy Security, Construction & Maintenance). We are also seeking $52 million to consolidate the Department's anti-terrorism training programs by establishing a new Center for Anti-Terrorism Security Training (CAST); see page 33 in the State Programs chapter;

- Continue our program to provide state-of-the-art information technology to our people worldwide. The budget request includes $177 million to continue projects aimed at extending classified connectivity to every post requiring it and to update desktop access to the Internet for Department employees. Additional information on information technology investments can be found beginning on page 41 (Capital Investment Fund);

- Prioritize Public Diplomacy resources – $287 million for FY 2003 – toward new projects to support the war on terrorism. More information on Public Diplomacy programs and activities starts on page 18 (State Programs).

- Continue and enhance our educational and cultural exchange programs. The budget request includes $247 million for strategic activities that help build the trust, confidence, and international cooperation necessary to sustain and advance the full range of our interests. Such activities have gained a new measure of importance since the brutal attacks of September. For more information on exchange programs to build mutual understanding and develop friendly relations between America and the people of the world, see page 69 (Educational and Cultural Exchange Programs).

- Continue to meet our obligations to international organizations – also vitally important as we pursue the war on terrorism to its end. The budget request includes $891.4 million to fund U.S. assessments to 43 international organizations, active membership of which furthers U.S. economic, political, security, social, and cultural interests. More information can be found beginning on page 93 (Contributions to International Organizations); and

- Continue to meet our obligations to international peacekeeping activities. The budget request includes $726 million to allow the U.S. to pay its United Nations peacekeeping assessments – all the more important as we seek to avoid increased UN arrearages. UN peacekeeping activities allow us to leverage our political, military, and financial assets through the authority of the UN Security Council and the participation of other countries in providing funds and peacekeepers for conflicts worldwide. Additional information is available at page 97 (Contributions to International Peacekeeping Activities).

BUDGET SUMMARY

There is much more as well. We are well underway on our course to a future in which the conduct of the nation's foreign policy is a preeminent feature of our government. More and more Americans have come to realize that diplomacy – the management of international relations – is central to America's success. Whether it is combating international terrorism, improving trade, spreading freedom and democracy, or protecting our citizens overseas – and a host of other activities – the Department of State is essential to the successful pursuit of the nation's interests. America's future is in many ways in our hands.

Fully Accruing Costs of Federal Programs

The President's 2003 Budget corrects a long-standing understatement of the true cost of thousands of federal programs. For some time, the accruing charges of the various federal employees retirement systems has been allocated to agencies' salaries and expense accounts, and the remainder has been charged to centrally held mandatory accounts, distorting the true cost of federal programs

The full cost of accruing benefits should be allocated to the affected salary and expense accounts, so that budget choices for program managers and budget decision-makers are not distorted by inaccurate cost information.

The Budget presents the amounts associated with shifting this cost from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are shown on a comparable basis for program accounts in 2001 and 2002. Agencies will also, for the first time, be charged for the accruing cost of retiree health care benefits for all civilian employees. These are also shown on a comparable basis for 2001 and 2002.

The proposal does not increase or lower total budget outlays, or alter the surplus/deficit since the higher payments will be offset by receipts in the pension and health funds. The shift will reduce reported costs from central mandatory accounts and increase reported costs in the affected discretionary accounts. Consequently, these costs will be properly reported in the budget for the first time and considered as an annual cost of managing these programs, as they should be.

This change in treatment of costs is the first in a series of steps that will be taken to ensure that the full annual cost of resources – including support services, capital assets and hazardous waste – are charged properly in the budget presentation.

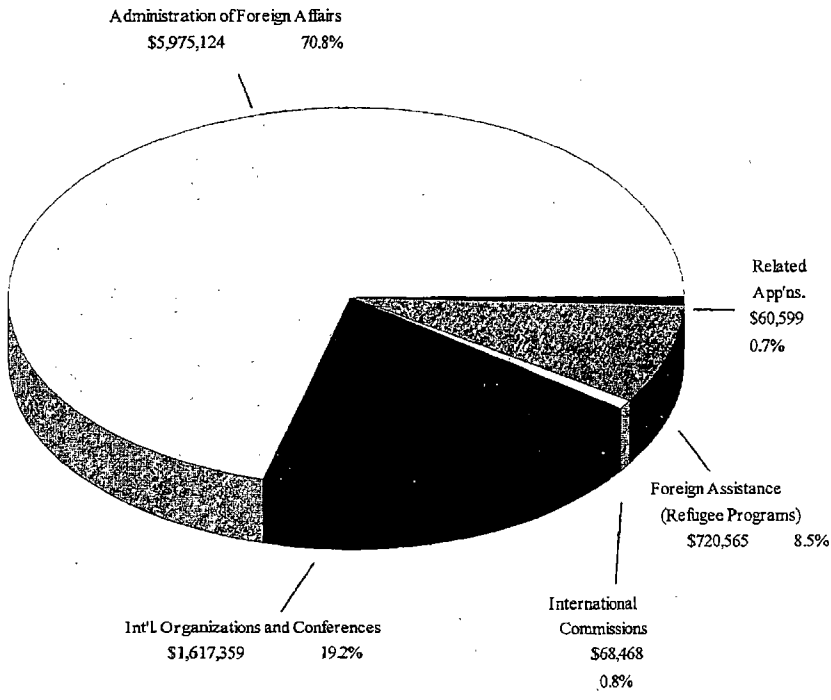
Budget Specifics

Graphs and tables summarizing the Department's FY 2003 budget request, including funds and positions by appropriation account, appear on the following pages.

FY 2003 State Department Request

Distribution by Title

(dollars in thousands)



Total Request $8,442,1115

SUMMARY OF FUNDS

($ in thousands)

Appropriations	FY 2001 Actual /a	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Administration of Foreign Affairs	**$4,856,112**	**$5,633,920**	**$5,975,124**	**$341,204**
State Programs:				
Diplomatic & Consular Programs	$3,239,620	$3,708,518	$4,019,023	$310,505
Ongoing Operations	2,718,076 /b	3,142,277 /c	3,364,179	221,902
Full Funding of Retirement Costs *	72,446	78,506	81,844	3,338
Pacific Salmon	40,000	–	20,000	20,000
Worldwide Security Upgrades	409,098	487,735	553,000	65,265
Capital Investment Fund	96,787 /d	203,000 /e	177,000	(26,000)
Subtotal, State Programs	3,336,407	3,911,518	4,196,823	284,505
Embassy Security, Construction & Maintenance	1,080,464	1,276,904	1,308,011	31,107
Ongoing Operations	416,059	443,000	500,000	57,000
Full Funding of Retirement Costs *	2,864	2,944	3,011	67
Non-Security Construction	–	15,000	50,000	35,000
Worldwide Security Construction - State	463,867	665,000 /f	608,550	(56,450)
Worldwide Security Construction - AID	50,000	–	[82,000]	–
Compound Security	133,705	136,680	146,450	9,770
Support Costs	13,969	14,280	–	(14,280)
Other Administration of Foreign Affairs				
Office of Inspector General *	29,891	30,503	30,791	288
Educational and Cultural Exchanges *	233,242 /g	238,718	247,063	8,345
Representation Allowances	6,485	6,485	9,000	2,515
Prot. of Foreign Missions & Officials	15,433	9,400	11,000	1,600
Emerg. in the Dipl. & Consular Service	5,465 /h	6,500	15,000	8,500
Repatriation Loans Program Account	1,192	1,219	1,219	–
American Institute in Taiwan	16,309	17,044	18,817	1,773
F.S. Retirement & Disability Fund (mandatory)	131,224	135,629	138,200	2,571
International Organizations	**1,713,056**	**1,694,139**	**1,617,359**	**(76,780)**
Contributions to Int'l. Organizations	868,917	850,000	891,378	41,378
Contr. for Int'l. Peacekeeping Activities	844,139 /i	844,139	725,981	(118,158)
International Commissions	**57,215**	**61,707**	**68,468**	**6,761**
Int'l. Boundary & Water Comm.-S&E *	7,233	25,654	28,387	2,733
Int'l. Boundary & Water Comm.-Const, O&M *	23,810	5,562	9,517	3,955
International Fisheries Commissions	19,349	20,480	19,780	(700)
American Sections:	6,823	10,011	10,784	773
Int'l. Boundary Commission *	988	1,002	1,157	155
Int'l. Joint Commission *	3,839 /j	6,969	7,544	575
Border Environment Cooperation Commission	1,996	2,040	2,083	43
Related Appropriations	**54,504**	**57,625**	**60,599**	**2,974**
The Asia Foundation	9,230	9,250	9,444	194
National Endowment for Democracy	30,931 /k	33,500	36,000	2,500
East-West Center	13,470	14,000	14,280	280
Eisenhower Exchange Fellowship Program	499	500	500	–
Israeli Arab Scholarship Program	374	375	375	–
Subtotal, State Appropriations Act	**6,680,887**	**7,447,391**	**7,721,550**	**274,159**
Less, Full Funding of Retirement Costs	(79,553)	(85,832)	(89,340)	(3,508)
STATE APPROPRIATIONS ACT	**6,601,334**	**7,361,559**	**7,632,210**	**270,651**
Foreign Assistance				
Migration & Refugee Assistance *	699,002 /l	705,556 /m	705,565	9
Emergency Refugee/Migration Assistance	14,967	15,000	15,000	–
Subtotal, State Authorizations Act	**7,394,856**	**8,167,947**	**8,442,115**	**274,168**
Less, Full Funding of Retirement Costs	(542)	(556)	(565)	(9)
STATE AUTHORIZATION ACT	**7,314,761**	**8,081,559**	**8,352,210**	**$270,651**

* The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are included on a comparable basis for program accounts in 2001 and 2002. The table "Costs of Fully Funding Pension and Health Costs" shows the amounts included for Fiscal Years 2001, 2002 and 2003.

Additional footnotes are on the page opposite.

/a FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001; the mandatory Foreign Service Retirement & Disability Fund was exempt from the rescission.

/b Reflects $875,037 transferred to the United States Commission on Holocaust Assets, $3,375,000 transferred to the Buying Power Maintenance Fund, and $13,662,000 transferred to the Capital Investment Fund. Does not include $390,000 transferred from the Emergency Response Fund.

/c Does not include $135.6million transferred from the Emergency Response Fund.

/d Does not include $7.5 million transferred from the Emergency Response Fund.

/e Does not include $7.5 million transferred from the Emergency Response Fund.

/f Does not include $52.85 million transferred from the Emergency Response Fund.

/g In addition to the direct appropriated amounts shown, the U.S. Agency for International Development (USAID) transferred funds for Support for Eastern European Democracy Act (SEED), Freedom Support Act (FSA), and Economic Support Fund (ESF) activities. In FY 2001, $135.474 million in transferred funds was obligated. Additional transfers from USAID for FSA, SEED, and ESF are anticipated in FY 2002 and FY 2003.

/h Does not include $51 million transferred from the Emergency Response Fund.

/i Assessments for periods up to December 31, 2000, are calculated at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter.

/j $2.15 million was provided through the Emergency Supplemental Act, 2000 (P.L. 106-246) to initiate, in FY2001, the first year of a five year bi-national study of the regulation of the Lake Ontario and St. Lawrence River levels and flows. The FY 2002 estimate includes $3.432million for the second year of the study.

/k Does not include $3.48 million in new budget authority transferred from the United States Agency for International Development (USAID).

/l In addition, $21 million in FY 2000 funds was also available.

/m Does not include $100 milliontransferred from the Emergency Response Fund.

SUMMARY OF DIRECT FUNDED POSITIONS

Appropriations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ Decrease
Administration of Foreign Affairs				
State Programs:				
Diplomatic & Consular Programs	16,264 /a	16,747 /b	16,913 /c	166
Worldwide Security Upgrades	522	911	1,045	134
Subtotal, State Programs	16,786	17,658	17,958	300
Embassy Security, Construction &	747	747	787	40
Worldwide Security Upgrades	40	40	--	(40)
Subtotal, Embassy Security	787	787	787	--
Other Administration of Foreign Affairs				
Office of Inspector General	314	314	314	--
Educational and Cultural Exchanges	350	351	351	--
Subtotal, Admin. of Foreign Affairs	18,237	19,110	19,410	300
International Commissions				
Int'l. Boundary & Water Comm.-S&E	82	280 /d	280	--
Int'l. Boundary & Water Comm.-Construction	197	33 /d	33	--
American Sections:				
Int'l. Boundary Commission	8	8	8	--
Int'l. Joint Commission	24	24	24	--
Subtotal, International Commissions	311	345	345	--
STATE APPROPRIATIONS ACT	**18,548**	**19,455**	**19,755**	**300**
Foreign Assistance				
Migration & Refugee Assistance	130	130	130	--
STATE AUTHORIZATION ACT	**18,678**	**19,585**	**19,885**	**300**

Position levels do not include 2,059 positions being funded by MRV fees in FY 2001.
/b Position levels do not include 2,157 positions to be funded by MRV fees in FY 2002.
/c Position levels do not include 2,488 positions to be funded by MRV fees in FY 2002, including 233
/d Reflects the transfer of the Operations & Maintenance (O&M) activity pursuant to the FY2002

COSTS OF FULLY FUNDING PENSION AND HEALTH ACCRUAL COSTS
($ in thousands)

	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Amount	FY02 to 03 Incr/(Decr) Amount	Percent
	$80,095	**$86,388**	**$89,905**	**$3,517**	**4.1%**
Administration of Foreign Affairs:	**78,440**	**84,671**	**88,139**	**3,468**	**4.1%**
Diplomatic & Consular Programs	72,446	78,506	81,844	3,338	4.3%
Embassy Security Construction & Maint.	2,864	2,944	3,011	67	2.3%
Office of the Inspector General	1,464	1,503	1,527	24	1.6%
Educational & Cultural Exchange Programs	1,666	1,718	1,757	39	2.3%
State Appropriations Act, Function 150	**78,440**	**84,671**	**88,139**	**3,468**	**4.1%**
International Commissions (Function 300):	**1,113**	**1,161**	**1,201**	**40**	**3.4%**
Int'l Boundary & Water Commission - S&E	107	949	983	34	3.6%
Int'l Boundary & Water Commission - Const.	910	112	116	4	3.6%
American Sections:	96	100	102	2	2.0%
International Boundary Commission	20	13	14	1	7.7%
International Joint Commission	76	87	88	1	1.1%
STATE APPROPRIATIONS ACT, TOTAL	**79,553**	**85,832**	**89,340**	**3,508**	**4.1%**
Foreign Assistance					
Migration and Refugee Assistance	542	556	565	9	1.6%
STATE AUTHORIZATION ACT, TOTAL	**80,095**	**86,388**	**89,905**	**3,517**	**4.1%**

SUMMARY OF EMERGENCY RESPONSE FUND (ERF) TRANSFERS

(Dollars in thousands)

Appropriations	FY 2001	FY 2002	Total
Administration of Foreign Affairs	**$48,890**	**$205,950**	**$254,840**
Diplomatic & Consular Programs	390	135,600	135,990
Capital Investment Fund	7,500	7,500	15,000
Embassy Security, Construction & Maintenance	-	52,850	52,850
Emerg. in the Dipl. & Consular Service	41,000	10,000	51,000
Foreign Assistance	**-**	**100,000**	**100,000**
Migration & Refugee Assistance	-	100,000	100,000
Total	**48,890**	**305,950**	**354,840**

DEPARTMENT OF STATE
History of Appropriations
(Dollars in thousands)

APPROPRIATIONS	FY94 Actual	FY95 Actual	FY96 Actual	FY97 Actual	FY98 Actual	FY99 Actual	FY00 Actual	FY01 Actual	FY02 Estimate	FY03 Request
Administration of Foreign Affairs										
State Programs:										
Diplomatic & Consular Programs	1,745,215	1,757,727	1,713,721	1,713,575	1,646,801	1,661,572	2,569,825	2,830,522	3,220,783	3,466,023
Worldwide Security Upgrades	--	--	--	--	--	785,700	254,000	409,098	487,735	553,000
Salaries & Expenses	363,668	367,407	367,898	352,300	353,905	354,187	--			
Arms Control & Disarmanent Agency						41,460	--	--	--	--
Int'l Information Programs (USIA)	--	--	--	--	450,220	453,761	--	--	--	--
Technology Fund (USIA)	--	--	--	--	5,050	11,562	--	--	--	--
Subtotal	*2,108,883*	*2,125,134*	*2,081,619*	*2,065,875*	*2,498,692*	*3,308,242*	*2,823,825*	*3,239,620*	*3,708,518*	*4,019,023*
Capital Investment Fund	2,955	478	16,384	24,600	86,000	158,571	80,843	96,787	203,000	177,000
Subtotal, State Programs	2,111,838	2,125,612	2,098,003	2,090,475	2,584,692	3,466,813	2,904,668	3,336,407	3,911,518	4,196,023
Office of Inspector General	23,469	23,807	27,330	27,495	27,495	28,465	27,382	29,891	30,503	30,791
Educational & Cultural Exchanges	--	--	--	--	197,731	200,500	204,155	233,242	238,718	247,063
Representation Allowances	4,780	4,780	4,500	4,490	4,200	4,350	5,826	6,485	6,485	9,000
Buying Power Maintenance	--	--	--	11,725	--	(3,892)	5,178	--	--	--
Prot. of Foreign Missions & Officials	10,024	9,101	8,579	8,332	7,900	8,100	8,067	15,433	9,400	11,000
Embassy Security, Construction & Main.	400,000	409,898	385,760	389,320	397,943	454,061	425,741	418,923	475,224	553,011
Worldwide Security Upgrades	--	--	--	--	--	627,000	300,000	513,867	665,000	608,550
Perimeter Security/Support Costs	--	--	--	--	--	--	13,617	147,674	136,680	146,450
Subtotal, Embassy Security	400,000	409,898	385,760	389,320	397,943	1,081,061	739,358	1,080,464	1,276,904	1,308,011
Emerg. in the Dipl. & Consular Service	7,805	6,500	5,896	5,800	5,356	17,479	5,477	5,465	6,500	15,000
Repatriation Loans Program Account	776	776	880	1,256	1,344	1,200	1,195	1,192	1,219	1,219
American Institute in Taiwan	15,165	15,423	15,145	14,490	14,000	14,730	15,312	16,309	17,044	18,817
F.S. Retirement & Disability Fund	125,084	129,321	125,402	126,491	129,935	132,500	128,541	131,224	135,629	138,200
Subtotal, Admin. of Foreign Affairs	2,698,941	2,725,218	2,671,495	2,679,874	3,370,596	4,955,198	4,039,981	4,856,112	5,633,920	5,975,124
International Organizations										
Contributions to Int'l Organizations	860,885	872,661	892,000	902,102	888,883	933,550	880,505	868,917	850,000	891,378
Contr. for Int'l Peacekeeping Actv.	1,071,607	518,687	359,000	334,780	210,632	219,450	498,100	844,139	844,139	725,981
CIO & CIPA Arrearages	--	--	--	--	100,000	475,000	351,000	--	--	--
Int'l Conferences & Contingencies	6,000	5,942	2,996	7,518	12,000	--	--	--	--	--
Subtotal, International Organizations	1,938,492	1,397,290	1,253,996	1,244,400	1,211,515	1,628,000	1,729,605	1,713,056	1,694,139	1,617,359

DEPARTMENT OF STATE
History of Appropriations
(Dollars in thousands)

APPROPRIATIONS	FY94 Actual	FY95 Actual	FY96 Actual	FY97 Actual	FY98 Actual	FY99 Actual	FY00 Actual	FY01 Actual	FY02 Estimate	FY03 Request
International Commissions										
Int'l Boundary & Water Comm-S&E	11,920	12,841	12,044	15,490	17,490	19,521	19,470	7,233	25,654	28,387
Int'l Boundary & Water Comm-Constr.	13,680	6,638	6,625	6,463	6,463	5,939	5,915	23,810	5,562	9,517
American Sections: IBC	870	740	639	606	761	761	758	988	1,002	1,157
American Sections: IJC	3,420	3,540	3,355	3,181	3,189	3,432	5,568	3,839	6,969	7,544
American Sections: BECC	--	1,510	1,797	1,703	1,540	1,540	1,534	1,996	2,040	2,083
Subtotal, American Sections	*4,290*	*5,790*	*5,791*	*5,490*	*5,490*	*5,733*	*7,860*	*6,823*	*10,011*	*10,784*
International Fisheries Commissions	16,200	14,669	14,666	14,549	14,549	14,549	15,485	19,349	20,480	19,780
Subtotal, International Commissions	46,090	39,938	39,126	41,992	43,992	45,742	48,730	57,215	61,707	68,468
Related Appropriations										
The Asia Foundation	16,000	15,000	5,000	8,000	8,000	8,250	8,216	9,230	9,250	9,444
National Endowment for Democracy	--	--	--	--	30,000	31,000	30,872	30,931	33,500	36,000
East-West Center	--	--	--	--	12,000	12,500	12,449	13,470	14,000	14,280
North-South Center	--	--	--	--	1,500	1,750	1,743	--	--	--
Eisenhower Exch. Fellowship Program	--	--	--	--	570	525	523	499	500	500
Israeli Arab Scholarship Program	--	--	--	--	400	350	346	374	375	375
U.S. Bilateral S&T Agreements	4,275	--	--	--	--	--	--	--	--	--
Russian, E. European Research/Training	--	--	--	--	--	--	--	--	--	--
Fisherman's Guaranty Fund	--	--	--	--	--	--	--	--	--	--
Fishermen's Protective Fund	--	--	--	--	--	--	--	--	--	--
Subtotal, Related Appropriations	20,275	15,000	5,000	8,000	52,470	54,375	54,149	54,504	57,625	60,599
STATE APPROPRIATIONS ACT	**4,703,798**	**4,177,446**	**3,969,617**	**3,974,266**	**4,678,573**	**6,683,315**	**5,872,465**	**6,680,887**	**7,447,391**	**7,721,550**
Foreign Assistance										
Migration & Refugee Assistance	670,688	671,000	670,983	650,000	650,384	905,970	622,625	699,002	705,556	705,565
Emergency Refugee/Migration Assist.	79,261	50,000	50,000	50,000	50,000	195,000	12,453	14,967	15,000	15,000
STATE AUTHORIZATION ACT	**5,453,747**	**4,898,446**	**4,690,600**	**4,674,266**	**5,378,957**	**7,784,285**	**6,507,543**	**7,394,856**	**8,167,947**	**8,442,115**

SUMMARY OF PUBLIC DIPLOMACY RESOURCES

($ in thousands)

	FY 2001 a/				FY 2002				FY 2003			
Diplomatic and Consular Programs	**Positions**	**American**	**Bureau**	**Total**	**Positions**	**American**	**Bureau**	**Total**	**Positions**	**American**	**Bureau**	**Total**
Regional Bureaus b/ c/	2,253	$63,759	$128,424	$192,183	2,306	$68,644	$144,366	$213,010	2,306	$72,066	$154,223	$226,289
Office of International Info. Programs	280	22,781	20,296	43,077	283	24,230	20,327	44,557	283	25,037	21,378	46,415
Functional Bureaus/Other Support	30	3,466	5,969	9,435	30	3,664	7,568	11,232	30	3,778	9,700	13,478
Payment - FSNSLTF	-	-	1,406	1,406	-	-	1,460	1,460	-	-	1,511	1,511
Total, Public Diplomacy (D&CP)	2,563	90,006	156,095	246,101	2,619	96,538	173,721	270,259	2,619	100,881	186,812	287,693
Sec. 810 USI & EE Act Fees d/	-	-	4,973	4,973	-	-	8,000	8,000			8,000	8,000
Representation Allowances	-	-	1,563	1,563	-	-	1,562	1,562	-	-	1,800	1,800
Educ. and Cultural Exchanges e/	298	23,334	208,242	231,576	308	25,071	211,929	237,000	308	28,142	218,921	247,063
Natl. Endowment for Democracy	-	-	30,931	30,931	-	-	33,500	33,500	-	-	36,000	36,000
East-West Center	-		13,470	13,470	-	-	14,000	14,000	-	-	14,280	14,280
Eisenhower Exch. Fellowship Prog.	-	-	499	499	-	-	500	500	-	-	500	500
Israeli-Arab Scholarship Prog.	-	-	374	374	-	-	375	375	-	-	375	375
Total, Public Diplomacy	2,861	$113,340	$416,147	$529,487	2,927	$121,609	$443,587	$565,196	2,927	$129,023	$466,688	$595,711

This summary is intended to comply with the requirements of Section 1333(e) of P.L. 105-277. The goals and purposes of public diplomacy activities are integrated into the overall goals and purposes of each bureau.

a/ The FY 2001 total reflects reductions effected as a result of the rescission required by P.L. 106-554.

b/ The FY 2001 regional bureau amount includes $1,433,000 transferred to the Buying Power Maintenance Account.

c/ The FY 2002 and FY 2003 regional bureau estimates include full support costs to establish and support 53 new overseas positions.

d/ Includes USI and EE fees collected under both D&CP and ECE appropriations authorities.

e/ The FY 2003 amount includes the estimate of $1,757,000 for the full funding of Federal Retirement, Pension, and Accrual costs.

DEPARTMENT OF STATE FEE COLLECTIONS

SUMMARY

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 collect certain consular fees (8 U.S.C. 1351; 22 U.S.C. 214, 4201, 4215, 4219, 4223, 4225) and certain other fees (e.g. section 53 of the State Department Basic Authorizations Act (22 U.S.C. 2725) regarding fees for the use of the National Foreign Affairs Training Center). While certain of these fees are required to be deposited into miscellaneous receipts, many fee authorities specifically permit authorize the Department to charge and retain the certain fees collected. The following narrative provides the authority for the major fee collections and describes the use of the fee.

FEE COLLECTIONS

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) authorizes the Department to charge a fee for processing machine readable non-immigrant visas and for deposit of such fees as offsetting collections to any Department appropriation to recover the costs of providing consular services. The permits proposed language of the Diplomatic and Consular Program appropriation for the permanent retention of Machine Readable Visa (MRV) fees for two fiscal years. These fees finance 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 fees currently are dedicated to information technology programs.

Diversity Visa Fees. 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. 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 covered by processing an applicants fingerprints shall be deposited as an offsetting collection.

Affidavit of Support Fees. Under Section 212(A)(4) of the Immigration and Nationality Act (INA), immigrant visa applicants must demonstrate that they have adequate means of financial support, and are not likely to become a public charge. The 1996 Illegal Immigration and Immigrant Responsibility Act mandates that in order to fulfill the requirements of the INA, most family-based and some employment-based immigrant visa applicants must submit a contractually binding affidavit of support from a sponsor in the United States. The Departments is seeking amendments in its authorization bill that would permit collection, retention, and expenditure of these fees on a permanent basis.

BUREAU OF ECONOMIC AND BUSINESS AFFAIRS

DEPARTMENT OF STATE FEE COLLECTIONS

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 of 1956 (22 U.S.C. 2717) as amended, and are available without fiscal year limitation for specified estimates related to Defense Trade Control license.

OFFICE OF THE COORDINATOR OF INTERNATIONAL INFORMATION PROGRAMS AND THE BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS

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; and
- Exchange Visitor Services.

FOREIGN SERVICE INSTITUTE

Fees for Use of National Foreign Affairs Training Center. 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

Fee For Use of Diplomatic Reception Rooms. 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) shall be deposited as an offsetting collection to Department of State appropriations to recover the costs of such use and shall remain available for obligation until expended.

DEPARTMENT OF STATE FEE COLLECTIONS

Fee Collection ($ in Thousands)			
Revenue Source	**FY 2001 Actual**	**FY 2002 Estimate**	**FY 2003 Request**
Machine Readable Visas Processing Fees			
Carryforward Allocations	18,541	21,928	-
Prior Year Collections Unallocated	120,474	137,693	89,727
Current Year Collections Projected (Net)	393,986	408,960	596,960
Total Collections Available	533,001	568,581	686,687
Carryforward Allocations Planned	4,370	13,772	-
Current Year Allocation Plan	390,938	465,082	642,731
Total Allocations	395,308	478,854	642,731
Carryforward Allocations Returned	14,171	8,156	-
Unallocated Collections	123,522	81,571	43,956
Ending Unallocated Collections	137,693	89,727	43,956
Expedited Passport Fees			
Carryforward Allocations	11,195	-	-
Prior Year Collections Unallocated	10,609	14,413	14,413
Current Year Collections Projected (Net)	66,518	63,000	86,000
Total Collections Available	88,322	77,413	100,413
Carryforward Allocations Planned	10,909	-	-
Current Year Allocation Plan	63,000	63,000	86,000
Total Allocations	73,909	63,000	86,000
Carryforward Allocations Returned	286	-	-
Unallocated Collections	14,127	14,413	14,413
Ending Unallocated Collections	14,413	14,413	14,413
Commercial Service Fees			
Current Year Collections Projected (Net)	6	12	12
Total Collections Available	6	12	-
Current Year Allocation Plan	6	12	12
Total Allocations	6	12	12
Unallocated Collections	-	-	-
Ending Unallocated Collections	-	-	-
Visa Fingerprint Fees			
Carryforward Allocations	48	560	-
Prior Year Collections Unallocated	999	1,180	1,740
Current Year Collections Projected (Net)	350	350	1,300
Total Collections Available	1,397	2,090	3,040
Current Year Allocation Plan	217	350	1,300
Total Allocations	217	350	1,300
Carryforward Allocations Returned	48	560	-
Unallocated Collections	1,132	1,180	1,740
Ending Unallocated Collections	1,180	1,740	1,740

DEPARTMENT OF STATE FEE COLLECTIONS

Fee Collection
($ in Thousands)

Revenue Source	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Affidavit of Support Fees			
Prior Year Collections Unallocated	-	1,914	1,914
Current Year Collections Projected (Net)	1,914	-	-
Total Collections Available	1,914	1,914	1,914
Current Year Allocation Plan	-	-	-
Total Allocations	-	-	-
Unallocated Collections	1,914	1,914	1,914
Ending Unallocated Collections	1,914	1,914	1,914
Diversity Lottery Fees			
Carryforward Allocations	351	58	-
Prior Year Collections Unallocated	1,181	1,984	2,242
Current Year Collections Projected (Net)	3,651	4,400	4,400
Total Collections Available	5,183	6,442	6,642
Current Year Allocation Plan	3,199	4,200	4,400
Total Allocations	3,199	4,200	4,400
Carryforward Allocations Returned	351	58	-
Unallocated Collections	1,633	2,184	2,242
Ending Unallocated Collections	1,984	2,242	2,242
Defense Trade Control Fees			
Prior Year Collections Unallocated	426	12	12
Current Year Collections Projected (Net)	1,868	4,000	4,000
Total Collections Available	2,294	4,012	4,012
Current Year Allocation Plan	2,282	4,000	4,000
Total Allocations	2,282	4,000	4,000
Unallocated Collections	12	12	12
Ending Unallocated Collections	12	12	12
Sec. 810 USI & EE Act Fees *			
Carryforward Allocations	1,151	-	-
Prior Year Collections Unallocated	1,543	3,526	3,526
Current Year Collections Projected (Net)	5,805	8,000	8,000
Total Collections Available	8,499	9,526	9,526
Current Year Allocation Plan	4,973	8,000	8,000
Total Allocations	4,973	6,000	6,000
Carryforward Allocations Returned	1,151	-	-
Unallocated Collections	2,375	3,526	3,526
Ending Unallocated Collections	3,526	3,526	3,526

Includes USI and EE fees collected under both D&CP and ECE appropriations

GENERAL PROVISIONS DEPARTMENT OF STATE AND RELATED AGENCY

Proposed Appropriation Language

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 Act 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 Act 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 Act 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.

SEC. 404. Hereafter, none of the funds appropriated or otherwise made available for the United Nations may be used by the United Nations for the promulgation or enforcement of any treaty, resolution, or regulation authorizing the United Nations, or any of its specialized agencies or affiliated organizations, to tax any aspect of the Internet or international currency transactions.

~~[SEC. 405. Funds appropriated by this Act for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, and section 15 of the State Department Basic Authorities Act of 1956, as amended.]~~

~~[SEC. 406. The Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.) is amended by adding at the end the following new section:~~
~~**"SEC. 114. ALLOCATION OF FUNDS TRANSFERRED TO THE BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS.**~~
~~"Of each amount transferred to the Bureau of Educational and Cultural Affairs out of appropriations other than appropriations under the heading 'Educational and Cultural Exchange Programs' for support of an educational or cultural exchange program, notwithstanding any other provision of law, not more than 7.5 percent shall be made available to cover administrative expenses incurred in connection with support of the program. Amounts made available to cover administrative expenses shall be credited to the appropriations under the heading 'Educational and Cultural Exchange Programs' and shall remain available until expended.".]~~

~~[SEC. 407. (a) Section 1334 of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted in division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277 and amended by section 404(a) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001) is amended by striking "October 1, 2001" and inserting "October 1, 2005".~~

~~(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001.~~
~~(c) The provisions of law repealed by section 404(c) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (section 404(c) of division A of H.R. 3427, as enacted into law by section 1000(a)(7) of Public Law 106-113; appendix G; 113 Stat. 1501A-446) are hereby reenacted into law.~~
~~(d) Notwithstanding any other provision of law, any period of discontinuity of the United States Advisory Commission on Public Diplomacy shall not affect the appointment or terms of service of members of the commission.~~]

[~~SEC. 408. (a) Section 303 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1988 (as enacted into law by section 101(a) of Public Law 100-202) is amended in the first sentence by striking~~
~~"$440,000" and inserting "$620,000".~~
~~(b)(1) Section 2(2) of the joint resolution entitled "Joint resolution~~
~~to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization", approved July 11, 1956 (22 U.S.C. 1928b) is amended—~~
~~(A) by striking "$100,000" and inserting "$200,000"; and~~
~~(B) by striking "$50,000" each of the two places it appears and inserting "$100,000".~~
~~(2) Section 2 of the joint resolution entitled "Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico", approved April 9, 1960 (22 U.S.C. 276i) is amended—~~
~~(A) by striking "$80,000" and inserting "$120,000"; and~~
~~(B) by striking "$40,000" each of the two places it appears~~
~~and inserting "$60,000".~~
~~(3) Section 2 of the joint resolution entitled "Joint resolution to authorize participation by the United States in parliamentary conferences with Canada", approved June 11, 1959 (22 U.S.C. 276e) is amended—~~
~~(A) by striking "$70,000" and inserting "$150,000"; and~~
~~(B) by striking "$35,000" each of the two places it appears and inserting "$75,000".~~
~~(4) Section 109(b) of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 276 note) is amended by striking "$50,000" and inserting "$100,000".~~
~~(c) Notwithstanding any other provision of law, whenever either the House of Representatives or the Senate does not appoint its allotment of members as part of the American delegation or group to a conference or assembly of the British-American Interparliamentary Group, the Conference on Security and Cooperation in Europe (CSCE), the Mexico-United States Interparliamentary Group, the North Atlantic Assembly, or any similar interparliamentary group of which the United States is a member or participates and so notifies the other body of Congress, the other body may make appointments to complete the membership of the American delegation. Any appointment pursuant to this section shall be for the period of such conference or assembly and the body of Congress making such an appointment shall be responsible for the expenses of any member so appointed. Any such appointment shall be made in the same manner in which other appointments to the delegation by such body of Congress are made. This title may be cited as the "Department of State and Related Agency Appropriations Act, 2002".~~]

1. The first deletion assumes that there will be a Foreign Relations Authorization Act, FY 2002 and 2003. In the event there is not an authorization act, a waiver of section 15 of the State Department Basic Authorities Act will be necessary.
2. The second deletion is requested because the provision amended permanent law, and there is no need to repeat it.
3. The third deletion is requested because the Administration is not seeking a further extension of the Advisory Commission on Public Diplomacy.
4. The fourth deletion is requested because the provision is not necessary.

ADMINISTRATION OF FOREIGN AFFAIRS
OVERVIEW

This section contains the FY 2003 appropriations in the Administation of Foreign Affairs title.

SUMMARY STATEMENT
($ in thousands)

Appropriations	FY 2001 Actual		FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
State Programs	**$3,336,407**		**$3,911,518**	**$4,196,023**	**284,505**
Diplomatic & Consular Programs	$3,239,620		$3,708,518	$4,019,023	$310,505
Ongoing Operations	2,718,076	/b	3,142,277 /c	3,364,179	221,902
Full Funding of Retirement Costs *	72,446		78,506	81,844	3,338
Pacific Salmon	40,000		–	20,000	20,000
Worldwide Security Upgrades	409,098		487,735	553,000	65,265
Capital Investment Fund	96,787	/d	203,000 /e	177,000	(26,000)
Embassy Security, Construction & Maintenance	**1,080,464**		**1,276,904**	**1,308,011**	**31,107**
Ongoing Operations	416,059		443,000	500,000	57,000
Full Funding of Retirement Costs *	2,864		2,944	3,011	67
Non-Security Construction	–		15,000	50,000	35,000
Worldwide Security Construction - State	463,867		665,000 /f	608,550	(56,450)
Worldwide Security Construction - AID	50,000		–	[82,000]	–
Compound Security	133,705		136,680	146,450	9,770
Support Costs	13,969		14,280	–	(14,280)
Office of Inspector General *	29,891		30,503	30,791	288
Educational and Cultural Exchanges *	233,242	/g	238,718	247,063	8,345
Representation Allowances	6,485		6,485	9,000	2,515
Protection of Foreign Missions & Officials	15,433		9,400	11,000	1,600
Emergencies in the Diplomatic & Consular Service	5,465	/h	6,500	15,000	8,500
Repatriation Loans Program Account	1,192		1,219	1,219	–
Payment to the American Institute in Taiwan	16,309		17,044	18,817	1,773
F.S. Retirement & Disability Fund (mandatory)	131,224		135,629	138,200	2,571
Subtotal, Admin of Foreign Affairs	**4,856,112**		**5,633,920**	**5,975,124**	**341,204**
Less, Full Funding of Retirement Costs	(78,440)		(84,671)	(88,139)	(3,468)
TOTAL, ADMIN OF FOREIGN AFFAIRS	**$4,777,672**		**$5,549,249**	**$5,886,985**	**$337,736**

* The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are included on a comparable basis for program accounts in 2001 and 2002. The table "Costs of Fully Funding Pension and Health Costs" shows the amounts included for Fiscal Years 2001, 2002 and 2003.

Over for additional footnotes.

/a FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001; the mandatory Foreign Service Retirement & Disability Fund was exempt from the rescission.

/b Reflects $875,037 transferred to the United States Commission on Holocaust Assets, $3,375,000 transferred to the Buying Power Maintenance Fund, and $13,662,000 transferred to the Capital Investment Fund. Does not include $390,000 transferred from the Emergency Response Fund.

/c Does not include $135.6 million transferred from the Emergency Response Fund

/d Does not include $7.5 million transferred from the Emergency Response Fund.

/e Does not include $7.5 million transferred from the Emergency Response Fund.

/f Does not include $52.85 million transferred from the Emergency Response Fund.

/g In addition to the direct appropriated amounts shown, the U.S. Agency for International Development (USAID) transferred funds for Support for Eastern European Democracy Act (SEED), Freedom Support Act (FSA), and Economic Support Fund (ESF) activities. In FY 2001, $135.474 million in transferred funds was obligated. Additional transfers from USAID for FSA, SEED, and ESF are anticipated in FY2002 and FY 2003.

/h Does not include $51 million transferred from the Emergency Response Fund.

STATE PROGRAMS OVERVIEW

Proposed Appropriation Language

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, as amended; 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, [~~$3,142,277,000~~] $3,466,023,000: *Provided*, 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, $270,259,000 shall be available only for public diplomacy international information programs: *Provided further*, That of the amount made available under this heading, $694,190,000 shall be available only for information resource management:~~] *Provided further*, That notwithstanding section 140(a)(5), and the second sentence of section 140(a)(3), of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, fees may be collected during fiscal [~~years 2002 and 2003~~] ***years 2003 and 2004***, under the authority of section 140(a)(1)of that Act: *Provided further*, That all fees collected under the preceding proviso shall be deposited in fiscal [~~years 2002 and 2003~~] ***years 2003 and 2004*** as an offsetting collection to appropriations made under this heading to recover costs as set forth under section 140(a)(2) of that Act and shall remain available until expended: *Provided further*, That, of the amount made available under this heading, ***in fiscal year 2003*** [~~$1,800,000 shall be available for a grant to conduct an international conference on combating sex trafficking: *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.~~]***$20,000,000 shall be available to implement the 1999 Pacific Salmon Treaty Agreement.***

In addition, not to exceed $1,343,000 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, as amended; 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, [~~$487,735,000~~] $553,000,000, to remain available until expended. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.)***

1. The first deletion eliminates two earmarks (for public diplomacy and information resource management). These provisos unduly restrict the Department's flexibility to allocate resources within D&CP, and are unnecessary in view of congressional notifications on the levels of spending in these two areas.

2. The second deletion eliminates two provisos. The first is a one-time grant foran international conference on combating sex trafficking. The second is an inappropriate congressional notification requirement prior to spending funds on processing certain licenses.

3. This insertion is requested in order to make $20 million available for the implementation of the Pacific Salmon Treaty.

CAPITAL INVESTMENT FUND

For necessary expenses of the Capital Investment Fund, ~~[$203,000,000]~~$177,000,000, to remain available until expended, as authorized: *Provided*, That section 135(e) of Public Law 103–236 shall not apply to funds available under this heading. *(Department of State and Related Agency Appropriations Act, 2002.)*

STATE PROGRAMS

2003 Overview

Summary Statement

(dollars in thousands)

Appropriation/Fund	2001 Actual d/	2002 Estimate	2003 Request	Increase or Decrease (-)
Diplomatic & Consular Programs a/	$2,830,522	$3,220,783	$3,466,023	$245,240
Full Funding of Federal Employee Retirement, Pension, and Accrual Costs	-72,446	-78,506	-81,844	-3,338
Subtotal, Removing Retirement Accruals	$2,758,076	$3,142,277	$3,384,179	$241,902
Worldwide Security Upgrades	409,098	487,735	553,000	65,265
Diplomatic & Consular Programs	**$3,167,174**	**$3,630,012**	**$3,937,179**	**$307,167**
Capital Investment Fund b/	96,787	203,000	177,000	-26,000
Total, State Programs Appropriations	**$3,263,961**	**$3,833,012**	**$4,114,179**	**$281,167**
Border Security Program/MRV Fees c/	*390,938*	*465,082*	*642,731*	*177,649*
IRM Central Fund/Expedited Passport Fees c/	*17,809*	*63,000*	*86,000*	*23,000*
IRM Base/Expedited Passport Fees c/	*45,191*	--	--	--
Other Fees c/	*10,677*	*14,562*	*15,712*	*1,150*
Total	***$3,728,576***	***$4,375,656***	***$4,858,622***	***$482,966***

/a FY 2001 includes $875,037 transferred to the United States Commission on Holocaust Assets, $3,375,000 transferred to the Buying Power Maintenance Fund, and $13,662,000 transferred to the Capital Investment Fund. FY 2001 does not include $390,000 transferred from the Emergency Response Fund. FY 2002 does not include $135,600,000 transferred from the Emergency Response Fund. Within these amounts is funding for the Pacific Salmon Program of $40,000,000 in FY 2001 and $20,000,000 in FY 2003.

/b FY 2001 does not include $7,500,000 transferred from the Emergency Response Fund. FY 2002 does not include $7,500,000 transferred from the Emergency Response Fund.

/c The funding for these fee programs represents annual program spending estimates from current collections and carryforward balances, not annual fee collections. This amount does not include Affidavit of Support fees that are pending authorization for FY 2002 and thereafter. An accounting of the total collections received by the Department of State is provided in the Appendix.

/d FY 2001 reflects adjustments for the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

State Programs Summary

The Department of State requires sufficient resources to effectively carry out U.S. foreign policy and protect U.S. national security interests. Sustained and secure U.S. diplomatic presence, on the ground and around the world, provides for U.S. leadership on the political, economic, and global issues that define US national interests. In response to the events of September 11, the U.S. is engaged in a war against global terrorism that requires applying U.S. diplomatic and economic power in an intense and sustained way within an unprecedented worldwide coalition involving nearly every nation. The Department must have the capacity to deliver diplomatic and economic force throughout the world and especially in places where the Department has had limited presence or capacity on the ground.

The events of September 11 make the strongest possible argument yet for the Department's initiatives to hire and retain the right people in adequate numbers, provide security and adequate facilities, and modernize information technology to get the job done. The Department's FY 2003 appropriations request

sustains these initiatives for Diplomatic and Consular Programs and the Capital Investment Fund with $4,114,179,000, plus an additional $81,844,000 for the proposal for full funding of Federal Retirement, Pension, and Accrual costs. This request will continue initiatives to:

- Recruit, hire, train, and deploy the right work force for the Department now and for the future;
- Upgrade information technology capacity through modern global secure communications networks, infrastructure, systems and tools.
- Maintain adequate and secure Embassy facilities, sustain security readiness, and fulfill the Department's law enforcement mission; and
- Operate and maintain Department of State presence domestically, at overseas missions, in the interagency process, and in international organizations;

The FY 2003 budget request includes increased funding for:

- **People.** The FY 2003 request includes increases to continue the Diplomatic Readiness staffing initiative by hiring 399 new Foreign Service and Civil Service staff over attrition, implement the Department's workforce policy on HIV/AIDS, and to increase locally engaged staffing levels at overseas missions in East Asia, the Near East, and South Asia.
- **Technology.** The FY 2003 request sustains investment in information technology by maintaining funding for the IRM Central Fund for the Classified Connectivity Project, OpenNet Plus and ALMA Replacement, Foreign Affairs System Integration, Integrated Logistics Management System, and Secure Information Technology operations.
- **Security.** The FY 2003 request builds on funding received from Emergency Response Fund transfers for the increased hiring of security agents and for counter-terrorism programs. The request includes increases to enhance the security of our diplomatic facilities and to provide 134 additional security and support professionals to sustain the Department's Worldwide Security Upgrade program. The request supports fielding a new Center for Anti-Terrorism Security Training (CAST).
- **Facilities and Overseas Infrastructure.** The FY 2003 request includes increases to support the Department of State costs for building a facility for the United States Mission to the United Nations and to continue to consolidate worldwide financial services within the Charleston Financial Services Center.
- **Foreign Policy Support.** The FY 2003 request includes increased funding for public diplomacy programs supporting the war against terrorism and funding to implement the Pacific Salmon Treaty.

The State Programs appropriations -- Diplomatic and Consular Programs and the Capital Investment Fund -- when combined with Machine Readable Visa, Expedited Passport, and other fees fund the salaries, operating expenses, and infrastructure required to carry out US foreign policy at home and abroad. The Department's network of more than 250 posts not only carries out our diplomatic relations with foreign governments, it also assists American citizens, supports US businesses, conducts public diplomacy, and develops the extensive local contacts that are essential to effective diplomacy. The FY 2003 budget request for State Programs reflects a commitment to modernize and improve Department operations and enable the Department to achieve its strategic and performance goals. The Department of State employs a direct-hire workforce of approximately 28,000 employees with about 60% of those working overseas. These employees, of which about 17,000 are Americans and 11,000 are foreign nationals (FSNs), manage America's overseas diplomatic interests patriotically and professionally.

Highlights of the State Programs budget request by account follow:

STATE PROGRAMS

Diplomatic And Consular Programs - Ongoing Operations

The FY 2003 request of $3,466,023,000 for Diplomatic and Consular Programs is a net increase of $245,240,000 from the FY 2002 appropriation, as adjusted for the impact of the proposal for full funding of Federal Employee Retirement, Pension, and Accrual costs in both FY 2002 and FY 2003. The request provides resources to continue to implement the Department of State's diplomatic readiness hiring initiative; enhance security and infrastructure; fund specific foreign policy enhancements and provide for cost of living, pay raise, domestic and overseas inflation, and other mandatory cost increases.

Worldwide Security Upgrades

The FY 2003 request for worldwide security upgrades is $553,000,000, an increase of $65,265,000 above the FY 2002 appropriation, provides funding to continue ongoing Worldwide Security Upgrade programs; continue perimeter security upgrades; add 134 security and support professionals; enhance domestic security; and includes $30,000,000 for the ongoing costs associated with the additional diplomatic security agent positions funded with Emergency Response Fund resources in FY 2002 in response to the terrorist attacks of September 11.

Capital Investment Fund

The FY 2003 request of $177,000,000 for the Capital Investment Fund sustains the Department's program of investment in information technology. The FY 2003 Information Resource Management (IRM) Central Fund, which includes the Capital Investment Fund combined with $86,000,000 in estimated Expedited Passport Fees, will provide a total of $263,000,000 to support the Department's information technology and communications systems initiatives.

Border Security Program

The FY 2003 request for the Border Security Program, which is funded entirely by Machine Readable Visa (MRV) Fees, is $642,731,000, an increase of $177,649,000 from FY 2002 program levels. This increase amount includes $100,000,000 in consular costs previously funded by the Diplomatic and Consular Programs appropriation that will be financed by MRV fees beginning in FY 2003. The Border Security Program includes funding to implement a comprehensive strategy to strengthen U.S. Border Security by improving consular systems and programs. The program will continue to provide the technology backbone, personnel and support needed to carry out the functions vital to U.S. border security. Major initiatives funded within the FY 2003 program include: expansion of the Consular Consolidated Database and faster exchange of information on visa applicants; strengthening passport and visa document security; and increasing passport and visa processing capacity.

Other Fees

Diversity Lottery, Fingerprint Fees, and Other Consular Fees - The FY 2003 program includes an estimate of $4,400,000 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 imposed on actual diversity visa applicants 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 2003 program includes an estimate of $1,300,000 for the FBI Immigrant Visa Fingerprint Fee program. The request does not include an estimate for Affidavit of Support fees that are pending authorization for FY 2002 and thereafter.

Defense Trade Control Fees - The FY 2003 program includes an estimate of $4,000,000 for Defense Trade Control Registration Fees in accordance with Section 45 of the State Department Basic

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Authorities Act, 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 2003 program includes an estimate of $12,000 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, 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.

STATE PROGRAMS

Program Descriptions

State Programs funding of $4,858,622,000 including $4,114,179,000 from appropriation requests and $744,443,000 from fee collections plus an additional $81,844,000 from full funding of Federal Employee Retirement, Pension and Accrual costs, will continue to be directed toward global challenges and opportunities that affect nearly all Department activities. The resources requested to support the activities listed below are critical to the successful conduct of diplomatic and consular relations, public diplomacy, and maintenance of this nation's foreign affairs apparatus.

- **Policy Formulation and Executive Direction ($267,330,000)** - 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 ($599,115,000 including $591,743,000 from direct appropriations, $3,360,000 from Machine Readable Visa Fees, $4,000,000 from Defense Trade Control Registration Fees, and $12,000 from Commercial Services Fees)** – A wide spectrum of activities are a part of American diplomacy. 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 250 missions abroad and by expert staffs in Washington.
  - Management is required of 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 the North American Free Trade Agreement (NAFTA), the General Agreement on Tariffs and Trade (GATT), and Asia Pacific Economic Cooperation (APEC).
  - Promoting human rights internationally, supporting emerging democracies and economic development, improving the global environment, and meeting humanitarian emergencies that destroy 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 ($293,693,000 including $287,693,000 from direct appropriations and $6,000,000 from USI fees)** - Public diplomacy activities of the U.S. Government are intended to understand, inform, and influence foreign publics and broaden dialogue between American citizens and institutions and their counterparts abroad. In FY 2000, certain public diplomacy activities, formerly carried out by the United States Information Agency, were fully integrated into the Department of State pursuant to the Foreign Affairs Reform and Restructuring Act of 1998. Public diplomacy, within the Department of State, continues to operate under the authority of the Smith-Mundt Act of 1948, as amended, the Fulbright-Hays Act of 1961, as amended, and other statutes.

  - Public diplomacy includes information and cultural programs carried out by overseas missions and supported by public diplomacy personnel incorporated into the Department's

regional and functional bureaus, as well as the Office of the Coordinator of International Information Programs and the Bureau of Educational and Cultural Affairs. This description excludes educational and cultural exchange programs that are described elsewhere in this document under a distinct appropriation.

- In recent years, substantial changes have occurred in the way that governments conduct their business, enact policies, and make decisions. Fundamental to that change is therole played by public opinion. Even less democratic governments tend to operate with more of an eye to the public's reaction to their decisions. At the same time, the range of actors engaged in the development and formulation of policy has broadened considerably. Think tanks, non-governmental organizations, religious organizations, and issue-specific voluntary associations, among others, have dramatically increased their influence on the ways and means by which individual governments make policy. Especially in robust, developed democratic nations, the process of making policy is complex, frequently consultative, and responsive to public opinion.

- To maintain its leadership in that changed international environment, the U.S. must augment and sustain a vigorous program of public diplomacy. Public diplomacy engages influential individuals and organizations from both inside and outside the orbit of government whose work affects the policy-making process. Public diplomacy uses tools such as American speakers, the Internet, Information Resource Centers, and interactive television, among others, to inform targeted foreign publics about U.S. policies and to influence the policy debate abroad. In almost every instance, the odds of achieving support for U.S. policy goals increase substantially when public diplomacy is an integral part of the nation's foreign affairs strategy.

- Public diplomatists work at American embassies and consulates abroad, developing strategies to build understanding and support for the U.S., its policy objectives, and the values of the American people. Activities and programs are planned and implemented country by country, directed at audiences identified by institutional analyses of each country's political, economic, and societal influence structures, inside and outside of government.

- Within the Department, public diplomacy staff craft information products and services for overseas missions and foreign publics. The current catalogue includes: Websites; the Washington File, a daily electronic compilation of U.S. policies and actions; U.S. speakers and specialists; digital video conferences and teleconferences; electronic journals, published policies and materials on issues of importance to embassies abroad; and Information Resource Centers, places which provide reference and information support for U.S. missions worldwide.

❑ **Consular Relations ($650,962,000 including $65,955,000 from direct appropriations, $579,307,000 from MRV fees, $4,400,000 from Diversity Lottery Fees, and $1,300,000 from FBI Fingerprint Fees)** - People around the world are becoming increasingly mobile, and therefore, the demand for consular services is increasing. International business, tourism, and permanent resettlement — both foreign and American — occur more than ever before across national boundaries. Legal control of increased movements to and from the United States, and the security of our nation's borders, places a heavy demand on State Department operations.

- Non-immigrant visa requests from foreign tourists, students, business people, investors, and government officials require substantial effort at missions abroad. In FY 2002, the Department projects total workload of 8 million non-immigrant visa applications, including issuances and refusals.

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- Growing immigrant visa demands require even more effort to ensure enforcement of U.S. immigration laws. In FY 2002, the Department projects total workload as high as 500,000 immigrant visa applications, including issuances and refusals.
- Routine and emergency assistance must be provided to American citizens in distress. In FY 2002, the Department projects that it will respond to 2 million citizen services requests worldwide.
- 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 2002, the Department projects over 6.9 million passport applications growing to 8 million applications in FY 2003.
- The worldwide Border Security Program includes programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management and Training that 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; continuing modernization of the hardware and software systems that support visa name checks; implementing the Border Crossing Card Program with Mexico; implementing the Legal Immigration Facilitation and Entry (LIFE) program; implementing photodigitization of all United States passports and modernizing passport processing; strengthening the 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 MRV fees.

❑ **Supporting Multilateral Diplomacy ($46,764,000)** - 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/Law Enforcement Cooperation/Worldwide Security Upgrades ($928,882,000 including $905,844,000 from direct appropriations ($352,844,000 for Diplomatic Security/Law Enforcement Cooperation and $553,000,000 from Worldwide Security Upgrades) and $23,038,000 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, 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;
- 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 tragic bombings in Africa highlight the volatile environment worldwide. As part of efforts to prevent terrorist attacks, the Department works closely with other governments to strengthen international counterterrorism cooperation; sends expert teams to augment U.S. embassies in crisis situations and, identifies physical security vulnerabilities at our diplomatic missions. The security program enhancements funded first by the FY 1999 Emergency Security Supplemental and now with the $553,000,000 contained in this budget request provide for continuing this program that further strengthens security and continues to correct problems identified at our diplomatic facilities.

❑ **Information Resource Management ($809,554,000 including $515,695,000 from Diplomatic and Consular Programs, $177,000,000 from the Capital Investment Fund, $30,859,000 from MRV Fees, and $86,000,000 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
- the development and maintenance of software and hardware for classified and unclassified word processing, electronic mail, spreadsheets, graphics, and data base management.

❑ **Training Services ($109,127,000 including $102,960,000 from direct appropriations and $6,167,000 from MRV Fees)** - Professional development (including training) is a continuous process by which the Department ensures that its people — its most important asset — have the skills, experience and judgment to fulfill their functions at all levels. 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 ($23,837,000)** - 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 150 overseas health units overseas and in Washington, DC.
- **Rental Payments to GSA ($117,785,000)** - 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 ($479,355,000)** - This activity includes administrative activities at more than 250 posts abroad, such as overseas administrative support for over 100 U.S. Government organizations; 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 ($385,450,000)** - This activity includes the infrastructure located in the United States that is dedicated to the administrative support ofU.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 ($146,768,000)** - 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.
- **Full Funding of Federal Employee Retirement Costs ($81,844,000)** - The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central Government-wide accounts to affected State Department program accounts, starting in 2003.

On the following pages are a series of tables and graphs depicting the distribution by program activity of the FY 2003 requests for Diplomatic and Consular Programs and the Capital Investment Fund.

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(Diplomatic & Consular Programs, Capital Investment Fund,
Border Security Program and Other Fees

Program Activities Summary - Funds

Summary Statement

($ in thousands)

Activities	2001 Actual	2002 Estimate	2003 Request	2002/2003 Increase/ Decrease
Policy Formulation, Public Affairs and Executive Direction..	208.787	248.202	267.330	$19.128
Diplomatic Relations (e.g., Arms Control, Political and Economic Reporting, Trade Promotion, Global Environmental and Scientific Reporting)	489.282	512.587	599.115	$86.528
Public Diplomacy..	251.074	276.259	293.693	$17.434
Consular Relations (e.g., Passports, Visas, Services to American Citizens Overseas)	482.227	573.580	650.962	$77.382
Supporting Multilateral Diplomacy...	41.991	45.114	46.764	$1.650
Diplomatic Security/Law Enforcement Cooperation	287.454	310.233	323.882	$13.649
Worldwide Security Upgrades.	409.098	487.735	605.000	$117.265
Information Resource Management..	547.837	783.889	809.554	$25.665
Training Services..	75.100	85.879	109.127	$23.248
Medical Services...	17.352	18.210	23.837	$5.627
Rental Payments to GSA...	92.630	93.630	117.785	$24.155
Overseas Program Support....	384.843	455.757	479.355	$23.598
Domestic Infrastructure and Program Support..	323.104	348.019	385.450	$37.431
Post Assignment Travel...	101.318	136.562	146.768	$10.206
Transfers...	16.479	0	0	$0
Subtotal, Removing Retirement Accruals.	$3.728.576	$4.375.656	$4.858.622	$482.966
Full Funding of Federal Employment Retirement, Pension & Accrual Cost	$72,446	$78,506	$81,844	$3,338
Total..	$3.801.022	$4.454.162	$4.940.466	$486.304

STATE PROGRAMS

(Diplomatic & Consular Programs, Capital Investment Fund,
Border Security Program and Other Fees

Program Activity Summary - Positions

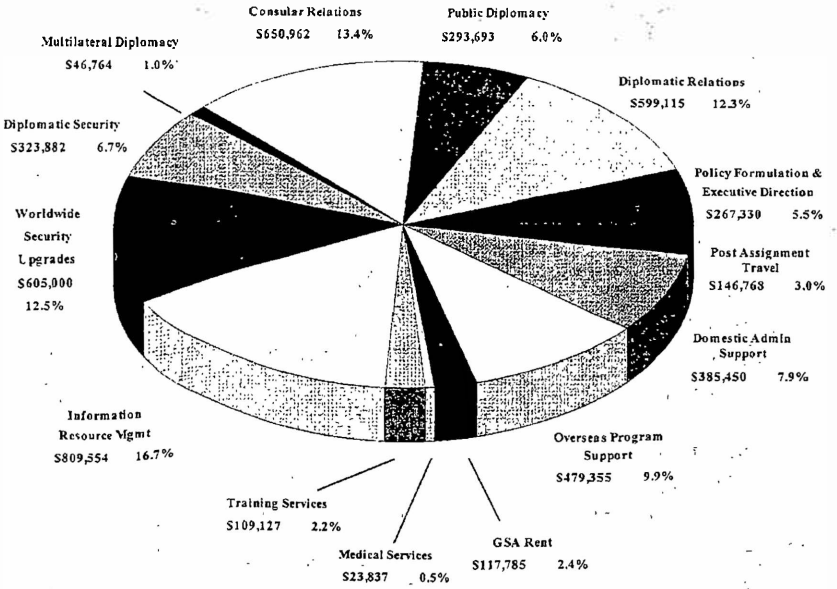
Summary Statement

Activities	2001 Actual	2002 Estimate	2003 Request	2002/2003 Increase/ Decrease
Policy Formulation, Public Affairs and Executive Direction.	1,964	2,021	2,027	6
Diplomatic Relations (e.g., Arms Control, Political and Economic Reporting, Trade Promotion, Global Environmental and Scientific Reporting)..	3,506	3,651	3,891	240
Public Diplomacy..	2,563	2,619	2,619	0
Consular Relations (e.g., Passports, Visas, Services to American Citizens Overseas)..	3,651	3,756	3,854	98
Supporting Multilateral Diplomacy.	305	303	304	1
Diplomatic Security/Law Enforcement Cooperation.	1,679	1,699	1,699	0
Worldwide Security Upgrades..	522	911	1,045	134
Information Resource Management...	1,881	1,982	2,027	45
Training Services...	558	563	663	100
Medical Services.	66	65	71	6
Rental Payments to GSA.	0	0	0	0
Overseas Program Support..	235	251	251	0
Domestic Infrastructure and Program	1,915	1,994	1,995	1
Post Assignment Travel.	0	0	0	0
Total..	18,845	19,815	20,446	631

* Increase of 631 positions includes 399 for Diplomatic Readiness, 134 for Worldwide Security Upgrades, and 98 for the Border Security Program

FY 2003 State Programs Request
Program Activities Distribution

(dollars in thousands)



Total Request $4,940,466

STATE PROGRAMS

(Diplomatic & Consular Programs, Worldwide Security Upgrades and Capital Investment Fund)

Highlights of Budget Changes

Summary Statement

(dollars in thousands)

	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
FY 2001	**2,758,076**	**409,098**	**96,787**	**3,263,961**
FY 2002 Appropriation	**3,142,277**	**487,735**	**203,000**	**3,833,012**
Emergency Response Fund Transfers Carried Forward	**10,000**	**30,000**	-	**40,000**
Worldwide Security Upgrades - Security Agents	-	30,000	-	30,000
Medical Services	4,000	-	-	4,000
Office of Counter-Terrorism	6,000	-	-	6,000
FY 2002 Base	**3,152,277**	**517,735**	**203,000**	**3,873,012**
Current Services				
Base Adjustments				
Mail and Pouch Program ICASS Transfer	(5,149)	-	-	(5,149)
Local Guard Program ICASS Transfer	-	(7,000)	-	(7,000)
Information Technology - Capital Investment Fund	-	-	(26,000)	(26,000)
MRV Fees: Border Security Staff and Support	(100,000)	-	-	(100,000)
One-Time Hiring Plan Costs	(33,346)	(10,106)	-	(43,452)
Subtotal, Base Adjustments	**(138,495)**	**(17,106)**	**(26,000)**	**(181,601)**
Annualization of 2002 Requirements				
Annualization of 2002 Hiring Increases	23,290	-	-	23,290
2002 American Cost of Living Adjustments	14,551	473	-	15,024
Subtotal, Annualization	**37,841**	**473**	**-**	**38,314**
Anticipated 2003 Wage Requirements				
American Cost of Living Adjustment	24,820	1,033	-	25,853
FSN Wage	24,300	-	-	24,300
Subtotal, Wage	**49,120**	**1,033**	**-**	**50,153**
Anticipated 2003 Price Requirements				
Overseas Price	21,946	588	-	22,534
Domestic Price	13,420	3,494	-	16,914
GSA Rent	24,155	(19,501)	-	4,654
Local Guard Program & Other Global Inflation	3,212	5,785	-	8,997
Workers Compensation	516	-	-	516
Subtotal, Price	**63,249**	**(9,634)**	**-**	**53,615**
Total Increases	**150,210**	**(8,128)**	**-**	**142,082**
Net Total, Built-In Changes	**11,715**	**(25,234)**	**(26,000)**	**(39,519)**
FY 2003 Current Services	**3,163,992**	**492,501**	**177,000**	**3,833,493**

STATE PROGRAMS

(Diplomatic & Consular Programs, Worldwide Security Upgrades and Capital Investment Fund)

Highlights of Budget Changes

Summary Statement

(dollars in thousands)

	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
People	108,110	-	-	108,110
Human Resources Initiative - Diplomatic Readiness	99,921	-	-	99,921
HIV/AIDs Policy Implementation and FSN Staffing	3,600	-	-	3,600
East Asia - Locally Engaged Staff	2,289	-	-	2,289
Near East - Locally Engaged Staff	2,000	-	-	2,000
South Asia - Locally Engaged Staff	300	-	-	300
Security	52,000	60,499	-	112,499
Terrorist Response				
Center for Anti-Terrorism Security Training (CAST)	52,000	-	-	52,000
Worldwide Security Upgrades	-	60,499	-	60,499
Facilities and Overseas Infrastructure	34,777	-	-	34,777
New USUN Building (Including IOB Rent Increase)	18,329	-	-	18,329
Charleston Financial Service Center	16,448	-	-	16,448
Foreign Policy Programs	25,300	-	-	25,300
Pacific Salmon Treaty Implementation	20,000	-	-	20,000
Public Diplomacy Programs	5,300	-	-	5,300
Total, Program Increases	220,187	60,499	-	280,686
FY 2003 Request	3,384,179	553,000	177,000	4,114,179
Full Funding of Federal Retiree Costs	81,844	-	-	81,844
FY 2003 Adjusted Request	3,466,023	553,000	177,000	4,196,023

CURRENT SERVICES

Explanation of Current Estimate

The FY 2002 current estimate for State Programs appropriations of $3,873,012,000 consists of the following amounts:

- $3,142,277,000 appropriated for Diplomatic and Consular Programs.
- $487,735,000 appropriated for Worldwide Security Upgrades.
- $203,000,000 appropriated for the Capital Investment Fund.
- $40,000,000 transferred from the Emergency Response Fund in FY 2002 that have continuing funding requirements in FY 2003 and thereafter including $30,000,000 for Worldwide Security Upgrades supporting increased hiring of 203 security agents, $6,000,000 for Diplomatic and Consular Programs for the Office of Counter-Terrorism, and $4,000,000 for Diplomatic and Consular Programs for Medical Services

Explanation Of 2003 Built-In Changes - Decreases

Decreases (non-recurring costs and adjustments) total $181,601,000 for Department of State Programs appropriations including $138,495,000 for Diplomatic and Consular Programs, $17,106,000 for Worldwide Security Upgrades, and $26,000,000 for the Capital Investment Fund as follows:

- **ICASS Transfers: -$5,149,000 for D&CP (Mail and Pouch Program) and -$7,000,000 for Worldwide Security Upgrades (Local Guard Program).** These decreases reflect the interagency agreement to share certain Local Guard Program costs and Diplomatic Mail and Pouch Services within the International Cooperative Administrative Support Services (ICASS) system beginning in FY 2003. Corresponding increases are to be included within the budgets of affected agencies in FY 2003.
- **Information Technology/Capital Investment Fund: -$26,000,000.** This amount reflects a decrease in appropriated funding levels for the IRM Central Fund due to non-recurring investments.
- **MRV Fees: Border Security Staff and Support: -$100,000,000.** In FY 2003, the Department plans to shift $100,000,000 in consular operating expenses, for overseas posts and the Bureau of Consular Affairs, currently funded by the Department's Diplomatic and Consular Programs appropriation to funding by MRV fees within the Border Security Program. This shift will mean that all Consular Relations program activity full-time American positions and nearly all of the Consular Relations program activity costs will be funded by MRV fees.
- **One-time Hiring Plan Costs: -$43,452,000 including -$33,346,000 for D&CP and -$10,106,000 for Worldwide Security Upgrades.** This amount represents funding for one-time hiring plan costs for 360 new hires under the Diplomatic Readiness Initiative and 51 new hires for the overseas systems administrator program, and the one-time costs and annualization requirements for the 389 new hires under the Worldwide Security Upgrades program (186 requested from the FY 2002 appropriation and 203 security agents funded by the Emergency Response Fund transfer).

Explanation Of 2003 Built-In Changes - Increases

The total increases for FY 2003 built-in changes are $142,082,000. This amount provides for the base adjustments detailed below including a 1.8 percent increase for domestic inflation and an overall average 4.1 percent increase for overseas non-wage inflation. The FY 2003 request reflects the proposed 2.6 percent American pay increase and overall FSN wage increases of 3.6 percent consistent with anticipated rates of overseas consumer price inflation. The breakdown of the total increase is as follows:

- **Annualization of 2002 Requirements: $38,314,000** reflects the full-year cost of the following:
  - Annualization of 2002 Hiring Increases: $23,290,000. This amount represents the additional cost in FY 2003 from FY 2002 for hiring increases for the Department's Human Resources and Secure Operations Initiatives.
  - 2002 American Cost-of-Living Adjustment: $15,024,000 ($14,551,000 for Diplomatic and Consular Programs (D&CP) and $473,000 for Worldwide Security Upgrades (WSU)). Additional funding is required to annualize the FY 2003 cost of the 2002 American Pay Raise.
- **Anticipated 2003 Wage Requirements: $50,153,000** is required for the following anticipated wage increases during FY 2003:
  - American Cost-of-Living Adjustment: $25,853,000 ($24,820,000 for D&CP and $1,033,000 for WSU). This amount reflects an anticipated 2.6 percent general American cost-of-living increase in 2003.
  - FSN Wage: $24,300,000. This increase includes FSN salary adjustments and within grade increases, 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 2003 Price Requirements: $53,615,000** is required for the following anticipated price increases during FY 2003:
  - Overseas Price: $22,534,000 ($21,946,000 for D&CP and $588,000 for WSU). This amount will fund an estimated average 4.1 percent increase in overseas utilities, supplies, and contractual services. The rates of overseas inflation are generally higher than experienced in the United States. Our 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: $16,914,000 ($13,420,000 for D&CP and $3,494,000 for WSU). This amount will fund an estimated 1.8 percent increase in domestic inflation for such items 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;
  - Medical inflation;
  - Payments for transit subsidy;
  - Supplies and materials; and
  - Equipment purchases.
- GSA Rental Payment: $4,654,000 ($24,155,000 for D&CP and -$19,501,000 for WSU). This increase results from estimated increases in rental rates for buildings occupied by the Department. The decrease for WSU reflects $19,501,000 transferred to the Bureau of Administration GSA rent account for rental costs associated with space added under the Emergency Supplemental Appropriation of 1998 and subsequent Worldwide Security Upgrades appropriations to accommodate increased diplomatic security staffing.
- Local Guard Program and Other Global Inflation: $8,997,000 ($3,212,000 for D&CP and $5,785,000 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.
- Workers Compensation: $516,000. Funding is required to support the increase in the Department's bill from the Department of Labor for Worker's Compensation payments.

DIPLOMATIC & CONSULAR PROGRAMS

Human Resources Initiative

OVERVIEW STATEMENT

The need for Diplomatic Readiness is only greater after the tragic events of September 11. One of the core components of America's response to the horrific events is an intensive engagement with other nations to establish a global response consensus. Building this global partnership requires nothing less than obtaining the Department's full diplomatic readiness resource requirements.

The Department's Diplomatic Readiness Initiative provides a comprehensive blueprint -- and a great deal of momentum -- for reforming the Department's recruitment and hiring processes and providing the staffing needed to meet U.S. foreign policy priorities and objectives.

The Department is in the second year of a plan to meet these staffing requirements including the 360 positions funded with FY 2002 appropriations and the 399 positions being requested in FY 2003. During FY 2002, the initial 360 positions have been directed to the most critical needs at overseas posts and throughout the Department. The FY 2003 increase will be directed toward meeting more of these critical priorities including:

- Reducing staffing gaps in certain mid-level Foreign Service positions.
- Providing resources for critical overseas needs identified by the Overseas Staffing Model and supported in the Department's resource requests. Examples of these critical needs are HIV/AIDs and Trafficking In Persons initiatives.
- Providing additional training positions so that increased numbers of employees can receive necessary language, management and job specific training.

PROGRAM CHANGE JUSTIFICATION

Diplomatic Readiness: 399 Positions and $99,921,000.

To bring 399 new employees on board in FY 2003 (in addition to hiring over 750 replacements for attrition), the Department requires an increase of $99,921,000 to fund salaries and benefits and allowances, expedite security and medical clearance processing, and finance their appointment travel to Washington. While in Washington, the Department will fund specialized skills training, as well as language training, to prepare the new hires for their new assignments. These increased training costs also include student per diem costs for the new hires and their families. The Department will also fund the travel onward to initial posts of assignment as well as the increased support and initial outfitting costs including additional office and home furnishings, housing, and routine administrative support costs.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Human Resources Initiative	Positions American Domestic	Positions American Overseas	Positions FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$0	$0	$0
FY 2002 Estimate	0	0	0	0	$0	$0	$0
FY 2003 Current Services	0	0	0	0	$0	$0	$0
FY 2003 Program Changes							
Human Resources Initiative - Diplomatic Readiness Staffing	80	319	0	399	$72,022	$27,899	$99,921
Total Program Changes	80	319	0	399	$72,022	$27,899	$99,921
FY 2003 Request	80	319	0	399	$72,022	$27,899	$99,921

STAFF BY PROGRAM ACTIVITY
(positions)

Human Resources Initiative	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**0**	**0**	**246**	**246**
Political Affairs	0	0	122	122
Political Diplomacy	0	0	122	122
Economic/Trade Affairs	0	0	53	53
Country Coordination	0	0	71	71
Information Resource Management	**0**	**0**	**48**	**48**
Infrastructure Systems	0	0	48	48
ADP Communications and Message Centers	0	0	48	48
Training Services	**0**	**0**	**100**	**100**
Professional Development/Area Studies	0	0	100	100
Medical Services	**0**	**0**	**5**	**5**
Overseas Health Units	0	0	5	5
Total	0	0	399	399

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Human Resources Initiative	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**$0**	**$0**	**$44,605**	**$44,605**
Political Affairs	$0	$0	$22,122	$22,122
Political Diplomacy	$0	$0	$22,122	$22,122
Economic/Trade Affairs	$0	$0	$9,610	$9,610
Country Coordination	$0	$0	$12,873	$12,873
Diplomatic Security	**$0**	**$0**	**$1,237**	**$1,237**
Investigations and Counterintelligence	$0	$0	$1,237	$1,237
Information Resource Management	**$0**	**$0**	**$8,703**	**$8,703**
Infrastructure Systems	$0	$0	$8,703	$8,703
ADP Communications and Message Centers	$0	$0	$8,703	$8,703
Training Services	**$0**	**$0**	**$18,132**	**$18,132**
Professional Development/Area Studies	$0	$0	$18,132	$18,132
Medical Services	**$0**	**$0**	**$982**	**$982**
Overseas Health Units	$0	$0	$907	$907
Medical Examinations and Clearances	$0	$0	$75	$75
Overseas Administrative Support	**$0**	**$0**	**$6,143**	**$6,143**
Overseas Administrative Management	$0	$0	$6,143	$6,143
Post Assignment Travel	**$0**	**$0**	**$20,119**	**$20,119**
Total	$0	$0	$99,921	$99,921

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Human Resources Initiative	Positions				Funds ($ in thousands)		
	American			Pos.	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Conduct of Diplomatic Relations	**50**	**196**	**0**	**246**	**$27,404**	**$17,201**	**$44,605**
Political Affairs	50	72	0	122	$13,591	$8,531	$22,122
Political Diplomacy	50	72	0	122	$13,591	$8,531	$22,122
Economic/Trade Affairs	0	53	0	53	$5,904	$3,706	$9,610
Country Coordination	0	71	0	71	$7,909	$4,964	$12,873
Diplomatic Security	**0**	**0**	**0**	**0**	**$1,237**	**$0**	**$1,237**
Investigations and Counterintelligence	0	0	0	0	$1,237	$0	$1,237
Information Resource Management	**0**	**48**	**0**	**48**	**$5,347**	**$3,356**	**$8,703**
Infrastructure Systems	0	48	0	48	$5,347	$3,356	$8,703
ADP Communications and Message Centers	0	48	0	48	$5,347	$3,356	$8,703
Training Services	**30**	**70**	**0**	**100**	**$11,140**	**$6,992**	**$18,132**
Professional Development/Area Studies	30	70	0	100	$11,140	$6,992	$18,132
Medical Services	**0**	**5**	**0**	**5**	**$632**	**$350**	**$982**
Overseas Health Units	0	5	0	5	$557	$350	$907
Medical Examinations and Clearances	0	0	0	0	$75	$0	$75
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$6,143**	**$0**	**$6,143**
Overseas Administrative Management	0	0	0	0	$6,143	$0	$6,143
Post Assignment Travel	**0**	**0**	**0**	**0**	**$20,119**	**$0**	**$20,119**
Total	80	319	0	399	$72,022	$27,899	$99,921

FUNDS BY OBJECT CLASS
($ in thousands)

	Human Resources Initiative	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$20,367	$20,367
1200	Personnel Benefits	$0	$0	$13,584	$13,584
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$0	$0	$8,453	$8,453
2200	Transportation of Things	$0	$0	$5,833	$5,833
2300	Rents, Comm & Utilities	$0	$0	$6,143	$6,143
2400	Printing & Reproduction	$0	$0	$358	$358
2500	Other Services	$0	$0	$22,455	$22,455
2600	Supplies and Materials	$0	$0	$2,882	$2,882
3100	Personal Property	$0	$0	$19,846	$19,846
3200	Real Property	$0	$0	$0	$0
3300	Investments and Loans	$0	$0	$0	$0
4100	Grants, Subsidies & Contrb	$0	$0	$0	$0
4200	INS Claims & Indemnities	$0	$0	$0	$0
9000	Other	$0	$0	$0	$0
9100	Unvouchered	$0	$0	$0	$0
Total		$0	$0	$99,921	$99,921

IRM CENTRAL FUND

Summary Statement

($ in thousands)

Appropriation/Fund	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Capital Investment Fund	$96,787	$203,000	$177,000	($26,000)
IRM Investment/Expedited Passport Fees	$17,809	$63,000	$86,000	$23,000
Total, IRM Central Fund	$114,596	$266,000	$263,000	($3,000)
Emergency Response Fund	$7,500	$7,500	$0	($7,500)

OVERVIEW

In recent years the Department has strengthened its worldwide Information Technology (IT) infrastructure substantially, following its IT Strategic Plan. The focus of the IT Strategic Plan (ITSP) and the overriding purpose of the Department's IT infrastructure is e-Diplomacy – the application of modern e-business technologies and approaches to support foreign affairs activities, diplomatic readiness and the underlying business processes required to operate. We also have in place and continue to strengthen the IT capital management processes necessary to ensure that we maintain this infrastructure as our requirements evolve. The Department intends to complete an enterprise architecture to guide IT investments and increase the percentage of projects covered by a central capital planning process. In short, we have the foundation in place for addressing the next set of needs and priorities for e-Diplomacy.

By the time FY 2003 begins we will have made great strides in addressing the three highest priority needs stipulated in last year's budget proposal:

- Replacing obsolete classified IT equipment at Posts through the Classified Connectivity Program (CCP);
- Extending CCP to all posts approved for classified communications; and
- Providing secure Internet access through the OpenNet Plus initiative for employees worldwide.

The successful completion of the CCP and OpenNet Plus programs will provide the underpinnings of the IT infrastructure as spelled out in Goal One of the Department's current ITSP.

Our strategy for FY 2003 is to exploit the capabilities offered by the new IT infrastructure to begin to provide direct support to our global diplomatic priorities. Starting in FY 2003, we will begin to have the necessary IT in place to support the collaborative processing and virtual teaming that modern diplomacy requires. At the same time, we will continue to maintain, manage, and enhance the global IT infrastructure to protect our investment, increase our services, and ensure the infrastructure remains viable to support our evolving mission requirements.

- The programs described below were formulated in our IT Strategic and Tactical Plans in FY 2001. The tragic events of September 11 serve to emphasize the importance and urgency of the programs required to improve our voice and data security. During FY 2002, the Department of State will begin the initial work to develop the next IT strategic vision and plan, positioning the department to build on the results of the current ITSP and move into the next planning phase. We anticipate that many ideas will surface in this process to strengthen the global security of the Department and its personnel. These plans will also ensure that the IT databases, tools, and systems needed to support modern diplomatic activities and business processes are in place and available any time, anywhere in the world.

IRM CENTRAL FUND

The Central Fund investments planned during FY 2003 will directly contribute to the achievement of the Department's five strategic goals, set forth in its current IT Strategic Plan :

- A Secure Global Network and Infrastructure
- Integrated Messaging – A Modern Worldwide Approach
- Ready Access to International Affairs Applications and Information
- Leveraging IT to Streamline Operations
- Sustaining a Trained Productive Workforce

The focus of the IT Strategic Plan and the overriding purpose of the Department's IT infrastructure is to support foreign affairs activities, either directly or through the diplomatic readiness systems that back up diplomatic activities. IT security will be strengthened to protect critical assets and ensure uninterrupted service. The Department also plans to continue investments in streamlining administrative support systems to make them increasingly responsive to the needs of the Department's foreign affairs activities.

The following table summarizes the FY 2003 funding needed by the Department to achieve its strategic IT goals and objectives:

IRM CENTRAL FUND

CURRENT PROGRAMS

IT Central Fund
($ in thousands)

Program Initiatives	FY 2001 Actual	FY2002 Estimate	FY2003 Request
Technology Infrastructure A Secure Global Network and Infrastructure*	**$62,443**	**$263,162**	**$188,602**
Modernization World-wide IT Infrastructure	28,022	239,960	164,790
OpenNet Plus	*366*	*109,631*	*36,500*
Classified Connectivity Program	*3,200*	*106,600*	*94,235*
Secure Voice Program	*434*	*11,066/1*	*3,960*
Post High Frequency Communications	*7,500/2*	*1,000*	*5,057*
Public Key Infrastructure	*310*	*1,345*	*7,345*
Other IT Infrastructure	*16,212*	*10,318*	*17,693*
Integrated Messaging – A Modern World-wide Approach*	7,516	3,630	4,404
Centrally Managed Infrastructure	26,905	19,572	19,408
Diplomatic Telecommunications Service Enhancements	**11,615**	-	-
Applications and Software Development	**36,968**	**30,430**	**56,113**
Ready Access To International Affairs and Information*	1,709	5,081	7,835
Leveraging IT*	35,259	25,349	48,278
Integrated Logistics Management System (ILMS)	*10,000*	*14,367*	*18,878*
Regional Financial Management System (RFMS)	*7,016*	*3,635*	*6,597*
Integrated Personnel Management System (IPMS)	*9,300*	*3,000*	*11,166*
Other Applications and Software Development	*8,943*	*4,347*	*11,637*
Foreign Affairs Systems Integration (FASI)	**16,762**	**650**	**14,500**
Project Management and Training Sustaining a Trained Productive Workforce*	**1,806**	**3,937**	**3,785**
Total, IRM Central Fund/3	**$129,594**	**$298,178**	**$263,000**

* Strategic Goal from Information Technology Strategic Plan (FY 2001-FY 2005)
/1 $7,500,000 provided for secure telephones from Emergency Response Fund in FY 2002
/2 $7,500,000 provided for Post High Frequency Communications (Radios) from Emergency Response Fund in FY 2001.
/3 Totals for FY 2001 and FY 2002 include unallocated carry-forward from prior years.

- **Technology Infrastructure - $188,602,000:** Through the ALMA program, the Department has installed an unclassified IT infrastructure (desktop computers, servers, network equipment, circuits) at overseas posts to support unclassified administrative and consular operations. We plan to replace this equipment on an average four-year cycle as part of the Department's program to maintain the modern level of technology it has now achieved. With FY 2002 funding, the OpenNet Plus program will have extended Internet access to all unclassified machines worldwide and brought the domestic unclassified systems under the centralized refresh umbrella. Also, by September 30, 2002, we will have deployed over 45% of the modern classified IT systems worldwide.. In FY 2003, the Department must maintain

a funding base to keep its worldwide computer/communications infrastructure in up-to-date status. Emergency wireless equipment, post telephone equipment, computer servers, and software at hundreds of locations must be updated and maintained in good operating condition. Communications bandwidth and messaging systems must be continually upgraded to support the increasing requirement. As foreign policy work has become increasingly dependent on information technology, it is essential that we continue to make the necessary investments to ensure that the systems and networks are properly maintained and available.

Another technology infrastructure priority for FY 2003 is IT security. The Department faces serious challenges in protecting its critical data and equipment assets in over 230 locations around the world. Our embassies are supported extensively by foreign national employees who require selected access to data and systems, but must be restricted from others. In general, we must ensure that only people with a legitimate need to know have access to sensitive information, while at the same time, widely disseminating appropriate information rapidly throughout the Department. This challenge requires sophisticated security and access controls, using suitable technology conforming to applicable government and security standards. We have developed and are currently implementing security corrective action plans. During FY 2003 we plan to make significant investments in a public key infrastructure (PKI), a foundational element for controlling access and safeguarding data transmission. We also plan to continue to focus on using IT to help ensure the physical security of our people and physical assets. In this vein, we will continue to strengthen our secure voice systems, emergency communications facilities, and integrate these capabilities into emergency action plans at overseas posts.

- OpenNet Plus - $36,500,000: OpenNet Plus will provide all State Department employees secure access to the Internet. The deployment will be completed in FY 2003, using remaining FY 2002 funding. In FY 2003, funding is required for refresh of equipment and increased circuit capacity (bandwidth), to ensure adequate performance and high levels of availability and reliability.

- Classified Connectivity Program (CCP) - $94,235,000: CCP is planned to be completed in early FY2004 and will require full funding during FY2003 to sustain the momentum gained during FY2002. The Department has long recognized the need to replace the obsolete classified infrastructure. Other major FY2003 initiatives such as replacement of the current cable system cannot be realized without the success of CCP.

- Secure Voice Program - $3,960,000: The US Government's Secure Voice Program is a mature program that has fielded more than 400,000 STU-IIIs around the world. The STU-III Program has now reached the end of its life cycle. NSA canceled the STU-III procurement program at the end of 1999. The Secure Terminal Equipment (STE) device is the replacement unit for the STU-III. The STE is a secure voice device designed to encrypt voice and data for media transmission. $7,500,000 from the Emergency Response Fund allowed State to procure STE units to replace most of the overseas units. This request will allow the department to address the domestic inventory of STU-IIIs before the absence of maintenance renders our diplomats unable to communicate securely by voice.

- Post High Frequency Communications - $5,057,000: High Frequency (HF) radio systems are currently used worldwide for immediate communications during emergency situations such as natural disasters as well as to coordinate evacuation plans with the U.S. military and embassies in surrounding countries. $7,500,000 from the Emergency Response Fund allowed the Department to make huge in-roads in the procurement of these critical radios. This request will address the remaining locations around the world that are currently inoperable or in need of upgrade.

IRM CENTRAL FUND

- Public Key Infrastructure - $7,345,000: The Department has a requirement to communicate securely with the public, private industry, and other federal agencies via the Internet and Intranets. Public Key Infrastructure (PKI) will support the Foreign Affairs System Integration (FASI) program for interagency secure communications; user authentication to State resources on Class Net and OpenNet Plus to greatly improve IT security against external and internal threats; and to support digital signature requirements enumerated in the Electronic Signatures in National and Global Commerce Act (E-SIGN). PKI also helps satisfy provisions set forth by the Government Paperwork Elimination Act (GPEA) by using digital certificates in electronic transactions, including the Department's 725 internal forms; communication by OBO of embassy construction and contract information; investigative reports by DS, and protection of sensitive and personal medical records required by the Health Insurance Portability and Accountability Act (HIPAA).

- **Integrated Messaging – A Modern World-wide Approach - $4,404,000**: The Department depends heavily on its cable and messaging systems to support foreign policy activities on a worldwide basis. Unfortunately, these key systems cannot meet many of the Department's requirements for high-speed information exchange and collaborative processing. The Department is committed to replacing the existing cable system (which operates on WWII era technology) and messaging systems with a modern business-quality collaborative system over the next several years. During FY2002 we will have completed the necessary studies and Business Process Reengineering (BPR) activities required for such a major undertaking. During FY2003 we must implement and demonstrate a prototype messaging system of the future – one that combines the capabilities needed for command and control, personal communications, document archiving, and information exchange.

- **Centrally Managed Infrastructure – $19,408,000**: This Department is establishing central network and systems management and major software licensing to provide a modern, highly interconnected global environment that enables diplomatic and consular staff to communicate and exchange information with their counterparts in other locations throughout the world. The Department is committed to evolving this centrally managed infrastructure, making adherence to the Department's architecture and security standards more assured.

- **Applications and Software Development - $56,113,000**: Two of the Department's IT strategic goals are directed toward the development of software systems that: 1) directly support the Department's foreign affairs activities, and 2) support diplomatic readiness functions in a more streamlined, consolidated, and cost-effective manner than they do today. During FY 2003 the Department will focus its efforts on three critical administrative systems in the areas of logistics, human resources, and financial management. In addition, initial steps will be taken to expand the direct support for access to critical foreign affairs information.

- **Foreign Affairs Systems Integration (FASI) – $14,500,000:** The September 11th terrorist attacks and America's war against terrorism reemphasize the need for improved knowledge sharing and collaboration within the U.S. foreign affairs community. To address these issues, a Foreign Affairs Systems Integration unclassified pilot system is planned for deployment and testing FY 2002 by numerous U.S. foreign affairs agencies operating in American diplomatic and consular posts in India and Mexico, and by foreign affairs agencies' headquarters in Washington, DC. This system will provide a secure, Internet-based collaboration zone to effectively and efficiently coordinate critical foreign policy, crisis management and administrative issues among the entire USG foreign affairs community.

IRM CENTRAL FUND

To support the collaboration zone and knowledge management system in FY 2003, the FASI program needs to maintain the existing pilot system in Mexico, India, and Washington, DC. These FY 2003 initiatives constitute a „pre-deployment" phase of this program. Other activities planned during FY 2003 include evaluating the pilot via an independent verification and validation process, implementing recommended improvements based on lessons learned, renewing knowledge management licenses, studying the feasibility of a similar system for classified collaboration, and developing a tactical plan for global deployment in FY 2004.

Project Management and Training - $3,785,000: An essential element of the Department's IT Strategic Plan is a fully trained and productive workforce. The Department will achieve its IT training objective by building on existing FSI capabilities and making FSI course content available to Department employees on a worldwide basis through computer-based training (CBT) and application of advance technology. During FY 2003 the Department will focus on implementing distance learning facilities to keep its American and Foreign National workforce fully conversant with the modern technology and systems being deployed on a worldwide basis. By exploiting technology to support required worldwide training, the Department will be able to minimize travel costs for training as well as avoid the absence of employees from their places of work.

IRM CENTRAL FUND

FY 2003 Request

SUMMARY STATEMENT

IRM Central Fund	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$96,787	$0	$96,787
FY 2002 Estimate	0	0	0	0	$203,000	$0	$203,000
FY 2003 Current Services	0	0	0	0	$203,000	$0	$203,000
FY 2003 Program Changes							
Congressional Action - Appropriation	0	0	0	0	($26,000)	$0	($26,000)
Total Program Changes	0	0	0	0	($26,000)	$0	($26,000)
FY 2003 Request	0	0	0	0	$177,000	$0	$177,000

FUNDS BY PROGRAM ACTIVITY

($ in thousands)

IRM Central Fund	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Information Resource Management	**$91,598**	**$203,000**	**$177,000**	**($26,000)**
Infrastructure Systems	$35,794	$176,131	$115,990	($60,141)
Diplomatic Telecommunication Service Upgrade	$8,711	$0	$0	$0
Mainframe Computer Centers	$9,915	$0	$0	$0
Central Management Functions	$17,168	$176,131	$115,990	($60,141)
Corporate Information Systems and Services	$41,446	$24,209	$56,499	$32,290
Core Foreign Affairs Systems	$22,053	$3,650	$28,766	$25,116
Financial Systems	$6,210	$7,559	$11,733	$4,174
Administrative Systems	$13,183	$13,000	$16,000	$3,000
Office Automation	$14,358	$2,660	$4,511	$1,851
Other Office Automation	$14,358	$2,660	$4,511	$1,851
Training Services	**$5,189**	**$0**	**$0**	**$0**
Information Management Training	$5,189	$0	$0	$0
Total	$96,787	$203,000	$177,000	($26,000)

IRM CENTRAL FUND

FY 2003 Request
PROGRAM ACTIVITIES

IRM Central Fund	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Information Resource Management	**0**	**0**	**0**	**0**	**$177,000**	**$0**	**$177,000**
Infrastructure Systems	0	0	0	0	$115,990	$0	$115,990
Central Management Functions	0	0	0	0	$115,990	$0	$115,990
Corporate Information Systems and Services	0	0	0	0	$56,499	$0	$56,499
Core Foreign Affairs Systems	0	0	0	0	$28,766	$0	$28,766
Financial Systems	0	0	0	0	$11,733	$0	$11,733
Administrative Systems	0	0	0	0	$16,000	$0	$16,000
Office Automation	0	0	0	0	$4,511	$0	$4,511
Other Office Automation	0	0	0	0	$4,511	$0	$4,511
Total	0	0	0	0	$177,000	$0	$177,000

IRM CENTRAL FUND

FUNDS BY OBJECT CLASS
($ in thousands)

	IRM Central Fund	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2100	Travel & Trans of Persons	$1,896	$12,650	$14,800	$2,150
2200	Transportation of Things	$1,996	$8,900	$15,400	$6,500
2500	Other Services	$64,856	$84,000	$115,500	$31,500
2600	Supplies and Materials	$599	$3,200	$2,800	($400)
3100	Personal Property	$27,440	$94,250	$28,500	($65,750)
Total		$96,787	$203,000	$177,000	($26,000)

IRM CENTRAL FUND

FY 2003 Request
Expedited Passport Fees

SUMMARY STATEMENT

IRM Investment/Expedited Passport Fees	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$17,809	$0	$17,809
FY 2002 Estimate	0	0	0	0	$63,000	$0	$63,000
FY 2003 Current Services	0	0	0	0	$63,000	$0	$63,000
FY 2003 Program Changes							
Congressional Action - Appropriation	0	0	0	0	$23,000	$0	$23,000
Total Program Changes	0	0	0	0	$23,000	$0	$23,000
FY 2003 Request	0	0	0	0	$86,000	$0	$86,000

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

IRM Investment/Expedited Passport Fees	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Information Resource Management	**$17,809**	**$63,000**	**$86,000**	**$23,000**
Infrastructure Systems	$15,300	$51,425	$77,083	$25,658
DTS Leased Lines	$12,000	$28,175	$66,177	$38,002
Central Management Functions	$1,100	$7,163	$10,906	$3,743
Information Management Security Implementation	$1,500	$7,700	$0	($7,700)
ADP Communications and Message Centers	$0	$650	$0	($650)
Voice Communications Programs	$700	$7,737	$0	($7,737)
Corporate Information Systems and Services	$1,509	$2,509	$0	($2,509)
Core Foreign Affairs Systems	$900	$900	$0	($900)
Financial Systems	$0	$1,000	$0	($1,000)
Administrative Systems	$609	$609	$0	($609)
Office Automation	$1,000	$9,066	$8,917	($149)
Other Office Automation	$1,000	$9,066	$8,917	($149)
Total	$17,809	$63,000	$86,000	$23,000

IRM CENTRAL FUND

FY 2003 Request

PROGRAM ACTIVITIES

IRM Investment/Expedited Passport Fees	Positions				Funds ($ in thousands)		
	American Domestic	Overseas	FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
Information Resource Management	**0**	**0**	**0**	**0**	**$86,000**	**$0**	**$86,000**
Infrastructure Systems	0	0	0	0	$77,083	$0	$77,083
DTS Leased Lines	0	0	0	0	$66,177	$0	$66,177
Central Management Functions	0	0	0	0	$10,906	$0	$10,906
Office Automation	0	0	0	0	$8,917	$0	$8,917
Other Office Automation	0	0	0	0	$8,917	$0	$8,917
Total	0	0	0	0	$86,000	$0	$86,000

IRM CENTRAL FUND

FUNDS BY OBJECT CLASS
($ in thousands)

	IRM Investment/Expedited Passport Fees	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2100	Travel & Trans of Persons	$0	$3,550	$1,600	($1,950)
2200	Transportation of Things	$0	$950	$102	($848)
2400	Printing & Reproduction	$0	$1,085	$1.085	$0
2500	Other Services	$12,006	$41,370	$78,230	$36,860
2600	Supplies and Materials	$0	$2,095	$1.283	($812)
3100	Personal Property	$5,803	$13,950	$3,700	($10,250)
Total		$17.809	$63,000	$86,000	$23,000

69-7K

DIPLOMATIC & CONSULAR PROGRAMS

Secure Operations

OVERVIEW STATEMENT

The Department's global security and law enforcement mission includes significant responsibilities for the protection of life, information and property, as well as enforcement of criminal statutes. The FY 2003 request builds on funding received from Emergency Response Fund transfers for the increased hiring of security agents and for counter-terrorism programs. The request includes increases to enhance the security of our diplomatic facilities and to provide 134 additional security and support professionals to sustain the Department's Worldwide Security Upgrade program. The request supports fielding a new Center for Anti-Terrorism Security Training (CAST).

PROGRAM CHANGE JUSTIFICATION

Center for Antiterrorism and Security Training (CAST): $52,000,000

The CAST facility will consolidate training for the Bureau of Diplomatic Security and the Anti-Terrorism Assistance (ATA) program. Currently, Diplomatic Security is dependent on several commercial facilities with limited availability to train new agents, provide in-service tactical training and firearms requalification for existing special agents, and provide security training for foreign service personnel. In addition, one if the important primary providers in the region will soon end operations.

The CAST is needed to help reduce the terrorist and security risk for U.S. personnel and assets, as well as non-official Americans abroad. The necessary facilities are not available commercially and currently there is no single government facility that provides all necessary training in one location. This center will serve to provide a venue for consolidated training of Diplomatic Security (DS) Agents to identify, react to, and prevent terrorist activity. DS agents will have access to state-of-the-art facilities and instructors which will allow them to receive more training hours in an intensive setting in critical aspects of counterterrorism such as defensive driving, "long-weapons" firing, and chemical-biological/explosives detection and handling. Consolidation of training and facilities with Anti-Terrorism Assistance programs results in more effective and efficient use of scarce resources. The Department is currently pursuing a location in close proximity to Washington, DC, which, if chosen, would reduce travel and other costs and enable greater resource sharing and expertise from various law enforcement agencies to be shared.

The Department has provided anti-terrorism training to over 28,000 foreign law enforcement personnel over the last 17 years, an investment that is proving to be extremely valuable in the War on Terrorism. With CAST, the Department will be able to expand and enhance this training by creating a consolidated training center with greater capacity and a broader curriculum. In the current environment, interest in receiving training is high, but the Department's capacity to provide it is limited by existing facilities that are dispersed among seven separate locations. In addition, the range of courses that can be offered is limited and instruction in critical tactical skills is not available. These skills are an integral part of the total skill package required for foreign law enforcement to effectively prevent and respond to terrorist incidents, including the apprehension and successful prosecution of terrorists. Additional training capacity would reduce the risk for U.S. personnel and assets, as well as non-official Americans abroad. This capacity is not currently available from any source.

DIPLOMATIC & CONSULAR PROGRAMS

Investing $52 million in the creation of a consolidated antiterrorism training facility will result in a better trained and more effective DS agent force, increase the numbers trained, and expand the network of counterterrorism resources into additional countries.

FY 2003 Request
SUMMARY STATEMENT

Secure Operations	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$0	$0	$0
FY 2002 Estimate	0	0	0	0	$0	$0	$0
FY 2003 Current Services	0	0	0	0	$0	$0	$0
FY 2003 Program Changes							
Center for Anti-Terrorism and Security Training (CAST)	0	0	0	0	$52,000	$0	$52,000
Total Program Changes	0	0	0	0	$52,000	$0	$52,000
FY 2003 Request	0	0	0	0	$52,000	$0	$52,000

FY 2003 Request
PROGRAM ACTIVITIES

Secure Operations	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Worldwide Security Upgrades	**0**	**0**	**0**	**0**	**$52,000**	**$0**	**$52,000**
Total	0	0	0	0	$52,000	$0	$52,000

FUNDS BY OBJECT CLASS
($ in thousands)

	Secure Operations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$0	$0
1200	Personnel Benefits	$0	$0	$0	$0
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$0	$0	$0	$0
2200	Transportation of Things	$0	$0	$0	$0
2300	Rents, Comm & Utilities	$0	$0	$0	$0
2400	Printing & Reproduction	$0	$0	$0	$0
2500	Other Services	$0	$0	$52,000	$52,000
2600	Supplies and Materials	$0	$0	$0	$0
3100	Personal Property	$0	$0	$0	$0
3200	Real Property	$0	$0	$0	$0
3300	Investments and Loans	$0	$0	$0	$0
4100	Grants, Subsidies & Contrb	$0	$0	$0	$0
4200	INS Claims & Indemnities	$0	$0	$0	$0
Total		$0	$0	$52,000	$52,000

WORLDWIDE SECURITY UPGRADE

Summary Statement

($ in thousands)

Appropriation/Fund	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Diplomatic and Consular Programs	$409,098	$487,735	$553,000	$65,265
Emergency Response Fund	$0	$30,000	$0	($30,000)

OVERVIEW

Terrorist threats remain a constant menace to U.S. diplomatic facilities and the U.S. citizens and foreign nationals serving at those facilities. Recent physical and technical attacks directed at those facilities, some as flagrant as the bombings of two embassies in 1998 and some as subtle as attempts to break into sensitive information systems, clearly demonstrate the continued need for an extensive, well-funded program that will sustain recent improvements and support the expansion of critical security initiatives around the world. The recent terrorist attacks on government and civilian targets in the U.S. demonstrate the need for continuation and expansion of the programs operated with Worldwide Security Upgrades funds and the augmentation of those programs with additional domestic initiatives.

The FY 2003 request of $553,000,000 is an increase of $65,265,000 over the $487,735,000 made available in FY 2002 in the Diplomatic and Consular Programs account. An additional $30,000,000 was made available through the Emergency Response Fund Transfer in FY 2002 for the addition of 203 special agents.

FY 2002 appropriations financed the continuation of the comprehensive perimeter security enhancement program and an increase in the Department's cadre of security professionals by 186 positions and paid for programs to keep security vulnerabilities low and maintain defensive countermeasures to help thwart attacks or mitigate their effects. In response to the terrorist attacks of September 11, Emergency Response Funds were provided to finance the addition of 203 security agents for deployment around the world.

The FY 2003 request is summarized in the following table:

WORLDWIDE SECURITY UPGRADE

CURRENT PROGRAMS

Worldwide Security Upgrades

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate 1/	FY 2003 Request 2/
Worldwide Security Upgrades			
Ongoing Security Activities			
Guards – Worldwide Protection	$133,999	$139,101	$137,046
Physical Security Equipment	17,867	18,395	18,912
Technical Support/Infrastructure	67,621	69,313	68,932
Information/Systems Security	24,430	25,109	51,825
Armored Vehicles	10,108	10,320	10,536
Personnel /Training	75,052	80,901	119,780
Chemical/Biological Program	3,830	3,944	4,057
Radio Program	2,191	2,240	7,413
Global Security & Law Enforcement Mission 2/	--	47,265	--
Security Readiness Staffing (186 positions) 2/	--	17,147	--
Subtotal	**335,098**	**413,735**	**418,501**
Perimeter Security Enhancements	74,000	74,000	74,000
Sub-total	**409,098**	**487,735**	**492,501**
Domestic Technical & Physical Security Upgrades	--	--	21,000
Response to Terrorist Attacks	--	--	17,302
Strengthened Security Programs (134 positions)	--	--	22,197
Total – Worldwide Security Upgrades	**$409,098**	**$487,735**	**$553,000**
Emergency Response Funds (203 Agents) 2/	--	30,000	--

1/ FY 2002 includes $30,000,000 transferred from the Emergency Response Fund for 203 additional diplomatic security agents.

2/ In FY 2003, the program increases funded by the FY 2002 appropriation and the Emergency Response Fund transfer are integrated within the applicable Worldwide Security Upgrades program activities.

WORLDWIDE SECURITY UPGRADE

Maintaining Ongoing Security Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	911	0	$418,501	$69,178

The FY 2002 base for the ongoing worldwide security upgrades is $443,735,000 ($413,735,000 from the Worldwide Security Upgrades appropriations and $30,000,000 from Emergency Response Funds). The decrease of $25,234,000 required for ongoing activities includes adjustments for: one-time costs associated with hiring 389 new security personnel in FY 2002 (-$10,106,000); the transfer of funds to other Federal agencies to reflect the interagency agreement to share the Local Guard Program costs that are currently fully funded by Worldwide Security Upgrades within the International Cooperative Administrative Support Services (ICASS) system (-7,000,000); the transfer of funding for GSA rent costs for space added since 1999 to accommodate increased diplomatic security staffing from Worldwide Security Upgrades to Diplomatic and Consular Programs to reflect the central payment of these costs (-$19,501,000), and the increase for ongoing security activities to fund FY 2002 annualized and FY 2003 anticipated wage and price increases ($11,373,000).

These funds will allow the continuation of the following programs, projects, and activities:

Guards (Worldwide Protection): These funds will maintain the surveillance detection and perimeter protection activities added in FY 1999 and 2000 at posts around the world and at key domestic locations in the Washington, D.C. area. The requested level provides for the continuation of the surveillance detection program by funding a worldwide cadre of about 3,000 surveillance detection specialists who have responsibility for identifying and reporting suspected surveillance of U.S. facilities and personnel, suspicious activity of individuals or vehicles, and suspicious deliveries and packages. The funds cover training of new specialists as necessary and any updates for incumbents. Also covered are costs necessary to maintain the increased number of perimeter guards (about 3,000) who are responsible for assisting with perimeter security, conducting outer perimeter sweeps, facilitating public traffic flow near U.S. facilities, and performing vehicular and pedestrian checks. To support the increased numbers of guard personnel, additional vehicles and equipment were provided which must now be maintained and, in some cases, replaced.

Physical Security Equipment: Over the past two years, the Department has purchased, shipped, and installed a significant amount of equipment, hardware, and related systems to enhance physical security at posts around the world. The installation of this equipment has strengthened public access controls and reduced the risk of catastrophic failure related to use of outdated security equipment. The request covers the recurring costs associated with the mandatory maintenance, repair, and replacement (if necessary) of this physical security equipment. The funds will provide for:

- Maintenance and repair of upgraded public access controls such as magnetic locks, and electronic door control systems that allow a Marine or other designated security guard to control pedestrian and vehicular access to a State facility by overriding all perimeter security systems operated by local nationals.
- Maintenance and repair of 662 state-of-the-art bomb detection units designed to detect ingredients potentially used in explosive devices at posts worldwide.
- Maintenance and repair of 877 state-of-the-art walk-through metal detectors and 283 X-ray equipment units in service around the world.

WORLDWIDE SECURITY UPGRADE

- Maintenance and repair of closed circuit cameras that operate at night and 329 time lapse VCRs which will provide evidence of a security incident.
- Maintenance and repair of installed residential security safeguards such as alarms, reinforced doors, and shatter-resistant window film or other laminate materials designed to reduce flying glass resulting from an explosion.
- Purchase and installation of the full range of residential security hardware and equipment in all newly acquired housing.
- Purchase, maintenance, and repair of basic protective equipment such as body armor and specialized weapons for DS security agents. This includes items required for emergency support in the form of Fleet Anti-Terrorism Security Team (FAST) kits to be used if necessary by DS emergency response teams.

Technical Support/Infrastructure: The request will fund the continuation of significant investments in technical equipment and support for protection of life that complement the investments in physical security equipment. Also covered are essential operational/infrastructure support costs. Specific items include:

- Installation, maintenance, and repair of electronic security equipment (such as closed circuit cameras, VCRs, and alarms) around the world using security engineers, technicians and SeaBees.
- Continuing development of an advanced technical security infrastructure worldwide.
- Maintaining a centralized database of post profiles and other security survey data on all posts to track outstanding security projects and provide a quick reference for needed upgrades if the security situation at a post would change.
- Supporting the Department's Overseas Security Advisory Council (OSAC) to ensure a more timely and effective flow of security information to the American private sector.
- Operating new diplomatic courier hubs (Abidjan, Pretoria, and Seoul) as well as shipments to continue delivering equipment and replacement parts for physical and technical security items.
- Substantial ongoing costs to support the expanded infrastructure required to successfully maintain the security improvements achieved to date. The large and technically complex programs implemented in FY 1999 and 2000 under the Emergency Security Supplemental and Worldwide Security Upgrades require highly skilled security technicians and supporting contractors to keep the programs operational. These personnel need appropriate space and administrative support to effectively and efficiently achieve and maintain the level of security required by American diplomats and other U.S. Government employees, both overseas and domestically. Support cost increases include payments for International Cooperative Administrative Support Services (ICASS) and maintenance and operation of recently acquired space.

Information/Systems Security: The request reflects a commitment to invest heavily in protecting critical information and security systems from hostile external elements intent on disrupting operations or acquiring sensitive information. To accomplish this, funds will be used to:

- Conduct computer and communications security reviews at 45 overseas and domestic locations.
- Maintain and upgrade automation security support domestically and at 169 posts overseas.

WORLDWIDE SECURITY UPGRADE

- Provide computer security training to employees and contractors throughout the Department.
- Conduct training for 350 information systems security officers and others who are responsible for systems security domestically and at posts around the world.
- Continue the incident handling capability and intrusion detection programs to counter and defend against cyber attacks.
- Ensure that all personnel (American, Foreign National, part time, temporary, contract, and others) working for the Department are properly cleared to handle classified and sensitive information.

Armored Vehicles: The Department has greatly expanded its armored vehicle program in response to the heightened worldwide threat. The requested funds will be expended for maintenance and repair costs associated with the 1,172 armored vehicles that have been deployed. Typical expenditures are for:

- Vehicles to replace those which have been severely damaged or destroyed.
- Teams sent to posts worldwide to replace damaged doors, windows, and windshields.

Personnel/Training: Direct hire U.S. Government employees are the backbone of the enhancement and maintenance of the Department's worldwide security capability. The request includes salaries and benefits for 911 security and essential support personnel as well as funds needed to train them in critical technical and security skills. Specifically, these funds will provide ongoing salary, training and support costs for 65 counterterrorism personnel, 365 direct hire U.S. Government employees brought on-board by the FY 1999 Emergency Security Supplemental, 92 positions added in 2001, 203 security agents funded by Emergency Response Funds, and 186 new security positions approved in FY 2002. This increased number of security and support personnel must be sustained to respond appropriately to increased threat levels and to implement and maintain critical security initiatives funded by the FY1999 Emergency Security Appropriation and under Worldwide Security Upgrades in FY 2000 and 2001. These amounts will also cover the cost of Law Enforcement Availability Pay (LEAP) implemented within the Department as provided by Public Law 105-277. The training element will include Crisis Management Training (CMTs) at 100 posts. This program provides overseas crisis management training to Emergency Action Committees (EACs) and allows them to validate Emergency Action Plans (EAPs) through post-specific exercises.

Chemical/Biological Program: The increased threat posed by weapons of mass destruction, specifically those employing chemical and biological agents, requires that the Department be prepared to respond rapidly and decisively to such attacks and to provide the greatest level of protection possible for our personnel at overseas posts. The request includes funds for:

- Maintenance of a full inventory of protective masks (about 80,000) and suits (about 3,000) for use by personnel and local guards overseas in the event of a chemical or biological attack.
- Initial and refresher training of first responders and other personnel at all overseas posts on the use of this equipment and on chemical/biological threat awareness.
- Distribution and maintenance of supplies of antidotes to be stored at offsite locations at over 100 posts.
- Continuation of the Consequence Management Program which develops plans for appropriate coordinated responses to the release of chemical or biological agents in various locations around the world.

WORLDWIDE SECURITY UPGRADE

Radio Program: This program includes funding for maintenance and repair of equipment installed worldwide under the Overseas Wireless Program (OWP) funded by the FY 1999 Emergency Security Supplemental and for any new post requirements related to the purchase, distribution, and installation of wireless equipment such as handheld emergency and evacuation radios, pagers, and cell phones. The radio program also provides for communication requirements of the local guard program around the world. In FY 2002 funds were made available for the replacement of domestic wireless networks in accordance with Department of Commerce requirements that all U.S Government wireless programs convert to 12.5 kilohertz channel spacing by the year 2005. In FY 2002 the Department is converting the diplomatic security (DS) and law enforcement wireless equipment infrastructure at 23 DS field offices across the country. In FY 2003 this program will address the conversion of wireless networks in the Washington, DC area.

Perimeter Security

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$74,000	$0

To address critical vulnerabilities in perimeter security, this funding will be used to continue the multi-year program of perimeter security enhancement initiated under the 1998 Emergency Security Supplemental. The original number of 232 posts has been increased to 243 to include newly identified posts. The Department is seeking a total of $220,450,000 -- $74,000,000 in this account and $146,450,000 in the Embassy Security Construction and Maintenance (ESCM) appropriation -- for technical and physical enhancements in perimeter and compound security. The $74,000,000 requested here will be used to initiate technical enhancement projects at 65 additional posts. At the end of FY 2001, 45 projects had been completed. In FY 2002, projects at 70 more posts are expected to be finished using funds from this account and the ESCM account with another 71 reaching completion in FY 2003. The remaining 57 posts are projected for completion in FY 2004.

WORLDWIDE SECURITY UPGRADE

Domestic Technical & Physical Security Upgrades

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$21,000	$21,000

Recent events demonstrate that the Department must strengthen its domestic security posture if it is going to be able to support the worldwide security program essential to our diplomatic mission around the world. Counterintelligence, law enforcement, and other domestic security programs must be included in the overall global security mission.

- Uniformed Protection Officers - $5,000,000: Additional uniformed security personnel are needed to provide added perimeter patrol, delivery vehicle inspections, evening and weekend coverage, and shuttle bus identification inspection. This will require 19 additional posts staffed on a 24/7 basis and costing $263,000 per post.

- Security Equipment - $3,500,000: To maintain order and security during and in preparation for a terrorist assault, our approximately 600 Uniformed Protective Officers nationwide need adequate equipment beyond that required for routine guard duties. That equipment includes helmets, bulletproof vests, gas masks, protective shields, under-vehicle inspection mirrors, hand held mirrors, barricades, traffic cones, flares, disposable blankets, self-contained breathing apparatus, and defibrillators.

- Backup Domestic Guard Command Center - $1,100,000: Emergency backup is needed for the Security Control Center (SCC) in the Truman building in the event it would become inoperable or inaccessible. This would ensure continuity of operations such as nationwide perimeter control, communication, alarms and access controls.

- Emergency Response Travel - $1,000,000: This would provide funds for emergency deployments to threatened domestic locations.

- Classified Connectivity Program Certification - $1,900,000: These funds are needed to meet the requirements of the National Security Telecommunications and Information Systems Security Committee for the conduct of accreditation and certification activities. The Classified Connectivity Program is moving to a new communications protocol creating additional requirements for the protection of National Security Information. A network certification is required to identify and control security risks.

- Explosive Ordnance Disposal - $1,000,000: This program would provide the Department with an Explosive Ordnance Disposal (EOD) team to conduct random searches and provide emergency response.

- Vehicle Inspection - $1,500,000: Funding would provide for the purchase and installation of two stationary inspection systems with vehicle cameras and scanners at the C Street and 21st Street entrances to the Truman building. Portable inspection systems would also be procured and deployed throughout the National Capital Region for State controlled facilities and for special events or emergencies.

WORLDWIDE SECURITY UPGRADE

- Offsite Delivery Inspection - $1,000,000: This is a cooperative effort with the Department of Defense. The Pentagon currently has a screening area for the inspection of deliveries. In order to protect our personnel and visitors, this funding would provide for the technical screening of all deliveries prior to their arrival at State. This program is already in place for the U.S. Capitol, Department of Defense and the White House. These funds would cover the Department's portion of the cost and enhance physical security by denying unscreened deliveries proximity to the Truman building. Escort needs are included to cover the transport from the Pentagon to the Truman building.

- Emergency Public Address System (Duck and Cover) - $5,000,000: Recent events underscored the need for public address systems in Department facilities to notify all personnel of a threat and the possible need to evacuate. The current mechanism does not ensure that all personnel immediately know that evacuations are in progress. The proposed system reengineers the notification to sensitive areas, which now cannot be reached through the existing public address system within the Truman building. The proposed system includes audible and visual notification and would allow for immediate notification capability within State controlled facilities nationwide.

WORLDWIDE SECURITY UPGRADE

Response to Terrorist Attacks

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$17,302	$17,302

In the aftermath of the September 11 attacks, the Department's security resources have been severely taxed. Existing programs are in need of increased funding to meet more pervasive threats and address the terrorists' potential use of weapons of mass destruction. Two specific program areas will be augmented with this increase.

- Chemical/Biological Defense - $10,800,000: The program would be expanded to provide employees, contractors and service personnel in our domestic facilities with a means to escape a chemical-biological terrorist attack. Similar to the program already underway overseas, this funding would provide 20,000 escape masks ($4,500,000), decontamination kits and supplies ($1,300,000), contract instructors and travel ($600,000), office operations and logistics contractor ($300,000), and suits and supplies for first-responder guards ($1,300,000). Also funded is an increase in the overseas Chemical/Biological program to include purchase of readiness kits and necessary replacement of gear used during practice exercises and in the response to anthrax contamination ($2,800,000).

- Additional Local Guard Requirements - $6,502,000: Following the attacks, many posts began the process of re-evaluating their protective needs. In a number of cases, it has been determined that increases in guard services such as surveillance detection, perimeter security and residential security are necessary to address the changing threat environment.

WORLDWIDE SECURITY UPGRADE

Strengthened Security Programs Through Security Staffing

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	134	0	$22,197	$22,197

The single most important factor in the deterrence of and response to terrorist acts is people. Diplomatic Security Special Agents and other security professionals are on the front lines in the fight against terrorism and the protection of American life and property overseas and domestically. From the Emergency Response Fund, the Department received funds to support the addition of 203 Special Agents. However, this addresses only a portion of the security need. Other security professionals and support staff are critically needed to respond to the deep and pervasive threat of global terrorism. Specifically, security engineers, technicians, and other security professionals are needed to perform crucial substantive work for the Department that affects domestic and overseas security. These professionals would allow the Department to expand:

- criminal investigations;
- protection against emerging cyber security threats;
- protection at 101 domestic State facilities;
- the scope of intelligence and threat analysis; and
- the support functions needed to maintain a strong diplomatic security program.

- Security Engineers and Technical Specialists - $18,872,000: Information Security Technology (42 Security Engineers and 42 Security Technical Specialists). These security engineers and specialists would provide technical expertise and specialized technical surveillance equipment in support of criminal investigations. Not only would they be assigned to Diplomatic Security Field Offices for domestic investigations, but also be based in Washington, D.C. to support worldwide investigations. In addition, a security engineer would be assigned to all high threat protective details and Foreign Emergency Support Teams (FEST) to provide technical support. Finally, these individuals would ensure that technical security programs overseas are adequate to meet continually emerging and changing threats and technology, comply with rigorous standards, and are appropriately maintained.

- Civil Servants - $3,325,000: To shore-up long neglected infrastructure programs and meet new requirements generated by the recent terrorist attacks, 50 new Civil Service positions are required. Most of these positions would perform critical substantive work for the Bureau of Diplomatic Security, while the balance are necessary to provide sustained administrative support. The addition of these new positions would help to address security workload that has exponentially increased as a result of the 1998 embassy bombings and the most recent terrorist attacks.

WORLDWIDE SECURITY UPGRADE

FY 2003 Request

SUMMARY STATEMENT

Wordwide Security Upgrade	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	292	230	0	522	$366,959	$42,139	$409,098
FY 2002 Estimate	609	302	0	911	$460,112	$57,623	$517,735
FY 2003 Built-in Changes							
ICASS Transfer - Local Guard Program	0	0	0	0	($7,000)	$0	($7,000)
FY2002 Position Increases One-Time Costs/Annualization	0	0	0	0	($21,057)	$10,951	($10,106)
2002 American Cost-of-Living Adjustment	0	0	0	0	$0	$473	$473
American Cost-of-Living Adjustment	0	0	0	0	$0	$1,033	$1,033
Overseas Price	0	0	0	0	$588	$0	$588
Domestic Price	0	0	0	0	$3,494	$0	$3,494
GSA Rent	0	0	0	0	($19,501)	$0	($19,501)
Global Inflation Including Local Guard Program	0	0	0	0	$5,785	$0	$5,785
Total Built-in Changes	0	0	0	0	($37,691)	$12,457	($25,234)
FY 2003 Current Services	609	302	0	911	$422,421	$70,080	$492,501
FY 2003 Program Changes							
Domestic Technical & Physical Security Upgrades	0	0	0	0	$21,000	$0	$21,000
Response to Terrorist Attacks	0	0	0	0	$17,302	$0	$17,302
Security Readiness (134 positions)	85	49	0	134	$18,242	$3,955	$22,197
Total Program Changes	85	49	0	134	$56,544	$3,955	$60,499
FY 2003 Request	694	351	0	1,045	$478,965	$74,035	$553,000

WORLDWIDE SECURITY UPGRADE

STAFF BY PROGRAM ACTIVITY
(positions)

Wordwide Security Upgrade	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Maintaining Ongoing Security Activities	**522**	**522**	**911**	**389**
Guards - Worldwide Protection	0	0	0	0
Physical Security Equipment	0	0	0	0
Armored Vehicles	0	0	0	0
Technical Support/Infrastructure	0	0	0	0
Personnel/Training	522	522	911	389
Radio Program	0	0	0	0
Information/Systems Security	0	0	0	0
Chemical/Biological Program	0	0	0	0
Perimeter Security	**0**	**0**	**0**	**0**
Global Security & Law Enforcement Mission	**0**	**0**	**0**	**0**
Security Readiness Staffing	**0**	**186**	**0**	**(186)**
Emergency Response Fund Agents	**0**	**203**	**0**	**(203)**
Domestic Technical & Physical Security Upgrades	**0**	**0**	**0**	**0**
Response to Terrorist Attacks	**0**	**0**	**0**	**0**
Strengthened Security Programs Through Security Staffing	**0**	**0**	**134**	**134**
Total	522	911	1,045	134

WORLDWIDE SECURITY UPGRADE

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Wordwide Security Upgrade	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Maintaining Ongoing Security Activities	**$335,098**	**$349,323**	**$418,501**	**$69,178**
Guards - Worldwide Protection	$133,999	$139,101	$137,046	($2,055)
Physical Security Equipment	$17,867	$18,395	$18,912	$517
Armored Vehicles	$10,108	$10,320	$10,536	$216
Technical Support/Infrastructure	$67,621	$69,313	$68,932	($381)
Personnel/Training	$75,052	$80,901	$119,780	$38,879
Radio Program	$2,191	$2,240	$7,413	$5,173
Information/Systems Security	$24,430	$25,109	$51,825	$26,716
Chemical/Biological Program	$3,830	$3,944	$4,057	$113
Perimeter Security	**$74,000**	**$74,000**	**$74,000**	**$0**
Global Security & Law Enforcement Mission	**$0**	**$47,265**	**$0**	**($47,265)**
Security Readiness Staffing	**$0**	**$17,147**	**$0**	**($17,147)**
Emergency Response Fund Agents	**$0**	**$30,000**	**$0**	**($30,000)**
Domestic Technical & Physical Security Upgrades	**$0**	**$0**	**$21,000**	**$21,000**
Response to Terrorist Attacks	**$0**	**$0**	**$17,302**	**$17,302**
Strengthened Security Programs Through Security Staffing	**$0**	**$0**	**$22,197**	**$22,197**
Total	$409,098	$517,735	$553,000	$35,265

WORLDWIDE SECURITY UPGRADE

FY 2003 Request
PROGRAM ACTIVITIES

Wordwide Security Upgrade	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Maintaining Ongoing Security Activities	**609**	**302**	**0**	**911**	**$348,421**	**$70,080**	**$418,501**
Guards - Worldwide Protection	0	0	0	0	$137,046	$0	$137,046
Physical Security Equipment	0	0	0	0	$18,912	$0	$18,912
Armored Vehicles	0	0	0	0	$10,536	$0	$10,536
Technical Support/Infrastructure	0	0	0	0	$68,932	$0	$68,932
Personnel/Training	609	302	0	911	$49,700	$70.080	$119,780
Radio Program	0	0	0	0	$7,413	$0	$7,413
Information/Systems Security	0	0	0	0	$51,825	$0	$51,825
Chemical/Biological Program	0	0	0	0	$4,057	$0	$4,057
Perimeter Security	**0**	**0**	**0**	**0**	**$74,000**	**$0**	**$74,000**
Domestic Technical & Physical Security Upgrades	**0**	**0**	**0**	**0**	**$21,000**	**$0**	**$21,000**
Response to Terrorist Attacks	**0**	**0**	**0**	**0**	**$17,302**	**$0**	**$17,302**
Strengthened Security Programs Through Security Staffing	**85**	**49**	**0**	**134**	**$18,242**	**$3,955**	**$22,197**
Total	694	351	0	1.045	$478,965	$74,035	$553,000

WORLDWIDE SECURITY UPGRADE

FUNDS BY OBJECT CLASS
($ in thousands)

	Worldwide Security Upgrade	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$28,944	$40,610	$52,177	$11,567
1200	Personnel Benefits	$13,191	$17,008	$21,853	$4,845
1300	Benefits Former Personnel	$4	$5	$5	$0
2100	Travel & Trans of Persons	$6,901	$10,821	$10,575	($246)
2200	Transportation of Things	$6,094	$9,864	$8,225	($1,639)
2300	Rents, Comm & Utilities	$4,253	$8,253	$1,471	($6,782)
2400	Printing & Reproduction	$52	$80	$85	$5
2500	Other Services	$283,597	$347,012	$358,910	$11,898
2600	Supplies and Materials	$4,768	$5,893	$7,000	$1,107
3100	Personal Property	$61,230	$78,104	$92,620	$14,516
4100	Grants, Subsidies & Contrb	$64	$85	$79	($6)
Total		$409,098	$517,735	$553,000	$35,265

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Secretary	361	$53,121	388	$69,166	0	$1,657	388	$70,823	0	$0	388	$70,823
Counter-Terrorism	0	$1,800	0	$1,800	0	$0	0	$1,800	0	$0	0	$1,800
Chief of Protocol	56	$4,981	56	$5,753	0	$165	56	$5,918	0	$0	56	$5,918
Management	34	$4,560	34	$6,673	0	$176	34	$6,849	0	$0	34	$6,849
Non-Proliferation	176	$22,163	177	$23,680	0	$672	177	$24,352	0	$0	177	$24,352
Political-Military Affairs	177	$23,222	182	$25,876	0	$757	182	$26,633	0	$0	182	$26,633
Medical Director	111	$19,782	111	$24,701	0	$225	111	$24,926	0	$0	111	$24,926
Democracy, Human Rights and Labor	95	$10,647	97	$11,282	0	$336	97	$11,618	0	$0	97	$11,618
International Narcotics & Law Enforcement Affairs	0	$0	14	$3,515	0	$77	14	$3,592	0	$0	14	$3,592
International Criminal Justice	10	$1,340	10	$1,039	0	$32	10	$1,071	0	$0	10	$1,071
Oceans and International Envir and Sci Affairs	155	$58,723	157	$21,018	0	$623	157	$21,641	0	$20,000	157	$41,641
Population	0	$543	0	$477	0	$9	0	$486	0	$0	0	$486
Legal Adviser	230	$34,256	233	$35,201	0	$1,030	233	$36,231	0	$0	233	$36,231
Economic and Business Affairs	199	$23,470	202	$25,882	0	$920	202	$26,802	0	$0	202	$26,802
Intelligence and Research	303	$37,150	305	$40,892	0	$1,222	305	$42,114	0	$1,000	305	$43,114
Legislative Affairs	65	$5,270	69	$7,237	0	$261	69	$7,498	0	$0	69	$7,498
Resource Management	373	$62,290	381	$83,352	0	$2,178	381	$85,530	0	$16,448	381	$101,978
Public Affairs	205	$20,395	209	$27,713	0	$771	209	$28,484	0	$1,000	209	$29,484
Western Hemisphere Affairs	2,162	$221,950	2,197	$246,128	0	$13,597	2,197	$259,725	0	$250	2,197	$259,975
European Affairs	2,614	$447,939	2,713	$516,329	0	$21,047	2,713	$537,376	0	$265	2,713	$537,641
East Asian and Pacific Affairs	1,492	$207,940	1,517	$235,305	0	$8,959	1,517	$244,264	0	$3,249	1,517	$247,513

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 200 Reques	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	
Near Eastern Affairs	910	$125,751	950	$146,820	0	$6,291	950	$153,111	0	$2,500	950	$155,611
South Asian Affairs	719	$43,921	745	$66,803	0	$3,685	745	$70,488	0	$800	745	$71,288
African Affairs	1,189	$188,696	1,241	$221,835	0	$10,840	1,241	$232,675	0	$3,850	1,241	$236,525
International Organizational Affairs	347	$44,719	355	$47,225	0	$1,473	355	$48,698	0	$0	355	$48,698
International Conferences	0	$3,534	0	$5,264	0	$96	0	$5,360	0	$0	0	$5,360
Diplomatic Security	885	$215,118	893	$224,911	0	$5,097	893	$230,008	0	$0	893	$230,008
Foreign Missions	0	$4,045	0	$4,172	0	$101	0	$4,273	0	$0	0	$4,273
Information Resource Management	537	$106,581	529	$161,630	0	$3,657	529	$165,287	0	$0	529	$165,287
Arms Control	104	$21,334	106	$22,324	0	$645	106	$22,969	0	$0	106	$22,969
Verification and Compliance	74	$12,454	76	$13,629	0	$440	76	$14,069	0	$0	76	$14,069
Administration	701	$281,379	712	$298,877	0	$23,788	712	$322,665	0	$18,329	712	$340,994
Diplomatic Telecommunications Service	53	$33,212	53	$47,657	0	$108	53	$47,765	0	$0	53	$47,765
Human Resources	408	$81,063	418	$105,518	0	$3,172	418	$108,690	0	$0	418	$108,690
Post Assignment Travel	0	$101,318	0	$136,562	0	($9,913)	0	$126,649	0	$0	0	$126,649
Human Resources Special Complement	371	$34,197	452	$37,526	0	$1,909	452	$39,435	0	$0	452	$39,435
International Information Programs	280	$43,077	283	$44,557	0	$1,283	283	$45,840	0	$575	283	$46,415
Foreign Service Institute	626	$87,111	633	$100,125	0	$2,823	633	$102,948	0	$0	633	$102,948
Consular Affairs	242	$43,727	249	$46,146	0	$1,237	249	$47,383	0	$0	249	$47,383
FSN Separation Liability Trust Fund Payment	0	$7,385	0	$7,677	0	$269	0	$7,946	0	$0	0	$7,946
Secure Operations	0	$0	0	$0	0	$0	0	$0	0	$52,000	0	$52,000
Human Resources Initiative	0	$0	0	$0	0	$0	0	$0	399	$99,921	399	$99,921
Transfers	0	$17,912	0	$0	(233)	($18,156)	(233)	($18,156)	0	$0	(233)	($18,156)
Total	16,264	$2,758,076	16,747	$3,152,277	(233)	$93,559	16,514	$3,245,836	399	$220,187	16,913	$3,466,023

Note: Amounts do not include comparable numbers for Full Funding of Federal Employee Retirement, Pension, and Accrual Costs for FY 2001 ($72,446,000) and FY 2002 ($78,506,000). FY 2003 request includes $81,844,000 for Full Funding of Federal Employee Retirement, Pension, and Accrual Costs. FY 2002 estimate includes $10,000,000 ($6,000,000 for the Office of Counter-Terrorism within the Office of the Secretary and $4,000,000 for Medical Services) for programs funded from Emergency Response Fund transfers in FY 2002 that have continuing requirements in FY 2003.

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Worldwide Security Upgrades

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Wordwide Security Upgrade	522	$409,098	911	$517,735	0	($25,234)	911	$492,501	134	$60,499	1,045	$553,000
Total	522	$409,098	911	$517,735	0	($25,234)	911	$492,501	134	$60,499	1,045	$553,000

Note: FY 2002 estimate includes $30,000,000 within Worldwide Security Upgrades supporting increased hiring of 203 security agents funded from Emergency Response Fund transfers in FY 2002 that have continuing requirements in FY 2003.

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Capital Investment Fund

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
IRM Central Fund	0	$96,787	0	$203,000	0	$0	0	$203,000	0	($26,000)	0	$177,000
Total	0	$96,787	0	$203,000	0	$0	0	$203,000	0	($26,000)	0	$177,000

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Machine Readable Visas Processing Fees

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Intelligence and Research	0	$1,450	0	$4,125	0	$0	0	$4,125	0	($765)	0	$3,360
Western Hemisphere Affairs	388	$37,312	417	$36,424	0	$0	417	$36,424	15	$5,029	432	$41,453
European Affairs	199	$16,331	208	$17,885	0	$0	208	$17,885	17	$3,636	225	$21,521
East Asian and Pacific Affairs	163	$13,624	171	$15,032	0	$0	171	$15,032	12	$2,407	183	$17,439
Near Eastern Affairs	65	$5,764	67	$6,385	0	$0	67	$6,385	8	$872	75	$7,257
South Asian Affairs	48	$4,509	54	$5,026	0	$0	54	$5,026	11	$1,853	65	$6,879
African Affairs	47	$3,837	55	$4,368	0	$0	55	$4,368	7	$1,992	62	$6,360
Diplomatic Security	122	$18,341	122	$21,185	0	$0	122	$21,185	0	$1,853	122	$23,038
Information Resource Management	37	$23,976	37	$26,699	0	$0	37	$26,699	0	$4,160	37	$30,859
Administration	0	$450	0	$4,456	0	$0	0	$4,456	0	($3,484)	0	$972
Post Assignment Travel	0	$1,411	0	$2,023	0	$0	0	$2,023	0	$1,840	0	$3,863
Foreign Service Institute	0	$1,472	0	$2,950	0	$0	0	$2,950	0	$3,217	0	$6,167
Consular Affairs	990	$262,461	1,026	$318,524	0	$0	1,026	$318,524	28	$55,039	1,054	$373,563
Transfers	0	$0	0	$0	0	$0	0	$0	233	$100,000	233	$100,000
Total	2,059	$390,938	2,157	$465,082	0	$0	2,157	$465,082	331	$177,649	2,488	$642,731

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Expedited Passport Fees

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Information Resource Management	0	$45,191	0	$0	0	$0	0	$0	0	$0	0	$0
IRM Central Fund	0	$17,809	0	$63,000	0	$0	0	$63,000	0	$23,000	0	$86,000
Total	0	$63,000	0	$63,000	0	$0	0	$63,000	0	$23,000	0	$86,000

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Sec. 810 USI & EE Act Fees

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
International Information Programs	0	$4,973	0	$6,000	0	$0	0	$6,000	0	$0	0	$6,000
Total	0	$4,973	0	$6,000	0	$0	0	$6,000	0	$0	0	$6,000

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Diversity Lottery Fees

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Consular Affairs	0	$3,199	0	$4,200	0	$0	0	$4,200	0	$200	0	$4,400
Total	0	$3,199	0	$4,200	0	$0	0	$4,200	0	$200	0	$4,400

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Defense Trade Control Fees

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Political-Military Affairs	0	$2,282	0	$4,000	0	$0	0	$4,000	0	$0	0	$4,000
Total	0	$2,282	0	$4,000	0	$0	0	$4,000	0	$0	0	$4,000

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Visa Fingerprint Fees

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Consular Affairs	0	$217	0	$350	0	$0	0	$350	0	$950	0	$1,300
Total	0	$217	0	$350	0	$0	0	$350	0	$950	0	$1,300

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Commercial Service Fees

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Economic and Business Affairs	0	$6	0	$12	0	$0	0	$12	0	$0	0	$12
Total	0	$6	0	$12	0	$0	0	$12	0	$0	0	$12

DIPLOMATIC & CONSULAR PROGRAMS

Secretary

OVERVIEW STATEMENT

The Secretary of State is the President's principal foreign policy advisor. The Offices of the Secretary and of the Deputy Secretary provide overall direction and coordination among all Department of State components and U.S. missions abroad. These offices are also the primary interlocutors with the White House, the Congress, other senior USG officials, and foreign leaders. This budget category (Office of the Secretary) also includes the personnel and financial resources for the five Under Secretaries, the Policy Planning staff, the offices for Counter-terrorism and War Crimes Initiatives and all other corporate offices responsible for coordination of high-priority foreign policy issues for the entire U.S. Government.

NATIONAL INTERESTS & GOALS

The Executive Secretariat (S/ES) plays a critical role in connecting the Secretary to the human and material resources of the Department of State, domestically and overseas. S/ES facilitates more direct interaction between the Secretary and key operational players in the Department, especially Assistant Secretaries, and ensures support for the Secretary and the Deputy Secretary, in Washington and while traveling, for policy formulation and implementation.

In FY 2001 the Executive Secretariat provided logistical support for domestic and overseas trips by the Secretary of State in pursuit of U.S. policy goals and interests. The Executive Secretariat Staff (S/ES-S) advanced the Secretary's visits, preparing the travel of the Secretary.

The Executive Secretariat played an important role in the Department of State's response to the September 11 terrorist attacks. S/ES-S established a new mini-secretariat to task and manage the vast increase in memoranda in support of the Secretary's strategy against terrorism. The significance of this achievement can be judged against the backdrop of Department Principals participating in a minimum of three senior inter-agency meetings per day, with S/ES-S tasking, clearing, and distributing substantive memoranda assigned at one meeting and due at the next. The hours put in by S/ES-S staff in support of the mini-Secretariat were long, but the results were complete, informative documents produced in record time. To ensure success, the staff designed its own electronic tracking system, enabling S/ES-S, Principals' staffs, relevant bureaus, and task forces to understand their respective roles and responsibilities. During the year, S/ES-S also greatly expanded its outreach program to Bureaus. S/ES-S provided eight group briefings on formats and procedures, reaching approximately two hundred desk officers and staff assistants. The number of memoranda returned to the Bureaus for corrections decreased dramatically thereafter.

Working with building service providers and contractors, S/ES-EX employees fitted out two emergency Task Force rooms and 90 temporary offices on the building's top floor requiring furniture, furnishings and equipment on a huge scale – over 100 telephone instruments and 8 miles of telephone and data cabling. S/ES-EX managed the immediate hiring of consultants and detailees drafted to support the unprecedented counter-terrorism and public diplomacy demands.

S/ES-O, S/ES-IRM, and S/ES-EX began the transformation of the Alternate Operations Center (AOC) from a part-time facility to a full-time alternate site that allows us to carry out efficiently our most critical missions. Located at FSI, the AOC gives the Executive Secretariat the ability to support Department leadership for an extended period, if necessary. The upgrades include duplication of S/ES-O (the Operations Center Watch and Crisis Management Support Staff) computerized telephone system, and extensive telephone directories, secure video teleconferencing facilities, secure fax and telephone

equipment, telegram distribution equipment, a fully equipped alternate task force room, and extensive crisis document templates and instructions.

In addition Executive Secretariat offices worked with other bureaus to upgrade alternate locations so that even in a major catastrophe, S/ES and the Operations Center would be able to fulfill key support functions for the Secretary.

The Operations Center handled over 500,000 phone calls, over 35,000 faxes, and prepared more than 2,000 written reports in CY01. The Operations Center supported Department Principals during official travel on more than 30 trips during 2001. The Watch and Crisis Management Support staff supported 12 Task Forces/Monitoring Groups and coordinated 14 evacuations of official and private Americans from U.S. missions abroad. In addition, the Crisis Management staff jointly ran two Task Force Exercises in the Operations Center with the Foreign Service Institute as part of the effort to maintain the Department's readiness to respond to mass casualty/mass destruction events.

The Correspondence and Records Office (S/ES-CR) processed over 35,000 documents and handled over 12,000 signature items for Department Principals. While the volume of paper increased dramatically, S/ES-CR managed the complete range of document processing by working extended hours.
S/ES-EX managed the complete range of administrative services to over 40 entities and more than 800 persons, all of whom required active assistance. Those supported included not only the Secretary, the Deputy Secretary, and Under Secretaries but special envoys, special coordinators, and ambassadors-at-large reporting to the Secretary. In addition, S/ES-EX provided similar administrative support to selected offices reporting to the Under Secretary for Management and the Bureau of Legislative Affairs.

S/ES-IRM provided computer support to over 75 individual databases and over 900 POEMS users. Monthly calls to the POEMS Help Desk exceeded 15,000.

S/ES led the Department in meeting legislatively-mandated requirements for the creation of Secure Work Areas for the handling of TS/SCI materials. These efforts involved meeting stringent procedural safeguards in the offices of the Secretary and Under Secretaries as well as increased controls in the Operations Center and neighboring offices. Corresponding monitoring and use of technical countermeasures increased. Building passes specific to SCI-cleared individuals, and PIN access for 600 S-bureau employees and frequent, high-level visitors were issued in coordination with DS colleagues. In tandem with security upgrades, S/ES-EX replaced the remote processor network that supports the offices of the Secretary and other Principals and deployed upgraded telephone instruments.

The Executive Secretariat supported the unusually shortened transition, preparing and staffing the transition offices and developing new memoranda formats for the entire Department's use that reflected the new Administration's preferences.

S/ES-IRM and S/ES-EX's cutting-edge technology in the form of the World-wide Remote Electronic Messaging (WREN) system provided the Secretary and other Principals with effective and efficient communications capabilities both in Washington and on the road. WREN's robust, portable communications platform for e-mail, Intranet, and data-file transfer utilizing broadband capabilities accessible via satellite and ISDN circuits continues to set a new standard for USG agencies. The consolidation of IRM and S/ES functions into one unit – S/ES-IRM – in support of the Secretary's communications needs was accomplished and will result in a more tightly coordinated, flexible and cross-trained team.

The Executive Secretariat's priorities will focus on taking continuing advantage of emerging technologies to meet the needs of the Secretary and other clients.

DIPLOMATIC & CONSULAR PROGRAMS

S/ES (in particular the OpsCenter) will continue its efforts to upgrade and improve the AOC and other contingency relocation sites. In addition, with the Secretary's use of the telephone for diplomacy constantly increasing, it will explore options for upgrading its main telecommunications systems. S/ES-O will begin improving our crisis management facilities to support larger and more integrated task forces, including joint task forces with other national security and law enforcement agencies. Effort will be focused to improve the quality of secure telephone service for the Secretary and Department Principals.

A top priority will be to complete installations that will deliver desktop Internet access to each of our 900 IT-serviced clients. In addition, we will exploit the Department's SBU Intranet system to provide SBU web-based resources for Embassies in support of travel by the Secretary. S/ES-EX and S/ES-IRM will take advantage of new encryption devices that will allow WREN (remote e-mail/intranet) and EDI (remote intelligence products) systems to share one telecommunications circuit. While replacing network servers with updated equipment, S/ES-IRM will refresh several hundred PCs due for replacement on our three-year replacement cycle. S/ES-IRM will play an important and supportive role in the development of a modern, integrated messaging system for the Department ensuring that proposed system architecture, service, and security will fully meet 7th floor needs.

S/ES will continue to educate its employees and customers about good security practices. S/ES-S will intensify its outreach program with a view to reducing the time required to move high quality memoranda from the drafter to the 7th floor. This program will include additional briefings to desk officers and staff assistants, staff exchanges with Bureaus during the summer transition, and the posting of useful information (formats, staffing, power point presentations) on the S/ES website on the unclassified intranet. S/ES-S staff also will transition from one to two-year tours. As a result, incoming staff will be required to follow a training program that enhances the skills (time management, leadership, public speaking) needed while advancing the Secretary's official travel.

Although S/ES-CR was approved for two new positions to handle the workload, two additional positions will be required if the increase in volume of paper remains steady.

S/ES-EX and S/ES-IRM will complete a renovation project in the Principal's Conference Room, making it a modern venue for inter and intra-agency meetings chaired by the Secretary and other Principals. We will also renovate S/ES-IRM offices to accommodate collocation of our S/ES-IRM managers with technical staff. Those moves will result in additional office space to S/ES-O, S/ES-CR and S/ES-S.

S/ES-S and S/ES-IRM will deploy the DARTTS system – a paperless, electronic document handling system that will enable e-mail taskings which will decrease turn-around time on memoranda for the Secretary and other Principals.

Commensurate with the increasing importance of the mission of the Bureau of Legislative Affairs, S/ES-EX will carefully transition administrative support for H to the newly-formed H/EX.

Finally, S/ES will continue active diversity education and training to reinforce its fundamental equal opportunity recruitment and employment objectives.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Office of the Secretary	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	361	0	0	361	$23,070	$30,051	$53,121
FY 2002 Estimate	388	0	0	388	$31,521	$37,645	$69,166
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($9)	$0	($9)
2002 American Cost-of-Living Adjustment	0	0	0	0	$21	$425	$446
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$48	$48
American Cost-of-Living Adjustment	0	0	0	0	$36	$723	$759
Domestic Price	0	0	0	0	$413	$0	$413
Total Built-in Changes	0	0	0	0	$461	$1,196	$1,657
FY 2003 Current Services	388	0	0	388	$31,982	$38,841	$70,823
FY 2003 Request	388	0	0	388	$31,982	$38,841	$70,823

STAFF BY PROGRAM ACTIVITY
(positions)

Office of the Secretary	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**248**	**262**	**262**	**0**
Department Direction	248	262	262	0
Public Diplomacy	**14**	**14**	**14**	**0**
Public Diplomacy - Program Costs	14	14	14	0
Information Resource Management	**45**	**56**	**56**	**0**
Corporate Information Systems and Services	18	18	18	0
Information Services	18	18	18	0
Office Automation	27	38	38	0
Principal Officers Electronic Mail System	27	38	38	0
Domestic Administrative Support	**54**	**56**	**56**	**0**
Domestic Administrative Management	54	56	56	0
Total	361	388	388	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of the Secretary	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$31,613**	**$44,036**	**$44,389**	**$353**
Department Direction	$31,613	$44,036	$44,389	$353
Public Diplomacy	**$1,775**	**$2,674**	**$2,744**	**$70**
Public Diplomacy - Program Costs	$1,775	$2,674	$2,744	$70
Information Resource Management	**$10,781**	**$13,260**	**$14,354**	**$1,094**
Infrastructure Systems	$1,001	$1,055	$1,079	$24
Voice Communications Programs	$1,001	$1,055	$1,079	$24
Corporate Information Systems and Services	$1,600	$1,410	$1,422	$12
Information Services	$1,600	$1,410	$1,422	$12
Office Automation	$8,180	$10,795	$11,853	$1,058
Principal Officers Electronic Mail System	$8,180	$10,795	$11,853	$1,058
Domestic Administrative Support	**$8,952**	**$9,196**	**$9,336**	**$140**
Domestic Administrative Management	$8,952	$9,196	$9,336	$140
Total	$53,121	$69,166	$70,823	$1,657

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Office of the Secretary	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**262**	**0**	**0**	**262**	**$18,924**	**$25,465**	**$44,389**
Department Direction	262	0	0	262	$18,924	$25,465	$44,389
Public Diplomacy	**14**	**0**	**0**	**14**	**$953**	**$1,791**	**$2,744**
Public Diplomacy - Program Costs	14	0	0	14	$953	$1,791	$2,744
Information Resource Management	**56**	**0**	**0**	**56**	**$8,560**	**$5,794**	**$14,354**
Infrastructure Systems	0	0	0	0	$1,079	$0	$1,079
Voice Communications Programs	0	0	0	0	$1,079	$0	$1,079
Corporate Information Systems and Services	18	0	0	18	$161	$1,261	$1,422
Information Services	18	0	0	18	$161	$1,261	$1,422
Office Automation	38	0	0	38	$7,320	$4,533	$11,853
Principal Officers Electronic Mail System	38	0	0	38	$7,320	$4,533	$11,853
Domestic Administrative Support	**56**	**0**	**0**	**56**	**$3,545**	**$5,791**	**$9,336**
Domestic Administrative Management	56	0	0	56	$3,545	$5,791	$9,336
Total	388	0	0	388	$31,982	$38,841	$70,823

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of the Secretary	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Secretary	15	15	15	0
Deputy Secretary of State	11	11	11	0
Under Secretary for Global Affairs	14	14	14	0
International Council on Women	5	5	5	0
Policy Planning Staff	31	31	31	0
Civil Rights	24	26	26	0
Amb at Large for Counter-Terrorism	24	36	36	0
Under Secretary for Economic Affairs	12	12	12	0
Office of Resources, Plans, & Policy	15	15	15	0
Middle East Coordinator	0	0	0	0
Amb at Large for War Crimes Issues	4	5	5	0
Under Secretary for Political Affairs	13	13	13	0
Foreign Service Grievance Board	5	5	5	0
New Independent States	0	0	0	0
Under Secretary for Arms Control	15	15	15	0
Executive Secretariat	35	37	37	0
Executive Office	24	24	24	0
Information Resource Management	45	56	56	0
Operations Center	54	53	53	0
Under Secretary for Public Diplomacy	14	14	14	0
Civil Service Ombudsman	1	1	1	0
Office of the Counselor	0	0	0	0
Total	361	388	388	0

Note: The resources (positions and funds) currently displayed for the Office of Resources, Plans & Policy are being realigned to the Bureau of Resource Management as part of the reorganization of budget and planning authorities to achieve organizational unity with respect to financial management, strategic planning, and budget activities within the Department of State.

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of the Secretary	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Secretary	$6,096	$5,446	$5,472	$26
Deputy Secretary of State	$1,515	$1,739	$1,757	$18
Under Secretary for Global Affairs	$1,524	$1,841	$1,872	$31
International Council on Women	$592	$701	$709	$8
Policy Planning Staff	$2,759	$3,665	$3,718	$53
Civil Rights	$2,957	$3,578	$3,659	$81
Amb at Large for Counter-Terrorism	$3,332	$14,709	$14,770	$61
Under Secretary for Economic Affairs	$1,250	$1,442	$1,462	$20
Office of Resources, Plans, & Policy	$1,482	$1,702	$1,727	$25
Middle East Coordinator	$43	$0	$0	$0
Amb at Large for War Crimes Issues	$869	$867	$878	$11
Under Secretary for Political Affairs	$1,500	$1,606	$1,627	$21
Foreign Service Grievance Board	$1,021	$1,196	$1,210	$14
New Independent States	$250	$0	$0	$0
Under Secretary for Arms Control	$2,518	$2,734	$2,759	$25
Executive Secretariat	$3,117	$2,960	$3,019	$59
Executive Office	$4,804	$4,247	$4,288	$41
Information Resource Management	$10,784	$12,205	$13,246	$1,041
Operations Center	$4,276	$5,679	$5,729	$50
Under Secretary for Public Diplomacy	$1,775	$2,674	$2,744	$70
Civil Service Ombudsman	$170	$175	$177	$2
Office of the Counselor	$487	$0	$0	$0
Total	$53,121	$69,166	$70,823	$1,657

Note: The resources (positions and funds) currently displayed for the Office of Resources, Plans & Policy are being realigned to the Bureau of Resource Management as part of the reorganization of budget and planning authorities to achieve organizational unity with respect to financial management, strategic planning, and budget activities within the Department of State.

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of the Secretary	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$25,525	$29,934	$30,795	$861
1200	Personnel Benefits	$7,759	$11,167	$11,575	$408
2100	Travel & Trans of Persons	$3,525	$8,285	$8,352	$67
2200	Transportation of Things	$6	$12	$13	$1
2300	Rents, Comm & Utilities	$2,186	$2,230	$2,295	$65
2400	Printing & Reproduction	$535	$829	$894	$65
2500	Other Services	$10,001	$13,169	$13,234	$65
2600	Supplies and Materials	$770	$843	$908	$65
3100	Personal Property	$1,349	$2,424	$2,477	$53
4100	Grants, Subsidies & Contrb	$0	$0	$0	$0
4200	INS Claims & Indemnities	$1,465	$273	$280	$7
Total		$53,121	$69,166	$70,823	$1,657

DIPLOMATIC & CONSULAR PROGRAMS

Political-Military Affairs

OVERVIEW STATEMENT

The Bureau of Political-Military Affairs (PM) supports the Secretary by formulating and implementing policy on international security. It is the Department of State's primary liaison with the Department of Defense and is State's lead on operational military matters regarding the War on Terrorism. It provides analytical support for the Secretary on defense-related foreign policy issues, contributes to the coordination of peacekeeping and other military operations, and has major responsibilities supporting the NSC's crisis management efforts, as well as confidence and security-building measures world wide. The Bureau has the Department lead in establishing and implementing U.S. policy to control the harmful proliferation of small arms and light weapons (SA/LW), and manages a program to destroy excess SA/LW stocks worldwide. The Bureau is responsible annually for policy oversight of $75 billion of U.S. arms transfers and defense trade controls, including since March 1999, the export of commercial communications satellites. The Assistant Secretary is the Special Representative of the President and the Secretary of State for Mine Action. He also manages a wide variety of projects and initiatives in mine-affected nations around the world and participates in developing anti-personnel landmine policy. One of the Bureau's most important responsibilities is supporting the Under Secretary for Arms Control and International Security in allocating security assistance funds to support foreign policy goals and the military capabilities of friends and allies. PM has the Department lead in conducting USG political-military planning for complex contingency operations other than war and plays an active role in managing the consequences of chemical, biological, radiological and nuclear incidents worldwide. PM leads the USG's international cooperative programs for Critical Infrastructure Protection, as well as a dozen annual burdensharing negotiations resulting in hundreds of millions of dollars of host nation support for the USG. The Political Advisors and Exchange Officers that the Bureau provides to DoD and the principal military commands significantly improve cooperation between State and the U.S. military establishment. PM also chairs bilateral pol-mil talks at least annually with several countries worldwide. It works closely with the regional bureaus and the Department of Defense on a wide range of regional security issues and gives the Secretary a more informed voice on defense policies with major foreign policy implications.

NATIONAL INTERESTS & GOALS

Priority: GLOBAL WAR ON TERRORISM: The Bureau of Political Military Affairs is the principle link between the Departments of State and Defense regarding operational military matters. During actual military operations, such as the present War on Terrorism, PM serves as the primary channel for foreign affairs support for that military operation. This support includes providing a 24 hour, 7 day per week point of contact for coalition matters, facilitating Defense-State actions concerning military operations, and serving as the USG lead for the consequence management of chemical, biological, radiological or nuclear incidents abroad.

Performance Goal: A. Proper foreign policy oversight and diplomatic assistance provided for deployment of U.S. and Coalition military forces engaged in missions related to Operation Enduring Freedom (OEF). B. U.S. forces, foreign governments and international organizations prepared to manage the consequences of a chemical, biological, radiological or nuclear incident overseas.

Indicators: A. Number of Deployment Orders (DEPORD) and Requests for Coalition Forces (RFF) processed. B. Average length of time to process DEPORDs and RFFs from initial notification by the Joint Staff to transmittal of instruction cable to embassies. C. Percent completion of U.S. national Consequence Management (CM) policy and strategy. D. Number of CM exercises, meetings and briefings held.

DIPLOMATIC & CONSULAR PROGRAMS

Progress (as of January 2002): Between September 11, 2001 and the end of January, PM and officers on loan from other bureaus have spent over 6.7 work years supporting the War on Terrorism. During this period, they have reviewed over 43,000 OEF-related cables and processed 120 DEPORDs, 72 RFFs and numerous other actions associated with OEF. Shortly after September 11, PM developed procedures for processing DEPORDs and RFFs and began refining them to reduce delays to a minimum. On average, the Coalition Working Group is now able to complete its action on an instruction cable to affected embassies as soon as DoD approves the DEPORD or RFF, regardless of the hour of the day or day of the week.

The increased threat of terrorism, and especially the anthrax scare, prompted increased attention worldwide for the need to prepare for the consequences of such events. PM was already heavily engaged with developing a national policy and strategy for CM overseas while conducting training exercises for U.S. combatant commands. It nevertheless picked up the tempo of its travels and labor to assist CENTCOM in the first operational deployment of a U.S. CM Task Force. Since September 11, PM has conducted a major CM exercise with NAVEUR, attended a SOUTHCOM CM conference, briefed French and NATO officials and made a presentation to an international CM conference in Nice. Preparations have also been made for the following: meetings with DoD, DOE, HHS and USAID to develop a common set of CM response criteria and specific expectations and requirements for each Department; an exercise with the State Operations Center, an exercise with USAID's Office of Foreign Disaster Assistance; an exercise with USAFE; briefings for Embassies Rome and Athens on our Nuclear Accident and Incident Program and Consequence Management Program; and a command post and field training exercise with Coalition participants in Kuwait.

Priority: REGIONAL STABILITY: Virtually every aspect of the Bureau of Political-Military Affairs' mission is focused on contributing to regional stability. The Bureau strengthens defense relations through exercise of the Department's arms transfer authority, active participation in and promotion of bilateral security dialogues and Confidence and Security Building Measures, exercises and training opportunities. The Bureau protects sensitive U.S. technologies while encouraging productive defense trade relationships and provides grant assistance to augment the military capabilities of our friends and allies. Robust political-military planning ensures unity of effort on diplomatic and military fronts. Enhancing the ability of our friends and allies to meet their self-defense needs contributes to regional stability and thereby lessens the likelihood of regional conflict. These are force multipliers that enable other countries to play an active role in promoting regional security, keep U.S. troops out of harm's way, and ensure that necessary U.S. military operations take place with the most favorable prospects for rapid success, thereby assuring the security of friends, allies and the United States itself.

Performance Goal: A. Close ties with neighbors and key allies. B. Stable, secure regional partners. C. Tools for conflict prevention/resolution. D. Resolution of outstanding regional conflicts.

Indicator: A. The number of productive consultations, dialogues, and bilateral political-military discussions in which the U.S. shares expertise, experiences and views contributing to regional security. B. The total value of arms transfers and U.S. military security assistance provided to friends and allies. C. Number of countries that have received U.S. peacekeeping training and/or assistance and are now involved in peacekeeping operations.

Progress (as of January 2002): Strong support in the Western Hemisphere for the War on Terrorism is in part a result of our active participation in the Organization of American States. Over the past year the U.S. has strengthened ties with our neighbors and key allies in the ASEAN Regional Forum. We have also contributed to the establishment of stable, secure regional partnerships through the negotiation of a joint U.S.-Southern African Development Community (SADC) declaration on restraint in the sale and transfer of conventional arms to regions of conflict in Africa. We have contributed to our goal of preventing potential

conflict or resolving outstanding regional conflicts through U.S. support over the past year for the training of senior SADC officials in conflict prevention, resolution and management techniques and skills.

Arms transfer and security assistance programs (Foreign Military Financing, International Military Education and Training and Peacekeeping Operations) support U.S. security interests around the world. In the strategically vital Middle East, arms transfers helped enhance security cooperation with such key U.S. allies as Egypt, Saudi Arabia, Bahrain and the United Arab Emirates. In the context of OEF, the value of these crucial strategic relationships, cemented and strengthened by judicious arms transfers, was clearly demonstrated. Our arms transfer and security assistance policies paved the way for the smooth cooperation with the states of the region that has been a crucial factor in the success of operations in Afghanistan. Arms transfers and security assistance in Asia have similar strategic importance. Looking forward, these programs will play a key role in our efforts to develop a new and more stable security architecture, particularly as concerns India and Pakistan. As we have done before, we will balance regional security concerns against the legitimate defense needs of our friends and allies when making decisions on arms transfers to the region. In Latin America, our arms transfer policy continues to adjust to changing political realities, as our regional allies pursue efforts to modernize their militaries, particularly in the area of air power. U.S. arms transfers and security assistance policies in the region will serve the overall strategic purpose of assuring close cooperation and interoperability with local military for decades to come. In Africa, our more limited efforts are oriented largely toward enhancing the peace support capabilities of friendly states, whose armed forces are engaged in a variety of missions supportive of U.S. interests. While commercial arms sales to Africa remain limited, offers of Excess Defense Articles (EDA) transfers have addressed critical equipment needs in friendly countries such as Senegal and Tanzania. In Europe, our Defense Capabilities Initiative (DCI) is addressing the gap in military technology between the U.S. and Western European members of the Alliance. Arms export regulations are also being reviewed through the Defense Trade Control Initiative with a view to expediting the transfer of key military technologies to our allies. Both of these initiatives should help to increase interoperability between the members of the Alliance. Moreover, our security assistance and Foreign Military Sales programs are helping new members of the Alliance upgrade their military capabilities and achieve greater interoperability with U.S. and Alliance forces and will strengthen the security and defense capabilities of key Central Asian and Caucasus partners, whose support is crucial to OEF.

U.S. peacekeeping training has contributed significantly toward regional stability. The Enhanced International Peacekeeping Capabilities (EIPC) Training and Education Program is only the second program to be certified by the UN as meeting international standards and has been integrated with the Defense Institute for International Legal Studies into a program for senior-level foreign decision and policy makers. Numerous countries that have participated in UN peacekeeping operations, such as Thailand in East Timor, Uruguay in the Democratic Republic of the Congo, the Czech Republic and Jordan in Afghanistan, and a number of countries, including Bangladesh and the Philippines, offering to participate in a post-Taliban UN force in Afghanistan, have done so as a direct result of having received EIPC assistance. In Africa, U.S. crisis response training has used PKO funds to enhance African peacekeeping and humanitarian relief capacity. Senegal, Ghana, Mali and Benin have all participated in peace support missions, and Nigeria, Senegal and Ghana have helped restore peace and stability in Sierra Leone. In East Asia, we have been able to provide the nascent country of East Timor extensive training to transition from a UN secured state to one having viable police and defense forces.

Priority: LANDMINE PROGRAMS AND POLICY: The Assistant Secretary of State for Political-Military Affairs is the Special Representative of the President and the Secretary of State for Mine Action. PM's Office of Humanitarian Demining Programs provides humanitarian assistance that seeks to alleviate the threat of landmines to innocent civilians, create conditions for the safe return of refugees and displaced persons to their homes, and offer an opportunity for economic and social reconstruction of those nations affected by landmines. PM's Office of Mine Action Initiatives and Partnerships directs

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public-private partnerships to support humanitarian demining with private funds and supports and strengthens international organizations engaged in mine action, and facilitates technology development and testing with other countries. PM's Office of Plans, Policy and Analysis helps develop anti-personnel landmine policy

Performance Goal: Reduced threat from landmines.

Indicators: A. Host nation programs in sustainment phase (cumulative) – includes countries receiving NADR/demining and ITF funding. B. Civilian casualties annually. C. Land cleared and returned to productive use annually. D. Level One landmine surveys completed (cumulative). E. Landmines and unexploded ordnance destroyed annually. F. Number of Partnerships formed. G. Amount of funds raised by the private sector.

Progress (as of January 2002): The U.S. continues to be a leader in bilateral and international efforts to rid the world of the threat to innocent people and the humanitarian burden caused by landmines. USG mine action assistance has helped lift seven NADR- or ITF-funded countries into „sustainment" – the technical and managerial capability to plan, manage and execute a national mine action program. Recent surveys by both USG and international organizations estimate a sharp reduction in the number of landmine casualties worldwide – down 50% or more from the previously reported figure of 26,000 casualties annually. As current national programs mature and new ones come on-line, the numbers of landmines/UXO removed each year are in the tens of thousands. Reports of land returned to productive use indicate steady gains worldwide in landmine clearance of roads, agricultural land, railroad lines and other socio-economic infrastructure. In 2001, the USG supported the completion of two national level-one surveys (Yemen & Chan); two others (Thailand and Vietnam) are underway. In response to the call for renewed mine action assistance to Afghanistan, the USG immediately initiated a $7.3 million, 4-phase mine action plan to enhance Afghanistan's capability to respond to new landmine/UXO threats, to replace stolen/damaged equipment, to restart and expand landmine and UXO clearance and to fund a national mine awareness program. In addition, PM is considering proposals for assistance to other Coalition partners. In FY 2001, six new partnerships were established with the private sector bringing the total to 26. PM Bureau personnel participated in 55 public outreach and landmine awareness events and over $1 million was raised by private sector organizations for mine action.

Priority: DIPLOMATIC READINESS - Information Resources: Law and Executive Order require that, in furtherance of U.S. national security and foreign policy interests, the Secretary of State, via Defense Trade Controls (DTC), to regulate U.S. persons involved in the manufacture, export, temporary import, and brokering of defense article and defense services. Continual upgrades of the ADP system in DTC and Regional Security and Arms Transfer (RSAT) will (a) enable a relatively small staff to handle a workload that is increasing in volume and complexity and (b) reinforce the strict standards of the U.S. munitions export control system required under law and regulations in support of allies/strategic partners and in denying adversaries/unauthorized parties access to sensitive military technologies.

Performance Goal: Modern IT Infrastructure and Systems.

Indicators: A. Internal ADP capacity to handle workload (volume). B. Fully electronic handling of records. C. Case average processing times.

Progress (as of January 2002): Structured data for about 60% of DTC's workload of 45,000 licensing cases were submitted electronically. In addition, a T-1 line is used to transmit to DoD both structured data and unstructured back-up materials for cases in support of OEF. Thus, about 3 percent of DTC's cases are being handled in a completely electronic manner. Using the results of a "proof of concept" effort, PM plans

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to conduct a six-month electronic licensing pilot program (beta testing involving several defense firms and DoD).

FY 2003 Request
SUMMARY STATEMENT

Bureau of Political-Military Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	172	5	0	177	$7,369	$15,853	$23,222
FY 2002 Estimate	177	5	0	182	$8,889	$16,987	$25,876
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($19)	$0	($19)
2002 American Cost-of-Living Adjustment	0	0	0	0	$3	$197	$200
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$96	$96
American Cost-of-Living Adjustment	0	0	0	0	$6	$335	$341
Domestic Price	0	0	0	0	$139	$0	$139
Total Built-in Changes	0	0	0	0	$129	$628	$757
FY 2003 Current Services	177	5	0	182	$9,018	$17,615	$26,633
FY 2003 Request	177	5	0	182	$9,018	$17,615	$26,633

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Political-Military Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**11**	**11**	**11**	**0**
Bureau Direction	11	11	11	0
Conduct of Diplomatic Relations	**164**	**169**	**169**	**0**
International Security Affairs	164	169	169	0
Public Diplomacy	**2**	**2**	**2**	**0**
Public Diplomacy - Program Costs	2	2	2	0
Total	177	182	182	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Political-Military Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,283**	**$1,387**	**$1,426**	**$39**
Bureau Direction	$1,283	$1,387	$1,426	$39
Conduct of Diplomatic Relations	**$21,688**	**$24,224**	**$24,934**	**$710**
International Security Affairs	$21,688	$24,224	$24,934	$710
Public Diplomacy	**$251**	**$265**	**$273**	**$8**
Public Diplomacy - Program Costs	$251	$265	$273	$8
Total	$23,222	$25,876	$26,633	$757

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Political-Military Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**11**	**0**	**0**	**11**	**$336**	**$1,090**	**$1,426**
Bureau Direction	11	0	0	11	$336	$1,090	$1,426
Conduct of Diplomatic Relations	**164**	**5**	**0**	**169**	**$8,674**	**$16,260**	**$24,934**
International Security Affairs	164	5	0	169	$8,674	$16,260	$24,934
Public Diplomacy	**2**	**0**	**0**	**2**	**$8**	**$265**	**$273**
Public Diplomacy - Program Costs	2	0	0	2	$8	$265	$273
Total	177	5	0	182	$9,018	$17,615	$26,633

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Political-Military Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	7	7	7	0
Congressional & Public Affairs	4	4	4	0
Deputy Assistant Secretary for Security Operations	2	2	2	0
Humanitarian Demining	12	12	12	0
International Security Operations	7	9	9	0
Contingency Planning and Peacekeeping	8	8	8	0
Deputy Assistant Secretary for Plans and Policy	1	1	1	0
Plans, Policy & Analysis	17	18	18	0
Regional Security & Arms Transfers	18	19	19	0
Defense Trade Controls	72	72	72	0
POLADS and SDE Officers	26	27	27	0
Mine Action Initiatives and Partnerships	3	3	3	0
Total	177	182	182	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Political-Military Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$894	$1,927	$1,948	$21
Congressional & Public Affairs	$507	$530	$545	$15
Deputy Assistant Secretary for Security Operations	$256	$265	$272	$7
Humanitarian Demining	$1,535	$1,585	$1,631	$46
International Security Operations	$894	$1,191	$1,224	$33
Contingency Planning and Peacekeeping	$1,023	$1,059	$1,087	$28
Deputy Assistant Secretary for Plans and Policy	$129	$132	$136	$4
Plans, Policy & Analysis	$2,172	$2,381	$2,446	$65
Regional Security & Arms Transfers	$2,300	$2,513	$2,582	$69
Defense Trade Controls	$10,173	$10,324	$10,684	$360
POLADS and SDE Officers	$2,956	$3,572	$3,670	$98
Mine Action Initiatives and Partnerships	$383	$397	$408	$11
Total	$23,222	$25,876	$26,633	$757

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FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Political-Military Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$13,360	$13,046	$13,519	$473
1200	Personnel Benefits	$2,796	$4,253	$4,408	$155
2100	Travel & Trans of Persons	$845	$861	$861	$0
2300	Rents, Comm & Utilities	$737	$752	$752	$0
2400	Printing & Reproduction	$355	$362	$362	$0
2500	Other Services	$3,375	$4,813	$4,942	$129
2600	Supplies and Materials	$344	$351	$351	$0
3100	Personal Property	$1,410	$1,438	$1,438	$0
Total		$23,222	$25,876	$26,633	$757

DIPLOMATIC & CONSULAR PROGRAMS

Arms Control

OVERVIEW STATEMENT

The Bureau of Arms Control (AC) is responsible for leading negotiations on chemical and biological weapons, strategic and sub-strategic nuclear forces, and European conventional arms control, and for implementing existing arms control agreements dealing with these issues. It also leads negotiations at the Geneva Conference on Disarmament and diplomatic efforts at the United Nations on a broad range of arms control issues. The Bureau supports the Under Secretary in both his roles, as Under Secretary (T) for Arms Control and International Security, and in his capacity as Senior Adviser to the President and the Secretary of State on Arms Control, Nonproliferation and Disarmament.

AC also manages the external research program for several bureaus.

NATIONAL INTERESTS & GOALS

Priority: NATIONAL SECURITY, REDUCE THE THREAT TO THE U.S. AND ITS ALLIES FROM WEAPONS OF MASS DESTRUCTION: Maintain and strengthen the new cooperative strategic relationship with Russia and other countries, supported by U.S. allies and friends, that allows development, testing, and deployment of appropriate defensive forces and further reductions in nuclear weapons under conditions of transparency and international stability.

Performance Goals: A. Achieve U.S. and Russian consensus regarding reductions in the number of each country's strategic and non-strategic nuclear weapons, as part of the new strategic framework. B. Achieve U.S. and Russian mutual understanding of each other's activities and programs concerning missile defense, acceptance that these programs do not threaten either's security, and provide for on-going transparency and cooperation concerning missile defense. C. Achieve support and cooperation from friends, allies, and others for the new strategic framework and for understandings reached with Russia. D. Initiate implementation of key elements of the new strategic framework, in cooperation with Russia, friends, allies, and others. E. Establish regular constructive consultations with China on strategic security issues.

Indicators: A. An agreement is reached codifying further reductions in U.S. and Russian strategic nuclear arms and providing for agreed transparency, coordination and cooperation measures. B. Implementation of reductions and transparency measures. C. Actions to implement USG decisions on missile defense.

Progress (as of January 2002): START I reductions were completed as required on December 5, 2001, with assistance from the U.S. CTR program. The number of former Soviet strategic warheads accountable under START I went down during FY 2001 from 6860 to 5988. All strategic offensive arms in Ukraine were eliminated by October 30, 2001. The INF Treaty inspection regime was completed successfully on May 30, 2001. The USG decided to revise our deterrence strategy to better reflect the end of the Cold War while maintaining the capabilities to counter uncertain emerging threats. A new triad including defenses and non-nuclear strike forces will allow U.S. strategic forces to be reduced to the lowest possible number of nuclear weapons consistent with our national security needs and our obligations to our allies. We held extensive consultations on the new strategic framework and on missile defenses with our NATO and Pacific allies, other friends, Russia, and China, made clear that the U.S. will move beyond the ABM Treaty to test and deploy missile defenses, and gave formal notice of U.S. withdrawal from that Treaty. There was steady improvement in the dialogue between Russia and the United States, even though Russian agreement to U.S. missile defense efforts was not achieved during FY 2001. Presidents Bush and Putin agreed to continue consultations on establishing a new strategic relationship based on mutual interests and cooperation, rather than mutual vulnerability. Both sides accept that the U.S.-Russian relationship is much

broader than the ABM Treaty and our mutual efforts to build a new relationship will continue independent of the Treaty. U.S. withdrawal from the ABM Treaty will be effective on June 13, 2002.

Priority: NATIONAL SECURITY, REDUCE THE THREAT TO THE U.S. AND ITS ALLIES FROM WEAPONS OF MASS DESTRUCTION: Work toward the ultimate objective that all states adhere to, and fully implement, existing agreements on eliminating chemical and biological weapons, and that the nuclear weapons potential of states which could threaten the U.S. or its allies is limited and progressively reduced.

Performance Goals: A. Seek additional States Parties to the Chemical Weapons Convention (CWC), and ensure that the managerial and financial problems of the Organization for the Prohibition of Chemical Weapons (OPCW), the international implementing body for the CWC, are resolved, enabling full implementation of CWC provisions, including all inspections. B. Build support for U.S. initiatives intended to strengthen the Biological Weapons Convention (BWC) through practical, largely national implementation measures. C. Begin negotiations on a Fissile Material Cutoff Treaty (FMCT). D. Ensure that the International Monitoring System (IMS) for nuclear testing meets U.S. standards and is over halfway complete by the end of FY 2003.

Indicators: A. Additional States Parties to the CWC; no problems of implementation of U.S. industry obligations; OPCW is well managed and appropriately financed; Russian CW destruction rate increases. B. FMCT negotiations progress well. C. Additional IMS stations installed.

Progress (as of January 2002): Four more states became Parties to the CWC, for a total of 144 at the end of FY 2001. Libya has announced its intention to join. We invested much time and effort in attempting to improve financial and administrative management of the OPCW, which is facing a management crisis and a severe budget crunch. Our efforts ensured that a credible inspection regime was maintained during FY 2001. Russian chemical weapon stockpile destruction finally began during FY 2001, but Russia needs significant financial support, and we continue to press Russia to do more, and to galvanize the international community to provide support. Our goal of negotiating an FMCT at the Geneva Conference on Disarmament (CD) was again thwarted by China, supported by Pakistan and Russia, which continued to block negotiations by linking them to negotiations on nuclear disarmament and outer space. We protected U.S. interests on outer space and nuclear disarmament by maintaining general support in the CD for a work program package that includes negotiations of an FMCT, but only discussion of outer space and nuclear disarmament. Moreover, we were successful in getting consensus on a UN General Assembly resolution calling for FMCT negotiations to begin at the CD, the first FMCT resolution since 1998. The U.S. decided that the draft Protocol for the BWC that was being negotiated was irretrievably flawed, and that the process that had led to it was a dead end. We therefore undertook internal deliberations on alternative, non-traditional ways to strengthen the 1972 BWC, which the U.S. strongly supports. The Administration has no plans to reconsider ratification of the Comprehensive Nuclear-Test-Ban Treaty (CTBT). Instead, the U.S. is focusing attention on supporting international efforts to establish the International Monitoring System, which will supplement U.S. capabilities for monitoring nuclear weapons tests.

Priority: REGIONAL STABILITY, ENSURE REGIONAL INSTABILITIES DO NOT THREATEN THE U.S. AND ITS ALLIES: Ensure that conventional arms control remains an integral stabilizing element of the Eurasian and transatlantic security structure.

Performance Goals: A. Entry into force of the Adapted Treaty on Conventional Armed Forces in Europe (CFE); implementation of the current and Adapted CFE Treaties; orderly accessions to the Adapted CFE Treaty by the end of FY 2003. B. Full implementation of Vienna Document1999 on Confidence- and Security-Building Measures and other requirements by all OSCE states; protection of U.S. equities in the OSCE's Forum for Security Cooperation. C. Entry into force of the Open Skies Treaty; smooth

implementation; accessions. D. Balkan arms control continues to support U.S. political objectives in the region.

Indicators: A. Russia in compliance with flank limits and Final Act commitments, allowing U.S. ratification and entry into force of the Adapted CFE Treaty. B. Entry into force of the Open Skies Treaty; satisfactory certification of aircraft; begin to conduct Treaty observation missions; smooth implementation of Treaty; accessions.

Progress (as of January 2002): The U.S. and NATO maintained strong pressure throughout FY 2001 on the Russian Federation to meet its 1999 Istanbul Commitments regarding CFE flank levels and Russian forces in Georgia and Moldova. NATO solidarity remained strong at the second Review Conference of the CFE Treaty in May 2001. It appears that NATO firmness and solidarity, coupled with intensive diplomatic efforts with Russia, Georgia, and Moldova, might be paying off. By January 2002, the Russians were making some serious moves toward implementation. Dayton arms control implementation proceeded satisfactorily. The Article V negotiations ended in July 2001. The Concluding Document is an exhortative document that urges all participants, but particularly the states in Southeast Europe, to cooperate more in a variety of arms control areas. We succeeded in ensuring that the Concluding Document is essentially a list of suggestions, not requirements, thus protecting U.S. interests in the region. Russia and Belarus ratified the Open Skies Treaty during FY 2001, and it entered into force January 1, 2002. Trial flights continued during the reporting period; for example, the U.S. conducted 16 over the past year, including flights with the Baltic States, Bulgaria, Canada, Czech Republic, Finland, Germany, Norway, Poland, Romania, Slovak Republic, Sweden and Ukraine. We are now focusing on accession questions.

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FY 2003 Request
SUMMARY STATEMENT

Bureau of Arms Control	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	93	11	0	104	$12,776	$8,558	$21,334
FY 2002 Estimate	95	11	0	106	$13,156	$9,168	$22,324
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($9)	$0	($9)
2002 American Cost-of-Living Adjustment	0	0	0	0	$35	$106	$141
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$48	$48
American Cost-of-Living Adjustment	0	0	0	0	$61	$181	$242
FSN Wage	0	0	0	0	$53	$0	$53
Overseas Price	0	0	0	0	$31	$0	$31
Domestic Price	0	0	0	0	$139	$0	$139
Total Built-in Changes	0	0	0	0	$310	$335	$645
FY 2003 Current Services	95	11	0	106	$13,466	$9,503	$22,969
FY 2003 Request	95	11	0	106	$13,466	$9,503	$22,969

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Arms Control	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**102**	**104**	**104**	**0**
International Security Affairs	102	104	104	0
Public Diplomacy	**2**	**2**	**2**	**0**
Public Diplomacy - Program Costs	2	2	2	0
Total	104	106	106	0

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FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Arms Control	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**$21,091**	**$22,067**	**$22,704**	**$637**
International Security Affairs	$21,091	$22,067	$22,704	$637
Public Diplomacy	**$243**	**$257**	**$265**	**$8**
Public Diplomacy - Program Costs	$243	$257	$265	$8
Total	$21,334	$22,324	$22,969	$645

FY 2003 Request

PROGRAM ACTIVITIES

Bureau of Arms Control	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Conduct of Diplomatic Relations	**93**	**11**	**0**	**104**	**$13,466**	**$9,238**	**$22,704**
International Security Affairs	93	11	0	104	$13,466	$9,238	$22,704
Public Diplomacy	**2**	**0**	**0**	**2**	**$0**	**$265**	**$265**
Public Diplomacy - Program Costs	2	0	0	2	$0	$265	$265
Total	95	11	0	106	$13,466	$9,503	$22,969

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Arms Control	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	° Increase/ (Decrease)
Immediate Office of the Assistant Secretary	15	16	16	0
Special Negotiator for Chemical/Biological Weapons	3	3	3	0
Commissioner to the Comprehensive Test Ban Treaty	0	0	0	0
Joint Compliance and Inspection Commission/Special Verification Commissioner	4	4	4	0
Standing Consultative Commissioner	2	2	2	0
Safety Security and Disarmament Commissioner	1	1	1	0
Deputy Assistant Secretary for Strategic Affairs	2	2	2	0
Office of Strategic Negotiations and Implementation	13	13	13	0
Office of Strategic and Theater Defenses	9	9	9	0
Office of Strategic Transition	8	8	8	0
Deputy Assistant Secretary for Multilateral and Conventional Arms Control	2	2	2	0
Office of Conventional Arms Control	8	9	9	0
Office of International Security Negotiations	14	14	14	0
Office of Chemical Weapons Convention/Biological Weapons Convention	12	12	12	0
Total	93	95	95	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Arms Control	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Immediate Office of the Assistant Secretary	$2,931	$3,228	$3,322	$94
Special Negotiator for Chemical/Biological Weapons	$621	$637	$654	$17
Commissioner to the Comprehensive Test Ban Treaty	$0	$0	$0	$0
Joint Compliance and Inspection Commission/Special Verification Commissioner	$827	$849	$873	$24
Standing Consultative Commissioner	$414	$424	$437	$13
Safety Security and Disarmament Commissioner	$207	$213	$218	$5
Deputy Assistant Secretary for Strategic Affairs	$414	$424	$437	$13
Office of Strategic Negotiations and Implementation	$2,688	$2,759	$2,837	$78
Office of Strategic and Theater Defenses	$1,861	$1,910	$1,964	$54
Office of Strategic Transition	$1,654	$1,697	$1,747	$50
Deputy Assistant Secretary for Multilateral and Conventional Arms Control	$414	$424	$437	$13
Office of Conventional Arms Control	$1,654	$1,910	$1,964	$54
Office of International Security Negotiations	$2,893	$2,971	$3,057	$86
Office of Chemical Weapons Convention/Biological Weapons Convention	$2,480	$2,545	$2,620	$75
Total	$19,058	$19,991	$20,567	$576

STAFF BY POST
(positions)

Bureau of Arms Control	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ , (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Austria, Vienna	4	0	4	4	0	4	4	0	4	0	0	0
The Hague	2	0	2	2	0	2	2	0	2	0	0	0
Switzerland, Geneva	5	0	5	5	0	5	5	0	5	0	0	0
Total	11	0	11	11	0	11	11	0	11	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of Arms Control	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Austria, Vienna	$828	$848	$874	$26
The Hague	$414	$424	$437	$13
Switzerland, Geneva	$1,034	$1,061	$1,091	$30
Total	$2,276	$2,333	$2,402	$69

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Arms Control	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$8,744	$9,311	$9,622	$311
1200	Personnel Benefits	$1,547	$1,654	$1,721	$67
2100	Travel & Trans of Persons	$2,967	$3,026	$3,090	$64
2300	Rents, Comm & Utilities	$387	$395	$405	$10
2400	Printing & Reproduction	$253	$258	$264	$6
2500	Other Services	$6,987	$7,222	$7,392	$170
2600	Supplies and Materials	$231	$236	$245	$9
3100	Personal Property	$218	$222	$230	$8
Total		$21,334	$22,324	$22,969	$645

DIPLOMATIC & CONSULAR PROGRAMS

Verification and Compliance

OVERVIEW STATEMENT

The Verification and Compliance Bureau (VC) was created pursuant to a direct congressional mandate and is responsible for the overall supervision (including oversight of both policy and resources) of all matters within the Department relating to verification of compliance with bilateral, multilateral, and international arms control, nonproliferation, and disarmament agreements and commitments.

The Bureau is responsible for establishing verification policy; ensuring that verification is a central element of arms control, nonproliferation, and disarmament agreements and commitments as they are being formulated and negotiated; monitoring compliance with all existing arms control and nonproliferation agreements and commitments; and encouraging the development of technology in support of verification and compliance. The Assistant Secretary also serves as the principal departmental policy liaison to the Intelligence Community on matters related to verification and compliance.

By formulating, advocating, negotiating, and implementing U.S. verification policy and by assessing U.S. and other parties' compliance with arms control, nonproliferation, and disarmament agreements and commitments, the VC Bureau strengthens U.S. national security and develops, for presidential approval, options for verification and compliance policy, strategies, and negotiations. In this regard, for example, the VC Bureau provides critical input to the determination of United States policy related to the Agreed Framework with North Korea and North Korean missile restraint, the viability of the Biological and Toxin Weapons Convention (BWC), and development of a challenge inspection policy for the Chemical Weapons Convention. The VC Bureau also is responsible for providing the verification input to the development and implementation of the strategic offensive force reductions envisioned by the new strategic framework and for assessing Russian compliance with its commitments related to assistance programs, including the Cooperative Threat Reduction Program.

The VC Bureau further ensures the maintenance of vital R&D and critical operational technical collection assets in support of arms control and nonproliferation agreements and commitments.

NATIONAL INTERESTS & GOALS

Priority: Develop and implement effective verification and transparency policy related to arms control and nonproliferation.

Performance Goals:

- Develop and sustain effective verification measures for treaties and commitments.
- Work with other agencies to develop technologies necessary for meeting verification and transparency requirements.

Indicators:

- Develop verification and transparency regimes related to strategic offensive force reductions.
- Develop effective verification policy to ensure North Korean compliance with existing and envisioned bilateral and multilateral constraints on its missile program.

DIPLOMATIC & CONSULAR PROGRAMS

- Develop transparency measures to improve U.S. knowledge of Russian nuclear materials inventories and nuclear warhead production complex.
- Prepare for Fissile Material Cutoff Treaty negotiations.
- Make recommendations related to verification/transparency technology to support the International Atomic Energy Agency (IAEA).
- Develop transparency measures to track nonproliferation assistance programs for Russia to improve our ability to ascertain Russian compliance with its commitments.
- Prepare Report on World Military Expenditures and Arms Transfers (WMEAT).

Progress (as of January 2002):

- Provided critical analysis and recommendations to adapt verification and transparency measures to the new strategic framework.
- Provided ongoing critical verification input to the USG's policy related to North Korean compliance with the Agreed Framework and North Korean Missile restraint.
- Participated in administration's review of Russian assistance programs. Continue on-going assessment of U.S-Russian nonproliferation programs to clarify the overlaps and interrelationships between programs based on the technologies used for transparency measures.
- Preparing WMEAT 1999-2000 for printing. The 2001 edition is in progress.

Priority: Verify compliance with arms control and nonproliferation obligations. Ensure effective implementation of arms control and nonproliferation treaties and commitments.

Performance Goals:

- Rigorously assess the compliance of other countries with their arms control and nonproliferation obligations and commitments.
- Include an assessment of compliance with the Missile Technology Control Regime (MTCR) in the annual compliance report, as specifically mandated by the Congress.
- Verify compliance with unilateral moratoria and WMD activities.
- Provide timely analysis of indications of noncompliance.
- Participate in the internal review of U.S. compliance.
- Monitor and promote implementation of verification regimes.

Indicators:

- Submission of Congressionally mandated compliance reports.
- Lead international initiative to advance U.S. national security through compliance diplomacy.
- Address U.S. concerns relative to undeclared Russian chemical weapon stocks.

DIPLOMATIC & CONSULAR PROGRAMS

- Develop USG policy for the conduct of challenge inspections under the Chemical Weapons Convention.

- Improve USG ability to verify nuclear testing agreements and moratoria.

Progress (as of January 2002):

- Nearing completion of an interagency-cleared draft of the 2001 "Report to the Congress on Adherence to and Compliance with Arms Control and Nonproliferation Agreements and Commitments." This report includes an assessment of MTCR compliance for the first time. VC is also nearing completion of the preparation and coordination of separate reports to the Congress on CWC and CFE compliance.
- Began developing and implementing plan for addressing U.S. concerns relative to undeclared Russian chemical weapon stocks.
- Prepared and is coordinating a report on the verifiability of the Adapted CFE Treaty. This report is required under Section 306 of the Arms Control and Disarmament Act, and will be a part of the ratification package for the Adapted CFE Treaty.
- Continuing to engage the Congress in a series of briefings on compliance issues related to strategic, nuclear, chemical, biological, and conventional agreements.
- Under State/VC leadership, the U.S. is the only country to have requested and successfully carried out Article IX consultation visits under the Chemical Weapons Convention (CWC). These directly resulted in the resolution of compliance concerns and in presidential certifications of compliance for several countries.
- State/VC is developing and implementing the USG policy for the conduct of challenge inspections under the Chemical Weapons Convention.
- Designed and began implementation of an independent capability to collect and assess available nuclear testing monitoring information.

Priority: Preserve key verification and monitoring technology and assess and maximize interagency coordination of nonproliferation, arms control, and critical infrastructure protection R&D to advance the arms control and nonproliferation agenda.

Performance Goals:

- Ensure Intelligence Community resource allocations for monitoring assets essential to effective verification and transparency are sufficient.
- Preserve monitoring capabilities and fill technology gaps through recommendations of the VC-chaired interagency Treaty Monitoring Working Group (TMWG) and the VC-co-chaired interagency Nonproliferation and Arms Control Technology Working Group (NPAC TWG). Utilize these recommendations to provide candidates for funding by the Key Verification Assets Fund (V Fund).
- Monitor Critical Infrastructure Protection (CIP) foreign program and policy developments and provide forum to develop proposals to facilitate sharing of information about ongoing and planned international CIP R&D and related technology issues.

DIPLOMATIC & CONSULAR PROGRAMS

Indicators:

- Permanent funding line established for some assets.
- Effective international CIP R&D to mitigate and prepare for future terrorist attacks.

Progress (as of January 2002):

- Although a permanent funding line was not established for some assets, with the support of the TMWG, key assets were preserved.
- Coordinated calls initiated between U.S. technical agencies and other countries and multilateral organizations for ongoing and newly proposed CIP R&D to address shortfalls and funding gaps. Creation of mechanisms for information sharing among the private sector, academia, and the USG on threats, attacks, and protective measures.

Priority: Ensure compliance with the notification requirements of arms control agreements.

Performance Goals:

- Ensure Nuclear Risk Reduction Center (NRRC) system resources, operational procedures and trained personnel are available and ready to support existing and new arms control agreements as they are negotiated, approved, and enter into force.
- Maintain operationally critical 24/7 staffing, while increasing automation of message processing.
- Actively work with the interagency community and international arms control (e.g. NRRC-to-NRRC consultations, Organization for the Prohibition of Chemical Weapons (OPCW) Technical Secretariat) to improve the reliability and effectiveness of current notification regimes for 16 arms control treaties and agreements, and incorporate lessons learned into future arms control information exchange protocols.
- Support and upgrade the hardware used to support the CWC Communications Link.
- Establish emergency back-up communications site outside of the Main State NRRC site.

Indicators:

- Successful exchanges with Kazakhstan and Ukraine on updating the NRRC secure link agreements with those countries.
- Completion of Government-to-Government Communications Links (GGCLs) replacement system design.

Progress (as of January 2002):

- Signed NRRC secure communications agreements with Ukraine and Kazakhstan.

- Determined the optimal requirements and architecture of a new system to replace the current GGCLs – the primary USG systems resource for the exchange of nuclear treaty notifications with the states of the former Soviet Union. (Current systems are expected to end their operational life in FY 2005.) Through the NRRC's international communications system, approximately 15,500 government-to-government exchanges are communicated yearly.
- Preparing the U.S. proposal for the GGCLs replacement system design (in preparation for proposal to the START Treaty Parties).
- Upgrade CWC Communications Link, which will enable full USG support of CWC implementation.
- Preparations began for an emergency back-up communications site outside of the Main State NRRC site.
- Preparing for annual NRRC-to-NRRC consultations with START Treaty Parties.

Priority: Develop effective computer software applications to support verification/transparency efforts.

Performance Goal:

- Improve the development and implementation of verification/transparency regimes by expanding the use of information technology and the development of computer models, databases, and systems.

Indicator:

- Improve interagency sharing of arms control information in support of USG treaty implementation and verification.
- Improvements to CWC (OPCW) data standards and integrity through information technology.

Progress (as of January 2002):

- Upgraded the Arms Control Data Repository and the Treaty Information Portal (TIP) by providing access to the defense and intelligence community through the Secret Internet Protocol Routed Network (SIPRNET). Over 150,000 pages have been added to our TIP system this year.
- Provided experts in verification systems and data management for five international arms control meetings. These experts assisted in the development of programs to implement data structures for electronic exchange of the Adapted CFE Treaty.
- Provided monthly security engineering expertise for the OPCW TS development and accreditation of a relational data base system to house electronic CWC declaration exchange data.
- Developed a file input and output data transfer program completed and accepted for standard OPCW electronic transfer of CWC declaration data between parties. This tool will reduce the expense of data transmission and allow timely verification of CWC data.

DIPLOMATIC & CONSULAR PROGRAMS

Priority: Enhance the state of the art computer environment for the AC, NP, PM, AND VC bureaus.

Performance Goal:

- Provide AC, NP, PM, and VC Bureau personnel with access to four categories of systems: decision support, database management, data communications, and office automation.

Indicators:

- AC, NP, PM, and VC access to timely and accurate data. Maintain data and systems integrity.
- Information processing systems and telecommunication systems support domestically and overseas.
- Development and management of web sites and e-government applications for the AC, NP, PM, and VC Bureaus.

Progress (as of January 2002):

- Developed and deployed videoconferencing collaboration capability and access for the AC, NP, PM, and VC Bureaus. Installed video collaboration facilities in Geneva, Main State, and State Annex 1.
- Extended videoconferencing collaboration systems to support communications with overseas delegations and selected U.S. facilities using ISDN, Internet, and Internet2 networks.
- Developed a relational data base and document repository to support NP Office of Proliferation Threat Reduction. This data base allows analysis and management of international science centers' initiatives in Moscow and Kiev.
- Managed the development of PM Office of Defense Trade Controls database and information processing system to support the international licensing and tracking of munitions in accordance with International Traffic in Arms Regulations (ITAR).

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Verification and Compliance	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	74	0	0	74	$5,787	$6,667	$12,454
FY 2002 Estimate	76	0	0	76	$6,492	$7,137	$13,629
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($14)	$0	($14)
2002 American Cost-of-Living Adjustment	0	0	0	0	$33	$83	$116
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$72	$72
American Cost-of-Living Adjustment	0	0	0	0	$57	$141	$198
Domestic Price	0	0	0	0	$68	$0	$68
Total Built-in Changes	0	0	0	0	$144	$296	$440
FY 2003 Current Services	76	0	0	76	$6,636	$7,433	$14,069
FY 2003 Request	76	0	0	76	$6,636	$7,433	$14,069

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Verification and Compliance	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**74**	**76**	**76**	**0**
International Security Affairs	74	76	76	0
Total	74	76	76	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Verification and Compliance	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**$12,454**	**$13,629**	**$14,069**	**$440**
International Security Affairs	$12,454	$13,629	$14,069	$440
Total	$12,454	$13,629	$14,069	$440

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request

PROGRAM ACTIVITIES

Bureau of Verification and Compliance	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Conduct of Diplomatic Relations	**76**	**0**	**0**	**76**	**$6,636**	**$7,433**	**$14,069**
International Security Affairs	76	0	0	76	$6,636	$7,433	$14,069
Total	76	0	0	76	$6,636	$7,433	$14,069

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Verification and Compliance	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Verification and Compliance	8	10	10	0
Deputy Assistant Secretary for Strategic Affairs and Technology	2	2	2	0
Office of Nuclear Risk Reduction Center	21	21	21	0
Office of Technology and Assessments	6	6	6	0
Office of Strategic & Missile Affairs	6	6	6	0
Deputy Assistant Secretary for Multilateral Affairs and Operations	2	2	2	0
Office of Conventional and CBW Compliance	9	9	9	0
Office of Nuclear Affairs	7	7	7	0
Office of Verification and Operations	13	13	13	0
Total	74	76	76	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Verification and Compliance	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Verification and Compliance	$1,347	$1,793	$1,851	$58
Deputy Assistant Secretary for Strategic Affairs and Technology	$336	$359	$371	$12
Office of Nuclear Risk Reduction Center	$3,534	$3,766	$3,888	$122
Office of Technology and Assessments	$1,010	$1,076	$1,111	$35
Office of Strategic & Missile Affairs	$1,010	$1,076	$1,111	$35
Deputy Assistant Secretary for Multilateral Affairs and Operations	$336	$359	$371	$12
Office of Conventional and CBW Compliance	$1,515	$1,614	$1,666	$52
Office of Nuclear Affairs	$1,178	$1,255	$1,296	$41
Office of Verification and Operations	$2,188	$2,331	$2,404	$73
Total	$12,454	$13,629	$14,069	$440

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Verification and Compliance	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$8,326	$8,834	$9,080	$246
1200	Personnel Benefits	$1,156	$1,237	$1,289	$52
2100	Travel & Trans of Persons	$284	$290	$300	$10
2300	Rents, Comm & Utilities	$0	$0	$0	$0
2400	Printing & Reproduction	$0	$0	$0	$0
2500	Other Services	$2,677	$3,257	$3,387	$130
2600	Supplies and Materials	$7	$7	$8	$1
3100	Personal Property	$4	$4	$5	$1
Total		$12,454	$13,629	$14,069	$440

DIPLOMATIC & CONSULAR PROGRAMS

Non-Proliferation

OVERVIEW STATEMENT

The Bureau of Non-proliferation (NP) leads U.S. efforts to reduce the threat to the United States and its allies from the proliferation of nuclear, biological and chemical weapons, their missile delivery systems, and destabilizing conventional arms. In particular, NP is the principal USG vehicle to marshal international efforts to deny terrorists and the rogue states that support them the material, equipment, expertise and technology necessary to acquire weapons of mass destruction and the means to deliver them.

NP seeks to:

- prevent the leakage of Cold War-era nuclear materials and dangerous biological pathogens, primarily from Russia and Eurasian former Soviet republics, and redirect their WMD expertise;
- deny materials and technology to proliferators by curbing Russia, China and North Korea as suppliers;
- prevent and inhibit WMD and missile programs in key countries and regions, including Iran, Iraq, Libya, North Korea and South Asia;
- champion and strengthen international nonproliferation agreements and norms, in particular by ensuring the strength of the International Atomic Energy Agency; and
- promote peaceful nuclear cooperation and ensure that it serves nonproliferation, safety and environmental goals.

In 2001, NP played a major role in working to keep WMD and missiles out of the hands of rogue states, terrorists and those harboring or supporting them. We made concrete progress in impeding their access to materials, equipment, technology and expertise that would aid their WMD and missile aspirations. We spearheaded a number of successful interventions that halted transfers to suspect countries, and when necessary, invoked sanctions. For example, under the Iran Nonproliferation Act of 2000, we imposed penalties in June 2001on a Chinese entity for transferring technical assistance controlled under the Australia Group (AG) to Iran. We also sanctioned a North Korean entity in January and June 2001 for transferring equipment and technology controlled under the Missile Technology Control Regime (MTCR) Annex to Iran. Separately, Bulgaria made a commitment to the U.S. to eliminate its inventory of MTCR-class ballistic missiles and related equipment.

Our nonproliferation relationship with Russia and China was more problematic, while North Korea has not responded to our new position. Russia-Iran nuclear, missile, and conventional weapons cooperation remains a major challenge which we will continue to address as a top priority. We engaged with China to promote full implementation of its November 2000 commitments not to assist other countries in any way to develop MTCR-class missiles and enact comprehensive missile-related export controls, without success. We also imposed mandatory missile sanctions on Chinese and Pakistani entities for their involvement in the transfer of MTCR-controlled items from China to Pakistan. We continue to work on tightening and re-targeting controls on transfers of arms, WMD and missile technology to Iraq.

The U.S. policy review on South Asia culminated in the September 2001 waiver of nuclear-related sanctions against India and Pakistan, which does not signal a lessening of U.S. nonproliferation commitments, but rather a desire to engage on nonproliferation concerns in a more cooperative atmosphere. In November 2001 we also waived certain missile sanctions imposed against the Pakistani Ministry of Defense in support of Operation Enduring Freedom. The review of nonproliferation assistance to Russia has also been completed. The major conclusion was that these programs - including our Export Control and Border Security Assistance program - remain critical to reducing the risk of proliferation of weapons of mass destruction, materials or technology. Among the programs identified for expansion were State's programs for Science Centers and Redirection of Biotechnical Scientists.

DIPLOMATIC & CONSULAR PROGRAMS

NATIONAL INTERESTS & GOALS

Priority: DENYING THE SUPPLY OF EQUIPMENT, MATERIAL OR TECHNOLOGY TO PROLIFERATING GOVERNMENTS OR TERRORISTS FROM ABROAD: Prevent countries or sub-national groups from acquiring the means to develop, produce, or modify WMD or missile delivery systems, or from acquiring destabilizing conventional military capabilities.

Performance Goals: A. Strengthen the multilateral export control regimes, make progress on the International Code of Conduct Against Ballistic Missile Proliferation (ICOC) and press key supplier and transshipment states like North Korea, Russia and China to adopt policies and practices in line with international norms. B. Assist others to upgrade their export controls, work to break black and gray market procurement networks for WMD and missiles through international cooperation, and ensure we properly oversee our own export behavior. C. Craft a U.N. control mechanism to deny Iraq sensitive goods to rearm while permitting the Iraqi people to receive the civilian goods they need. D. Cut off outside assistance to nuclear and missile programs in Iran and Iraq.

Indicators: A. Proliferators such as Iran, Iraq, North Korea, Syria and Libya are denied missile technology and materials from other countries. B. Iran is denied the essential foreign technologies it needs to develop nuclear weapons. C. China fully implements its November 2000 missile nonproliferation commitments. D. Access of states of concern and terrorists to WMD and missile equipment and technology is impeded through border and export control assistance. E. Controls and control procedures of the multilateral nonproliferation regimes are enhanced. F. Information sharing on programs and activities of proliferation concern is increased. G. Key supplier networks are disrupted. H. Export control enforcement is strengthened at more transshipment centers. I. Strong U.S. export regulations with effective enforcement is maintained, and support among other supplier countries to reinforce and not undercut U.S. export control decisions is increased.

Progress (as of January 1, 2002): NP slowed the access of countries of proliferation concern, in many cases, to materials and equipment that would aid a WMD or missile program, principally by denying requests to export sensitive U.S.-origin goods or technology, and interdicting sensitive foreign exports. Working with other agencies, our multilateral regime partners, and other foreign governments, we have continued to impede the transfer of technical assistance and key items to nuclear, chemical, or biological weapons programs, or missile programs, in Iran, North Korea, Libya, Syria, India and Pakistan. The U.S. objected to Russian assistance to Iran's and India's WMD and ballistic missile programs. Iran received the first major components of a Bushehr reactor from Russia, but all other nuclear suppliers continued to refrain from cooperation with Iran. The U.S. engaged with China on its disappointing record in implementing its November 2000 missile nonproliferation commitments and in September 2001 imposed mandatory sanctions. We have no reason to conclude that China is not seriously implementing its 1997 nuclear commitments. The UN Security Council committed to pass a Goods Review List (GRL) in May 2002 to re-target sanction on Iraq. The U.S. pressed efforts to establish the ICOC, intended to be a widely subscribed voluntary new multilateral mechanism to establish an international predisposition against missile proliferation. The U.S. worked with other AG members in making progress to strengthen the AG to better address chemical and biological weapon (CBW) proliferation and terrorism. There was a marked increase in both meeting export control standards, and successes in interdicting WMD and related components, the latter due largely to better coordination of information and activities.

We expanded our export control cooperation and assistance program to help foreign governments (especially Russia, other Eurasia republics, and transit states in eastern and central Europe, the Mediterranean, the Middle East and Asia) to establish, enhance, and enforce world-class national export

control systems, through training and provision of equipment. Over the past year, with U.S. assistance, a number of countries, including Russia and other Eurasia republics, have improved internal physical and legal controls designed to prevent illegal transfers of materials suitable for WMD. Slovakia, Bulgaria, and the Czech Republic have all either adopted new export control laws or implemented new regulations on arms brokering and controls on intangible transfers of technology. We secured a commitment by the United Arab Emirates, a key transit/transshipment state, to take steps to adhere unilaterally to nonproliferation regimes, and to cooperate in establishing an export control/border security system that meets international standards. NP began an export control cooperation program with India to help strengthen its export controls and impede unauthorized transfers of proliferation concern. NP continued to lead and fund deployment of an automated export-control licensing system in Eurasia and Central Europe to help countries track exports of proliferation concern.

***Priority:** CHANGING THE COURSE OF PROLIFERATING GOVERNMENTS: Engage directly or indirectly, where possible, with countries of concern to urge them to constrain, halt or reverse proliferation, using an array of positive and negative incentives.*

Performance Goals: A. Reengage with North Korea on its nuclear and missile programs. B. Work through the UN to induce Iraq to accept international inspections. C. Continue our efforts to persuade India and Pakistan to restrain their nuclear and missile competition.

Indicators: A. Delays in the development, production, testing, and deployment of WMD and ballistic missiles, and in their quality and reliability. B. North Korea exercises restraint in its nuclear and missile programs; conforms to international nonproliferation norms of behavior; and takes steps to reduce tension on the Korean Peninsula. C. Iraq agrees that the only way to move toward suspension or lifting of UN sanctions is by admitting and cooperating with UN and International Atomic Energy Agency (IAEA) inspectors. D. India and Pakistan exercise restraint in their nuclear and missile programs, and conform to international nonproliferation norms of behavior.

Progress (as of January 1, 2002): South Asia: Nuclear test moratoria continue, though in a dangerous atmosphere of confrontation. India is partially addressing U.S. onward proliferation concerns. Pakistan further tightened its export controls, but proliferation risks continue. Ballistic missile programs in both countries continue unrestrained. Middle East: UN inspection organizations for Iraq remain ready to resume inspections, but Iraq has continued to reject UN Security Council Resolution 1284. East Asia: North Korea continued to comply with its key commitments under the Agreed Framework and maintained its missile flight-test moratorium. NP helped shape a policy review on North Korea, completed in June, and informed North Korea. The U.S. seeks serious discussions on a range of issues: improved implementation of the Agreed Framework relating to North Korea's nuclear activities; effectively verifiable constraints on North Korea's missile program and a ban on missile exports; and a less threatening conventional military posture. North Korea has yet to agree to a U.S. proposal for comprehensive talks.

***Priority:** SECURITY OR ELIMINATION OF WMD AND MISSILE CAPABILITIES LEFT OVER FROM THE COLD WAR: Eliminate excess nuclear weapons materials, secure nuclear, chemical and biological weapons technology and facilities, prevent scientists from being recruited by proliferators or terrorists, dismantle weapons production complexes, and combat nuclear smuggling, particularly in the New Independent States (NIS).*

Performance Goals: A. Pursue a wide array of cooperative programs in Russia and former Soviet Eurasian republics to help them meet their arms control obligations, control and dispose of the massive quantities of WMD materials there, especially excess fissile materials, and ensure former Soviet nuclear, biological and chemical weapon expertise does not leak to rogue states and terrorists. B. Cooperate with DOE and DOD to ensure all our cooperative threat reduction programs complement each other and maximize the impact of

each taxpayer dollar spent on them. C. Use these programs to foster a cooperative strategic relationship with Russia and to further our other nonproliferation objectives.

Indicators: A. There is further progress toward disposition of excess Russian weapons plutonium. B. The number of former nuclear, biological and chemical weapons scientists redirected to civilian activities is increased and there is progress in developing self-sustaining civilian alternative employment. C. There is progress in transparency at the Mayak Fissile Material Storage Facility.

Progress (as of January 1, 2002): A review of nonproliferation assistance to Russia and more cost-effective options was completed, with positive results. Work will now continue on developing more cost-effective options for safely and economically disposing of at least 34 metric tons of Russian plutonium. The Mayak Fissile Material Storage Facility was nearly completed, with talks on transparency – a major obstacle – still in progress. The assistance review also reaffirmed the value of the Plutonium Production Reactor Agreement (PPRA). Plutonium transparency arrangements for initial visits have been resolved and a monitoring mission scheduled. We achieved substantial success in engaging former Soviet scientists in peaceful research to deter recruitment by rogue states and terrorists, though transition to self-sustainability needs further improvement. The Science Centers engaged almost 50,000 scientists and with several new high-interest institutes. Redirection activities and budgets were expanded, particularly in the area of former biological and chemical weapons scientists. The number of private industry partners and industry financing of science center projects increased.

Priority: A STRONGER INTERNATIONAL SYSTEM OF NONPROLIFERATION TREATIES AND THE MEANS OF VERIFYING THEM: Reduce the long-term threat of WMD by strengthening the multilateral and bilateral network of international legal agreements, treaties, and verification systems that constrain the development of WMD technologies, exports and weapons and permit us to detect and respond to proliferant actions.

Performance Goals: A. Ensure the IAEA conducts credible safeguards inspections to verify compliance with the Nuclear Non-Proliferation Treaty (NPT). B. Press others to bring into force upgraded IAEA safeguards designed to detect Iraq-style clandestine nuclear facilities. C. Assist the IAEA in verifying key nuclear agreements – such as the Agreed Framework with North Korea – and the UN in preparing effective inspections for Iraq. D. Seek to break the international logjam that is blocking negotiation of the Fissile Material Cutoff Treaty to end the production of unsafeguarded nuclear weapons material. E. Lead international efforts to strengthen the international convention that sets the standards for the physical protection of nuclear material from theft.

Indicators: A. A healthy NPT regime, including the IAEA, is maintained. B. The IAEA seeks verification of the NPT in North Korea and Iraq. C. Further steps are taken to strengthen the IAEA safeguards system. D. Work begins on effective technical implementation mechanisms for progress on a Fissile Material Cutoff Treaty (FMCT).

Progress (as of January 1, 2002): The NPT remains strong with widespread support, and the process or preparation for the 2005 NPT Review Conference began smoothly. No state threatened to withdraw. North Korea remained a party and took limited steps to improve cooperation with the IAEA. The U.S. provided strong support for IAEA safeguards and essential new IAEA programs (e.g., information and imagery analysis) and integrated safeguards. Key equipment needs, e.g., in surveillance areas, were met. Over $50 million for safeguards equipment made important contributions to IAEA safeguards effectiveness. Seven additional states signed protocols and 13 Additional Protocols were brought into force. The IAEA responded quickly to September 11 terrorist attacks. Director General ElBaradei reviewed relevant IAEA activities with a view to strengthening them.

DIPLOMATIC & CONSULAR PROGRAMS

Priority:** INTERNATIONAL NUCLEAR COOPERATION UNDER THE HIGHEST NONPROLIFERATION AND SAFETY STANDARDS: **Pursue international nuclear cooperation and safety policies that reduce the risks of proliferation and protect the global environment from nuclear accidents and improperly managed nuclear waste from Soviet-era facilities.

Performance Goals: A. As a part of a team involving DOE, the Nuclear Regulatory Commission, U.S. industry and other U.S. agencies, ensure the U.S. is seen as a reliable and valuable partner in international nuclear cooperation. B. Increase our cooperation with long-standing energy partners in East Asia and Europe and reach out to other countries willing to pursue nuclear energy solely for peaceful purposes under stringent nonproliferation conditions. C. Provide advice and assistance to other countries -- particularly those operating unsafe Soviet-era reactors -- in meeting international nuclear safety and environmental standards. D. Assist in the implementation of the Agreed Framework with North Korea by providing nuclear safety assistance, crafting a workable nuclear liability regime, and negotiating a bilateral nuclear cooperation agreement with North Korea that meets the standards of U.S. law. E. If Russia meets our nonproliferation conditions, negotiate cooperative arrangements with Russia to the benefit of our nuclear industries, international nuclear safety and global nuclear nonproliferation.

Indicators: A. Benefits of peaceful nuclear cooperation continue to be extended to the IAEA, EU, 24 other countries, and Taiwan. B. Closure strategies for unsafe former Soviet and Eastern European reactors are developed. C. World Bank and European Bank for Reconstruction and Development (EBRD) loans are sought for replacement of old, unsafe reactors. D. Nuclear regulatory bodies in Russian and other NIS republics are enhanced and strengthened. E. Remediation of Russian nuclear waste is improved.

Progress (as of January 1, 2002): Chornobyl was shut down on December 15, 2000. Donors are providing funding for the sarcophagus and support for energy reform through the EBRD. Lithuania's Ignalina reactor is preparing for closure in 2005 and Bulgaria signed an International Decommissioning Fund Agreement with the EBRD requiring early closure of Kozloduy reactors 1 & 2. The U.S. negotiated a policy change in the G-7 that supports our efforts to help avoid a nuclear accident in Russia while pressing for closure of unsafe reactors. The G7 agreed to continue to provide expert safety advice to Russia as its high-risk reactors enter life extension. We have made substantial progress in negotiating a Multilateral Nuclear Environmental Program in Russia (MNEPR) agreement with Russia and the European Union (EU). U.S. continued as a reliable and predictable partner in peaceful nuclear cooperation with other countries, licensing approximately $1 billion of exports under stringent non-proliferation conditions, with no known violations of those conditions. We have supported DOE's international initiative on next-generation fuel cycles while ensuring that it gave proper consideration to proliferation resistance.

Priority:** CONSTRAINING THE TRANSFER OF CONVENTIONAL ARMS TO STATES OF CONCERN: **Promote effective and responsible regulation of international transfers of conventional arms and related dual-use technologies, while preventing such transfers to state sponsors of terrorism and states of concern and implementing U.S. sanctions against U.S. and foreign parties.

Performance Goals: A. Use multilateral mechanisms, U.S. law, and diplomatic actions to persuade countries not to supply arms to state sponsors of terrorism or countries who present particular threats to U.S. interests or regional stability. B. Pay particular attention to the transfer of advanced conventional weapons or sophisticated dual-use technologies that might degrade U.S. forces' qualitative edge against potential opponents. C. Focus most strongly on denying all arms supply to Iraq and destabilizing supplies of arms to states like Iran, Libya, Syria, Sudan, and North Korea.

Indicators: A. The Wassenaar Arrangement control procedures and lists are reviewed and extended; applicable technologies are identified and multilateral review of control levels initiated. B. Categories of arms whose transfer is subject to reporting under the Wassenaar Arrangement are increased. C. A

multilateral arms transfer code of conduct receives support from major allies. D. U.S. dual-use export control policies are formulated and efficiently implemented.

Progress (as of January 1, 2002): A draft text for a multilateral Arms Transfer Code of Conduct was developed, but because arms sales reflect national foreign policies, we do not foresee significant non-European adherence to the code. We also launched an initiative to add anti-terrorism to the Wassenaar Arrangement's mandate. The U.S. continues to overcome opposition to establishing a new Small Arms/Light Weapons category, to revise the ship tonnage category, and otherwise enhance arms transparency in the Wassenaar Arrangement. We also continued work to bring on-line the Wassenaar Arrangement Information System, which will enable us not only to submit more complete reporting, but also to review reported transfers of other participating states. We have pressed harder for timely and thorough reporting of arms and other transfers subject to national reporting requirements in the Wassenaar Arrangement.

FY 2003 Request

SUMMARY STATEMENT

Bureau of Non-Proliferation	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	176	0	0	176	$7,328	$14,835	$22,163
FY 2002 Estimate	177	0	0	177	$7,932	$15,748	$23,680
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($5)	$0	($5)
2002 American Cost-of-Living Adjustment	0	0	0	0	$13	$182	$195
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$24	$24
American Cost-of-Living Adjustment	0	0	0	0	$23	$311	$334
Domestic Price	0	0	0	0	$124	$0	$124
Total Built-in Changes	0	0	0	0	$155	$517	$672
FY 2003 Current Services	177	0	0	177	$8,087	$16,265	$24,352
FY 2003 Request	177	0	0	177	$8,087	$16,265	$24,352

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Non-Proliferation	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**10**	**10**	**10**	**0**
Mission Direction	10	10	10	0
Conduct of Diplomatic Relations	**127**	**128**	**128**	**0**
International Security Affairs	127	128	128	0
Public Diplomacy	**2**	**2**	**2**	**0**
Public Diplomacy - Program Costs	2	2	2	0
Domestic Administrative Support	**37**	**37**	**37**	**0**
Domestic Administrative Management	4	4	4	0
Domestic Financial Services	10	10	10	0
Domestic Personnel Services	13	13	13	0
Domestic General Services	10	10	10	0
Other Domestic General Services	10	10	10	0
Total	176	177	177	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Non-Proliferation	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,338**	**$1,428**	**$1,463**	**$35**
Mission Direction	$1,338	$1,428	$1,463	$35
Conduct of Diplomatic Relations	**$16,115**	**$17,177**	**$17,699**	**$522**
International Security Affairs	$16,115	$17,177	$17,699	$522
Public Diplomacy	**$251**	**$265**	**$273**	**$8**
Public Diplomacy - Program Costs	$251	$265	$273	$8
Domestic Administrative Support	**$4,459**	**$4,810**	**$4,917**	**$107**
Domestic Administrative Management	$497	$538	$549	$11
Domestic Financial Services	$1,194	$1,285	$1,314	$29
Domestic Personnel Services	$1,542	$1,665	$1,703	$38
Domestic General Services	$1,226	$1,322	$1,351	$29
Other Domestic General Services	$1,226	$1,322	$1,351	$29
Total	$22,163	$23,680	$24,352	$672

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Non-Proliferation	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**10**	**0**	**0**	**10**	**$543**	**$920**	**$1,463**
Mission Direction	10	0	0	10	$543	$920	$1,463
Conduct of Diplomatic Relations	**128**	**0**	**0**	**128**	**$6,000**	**$11,699**	**$17,699**
International Security Affairs	128	0	0	128	$6,000	$11,699	$17,699
Public Diplomacy	**2**	**0**	**0**	**2**	**$8**	**$265**	**$273**
Public Diplomacy - Program Costs	2	0	0	2	$8	$265	$273
Domestic Administrative Support	**37**	**0**	**0**	**37**	**$1,536**	**$3,381**	**$4,917**
Domestic Administrative Management	4	0	0	4	$184	$365	$549
Domestic Financial Services	10	0	0	10	$400	$914	$1,314
Domestic Personnel Services	13	0	0	13	$515	$1,188	$1,703
Domestic General Services	10	0	0	10	$437	$914	$1,351
Other Domestic General Services	10	0	0	10	$437	$914	$1,351
Total	177	0	0	177	$8,087	$16,265	$24,352

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Non-Proliferation	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary	10	10	10	0
Congressional & Public Affairs	5	5	5	0
Special Representative for Rep Nuclear Non-Proliferation	2	2	2	0
Special Negotiator FM/PU	2	2	2	0
Policy Coordination	6	6	6	0
Regional Affairs	17	17	17	0
Non-Proliferation Threat Reduction	17	18	18	0
Senior Coordinator for Nuclear Safety	8	9	9	0
Deputy Assistant Secretary for Regional Non-Proliferation	2	2	2	0
Office of Multilateral Nuclear Affairs	13	13	13	0
Executive Director	34	34	34	0
Export Control Cooperation & Sanctions	13	13	13	0
Deputy Assistant Secretary for Non-Proliferation Controls	2	2	2	0
Nuclear Energy Affairs	18	17	17	0
Chemical, Biological & Missile Affairs	13	13	13	0
Export Control & Conventional Arms Non-Proliferation Policy	14	14	14	0
Total	176	177	177	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Non-Proliferation	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary	$1,249	$1,338	$1,378	$40
Congressional & Public Affairs	$708	$667	$683	$16
Special Representative for Rep Nuclear Non-Proliferation	$250	$268	$275	$7
Special Negotiator FM/PU	$250	$268	$275	$7
Policy Coordination	$750	$807	$826	$19
Regional Affairs	$2,123	$2,275	$2,339	$64
Non-Proliferation Threat Reduction	$2,082	$2,408	$2,477	$69
Senior Coordinator for Nuclear Safety	$1,039	$1,070	$1,100	$30
Deputy Assistant Secretary for Regional Non-Proliferation	$250	$268	$275	$7
Office of Multilateral Nuclear Affairs	$1,631	$1,740	$1,789	$49
Executive Director	$4,373	$4,542	$4,679	$137
Export Control Cooperation & Sanctions	$1,625	$1,740	$1,789	$49
Deputy Assistant Secretary for Non-Proliferation Controls	$250	$268	$275	$7
Nuclear Energy Affairs	$2,208	$2,408	$2,477	$69
Chemical, Biological & Missile Affairs	$1,625	$1,740	$1,789	$49
Export Control & Conventional Arms Non-Proliferation Policy	$1,750	$1,873	$1,926	$53
Total	$22,163	$23,680	$24,352	$672

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Non-Proliferation	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$12,388	$12,971	$13,360	$389
1200	Personnel Benefits	$3,586	$3,959	$4,087	$128
2100	Travel & Trans of Persons	$1,337	$1,363	$1,363	$0
2300	Rents, Comm & Utilities	$168	$171	$171	$0
2400	Printing & Reproduction	$255	$260	$260	$0
2500	Other Services	$2,792	$3,287	$3,442	$155
2600	Supplies and Materials	$163	$166	$166	$0
3100	Personal Property	$1,052	$1,073	$1,073	$0
4100	Grants, Subsidies & Contrb	$422	$430	$430	$0
Total		$22,163	$23,680	$24,352	$672

DIPLOMATIC & CONSULAR PROGRAMS

Chief of Protocol

OVERVIEW STATEMENT

The Chief of Protocol (S/CPR) provides protocol support directly to the President, the Vice President, the Secretary of State, and the Deputy Secretary of State. The Office of Protocol is responsible for supporting official representational and diplomatic functions hosted by these individuals, and for the protocol aspects of their travel abroad. The Bureau has the lead responsibility for planning, organizing, coordinating and directing official visits to the United States by foreign leaders and dignitaries. The duties of the Bureau include:

- accrediting foreign ambassadors and other diplomatic, consular and personnel of international organizations assigned to the United States,
- presenting newly arrived foreign ambassadors to the President,
- selecting and purchasing of appropriate gifts for US principals to present to foreign dignitaries; receipt, registration and storage of gifts presented to US officials by foreign governments,
- planning, organizing, and directing the travel of presidential delegations, and
- managing the President's Guest House (Blair House).

Protocol's general responsibilities are defined by tradition as well as by the diplomatic activity of each individual Administration.

NATIONAL INTERESTS & GOALS

Visits: The Office of Protocol plans, arranges, coordinates, and directs programs for visiting heads of government and chiefs of state; coordinates foreign press arrangements for visits of dignitaries; manages and administers the gift program; and coordinates the travel of presidential delegations. In FY 2001, the Visits Section supported (1) State Visit, (0) Official Visits, (1) Official Working Visit, and 30 Working Visits. The office coordinated 3 Presidential delegations in FY 2001 and assisted in accrediting 43 new Ambassadors.

Ceremonials: The Office of Protocol organizes ceremonial and official functions hosted by the Secretary of State and other high-ranking officials. It assists with public events such as Joint Meetings of Congress, especially with regard to participation of the Diplomatic Corps. This office compiles and maintains the precedence lists and responds to public inquiries regarding flag protocol, as well as forms of address, seating, invitations, etc. In FY 2001, this office facilitated over 88 representational events (dinners, teas, luncheons, receptions and breakfasts). In addition, it assisted with 110 swearing-in ceremonies for senior officials and new American Ambassadors.

Diplomatic and Consular Liaison: Protocol is responsible for the accrediting foreign ambassadors and other diplomatic, consular and personnel of international organizations assigned to the United States. It assists foreign diplomats in connection with privileges and immunities, and administers the program to enforce limitations on diplomatic immunities and to control the abuse of such immunities. Currently there are over 170 resident diplomatic missions in the United States. Over 100,000 persons, including principals, spouses and dependents, are on record with Protocol (each deriving some level of status, privileges or immunities from their affiliation with a foreign government entity or an international organization).

President's Guest House: Protocol manages and administers Blair House, the official Washington residence for foreign guests of the President. Routine operations and maintenance are the responsibility of the Protocol Bureau. Over the last several years, Blair House has supported an average of 24 visits per year spanning over 69 days. It has also been the venue for approximately 83 representational lunches, dinners, receptions, meetings, briefings, and tours.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request

SUMMARY STATEMENT

Office of Protocol	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	56	0	0	56	$1,183	$3,798	$4,981
FY 2002 Estimate	56	0	0	56	$1,435	$4,318	$5,753
FY 2003 Built-in Changes							
2002 American Cost-of-Living Adjustment	0	0	0	0	$3	$50	$53
American Cost-of-Living Adjustment	0	0	0	0	$5	$85	$90
Domestic Price	0	0	0	0	$22	$0	$22
Total Built-in Changes	0	0	0	0	$30	$135	$165
FY 2003 Current Services	56	0	0	56	$1,465	$4,453	$5,918
FY 2003 Request	56	0	0	56	$1,465	$4,453	$5,918

STAFF BY PROGRAM ACTIVITY
(positions)

Office of Protocol	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**6**	**6**	**6**	**0**
Bureau Direction	6	6	6	0
Conduct of Diplomatic Relations	**44**	**44**	**44**	**0**
Political Affairs	44	44	44	0
Protocol Activities	44	44	44	0
Domestic Administrative Support	**6**	**6**	**6**	**0**
Domestic Administrative Management	6	6	6	0
Total	56	56	56	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of Protocol	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$721**	**$850**	**$876**	**$26**
Bureau Direction	$721	$850	$876	$26
Conduct of Diplomatic Relations	**$3,627**	**$3,724**	**$3,835**	**$111**
Political Affairs	$3,627	$3,724	$3,835	$111
Protocol Activities	$3,627	$3,724	$3,835	$111
Domestic Administrative Support	**$633**	**$1,179**	**$1,207**	**$28**
Domestic Administrative Management	$633	$1,179	$1,207	$28
Total	$4,981	$5,753	$5,918	$165

FY 2003 Request
PROGRAM ACTIVITIES

Office of Protocol	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**6**	**0**	**0**	**6**	**$119**	**$757**	**$876**
Bureau Direction	6	0	0	6	$119	$757	$876
Conduct of Diplomatic Relations	**44**	**0**	**0**	**44**	**$693**	**$3,142**	**$3,835**
Political Affairs	44	0	0	44	$693	$3,142	$3,835
Protocol Activities	44	0	0	44	$693	$3,142	$3,835
Domestic Administrative Support	**6**	**0**	**0**	**6**	**$653**	**$554**	**$1,207**
Domestic Administrative Management	6	0	0	6	$653	$554	$1,207
Total	56	0	0	56	$1,465	$4,453	$5,918

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of Protocol	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Chief of Protocol	6	6	6	0
Administrative Division	6	6	6	0
Blair House	14	14	14	0
Diplomatic and Consular Liaison Division	13	13	13	0
Visits Division	11	11	11	0
Ceremonials Division	6	6	6	0
Total	56	56	56	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of Protocol	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Chief of Protocol	$721	$854	$876	$22
Administrative Division	$633	$1,174	$1,207	$33
Blair House	$960	$851	$881	$30
Diplomatic and Consular Liaison Division	$1,071	$1,191	$1,212	$21
Visits Division	$990	$1,044	$1,076	$32
Ceremonials Division	$606	$639	$666	$27
Total	$4,981	$5,753	$5,918	$165

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of Protocol	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$3,510	$2,883	$2,954	$71
1200	Personnel Benefits	$593	$1,730	$1,802	$72
2100	Travel & Trans of Persons	$85	$201	$204	$3
2300	Rents, Comm & Utilities	$138	$112	$118	$6
2400	Printing & Reproduction	$130	$179	$182	$3
2500	Other Services	$333	$381	$385	$4
2600	Supplies and Materials	$96	$147	$151	$4
3100	Personal Property	$96	$120	$122	$2
3300	Investments and Loans	$0	$0	$0	$0
Total		$4,981	$5,753	$5,918	$165

DIPLOMATIC & CONSULAR PROGRAMS

Legislative Affairs

OVERVIEW STATEMENT

The Bureau of Legislative Affairs (H) is a service organization. It coordinates legislative activity for the Department of State and advises the Secretary of State and the State Department team on legislative strategy. H facilitates effective communication between the diplomatic professionals of the Department of State and members of Congress and their staffs.

The Secretary of State is the principal Congressional Relations Officer of the Department. The Bureau's primary mission is to ensure that the President's and the Secretary's foreign policy priorities are reflected throughout the legislative process. H succeeds in this mission on the Hill by establishing broad professional working relationships with congressional committees that have oversight responsibilities for foreign affairs and State Department operations.

The Bureau of Legislative Affairs recently reorganized to improve its management of the critical interaction between the Executive Branch in formulating and conducting foreign policy and the Legislative Branch in authorizing and appropriating funds for America's international engagement. H advocates consistency of legislation with the Administration's foreign policy.

A major responsibility of the Bureau of Legislative Affairs is achieving Senate confirmation for ambassadors and other Presidential-appointees. The Bureau also facilitates the foreign travel of Congressional members and staff. H is responsible for providing timely responses to Congressional correspondence.

NATIONAL INTERESTS & GOALS

Progress: The Bureau of Legislative Affairs completed its reorganization by establishing four offices: Executive Director and Operations, Senate Affairs, House Affairs and Regional/Functional/Global Affairs. Each function is headed by a Deputy Assistant Secretary, supported by one or more Directors and a team of Congressional Advisors. The Bureau is led and managed by the Assistant Secretary and his principal Deputy.

The Bureau successfully handled 1,600 pieces of legislation 300 congressional hearings, 12,100 pieces of congressional correspondence, 1,000 congressional reports and notifications, 20,000 congressional inquiries and 2,000 Congressional overseas travelers. Congressional correspondence response time has been reduced from 20 days to 4 days and a new Department Liaison office has been opened for the House of Representatives in the Rayburn Building on Capitol Hill.

Outlook: With the opening of the House Liaison office on Capitol Hill, H will continue to improve coordination of Congressional travel and other support services. We hope to establish a similar Liaison office for the Senate side. A newly developed Bureau website will provide on-line services to members and staff. Bureau reorganization will further enhance coordination with oversight committees.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Legislative Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	65	0	0	65	$1,463	$3,807	$5,270
FY 2002 Estimate	69	0	0	69	$1,885	$5,352	$7,237
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($14)	$0	($14)
2002 American Cost-of-Living Adjustment	0	0	0	0	$1	$62	$63
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$72	$72
American Cost-of-Living Adjustment	0	0	0	0	$2	$106	$108
Domestic Price	0	0	0	0	$32	$0	$32
Total Built-in Changes	0	0	0	0	$21	$240	$261
FY 2003 Current Services	69	0	0	69	$1,906	$5,592	$7,498
FY 2003 Request	69	0	0	69	$1,906	$5,592	$7,498

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Legislative Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**65**	**69**	**69**	**0**
Department Direction	13	12	12	0
Legislative Affairs	52	57	57	0
Total	65	69	69	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Legislative Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$5,060**	**$6,875**	**$7,128**	**$253**
Department Direction	$1,344	$1,755	$1,758	$3
Legislative Affairs	$3,716	$5,120	$5,370	$250
Information Resource Management	**$210**	**$362**	**$370**	**$8**
Infrastructure Systems	$90	$90	$92	$2
Voice Communications Programs	$90	$90	$92	$2
Office Automation	$120	$272	$278	$6
Principal Officers Electronic Mail System	$120	$272	$278	$6
Total	$5,270	$7,237	$7,498	$261

FY 2003 Request

PROGRAM ACTIVITIES

Bureau of Legislative Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**69**	**0**	**0**	**69**	**$1,536**	**$5,592**	**$7,128**
Department Direction	12	0	0	12	$531	$1,227	$1,758
Legislative Affairs	57	0	0	57	$1,005	$4,365	$5,370
Information Resource Management	**0**	**0**	**0**	**0**	**$370**	**$0**	**$370**
Infrastructure Systems	0	0	0	0	$92	$0	$92
Voice Communications Programs	0	0	0	0	$92	$0	$92
Office Automation	0	0	0	0	$278	$0	$278
Principal Officers Electronic Mail System	0	0	0	0	$278	$0	$278
Total	69	0	0	69	$1,906	$5,592	$7,498

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Legislative Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary	12	5	5	0
Legislative Management	28	0	0	0
Legislative Operations	25	0	0	0
Principal Deputy Assistant Secretary	0	25	25	0
Deputy Assistant Secretary for Senate Affairs	0	7	7	0
Deputy Assistant Secretary for House Affairs	0	6	6	0
Deputy Assistant for Regional, Global and Functional Affairs	0	26	26	0
Total	65	69	69	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Legislative Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary	$1,403	$584	$603	$19
Legislative Management	$2,288	$0	$0	$0
Legislative Operations	$1,579	$0	$0	$0
Principal Deputy Assistant Secretary	$0	$2,725	$2,821	$96
Deputy Assistant Secretary for Senate Affairs	$0	$708	$734	$26
Deputy Assistant Secretary for House Affairs	$0	$602	$625	$23
Deputy Assistant for Regional, Global and Functional Affairs	$0	$2,618	$2,715	$97
Total	$5,270	$7,237	$7,498	$261

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Legislative Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$3,043	$4,239	$4,421	$182
1200	Personnel Benefits	$959	$1,358	$1,418	$60
2100	Travel & Trans of Persons	$89	$175	$182	$7
2300	Rents, Comm & Utilities	$204	$215	$219	$4
2400	Printing & Reproduction	$12	$52	$52	$0
2500	Other Services	$561	$721	$725	$4
2600	Supplies and Materials	$151	$144	$146	$2
3100	Personal Property	$251	$333	$335	$2
Total		$5,270	$7,237	$7,498	$261

DIPLOMATIC & CONSULAR PROGRAMS

Oceans and International Envir and Sci Affairs

OVERVIEW STATEMENT

The Bureau of Oceans and International Environmental and Scientific Affairs (OES) coordinates U.S. international oceans, environmental and health policy, integrating U.S. domestic interests with international concerns. Working through bilateral, regional and multilateral fora, OES balances U.S. interests in natural resource protection with security and development considerations to ensure effective international management of the marine environment, fisheries, fresh water, forests, hazardous chemicals, and the atmosphere. OES coordinates USG international policies on HIV/AIDs and other infectious diseases. OES manages nearly 40 bilateral and multilateral science and technology (S&T) agreements, promotes international cooperation to advance U.S. space interests, and ensures that science underpins its policies. The bureau maintains liaison with executive branch departments, business groups, and other stakeholders involved with international oceans, environment, science, and health issues and consults with them to formulate USG positions and lead negotiations with foreign governments and international organizations.

NATIONAL INTERESTS & GOALS

Priority: U.S. leadership and principles drive international efforts to sustainably manage the oceans and international environment.

Performance Goals: A) International treaties and agreements on oceans and environment are science-based, protect our national security, advance economic interests, and foster environmental stewardship; B) International initiatives and political commitments on oceans and environment are science-based, protect our national security, advance economic interests, and foster environmental protection; and; C) Trade and foreign direct investment promote economic development and foster environmental protection.

Indicators: Improved management of the oceans and international environment, consistent with U.S. interests.

Progress (as of January, 2002):
Oceans: In 2001, the U.S. ratified the US/Mexico Continental Shelf Boundary Agreement that delimits the U.S.-Mexican Continental Shelf boundary and permits the exploration of oil and gas resources in the Gulf. The Department concluded negotiations on the International Maritime Organization's (IMO) Convention for the Control of Anti-Foulant Systems on ships, that prohibits the use of ship paints or hull protections containing environmentally harmful materials.
Fisheries: Following the Department's aggressive campaign vis-a-vis to key fishing nations, the UN Fish Stocks Agreement entered into force in December 2001. The bureau's efforts were pivotal in concluding negotiations on two new international fisheries management treaties which were modeled on the principles in the Fish Stocks Agreement. The two new treaties are the Convention for the Conservation of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean, and the Convention on the Conservation and Management of the Fishery Resources of the South-East Atlantic Ocean.
Chemicals: In April 2001, President Bush endorsed the Stockholm Convention on Persistent Organic Pollutants, which phases out or minimizes the use of toxic chemicals and pesticides of global concern (e.g., DDT, PCBs, and dioxins), in a Rose Garden ceremony, and the U.S. signed the treaty in May.
Climate Change: In June, the U.S. announced it would not ratify the Kyoto Protocol, because it is not science-based, and poses substantial risk to U.S. prosperity with ambiguous environmental benefits. The U.S. continued to protect and advance its interests and work cooperatively with other countries in conferences of the UN Framework Convention on Climate Change (UNFCC) in July and October 2001. The U.S. pursued a number of activities, designed to foster a science-based and cost-effective approach in

addressing climate change, including bilateral S&T efforts with Italy and Japan, and bilateral and multilateral assistance activities relating to technology and sequestration.
Biosafety: The U.S. participated as full member at meetings of the Intergovernmental Committee on the Cartagena Protocol (ICCP) established to prepare for entry into force of the Biosafety Protocol to the Convention on Biological Diversity (CBD).
Globalization: In a series of multilateral, regional and UN multilateral meetings in the run-up to the World Summit on Sustainable Development (WSSD), the U.S. advanced the concept of good governance as fundamental to achieving sustainable development. The U.S. organized and launched a series of outreach meetings involving governments, the private sector, and civil society to build support for the U.S. position on good governance as central to sustainable development.
Environmental Crime: OES gained approval from the International Law Enforcement Academies' (ILEA) Steering Committee, comprised of USG law enforcement agencies, to include environmental crime in the three regional ILEAs (Budapest, Bangkok, and Gaborone).
Forests: G-8 Leaders committed to combat illegal logging. East Asian Ministers approved an action plan to address illegal logging and governance issues for the first time at a September 2001, when the State Department-World Bank co-hosted ministerial conference in Indonesia. U.S. signed agreements, under the Tropical Forest Conservation Act, with Belize and El Salvador to conserve their forests.
Diplomatic Engagement: OES held bilateral consultations with Brazil on the full range of environmental issues, and initiated interagency sub-Policy Coordinating Committee on the World Summit for Sustainable Development to coordinate the USG's policy positions.
Water: Riparian countries began, or continued, regional dialogues aimed at promoting cooperation on shared water in key regions, including the Nile, Niger, Mekong, Caucasus and Southern Africa.
Invasive Species: U.S. gained commitments by Norway, New Zealand, and South Africa to actively engage in developing integrated approaches to address invasive species problems.
International Scientific Cooperation: The U.S. renewed Science and Technology Framework Agreements with China, Egypt, South Africa, and Mongolia. The U.S. held the first ever meeting of the U.S.-Vietnam S&T Joint Commission in Hanoi in October 2001, following signature of S&T agreement in 2000. The U.S. held Joint Commission meetings in Slovakia, Hungary, Slovenia, Egypt, Israel, EU, Mexico, and Portugal to assess cooperation and plan future ventures.
Space: The U.S. initiated negotiations with the European Commission on an agreement to ensure that Europe's proposed navigation satellite system, Galileo, is interoperable with the U.S. Global Positioning System (GPS). This agreement will be the first of its kind in the area of satellite-based navigation. The U.S. continued diplomatic efforts to promote GPS as a worldwide standard for satellite-based navigation. The U.S. initiated negotiations in the OECD on an agreement to establish environmental guidelines for the activities of Export Credit Agencies (ECAs).

Priority: The threat of HIV/AIDS and other infectious diseases is reduced.

Performance Goals: International initiatives and resources are mobilized to reduce the spread of HIV/AIDS and other infectious diseases.

Indicators: Increased partnerships and funding dedicated toward the reduction of HIV/AIDS and infectious diseases.

Progress (as of January, 2002): To further advance U.S. objectives and interests in establishing a healthier world, the Department created a new Office of International Health (OES/IHA) in the Bureau of Oceans and International Environmental and Scientific Affairs, headed by a new Deputy Assistant Secretary, in 2001. The new office supports international health efforts to mobilize resources, galvanize national leaders toward more effective action, and garner public support for destigmatization and health investments. During 2001, OES led the diplomatic fight against global infectious diseases through support both to multilateral and bilateral initiatives.

DIPLOMATIC & CONSULAR PROGRAMS

In June 2001, the United Nations General Assembly Special Session on HIV/AIDS (UNGASS) provided a unique multilateral opportunity to boost the global fight against HIV/AIDS. Represented at the UNGASS by Secretary of State Powell, the U.S. emerged as a strong leader on HIV/AIDS and other infectious diseases. Building on this initiative, OES led the development of the Global Fund to Fight AIDS, Tuberculosis, and Malaria. In less than four months representatives from developed and developing countries, non-governmental organizations, business, and foundations developed an innovative organizational structure, policies for submitting proposals, and guidelines for fiduciary responsibility. Proposals to the Fund will be accepted from partnerships made up of government and non-government entities, including businesses and non-profits. This public-private partnership structure, which follows guidelines set by President Bush, was successfully advocated by OES on behalf of the United States. OES also supported the fight against infectious diseases through advocating health issues in key diplomatic venues such as the U.S.-European Union and the G-8 Summits, and other fora including the UN, PAHO, WHO, APEC, ASEAN, and SADC.

Priority: OES is staffed and equipped to lead the Department on oceans, environmental, scientific, and health issues.

Performance Goal: A) A stable administrative and technical workforce meets bureau needs; B) a stable infrastructure provides a high-quality work environment for bureau personnel; and C) a reliable hardware and software infrastructure support bureau mandates and meets interconnectivity needs with other USG agencies, the private sector, and academic and scientific institutions.

Indicators: OES staff has resources necessary to perform job responsibilities as requested and in a timely manner.

Progress (as of January, 2002): We established and filled three new positions to assist the Secretary of State in his role as co-chairman of the Global Fund for HIV/AIDS. In 2001, we implemented 80% of our infrastructure improvement plan. Our efforts included renovating existing space to accommodate the new International Health Affairs (IHA) office and an accompanying Deputy Assistant Secretary. We also made improvements to all OES offices. We have successfully implemented the second year of a 3-year replacement cycle for computers, which allows greater access speed and more storage capability.

Priority: OES FY2003 priorities include ensuring that:

U.S. interests are advanced in ongoing international processes that deal with environmental, oceans, and fisheries issues. These processes include promoting the use of voluntary non-binding approaches to address international environmental issues such as transboundary freshwater, invasive species, protection of coral reefs, sustainable forest management, and Arctic protection, as well as binding agreements that include, but are not limited to, fisheries and oceans. Our objectives include promoting better management of fresh water resources, raising awareness of, and action to address, the environmental and economic costs caused by invasive species, encouraging regional cooperation on health issues, as well as negotiating and implementing agreements to conserve and manage fisheries stocks and protect the oceans from pollution.

The international community continues to act upon the threat of HIV/AIDS and other infectious diseases. Our objective is to reduce the threat of infectious disease and HIV/AIDS through diplomatic and technical support to the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria, to strengthen health care capabilities, and to expand outreach to foreign governments, civil society organizations, media and the private sector in Africa (the pandemic's current epicenter) and in regions (Caribbean, Asia, South Asia, NIS) where it has the potential to erupt.

DIPLOMATIC & CONSULAR PROGRAMS

The U.S. engages its allies internationally to develop technologies, market incentives, and other creative ways to address climate change in a manner that reflects the outcome of the Administration's climate change policy review.

Science informs, and is fully integrated into, the conduct of U.S. foreign policy. Our objectives include: using S&T agreements to facilitate and expand U.S. access to foreign S&T expertise, facilities, and information; establishing U.S. scientific standards and practices as an international benchmark; promoting USG and commercial access to space; facilitating a broad range of space applications for sustainable management, such as the use of remote sensing for monitoring environmental changes or mitigating natural disasters; promoting GPS as a worldwide standard for satellite-based navigation and; ensuring its interoperability with any new satellite navigation system, such as Europe's Galileo system.

PROGRAM CHANGE JUSTIFICATION

Pacific Salmon Treaty Implementation: $20,000,000: The Department's FY 2003 request for $20 million is for the Pacific Salmon Treaty, Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund (Northern Fund), and Southern Boundary Restoration and Enhancement Fund (Southern Fund).

The Department's $20 million request, together with the Department of Commerce's request for $20 million, will fulfill U.S. treaty obligations under the 1999 U.S.-Canada Pacific Salmon Agreement. FY 2003 is the final year in which contributions to these Funds are required under the Agreement. Failure to meet the Agreement's funding requirements for the Northern and Southern Funds would result in suspension of the Agreement which would have a negative impact on U.S.-Canadian relations and on conservation of salmon.

The earnings from the two endowment funds will be used for activities to improve management of salmon stocks, restoration of salmon habitat, and enhancement of wild salmon production. This funding request will further the Department's priority to implement agreements to conserve and sustainably manage fish stocks. The funding requested will assist to secure a sustainable environment and the economic interests of U.S. citizens.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Oceans and International Environmental and Scientific Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	155	0	0	155	$44,565	$14,158	$58,723
FY 2002 Estimate	157	0	0	157	$5,928	$15,090	$21,018
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($9)	$0	($9)
2002 American Cost-of-Living Adjustment	0	0	0	0	$5	$174	$179
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$48	$48
American Cost-of-Living Adjustment	0	0	0	0	$8	$298	$306
Domestic Price	0	0	0	0	$99	$0	$99
Total Built-in Changes	0	0	0	0	$103	$520	$623
FY 2003 Current Services	157	0	0	157	$6,031	$15,610	$21,641
FY 2003 Program Changes							
Salmon Agreement	0	0	0	0	$20,000	$0	$20,000
Total Program Changes	0	0	0	0	$20,000	$0	$20,000
FY 2003 Request	157	0	0	157	$26,031	$15,610	$41,641

DIPLOMATIC & CONSULAR PROGRAMSDIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**9**	**9**	**9**	**0**
Bureau Direction	8	8	8	0
Legislative Affairs	1	1	1	0
Conduct of Diplomatic Relations	**120**	**123**	**123**	**0**
Environmental, Scientific and Technological Affairs	120	123	123	0
Public Diplomacy	**3**	**3**	**3**	**0**
Public Diplomacy - Program Costs	3	3	3	0
Information Resource Management	**5**	**5**	**5**	**0**
Corporate Information Systems and Services	5	5	5	0
Information Services	5	5	5	0
Domestic Administrative Support	**18**	**17**	**17**	**0**
Domestic Administrative Management	6	6	6	0
Domestic Financial Services	6	5	5	0
Domestic Personnel Services	6	6	6	0
Total	155	157	157	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,019**	**$1,141**	**$1,141**	**$0**
Bureau Direction	$926	$1,018	$1,018	$0
Legislative Affairs	$93	$123	$123	$0
Conduct of Diplomatic Relations	**$54,124**	**$16,036**	**$36,640**	**$20,604**
Environmental, Scientific and Technological Affairs	$54,124	$16,036	$36,640	$20,604
Public Diplomacy	**$383**	**$773**	**$792**	**$19**
Public Diplomacy - Program Costs	$383	$773	$792	$19
Information Resource Management	**$1,452**	**$1,073**	**$1,073**	**$0**
Corporate Information Systems and Services	$1,452	$1,073	$1,073	$0
Information Services	$1,452	$1,073	$1,073	$0
Domestic Administrative Support	**$1,745**	**$1,995**	**$1,995**	**$0**
Domestic Administrative Management	$632	$777	$777	$0
Domestic Financial Services	$560	$560	$560	$0
Domestic Personnel Services	$553	$658	$658	$0
Total	$58,723	$21,018	$41,641	$20,623

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Oceans and International Environmental and Scientific Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**9**	**0**	**0**	**9**	**$277**	**$864**	**$1,141**
Bureau Direction	8	0	0	8	$250	$768	$1,018
Legislative Affairs	1	0	0	1	$27	$96	$123
Conduct of Diplomatic Relations	**123**	**0**	**0**	**123**	**$24,402**	**$12,238**	**$36,640**
Environmental, Scientific and Technological Affairs	123	0	0	123	$24,402	$12,238	$36,640
Public Diplomacy	**3**	**0**	**0**	**3**	**$395**	**$397**	**$792**
Public Diplomacy - Program Costs	3	0	0	3	$395	$397	$792
Information Resource Management	**5**	**0**	**0**	**5**	**$593**	**$480**	**$1,073**
Corporate Information Systems and Services	5	0	0	5	$593	$480	$1,073
Information Services	5	0	0	5	$593	$480	$1,073
Domestic Administrative Support	**17**	**0**	**0**	**17**	**$364**	**$1,631**	**$1,995**
Domestic Administrative Management	6	0	0	6	$201	$576	$777
Domestic Financial Services	5	0	0	5	$80	$480	$560
Domestic Personnel Services	6	0	0	6	$83	$575	$658
Total	157	0	0	157	$26,031	$15,610	$41,641

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	16	18	18	0
Office of Policy Coordination and Initiatives	16	19	19	0
Office of Science & Technology Cooperation	8	8	8	0
Office of the Executive Director	24	24	24	0
Dep Asst Secretary for Environment	2	2	2	0
Office of Ecology and Terresterial Conservation	18	16	16	0
Office of Global Change	11	10	10	0
Office of Environmental Policy	13	10	10	0
Dep Asst Secretary for International Health	6	7	7	0
Dep Asst Secretary for Oceans and Space	2	2	2	0
Office of Oceans Affairs	19	21	21	0
Office of Marine Conservation	14	12	12	0
Space and Advanced Technology Staff	6	8	8	0
Total	155	157	157	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$1,827	$2,795	$2,820	$25
Office of Policy Coordination and Initiatives	$1,993	$2,208	$2,228	$20
Office of Science & Technology Cooperation	$991	$1,078	$1,089	$11
Office of the Executive Director	$2,982	$3,251	$3,324	$73
Dep Asst Secretary for Environment	$248	$279	$285	$6
Office of Ecology and Terresterial Conservation	$2,021	$2,230	$2,245	$15
Office of Global Change	$1,365	$1,384	$1,430	$46
Office of Environmental Policy	$1,610	$1,822	$1,910	$88
Dep Asst Secretary for International Health	$610	$650	$675	$25
Dep Asst Secretary for Oceans and Space	$260	$270	$280	$10
Office of Oceans Affairs	$2,463	$2,633	$2,640	$7
Office of Marine Conservation	$41,612	$1,630	$21,920	$20,290
Space and Advanced Technology Staff	$741	$788	$795	$7
Total	$58,723	$21,018	$41,641	$20,623

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Oceans and International Environmental and Scientific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$10,214	$11,000	$11,487	$487
1200	Personnel Benefits	$4,507	$4,882	$4,881	($1)
2100	Travel & Trans of Persons	$1,815	$1,846	$2,036	$190
2300	Rents, Comm & Utilities	$216	$456	$550	$94
2400	Printing & Reproduction	$137	$275	$313	$38
2500	Other Services	$1,185	$1,990	$1,690	($300)
2600	Supplies and Materials	$240	$175	$275	$100
3100	Personal Property	$409	$394	$409	$15
4100	Grants, Subsidies & Contrb	$40,000	$0	$20,000	$20,000
Total		$58,723	$21,018	$41,641	$20,623

DIPLOMATIC & CONSULAR PROGRAMS

Legal Adviser

OVERVIEW STATEMENT

The Office of the Legal Adviser (L) provides legal advice to the Secretary, and through him the President and other top level officers of the Department, on the legal implications of formulating and implementing the foreign policies of the United States and promoting the development of international law and its institutions as a fundamental element of those policies. L drafts, negotiates, and interprets international treaties and agreements, domestic statutes, federal regulations, executive orders and other legal documents, and provides guidance regarding international organizations and conferences. In addition, L represents the United States before international tribunals, such as the International Court of Justice and the Iran/U.S. Claims Tribunal, as well as in international arbitrations.

NATIONAL INTERESTS & GOALS

Priority: Ensure that relevant domestic and international legal considerations are taken into account in the formulation and execution of U.S. foreign policy and the management of the Department and the Foreign Service.

Performance Goals: A. Assist bureau clients in preparing policy papers, action memoranda, and diplomatic notes and in providing instructions to overseas posts on legal questions. B. Draft, negotiate, and interpret international agreements, domestic statutes, executive orders and Department regulations, and provide guidance on matters of international and domestic law. C. Represent or assist in representing the U.S. in meetings of international organizations and conferences.

Indicator: A. Legal support provided to Department clients.

Priority: Represent the U.S. before the International Court of Justice (ICJ):

Performance Goal: A. Defend the U.S. Government in the following ICJ cases: the Oil Platforms case, filed by Iran alleging unlawful U.S. damage of certain Iranian oil platforms in the Persian Gulf by the United States during the Iran-Iraq War, and the Lockerbie case, filed by Libya against the United States in response to our efforts to arrange for trial in US and UK courts of the suspects in the bombing of Pan Am 103.

Indicator: A. Present the U.S. counterclaim and undermine the merits of Iran's claim in the Platforms case. Present the U.S. agreements against Libya claim in the Lockerbie case. B. Represent U.S. interests before the International Court of Justice.

Priority: Litigate claims totaling in excess of $40 billion before the Iran/U.S. Claims Tribunal in The Hague.

Performance Goal: A. Represent U.S. interests in multiple claims brought by Iran before the Tribunal, the largest of which is Claim B/1 stemming from Iran's challenges to billions of dollars in charges made under Iran's now defunct Foreign Military Sales program.

Indicator: A. Present U.S. submissions and represent U.S. at hearings.

Priority: Monitor claims and investment disputes between U.S. parties and foreign states, and respond to related requests for assistance.

DIPLOMATIC & CONSULAR PROGRAMS

Performance Goal: A. Monitor treatment of U.S. parties in claims and investment disputes involving foreign governments and provide appropriate assistance where requested.

Indicator: A. Assistance provided to U.S. nationals.

Priority: Manage issues arising from U.S. claims against Iraq before the United Nations Compensation Commission (UNCC).

Performance Goal: A. Process thousands of payments to claimants and represent U.S. interests before the Commission.

Indicator: A. Claims processed, and U.S. submissions and presentations made.

Priority: Represent U.S. interests in international fora to unify and harmonize private international law by coordinating the development and implementation of international conventions and treaties.

Performance Goals: A. Negotiate bilateral agreements for international reciprocal family support enforcement. B. Lead U.S. efforts to export major features of our commercial finance laws at several multilateral negotiations. C. Represent U.S. interests in a major negotiation under Conference auspices to draft a convention on the recognition and enforcement of foreign judgments.

Indicator: A. Represent U.S. interests before The Hague Conference on Private International Law, the International Institute for the Unification of Private Law, and the UN Commission on International Trade Law, and the organization of American States.

Priority: Represent the U.S. in claims brought under the investor-state dispute resolution provisions of the North American Free Trade Agreement.

Program Goal: A. Defend U.S. interests in claims brought by Canadian or Mexican investors in arbitration proceedings against the U.S. including the Loewen claim for $725 million (in which DOJ is lead), the Mondev claim for $50 million, the Methanex claim for $1 billion and the ADF claim for $90 million. (The Department is the lead counsel for the last three cases.)

Indicator: A. Represent U.S. in international arbitrations.

Priority: Serve as the principal U.S. Government adviser and depositary for U.S. treaties and international agreements.

Performance Goals: A. Manage the depositary of more than 10,000 active agreements. B. Provide reports on treaties for the President to send to Senate. C. Provide regular reports to Congress on more than 100 new agreements. D. Publish the U.S. Treaties and Other International Acts Series as required by statute and U.S. Treaties in Force. E. Manage the application of approximately 200 multilateral agreements that assign responsibility to the United States. F. Provide information concerning treaties and international agreements to other government departments and agencies, practicing lawyers, and the general public.

Indicator: Treaties and other agreements deposited, reported, and published.

Priority: Negotiate bilateral and multilateral law enforcement agreements.

DIPLOMATIC & CONSULAR PROGRAMS

Performance Goals: A. Pursue extradition treaty negotiations with El Salvador, Israel, Malta, Portugal and Spain. B. Pursue mutual legal assistance treaty negotiations with Belize, Germany, Japan, Malaysia, Malta and Taiwan.

Indicator: A. Foreign governments take action to combat international crime, and negotiate bilateral and multilateral agreements to address law enforcement concerns.

PROGRESS

Foreign Policy Formulation and Implementation - L provided legal advice and services to the Department's policy making officials covering a wide range of current foreign policy issues, such as peace initiatives in the Middle East, weapons non-proliferation, international environmental concerns, and trade matters.

Department Management - The Office of the Legal Adviser advised the Department on the issues pertaining to management of the personnel system, budget and accounting, procurement and contracting, foreign buildings, security programs, facilities management, legislative and regulatory agendas, diplomatic relations and foreign missions in the United States. L also represented the Department's interests in domestic litigation, including cases before the Equal Employment Opportunity Commission and the Merit Systems Protection Board, as well as contract bid protests at the Armed Services Board of Contract Appeals and in bid protests at the General Accounting Office.

International Claims - L managed claims of the United States and U.S. nationals against foreign governments, as well as those brought by foreign nationals and governments against the U.S. Government. This primarily involved claims before the Iran/US Claims Tribunal, which included Claim B/1, a case with a potential multi-billion dollar liability. Moreover, L represented the United States in arbitrations commenced under the investor-state dispute resolution provisions of the North American Free Trade Agreement (NAFTA); and processed payments by, and represented the U.S. before the United Nations Compensation Commission; adjudicated tort claims against the Department.

International Treaties and Agreements - The Office of the Legal Adviser drafted, negotiated, and/or applied an estimated 600 international treaties and agreements. These treaties and executive agreements with foreign countries concern arms control, terrorism, narcotics control, military cooperation, aviation, agriculture, health, pollution, telecommunications, space cooperation, postal issues, bilateral investments, tax matters, debt rescheduling, and judicial. Prepared reports and messages recommending that the President send treaties to the Senate for advice and consent. L reported to Congress, in compliance with the Case-Zablocki Act, on the conclusion of more than 100 new executive agreements. Moreover, L continued to work on publication of the U.S. Treaties and Other International Acts Series as required by statute and U.S. Treaties in Force.

Private International Law - The Office of the Legal Adviser pursued efforts to unify and harmonize private international law through the development and implementation of international conventions and treaties on such matters as modern commercial finance, recognition and enforcement of foreign judgements, child support enforcement, the protection of incapacitated adults, child abduction, electronic commerce, and cross-border insolvency.

Law Enforcement - The Office of the Legal Adviser negotiated mutual legal assistance and extradition treaties with countries including Bermuda, the Czech Republic, India, Japan, Lithuania, Peru and Vanuatu. L also represented the Department in negotiations at the United Nations on corruption and counter-terrorism conventions, and at the Council of Europe on a cybercrime convention. L also negotiated treaties with countries in Central America for the return of stolen vehicles and aircraft. L managed more than 800

extradition requests and related matters, involving criminal activities such as fraud, narcotics, murder, hostage taking and sex offenses.

FY 2003 Request
PROGRAM ACTIVITIES

Office of the Legal Adviser	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	230	0	0	230	$9,798	$24,458	$34,256
FY 2002 Estimate	233	0	0	233	$9,406	$25,795	$35,201
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($9)	$0	($9)
2002 American Cost-of-Living Adjustment	0	0	0	0	$12	$299	$311
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$48	$48
American Cost-of-Living Adjustment	0	0	0	0	$20	$509	$529
Domestic Price	0	0	0	0	$151	$0	$151
Total Built-in Changes	0	0	0	0	$174	$856	$1,030
FY 2003 Current Services	233	0	0	233	$9,580	$26,651	$36,231
FY 2003 Request	233	0	0	233	$9,580	$26,651	$36,231

DIPLOMATIC & CONSULAR PROGRAMSDIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Office of the Legal Adviser	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**12**	**12**	**12**	**0**
Bureau Direction	12	12	12	0
Conduct of Diplomatic Relations	**202**	**205**	**205**	**0**
Legal Affairs	202	205	205	0
Information Resource Management	**7**	**7**	**7**	**0**
Corporate Information Systems and Services	2	2	2	0
Information Services	2	2	2	0
Office Automation	5	5	5	0
Domestic Administrative Support	**9**	**9**	**9**	**0**
Domestic Administrative Management	5	5	5	0
Domestic Financial Services	1	1	1	0
Domestic Personnel Services	3	3	3	0
Total	230	233	233	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of the Legal Adviser	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,400**	**$1,400**	**$1,400**	**$0**
Bureau Direction	$1,400	$1,400	$1,400	$0
Conduct of Diplomatic Relations	**$27,717**	**$30,473**	**$31,495**	**$1,022**
Legal Affairs	$27,717	$30,473	$31,495	$1,022
Information Resource Management	**$1,856**	**$1,787**	**$1,795**	**$8**
Infrastructure Systems	$504	$418	$426	$8
Voice Communications Programs	$504	$418	$426	$8
Corporate Information Systems and Services	$587	$376	$376	$0
Information Services	$587	$376	$376	$0
Office Automation	$765	$993	$993	$0
Domestic Administrative Support	**$3,283**	**$1,541**	**$1,541**	**$0**
Domestic Administrative Management	$2,841	$916	$916	$0
Domestic Financial Services	$108	$106	$106	$0
Domestic Personnel Services	$334	$519	$519	$0
Total	$34,256	$35,201	$36,231	$1,030

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Office of the Legal Adviser	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**12**	**0**	**0**	**12**	**$124**	**$1,276**	**$1,400**
Bureau Direction	12	0	0	12	$124	$1,276	$1,400
Conduct of Diplomatic Relations	**205**	**0**	**0**	**205**	**$7,915**	**$23,580**	**$31,495**
Legal Affairs	205	0	0	205	$7,915	$23,580	$31,495
Information Resource Management	**7**	**0**	**0**	**7**	**$1,157**	**$638**	**$1,795**
Infrastructure Systems	0	0	0	0	$426	$0	$426
Voice Communications Programs	0	0	0	0	$426	$0	$426
Corporate Information Systems and Services	2	0	0	2	$163	$213	$376
Information Services	2	0	0	2	$163	$213	$376
Office Automation	5	0	0	5	$568	$425	$993
Domestic Administrative Support	**9**	**0**	**0**	**9**	**$384**	**$1,157**	**$1,541**
Domestic Administrative Management	5	0	0	5	$384	$532	$916
Domestic Financial Services	1	0	0	1	$0	$106	$106
Domestic Personnel Services	3	0	0	3	$0	$519	$519
Total	233	0	0	233	$9,580	$26,651	$36,231

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of the Legal Adviser	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Legal Adviser	5	5	5	0
Deputy Legal Advisers	7	7	7	0
International Claims and Investment Disputes	38	40	40	0
Economic and Business Affairs	8	8	8	0
European Affairs	4	4	4	0
Political-Military Affairs	10	11	11	0
Executive Director	16	16	16	0
Arms Control and Verification	11	11	11	0
Non-Proliferation	5	5	5	0
East Asian and Pacific Affairs	3	3	3	0
Human Rights and Refugees	6	6	6	0
Law Enforcement and Intelligence	15	15	15	0
Treaty Affairs	12	12	12	0
United Nations Affairs	7	7	7	0
Private International Law	4	4	4	0
Buildings and Acquisitions	7	7	7	0
Near Eastern and South Asian Affairs	4	4	4	0
Diplomatic Law and Litigation	7	7	7	0
African Affairs	3	3	3	0
Public Diplomacy and Public Affairs	8	8	8	0
Western Hemisphere Affairs	4	4	4	0
Legislation and General Management	12	12	12	0
Oceans, International Environmental & Scientific Affairs	8	8	8	0
Consular Affairs	6	6	6	0
Employment Law	20	20	20	0
Total	230	233	233	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of the Legal Adviser	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Legal Adviser	$509	$507	$522	$15
Deputy Legal Advisers	$891	$913	$942	$29
International Claims and Investment Disputes	$7,795	$10,726	$11,007	$281
Economic and Business Affairs	$779	$819	$845	$26
European Affairs	$451	$463	$478	$15
Political-Military Affairs	$1,163	$1,463	$1,505	$42
Executive Director	$5,012	$2,686	$2,759	$73
Arms Control and Verification	$1,195	$1,415	$1,459	$44
Non-Proliferation	$957	$599	$618	$19
East Asian and Pacific Affairs	$452	$475	$489	$14
Human Rights and Refugees	$662	$695	$717	$22
Law Enforcement and Intelligence	$1,793	$1,813	$1,870	$57
Treaty Affairs	$1,329	$1,380	$1,424	$44
United Nations Affairs	$780	$801	$827	$26
Private International Law	$1,049	$983	$1,007	$24
Buildings and Acquisitions	$888	$811	$837	$26
Near Eastern and South Asian Affairs	$440	$463	$478	$15
Diplomatic Law and Litigation	$904	$872	$899	$27
African Affairs	$332	$348	$360	$12
Public Diplomacy and Public Affairs	$881	$1,015	$1,046	$31
Western Hemisphere Affairs	$445	$463	$478	$15
Legislation and General Management	$1,221	$1,395	$1,439	$44
Oceans, International Environmental & Scientific Affairs	$1,205	$936	$966	$30
Consular Affairs	$718	$853	$878	$25
Employment Law	$2,405	$2,307	$2,381	$74
Total	$34,256	$35,201	$36,231	$1,030

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of the Legal Adviser	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$20,982	$22,980	$24,808	$1,828
1200	Personnel Benefits	$5,456	$4,508	$3,874	($634)
2100	Travel & Trans of Persons	$375	$285	$400	$115
2300	Rents, Comm & Utilities	$628	$603	$625	$22
2400	Printing & Reproduction	$215	$219	$250	$31
2500	Other Services	$2,959	$2,928	$2,294	($634)
2600	Supplies and Materials	$591	$355	$400	$45
3100	Personal Property	$405	$405	$550	$145
4100	Grants, Subsidies & Contrb	$2,645	$2,918	$3,030	$112
Total		$34,256	$35,201	$36,231	$1,030

DIPLOMATIC & CONSULAR PROGRAMS

Economic and Business Affairs

OVERVIEW STATEMENT

The Bureau of Economic and Business Affairs (EB) promotes the full range of U.S. economic interests around the world. As economics becomes ever more important in American foreign policy -- and economic issues bring home foreign policy issues to American businesses, farmers, workers, and consumers -- EB works to build U.S. and international prosperity and security. The Bureau coordinates U.S. international economic policy, integrating U.S. domestic economic interests with key foreign policy goals. EB identifies and promotes new markets for U.S. exports; eliminates market barriers to gain access for U.S. products and services; negotiates agreements to promote U.S. business and strengthen economic competitiveness; develops and implements policies for a stable and open international financial system; and facilitates U.S. business overseas. EB is responsible for formulating, coordinating, and implementing international communications and information policy; for international commercial aviation policy; and for the foreign policy aspects of energy and other international strategic resources trade. EB's work promotes regional and global stability by fostering long-term sustainable economic growth. It furthers international economic integration to eliminate old barriers and encourage countries in the Balkans, Africa, or elsewhere to lower tensions. By encouraging the rule of law in commercial and other economic dealings, and by facilitating the new information economy, EB advances democratic values and human rights. At the same time, EB devises and applies economic sanctions policies (e.g., on Cuba, Iran, Libya, among others). Following the September 11 terrorist attacks, EB is playing a key role in energizing international efforts to block terrorists' funds and terrorists' ability to use the global financial system, including international coordination of Afghanistan's reconstruction, and in seeking international support for new transportation security measures. EB has also managed the economic aspects of U.S. engagement with the frontline states in the battle against terrorism. Combining economic expertise with in-depth knowledge of foreign affairs, the Bureau works closely with executive branch departments, agencies and offices involved with international economic issues to formulate and execute economic and other aspects of U.S. foreign policy.

NATIONAL INTERESTS & GOALS

Priority: OPEN FOREIGN MARKETS TO THE FREE FLOW OF GOODS, SERVICES AND CAPITAL - An open and strong multilateral economic system enhances the prosperity of the United States and the rest of the world. The increased prosperity such a system brings to participating countries strengthens international peace and security as well.

Performance Goals: A. Strengthen the international framework for open markets for U.S. goods, services, and investment. B. Foster an international environment that encourages private sector competition. C. Strengthen USG efforts to monitor and enforce international trade and investment agreements. D. Promote liberalization of international transportation agreements, especially for civil aviation, and of electronic commerce and international telecommunications regimes. E. Ensure openness of international markets for new technologies, including biotechnology.

Indicators: A. Progress in the World Trade Organization on a new multilateral trade round. B. Progress in the negotiations to create a Free Trade Area of the Americas (FTAA) and to reach bilateral free trade agreements. C. Status of negotiations on bilateral investment treaties. D. Expanded membership in the WTO and members' compliance with their agreed commitments. E. Increase the number of "Open Skies" civil aviation agreements to 60. F. Negotiations of other liberalizing air transport agreements. G. The number of countries agreeing to liberalize telecom equipment certification and standards regimes. H. The number of countries agreeing to establish independent telecom regulatory agencies. I. Negotiations of biotech Food Labeling guidelines.

DIPLOMATIC & CONSULAR PROGRAMS

Progress(FY 2001): The Bureau worked closely with other agencies on the negotiation of bilateral free trade agreements with Chile and Singapore, on the Quebec Summit of the Americas in April which saw 24 Western Hemisphere governments commit to negotiate to establish a Free Trade Agreement of the Americas by 2005, and on preparations for the successful ministerial in November 2001 of the World Trade Organization in Doha which saw the launch of a new set of multilateral trade talks. China and Taiwan also joined the WTO at the Doha Ministerial; with its accession, China will implement significant changes to its trade regime and accept commitments to transparency and openness in addition to committing to a system that stresses the central role of markets and private enterprise. Oman, Croatia, Lithuania, and Moldova also joined the WTO in FY 01. The OECD expanded its investment outreach work with China, Russia and other non-members. The U.S. launched an investment dialogue with Japan and reinvigorated its bilateral discussions with Russia on investment policy. Discussions on BITs were underway in FY 01 with Korea, Russia, and Venezuela. By the end of FY 2001, 53 countries had committed to Open Skies agreements. The intergovernmental organization INTELSAT was privatized July 18, 2001 and the number of countries agreeing to liberalize telecom equipment and certification regimes reached 33. A diplomatic effort led by EB resulted in China adopting leading edge, U.S.-based standards for new wireless communications that will serve as an example for other countries trying to bridge the digital divide. The Bureau headed active and successful public diplomacy campaigns to support USG positions in the lead-up to the WTO ministerial and to support a scientific and positive approach to the use of biotechnology in agriculture.

Priority: EXPAND U.S. EXPORTS - Strong, steady expansion of U.S. exports will fuel creation of higher paying export-related jobs at home, reinforce the competitiveness of U.S. producers of goods and services, help stimulate technological innovation, and bolster GDP growth.

Performance Goals: A. Support American firms doing business abroad, including by upholding the "Bill of Rights for American Business." B. Translate the success of market access negotiations, trade liberalization, and privatization into greater U.S. exports in corollary industrial sectors. C. Level the playing field for U.S. exporters and investors. D. More effective protection for U.S. intellectual property overseas.

Indicators: A. Number of Outreach meetings and business briefings held. B. Number of business conferences attended. C. Number of presentations to business audiences. D. Number of companies for whom advocacy services were provided. E. Oil and gas field equipment and services export levels. F. Telecom and IT equipment export levels. G. Minutes/messages of overseas service provided by U.S. telecom operators, including satellite companies. H. Agricultural export levels. I. Status of USG efforts to help U.S. investors involved in investment disputes with foreign governments.

Progress(FY 2001): The number of American companies for which EB advocated abroad rose from 50 in FY 00 to 118 in FY 01. Outreach activities increased as well with the number of outreach meetings and business briefings rising from 160 in FY 00 to 228 in FY 01, and the number of business conferences in which EB personnel participated growing from 48 to 63 over that period. Oil and gas sector exports also grew, rising 25.6% in the first nine months of 2001 over the same period the year before. The volume of telecom and IT equipment exports reached $115 billion in FY 00. U.S. telecom operators, including satellite companies, provided 27.5 billion minutes and 5.2 billion messages in overseas service. U.S. agricultural exports reached $26.8 billion in FY 00. (Note: comparative FY 01 statistics for these sectors are not yet available.) The bureau, coordinating with USG agencies and the private sector, developed assistance/training programs to help developing countries understand IP issues and to enforce intellectual property rights better.

Priority: INCREASE GLOBAL ECONOMIC GROWTH AND STABILITY - Increased and sustainable economic growth is critical to maintaining peace and prosperity for the U.S. and the international community. It can help defuse regional conflicts. Low economic growth can lead to the

violent overthrow of governments. Depressions and recessions can undermine important political relationships between the U.S. and its friends and allies.

Performance Goals: A. Encourage other countries to adopt sound macro-economic policies, market-oriented reforms, and the enhanced trade and investment liberalization needed to promote growth and maintain financial stability. B. Strengthen international financial institutions and global financial architecture. C. Avoid financial crises in important countries and mange those crises that do arise. D. Negotiate debt restructuring agreements, where necessary and appropriate, to promote financial stability. E. Shape and promote the global information economy to enhance efficiency and growth. F. Reform multilateral and bilateral systems for providing trade-related capacity building and technical assistance in order to integrate better the world's poorest countries into the global economy. G. Enhance world economic stability through increased international energy security cooperation. H. Increase global food production in a sustainable manner.

Indicators: A. Global GDP growth, as measured by the IMF World Economic Outlook. B. Key countries actively implementing IMF economic reform programs. C. Conclusion of Paris Club rescheduling agreements with countries with IMF programs and facing imminent default. D. Occurrences of financial crises. E. Number of countries establishing independent telecom regulatory regimes.

Progress(FY 2001): World economic growth slowed from 4.2%, as measured by the IMF, in FY 00 to 2.4% in calendar year 2001. Recession in the U.S., continued economic slump in Japan, and a slowdown in Western European growth were all factors. Argentina moved into a serious economic crisis despite international support. Turkey, however, proved more successful in managing a serious economic situation. Paris Club debt rescheduling agreements were reached with 14 countries in FY 01, including Pakistan, Ethiopia, Bolivia, and Georgia. Nearly fifty percent of the world's countries have now agreed to establish independent telecom regulatory regimes.

Priority: PROMOTE SUSTAINABLE BROAD-BASED GROWTH IN DEVELOPING AND TRANSITIONAL ECONOMIES TO RAISE STANDARDS OF LIVING AND TO REDUCE POVERTY AND CORRUPTION - Broad-based sustainable growth and poverty reduction raise standards of living for all, easing global suffering, reducing sources of conflict, and promoting security. At the same time, broad-based growth increases demand for U.S. goods, services, and capital. With development and poverty alleviation come increased demand for rules-based trade and investment.

Performance Goals: A. Advance bilateral and development strategies that use assistance more effectively to promote growth, reduce poverty, and encourage greater stability and self-reliance in developing countries. B. Promote market-based economic reforms in transition economies. C. Support debt reduction for the poorest, most heavily indebted countries, ensuring that savings are used to reduce poverty reduction programs. D. Facilitate integration of the poorest countries into the world economy through reform of the multilateral and bilateral systems for providing trade-related capacity building and technical assistance. E. Build support within the UN system for U.S. positions on key economic and development policies and priorities concerning financial architecture, official development assistance, debt, trade, and foreign direct investment. F. Increase cooperation among multilateral institutions, multilateral development banks, the UN, and NGOs involved in development. G. Promote use of biotechnology in agriculture to enhance food security for developing and transition economies.

Indicators: A. Average developing country GDP growth rate, as measured by the IMF World Economic Outlook. B. Average GDP growth rate of transition economies as measured by the IMF World Economic Outlook. C. Achievement of universal primary education. D. Number of countries receiving debt relief under the HIPC (Heavily Indebted Poor Country) Initiative. E. Number of eligible least-developed countries holding roundtable conferences under the Integrated Framework for trade-related capacity

building. F. Number of countries participating in the Internet for Economic Development (IED) initiative. G. Status of the launch of E-Governance initiative. H. Status of negotiations for Russia's and Ukraine's entry to WTO.

Progress(FY 2001): During the fiscal year, EB and the Department put particular emphasis on sound domestic policies and good governance as key conditions for development and growth, particularly as it worked on the preparations for two important international meetings in 2002, the Financing for Development Conference in Monterrey, Mexico in March and the World Summit for Sustainable Development in Johannesburg, South Africa in August. The Bureau continued working closely with multilateral and regional development banks to promote growth in developing countries. EB played an active role in implementing the African Growth and Opportunity Act (AGOA) and in the organization of the first U.S. Sub-Saharan Economic Growth and Cooperation Forum in October which brought together trade, finance, foreign and other ministers from 35 countries. Eighteen countries realized benefits from the HIPC Initiative in FY 01. Talks with Russia and Ukraine on accession to the World Trade Organization continued.

Priority: PREVENT REGIONAL INSTABILITIES FROM THREATENING U.S. VITAL NATIONAL INTERESTS - Resolving foreign policy problems frequently demands combining economics with other tools. Economic integration can foster linkages that reduce regional tensions as well as that boost prosperity. Economic factors are key components in a country's strength. At the same time, non-state actors need economic resources to carry out their objectives, which may either conflict with or support U.S. interests.

Performance Goals: A. Enhance regional stability by addressing economic/financial problems that can create turmoil in individual countries or regions. B. Improve use of multilateral and bilateral development assistance to prevent new or a recurrence of conflict. C. Promote economic integration in Africa, Latin America, and South Europe. D. Promote U.S. energy security. E. Work with the oil community to focus Russia on specific measures it can take to attract energy sector investment. F. Progress towards an "east-west transportation corridor" that will facilitate development and export of Caspian region oil and gas to world markets. H. Promote international cooperation in telecommunications and information technology to ensure sufficient radio spectrum for global use by the U.S. military, our allies, and civil safety sectors. I. Design, target, and implement economic sanctions to achieve strategic goals. J. Sever the link between diamonds and conflict that fuels insurrection in Africa while safeguarding legitimate trade.

Indicators: A. Status of regional economic integration and trade initiatives, including the SETPA, the Andean Trade Preferences Act, and the African Growth and Opportunity Act. B. Use of International Development Association (IDA) grants for post-conflict rehabilitation. C. Number of oil consumer countries maintaining stocks adequate for an oil supply emergency. D. Financing and security of parties participating in Caspian oil and gas pipelines. E. Amount of radio spectrum protected for DoD military use; amount of international radio spectrum obtained and protected for safety of life services. F. Establishment of an effective global rough diamond certification and monitoring system.

Progress(FY 2001): Congress approved the U.S. Free Trade Agreement with Jordan. Congress also approved the Bilateral Trade Agreement with Vietnam paving the way for improving relations with that country. The number of International Energy Agency members holding less than the required 90 day emergency stocks decreased from five to three during 2001. Korea, a new IEA member, holds the required stocks. Within APEC, regional energy security initiatives encourage China and other Asian economies to build stocks. In November 2001, the U.S., Russia, and Kazakhstan opened the Caspian Pipeline Consortium's new oil pipeline from the Tegiz field in Kazakhstan to the port of Novorossiysk, Russia. In December, the Secretary and Kazakhstani Foreign Minister Idrisov signed an Energy Partnership Declaration in which the two countries agreed to work together to develop Kazakhstan's vast energy

resources on a market basis in line with international standards for environmental and social protection. In this declaration, Kazakhstan renewed its commitment to take concrete steps to ship some of its oil through the East-West corridor. Work continued with the countries and interested private sector parties in the international diamond trade to establish a certification system to halt trade in conflict diamonds and the financial resources that trade brings warring groups in Africa. The Bureau led U.S. efforts at dozens of international meetings in 2001 to ensure adequate radio spectrum for use by the U.S. military, our allies, and our civil safety sector. In the aftermath of the September 11 terrorist attacks, EB took a leading role in building international cooperation to halt terrorists' ability to use the international financial system, including helping draft the President's Executive Order as well as key UN Security Council resolutions, and eliciting other countries' support in blocking terrorists' funds. EB coordinated building the international effort to freeze assets of individuals and entities designated under E.O. 13224 due to their links to terrorists. EB also encouraged and sponsored new initiatives in groups, such as the Financial Action Task Force, the Rome Group, and the Egmont Group, to combat terrorist finance and both shaped and participated in financial training and assistance programs designed for specific countries that are essential in combating terrorist finance. EB worked closely with FAA and Department of Transportation to gain international cooperation for new aviation security measures. As the conflict with the Taliban progressed, EB had the lead in working with Japan, the EU, and Saudi Arabia to organize an international donors conference in January 2002 to aid Afghanistan's reconstruction.

FY 2003 Request

SUMMARY STATEMENT

Bureau of Economic and Business Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	199	0	0	199	$4,146	$19,324	$23,470
FY 2002 Estimate	202	0	0	202	$5,302	$20,580	$25,882
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($42)	$0	($42)
2002 American Cost-of-Living Adjustment	0	0	0	0	$4	$238	$242
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$217	$217
American Cost-of-Living Adjustment	0	0	0	0	$7	$406	$413
Domestic Price	0	0	0	0	$90	$0	$90
Total Built-in Changes	0	0	0	0	$59	$861	$920
FY 2003 Current Services	202	0	0	202	$5,361	$21,441	$26,802
FY 2003 Request	202	0	0	202	$5,361	$21,441	$26,802

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Economic and Business Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**14**	**14**	**14**	**0**
Bureau Direction	14	14	14	0
Conduct of Diplomatic Relations	**161**	**165**	**165**	**0**
Economic/Trade Affairs	94	98	98	0
Business Services	67	67	67	0
Public Diplomacy	**3**	**3**	**3**	**0**
Public Diplomacy - Program Costs	3	3	3	0
Law Enforcement Cooperation	**8**	**8**	**8**	**0**
Information Resource Management	**4**	**4**	**4**	**0**
Infrastructure Systems	4	4	4	0
ADP Communications and Message Centers	4	4	4	0
Domestic Administrative Support	**9**	**8**	**8**	**0**
Domestic Administrative Management	2	2	2	0
Domestic Financial Services	1	1	1	0
Domestic Personnel Services	4	3	3	0
Specialized Employee Assignments	0	1	1	0
Domestic General Services	2	1	1	0
Other Domestic General Services	2	1	1	0
Total	199	202	202	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Economic and Business Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,579**	**$1,605**	**$1,719**	**$114**
Bureau Direction	$1,579	$1,605	$1,719	$114
Conduct of Diplomatic Relations	**$18,410**	**$20,747**	**$21,386**	**$639**
Economic/Trade Affairs	$10,991	$13,297	$13,350	$53
Business Services	$7,419	$7,450	$8,036	$586
Public Diplomacy	**$391**	**$412**	**$424**	**$12**
Public Diplomacy - Program Costs	$391	$412	$424	$12
Law Enforcement Cooperation	**$835**	**$864**	**$930**	**$66**
Information Resource Management	**$1,490**	**$1,438**	**$1,483**	**$45**
Infrastructure Systems	$1,175	$1,108	$1,123	$15
Infrastructure Maintenance	$70	$25	$25	$0
ADP Communications and Message Centers	$735	$728	$738	$10
Voice Communications Programs	$370	$355	$360	$5
Office Automation	$315	$330	$360	$30
Other Office Automation	$315	$330	$360	$30
Domestic Administrative Support	**$765**	**$816**	**$860**	**$44**
Domestic Administrative Management	$190	$207	$233	$26
Domestic Financial Services	$95	$103	$105	$2
Domestic Personnel Services	$290	$306	$306	$0
Specialized Employee Assignments	$90	$98	$108	$10
Domestic General Services	$100	$102	$108	$6
Other Domestic General Services	$100	$102	$108	$6
Total	$23,470	$25,882	$26,802	$920

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Economic and Business Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**14**	**0**	**0**	**14**	**$265**	**$1,454**	**$1,719**
Bureau Direction	14	0	0	14	$265	$1,454	$1,719
Conduct of Diplomatic Relations	**165**	**0**	**0**	**165**	**$3,799**	**$17,587**	**$21,386**
Economic/Trade Affairs	98	0	0	98	$2,695	$10,655	$13,350
Business Services	67	0	0	67	$1,104	$6,932	$8,036
Public Diplomacy	**3**	**0**	**0**	**3**	**$27**	**$397**	**$424**
Public Diplomacy - Program Costs	3	0	0	3	$27	$397	$424
Law Enforcement Cooperation	**8**	**0**	**0**	**8**	**$110**	**$820**	**$930**
Information Resource Management	**4**	**0**	**0**	**4**	**$1,075**	**$408**	**$1,483**
Infrastructure Systems	4	0	0	4	$1,025	$98	$1,123
Infrastructure Maintenance	0	0	0	0	$25	$0	$25
ADP Communications and Message Centers	4	0	0	4	$640	$98	$738
Voice Communications Programs	0	0	0	0	$360	$0	$360
Office Automation	0	0	0	0	$50	$310	$360
Other Office Automation	0	0	0	0	$50	$310	$360
Domestic Administrative Support	**8**	**0**	**0**	**8**	**$85**	**$775**	**$860**
Domestic Administrative Management	2	0	0	2	$28	$205	$233
Domestic Financial Services	1	0	0	1	$10	$95	$105
Domestic Personnel Services	3	0	0	3	$27	$279	$306
Specialized Employee Assignments	1	0	0	1	$10	$98	$108
Domestic General Services	1	0	0	1	$10	$98	$108
Other Domestic General Services	1	0	0	1	$10	$98	$108
Total	202	0	0	202	$5,361	$21,441	$26,802

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Economic and Business Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	22	22	22	0
Coordinator for Business Affairs	8	8	8	0
Caspian Basin Energy Diplomacy	3	3	3	0
Policy Analysis and Public Diplomacy	12	12	12	0
Deputy Assistant Secretary for Trade Policy and Programs	44	47	47	0
Deputy Assistant Secretary for Transportation Affairs	23	23	23	0
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	26	26	26	0
Deputy Assistant Secretary for International Finance and Development	32	33	33	0
Deputy Assistant Secretary for International Communications & Info Policy	29	28	28	0
Total	199	202	202	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Economic and Business Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$2,616	$2,722	$2,845	$123
Coordinator for Business Affairs	$1,325	$1,465	$1,500	$35
Caspian Basin Energy Diplomacy	$480	$495	$545	$50
Policy Analysis and Public Diplomacy	$1,451	$1,515	$1,569	$54
Deputy Assistant Secretary for Trade Policy and Programs	$5,076	$6,090	$6,300	$210
Deputy Assistant Secretary for Transportation Affairs	$2,575	$2,694	$2,795	$101
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	$2,867	$2,998	$3,120	$122
Deputy Assistant Secretary for International Finance and Development	$3,610	$3,868	$4,015	$147
Deputy Assistant Secretary for International Communications & Info Policy	$3,470	$4,035	$4,113	$78
Total	$23,470	$25,882	$26,802	$920

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Economic and Business Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$16,262	$17,671	$18,408	$737
1200	Personnel Benefits	$3,506	$3,539	$3,692	$153
2100	Travel & Trans of Persons	$906	$1,222	$1,227	$5
2200	Transportation of Things	$2	$10	$10	$0
2300	Rents, Comm & Utilities	$349	$456	$461	$5
2400	Printing & Reproduction	$30	$53	$53	$0
2500	Other Services	$1,398	$1,803	$1,808	$5
2600	Supplies and Materials	$382	$477	$482	$5
3100	Personal Property	$635	$651	$661	$10
Total		$23,470	$25,882	$26,802	$920

DIPLOMATIC & CONSULAR PROGRAMS

Intelligence and Research

OVERVIEW STATEMENT

The Bureau of Intelligence and Research (INR) provides all-source intelligence assessments and guidance to the Secretary of State, Department officers, and Chiefs of Mission. INR analysts evaluate, interpret, and disseminate nearly two million reports and produce more than 6500 written assessments annually. Other INR staff monitor sensitive intelligence activities to ensure compatibility with, and support for, foreign policy objectives. INR also conducts approximately 120 opinion polls in more than 80 countries, operates the Department's 24-hour intelligence watch, and maintains the database used by the Department's Consular Affairs Bureau and Immigration and Naturalization agents around the world to prevent the entry into the United States of terrorists and international criminals. INR also provides Geographic Information System support to Department officers, special negotiators, and other policymakers.

The September 11th attacks highlighted vulnerabilities to the US homeland and the challenges facing the national security community. These circumstances dictate the allocation of INR's effort and resources towards winning the war on terrorism, including initiation of proactive efforts to expand interagency data sharing on known and suspected terrorists. At the same time, INR must continue to provide analysis on all the issues and countries on the Secretary's global agenda. In order to fulfill customer needs and expectations, INR will continue to maintain--and grow-- analytic expertise, integrate INR into Department operations, and work with the Intelligence Community to enhance support for diplomacy and diplomatic operations.

NATIONAL INTERESTS & GOALS

Priority: National Security, Law Enforcement, Economic Prosperity, Democracy, Humanitarian Response, Global Issues. Ensure regional instabilities do not threaten the US and allies. Eliminate the threat to the US posed by weapons of mass destruction. Open foreign markets to free flow of goods, services, and capital. Increase global economic growth. Increase adherence to democratic practices and human rights. Prevent/minimize human costs of conflict and natural disasters. Expand US exports. Minimize the impact of international crime on the US and its citizens. Significantly reduce the entry of illegal drugs into the US. Reduce international terrorist attacks, especially on the US and its citizens.

Performance Goal: The Secretary and other Department officers receive the all-source intelligence and analytic support they need to formulate and implement foreign policy decisions.

Indicators: A. Customer evaluation. B. Number/type/target audience of INR written analyses. C. Provision of analysis to overseas posts, desk officers, and other USG officials.

Progress (for FY 2001): INR officers and analysts provided timely warning to policymakers of situations, trends, or events that could threaten US national interests or impede or facilitate the attainment of foreign policy goals. INR provided daily support to Department principals and policy officers by selecting and disseminating intelligence, providing oral briefings and written assessments, and brokering requests for enhanced intelligence collection in support of diplomacy and diplomatic operations. INR activities contributed to Department operations in significant ways. For example:

- INR organized and conducted 101 conferences in FY 2001 on topics of foreign policy interest. The conferences brought together 800 speakers and close to 5000 attendees from across the

government. This service provides important outreach and incorporates outside expertise into the Department from the academic and non-government communities.

- INR organized conferences for 40 new US Ambassadors. These conferences provided the opportunity for ambassadors to engage government and non-government experts in a dialogue concerning issues related to their country of accreditation.
- INR supported senior Department policy officials with all-source analyses on nonproliferation issues, especially the development of weapons of mass destruction. USG officials inside and outside of the Department make extensive use of INR expertise and analyses to monitor Iraqi compliance with UN Security Council resolutions, assess the military impact of satellite technology transfers, and formulate diplomatic strategies for North Korea, South Asia, the Balkans, and the Middle East, among other countries and regions.
- INR monitored compliance with bilateral and multilateral treaties and conventions to which the US is party, including START, the Non-Proliferation Treaty, and the Biological Weapons Convention.
- Bureau analysts provided policymakers detailed assessments on country views and negotiating postures on outstanding trade issues in the WTO, particularly concerning the establishment of a new round of trade negotiations, accession of new members to the WTO as well as on a variety of bilateral trade disputes.
- INR produced detailed analyses of the economic situations and on-going financial crises in Argentina and Turkey.
- INR continued to publish the highly regarded *Environment and Sustainable Development Review* for US policymakers.

Priority: National Security, American Citizens and US Borders, Democracy, Humanitarian Response, Global Issues. Ensure regional instabilities do not threaten the US and allies. Control travel and migration to the US. Increase adherence to democratic practices and human rights. Prevent and minimize human costs of conflict and natural disasters. Ensure sustainable global environments.

Performance Goals: A. Provide the Secretary and other Department decision makers with information on intelligence and counterintelligence activities to support foreign policy objectives. B. Improve intelligence support to diplomatic operations. C. Use geographic information products and imagery to support diplomatic initiatives and activities.

Indicators: A. Chiefs of Mission receive training on their oversight roles and responsibilities regarding intelligence and sensitive law enforcement activities. B. Status of Strategic Mission Plan for intelligence support to diplomacy and diplomatic operations. C. Number of Chiefs of Mission who have access to all-source intelligence. D. Track terrorists and international organized crime figures. E. Improve intelligence support to the Secretary when traveling.

Progress (for FY 2001):

- INR manages the TIPOFF program, an all-source database containing biographic and other information associated with some 68,000 suspected terrorists and international organized crime figures. TIPOFF alerts consular officers at US embassies and Immigration and Naturalization Service (INS) officers at ports of entry to potential terrorists trying to enter the US. The TIPOFF program blocked the entry of 122 terrorists and 22 organized crime figures in FY 2001.

- Use of Geographic Information System (GIS) technologies to integrate, analyze, and display information related to various diplomatic initiatives and activities is growing. In FY 2001 projects included: Plan Colombia, Cyprus negotiations, Kosovo refugee repatriation, peace talks on Nagorno-Karabakh, and Afghanistan. INR designed a database to record and analyze patterns and trends of

violence in Israel and the Occupied Territories; the database automatically georeferences those incidents so that they can be mapped for daily and weekly reports for the Secretary and other Department officers involved in the Middle East Peace Process.

- INR continued to play a key role in the USG's information support for the International Criminal Tribunal for the Former Yugoslavia (ICTY). Information provided has contributed directly to indictments and prosecutions, including the conviction of General Krstic for genocide in connection with the events of Srebrenicia. INR inaugurated a Secure Video Teleconferencing System with Embassy the Hague to facilitate regular communications between USG analysts and ICTY investigators and lawyers on war crimes issues.

- Through the Enhanced Delivery of Intelligence (EDI) system, INR provided the Secretary timely, all-source intelligence on virtually all of his domestic and overseas travels in FY 2001, including for Middle East Peace Talks, the US-Russia Talks in Crawford, Texas, and at the UN General Assembly meetings in New York.

- INR realized progress on the Electronic Read and Burn pilot project, an initiative to provide intelligence products – especially threat related information – to Chiefs of Mission that could not previously receive this type of material. The three pilot posts were surveyed to provide detailed information on physical infrastructure; a security team visited the posts to gather information; three communications packages were purchased, built, and tested; and arrangements were made with a vendor to provide communication services.

Priority: Diplomacy. Promote Mutual Understanding

Performance Goals: A. Ensure that the President, the Secretary of State, and other policymakers receive accurate information and assessments of foreign public opinion and media reaction. B. Address policymaker's needs by providing relevant public opinion media reaction reporting in advance of policy decisions. C. Ensure that policymakers understand how to interpret foreign public opinion polls and media reaction.

Indicators: A. USG customers believe INR/R provides timely, useful polling and media reaction information. B. Number of requests for public opinion reports and media reaction reports.

Progress (for FY 2001): INR's Office of Research is the official pollster for the US Government abroad. It provides open source policy-driven public opinion analysis and daily reporting of foreign media commentary on foreign policy issues to the Secretary of State and other officials. Over 120 surveys in 80 countries were conducted under the Office's guidance.

- INR conducted the first authoritative public opinion survey inside Taliban-controlled Afghanistan to determine Afghan public reaction to the Taliban government. Results were an important input to US counterterrorism efforts; they were briefed to State officials and to the NSC, CIA, and DoD, including CENTCOM.

- Flash surveys conducted immediately after September 11th in Syria, Jordan, Lebanon, the UAE, Saudi Arabia, Kuwait, and the Palestinian Authority provided the first hard evidence of a muted Arab public reaction to the attacks on the US and positive public perceptions of Usama bin Laden.

- INR tracking polls were critical to the overall Department effort in Yugoslavia, providing evidence to the Serbian opposition that only Kostunica could win against Milosevic.

- A series of surveys found widespread public support in neighboring countries for Plan Colombia and assisted the implementation of the anti-drug program in the region.

- A study of elite opinion in Russia, Ukraine, Kazakhstan, and Belarus found an increased tolerance among elites for US missile defense plans – a major change in elite perceptions.

- Media Reaction analyzed unprecedented volumes of commentary on September 11th and provided input to task forces in the Department monitoring international reaction, and to the British and Canadian governments.

Priority: Diplomatic Readiness. Human Resources, Information, and Infrastructure and Operations.

Performance Goals: A. Program managers are provided organizational options and guidance for staffing and recruitment to carry out the work of the bureau. B. Personnel actions and benefit forms are prepared in a timely manner and benefit programs are effectively administered. C. Employees are provided opportunities for career counseling and guidance. D. INR customers are given expanded accessibility to INR products through classified and unclassified websites. E. Procurement plans and actions are carried out in accordance with guidelines from the Office of Procurement and property inventory programs are accurate and timely. F. Physical and personnel security programs for non-SCI functions are implemented. G. Budget requests and financial plans are submitted on time and are linked to implementation of the policy goals of the bureau.

Indicators: A. Personnel programs to provide for staffing, organizational improvements, training and development are implemented. B. Training and travel program for employees is ongoing. C. Number of publications made available through various electronic channels. D. Websites are established on classified and unclassified systems. E. Non-SCI security program is implemented. F. Procurement and inventory functions are timely and accurate. G. Budget and fiscal functions are carried out to assure requisite resources are available to support bureau goals and initiatives.

Progress (for FY 2001):

- Bringing the Department up-to-date in electronic communications is a high priority for Secretary Powell. In our age of real-time communications, INR analysis must reach its customers as fast as other products, including those on CNN and the Internet. No matter how good INR's analysis is, if it's not in the policymaker's hands when it's needed, its value is lost. Despite receiving no new staff, in FY 2001 INR streamlined and accelerated the intelligence production and dissemination process.

- INR increased its use of Department and Intelligence Community websites to disseminate finished intelligence products, polling information, and foreign media commentary to its customers, both in Washington, DC and overseas. As part of this initiative, INR deployed CLASSNET computer terminals to all analyst desktops. Increased access to CLASSNET has enabled INR to communicate more easily with Department officers and policymakers outside of INR and to distribute products electronically, including to missions overseas.

- INR created the Intranet website, TecWorld, to assist consular officers overseas and officers with global science and technology portfolios, by providing background information on a wide range of cutting-edge technologies.

- Use of biometric log-on devices was implemented in FY 2001 to provide increased security to INR's classified computer network.

- INR is working to ensure that it will have the analytic expertise necessary to carry out its mission. INR has been successful in attracting Presidential Management Interns (PMIs) to work in the bureau. INR is working to make assignments in the Bureau more attractive to Foreign Service officers, who have experience serving in foreign countries and in the Department's regional and functional bureaus, and to enhance career development opportunities for INR's Civil Service officers who have time on account and experience in the Intelligence Community.
- INR is seeking out "best practices" in the Department and the Intelligence Community regarding hiring and is working with the Office of Personnel Management and the Department's Human Resource managers to identify flexible and innovative personnel practices so that more mid-career level officers can be brought on board. INR staff is also working closely with the Bureau of Diplomatic Security to accelerate the SCI clearance process for new hires.

A senior advisor for training and security issues has been assigned to the INR front office to help INR reshape its training programs. A series of on-going training sessions for new hires was started in late FY 2001. Through these programs new hires hear from a variety of speakers on intelligence related issues. An effort is underway to design a formal program for experienced officers to serve as mentors for new personnel. Seminars and briefings for Bureau Unit Security officers are also offered on an ongoing basis. An Analytic Tools Group was formed earlier this year to provide recommendations and guidance to INR management on new tools relevant to analytic work. This allows the INR user to provide input early on to new approaches and systems that may be implemented.

PROGRAM CHANGE JUSTIFICATION

Public Diplomacy - Increased INR Polling: $1,000,000

The overall polling and media analysis budget has only been marginally increased to cover some of the cost of inflation over the last 6 years. The world has changed considerably, new polling opportunities are available and policymakers have increased their demands for polling data and media analysis.

To support US counterterrorism policy, results of INR surveys conducted after the September 11th attacks in Pakistan, India, Malaysia, Indonesia, the Arab States and Europe were provided to policymakers. These polls provided the first hard evidence of global public reaction to 9/11 and US actions in Afghanistan. In 2001, INR conducted the first reputable survey in Taliban-controlled Afghanistan on the Afghan public's attitudes toward the Taliban government.

With additional funds, INR will be able to conduct regular polls in Afghanistan and in Muslim-majority countries to track public opinion over time. Custom surveys of Muslim young people in key countries and Muslim communities in largely non-Muslim countries will be fielded to provide insight into the attitudes of these important groups.

Results from INR surveys provide policymakers with valuable information on foreign publics' attitudes, perceptions, and opinions, thus serving as an additional tool for diplomats to use to help them frame policy and public diplomacy and advance to advance national interests.

In addition to the Secretary and officers in the Department and at the Missions, survey results are provided to the Department of Defense, the CIA, and the National Security Council staff. Results are also provided to the White House for use in Presidential and Vice Presidential trips. For example,

poll results were used as background material for the President's February trip to Japan, Korea, and China and the Vice President's 10-nation tour in March.

To respond to policymaker demands and to take advantage of new polling opportunities, additional resources are needed. The funding would be used to increase polling in several critical areas.

Africa and Asia

- The additional funding would be used to increase polling in sub-Saharan Africa on HIV/AIDs, democracy, and the economy. It would also be used to build a focused polling program in Southeast Asia, specifically, Thailand, the Philippines, and Indonesia.

Western Hemisphere

- The requested funds would be used to increase polling in this strategic region (especially Mexico, Brazil and Venezuela), and allow research into the Caribbean which has only been event driven over the last decade; permit a yearly poll in Canada; and secure participation in future Latinobarometro polls allowing annual measurements on democracy-related issues in 17 countries.

Russia and the Former Republics

- Additional funds would guarantee regular surveys/focus groups in Russia and the former Soviet republics.

Europe and the Middle East

- Additional funds for Europe would permit targeted elite studies on missile defense and anti-Americanism, and permit comparison of these findings with general public surveys.

- Middle East funds would permit targeted polling among elite audiences for comparison with general public attitudes.

This funding request would enable INR to continue to support the Department's mission by establishing baseline polling data to show initial attitudes about priority policy issues and strategic goals important to the U.S.; allow INR to conduct public opinion polls at least annually in high priority countries; and provide a means to monitor trends to gauge changes in public opinion and opinion leaders' commentary in foreign media.

This request supports the strategic goal of Mutual Understanding and INR's performance goal of ensuring that the President, the Secretary of State, and other senior policymakers receive accurate information and assessments of foreign public opinion.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Intelligence & Research	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	303	0	0	303	$8,676	$28,474	$37,150
FY 2002 Estimate	305	0	0	305	$10,860	$30,032	$40,892
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($19)	$0	($19)
2002 American Cost-of-Living Adjustment	0	0	0	0	$5	$348	$353
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$96	$96
American Cost-of-Living Adjustment	0	0	0	0	$8	$592	$600
Domestic Price	0	0	0	0	$192	$0	$192
Total Built-in Changes	0	0	0	0	$186	$1,036	$1,222
FY 2003 Current Services	305	0	0	305	$11,046	$31,068	$42,114
FY 2003 Program Changes							
Increased INR Polling	0	0	0	0	$1,000	$0	$1,000
Total Program Changes	0	0	0	0	$1,000	$0	$1,000
FY 2003 Request	305	0	0	305	$12,046	$31,068	$43,114

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Intelligence & Research	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**15**	**15**	**15**	**0**
Bureau Direction	15	15	15	0
Conduct of Diplomatic Relations	**264**	**264**	**264**	**0**
Intelligence and Research	264	264	264	0
Information Resource Management	**12**	**12**	**12**	**0**
Infrastructure Systems	1	1	1	0
Information Management Security Implementation	1	1	1	0
Corporate Information Systems and Services	11	11	11	0
Core Foreign Affairs Systems	9	9	9	0
Information Services	2	2	2	0
Domestic Administrative Support	**12**	**14**	**14**	**0**
Domestic Administrative Management	5	7	7	0
Domestic Financial Services	4	4	4	0
Domestic Personnel Services	2	2	2	0
Domestic General Services	1	1	1	0
Other Domestic General Services	1	1	1	0
Total	303	305	305	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Intelligence & Research	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,480**	**$1,560**	**$1,609**	**$49**
Bureau Direction	$1,480	$1,560	$1,609	$49
Conduct of Diplomatic Relations	**$26,190**	**$28,330**	**$29,249**	**$919**
Intelligence and Research	$26,190	$28,330	$29,249	$919
Public Diplomacy	**$2,782**	**$3,701**	**$4,769**	**$1,068**
Public Diplomacy - Program Costs	$2,782	$3,701	$4,769	$1,068
Information Resource Management	**$5,317**	**$5,591**	**$5,723**	**$132**
Infrastructure Systems	$639	$722	$739	$17
Information Management Security Implementation	$135	$140	$145	$5
Voice Communications Programs	$504	$582	$594	$12
Corporate Information Systems and Services	$4,678	$4,869	$4,984	$115
Core Foreign Affairs Systems	$4,488	$4,159	$4,257	$98
Information Services	$190	$710	$727	$17
Domestic Administrative Support	**$1,381**	**$1,710**	**$1,764**	**$54**
Domestic Administrative Management	$480	$768	$793	$25
Domestic Financial Services	$384	$403	$417	$14
Domestic Personnel Services	$216	$226	$233	$7
Domestic General Services	$301	$313	$321	$8
Other Domestic General Services	$301	$313	$321	$8
Total	$37,150	$40,892	$43,114	$2,222

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Intelligence & Research	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**15**	**0**	**0**	**15**	**$83**	**$1,526**	**$1,609**
Bureau Direction	15	0	0	15	$83	$1,526	$1,609
Conduct of Diplomatic Relations	**264**	**0**	**0**	**264**	**$2,354**	**$26,895**	**$29,249**
Intelligence and Research	264	0	0	264	$2,354	$26,895	$29,249
Public Diplomacy	**0**	**0**	**0**	**0**	**$4,769**	**$0**	**$4,769**
Public Diplomacy - Program Costs	0	0	0	0	$4,769	$0	$4,769
Information Resource Management	**12**	**0**	**0**	**12**	**$4,502**	**$1,221**	**$5,723**
Infrastructure Systems	1	0	0	1	$637	$102	$739
Information Management Security Implementation	1	0	0	1	$43	$102	$145
Voice Communications Programs	0	0	0	0	$594	$0	$594
Corporate Information Systems and Services	11	0	0	11	$3,865	$1,119	$4,984
Core Foreign Affairs Systems	9	0	0	9	$3,341	$916	$4,257
Information Services	2	0	0	2	$524	$203	$727
Domestic Administrative Support	**14**	**0**	**0**	**14**	**$338**	**$1,426**	**$1,764**
Domestic Administrative Management	7	0	0	7	$80	$713	$793
Domestic Financial Services	4	0	0	4	$9	$408	$417
Domestic Personnel Services	2	0	0	2	$30	$203	$233
Domestic General Services	1	0	0	1	$219	$102	$321
Other Domestic General Services	1	0	0	1	$219	$102	$321
Total	305	0	0	305	$12,046	$31,068	$43,114

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Intelligence & Research	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Intelligence & Research	8	13	13	0
Deputy Assistant Secretary for Analysis	0	0	0	0
Office of Analysis for Africa	12	12	12	0
Office of Analysis for East Asia & Pacific	19	19	19	0
Office of Economic Analysis	16	16	16	0
Office of Analysis for Europe	21	21	21	0
External Research Staff	6	6	6	0
Office of Analysis for Inter-American Affairs	16	16	16	0
Office of Analysis for Near East & South Asia	20	20	20	0
Office of Analysis for Russia and Eurasia	21	21	21	0
Office of Strategic, Proliferation and Military Issues	18	18	18	0
Office of Publications	6	6	6	0
Principal DAS for Intelligence & Research	2	2	2	0
Current Intelligence Staff	14	14	14	0
Office of the Executive Director	24	14	14	0
Office of Intelligence Operations	8	7	7	0
Office of Research and Media Reaction	40	40	40	0
Deputy Assistant Secretary for Intelligence Policy and Coordination	2	0	0	0
Office of Intelligence Coordination	9	9	9	0
Office of the Geographer and Global Issues	17	27	27	0
Office of Intelligence Resources	10	10	10	0
Office of Analysis for Terrorism, Narcotics and Crime	14	14	14	0
Total	303	305	305	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Intelligence & Research	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Intelligence & Research	$807	$1,356	$1,427	$71
Deputy Assistant Secretary for Analysis	$0	$0	$0	$0
Office of Analysis for Africa	$1,188	$1,232	$1,301	$69
Office of Analysis for East Asia & Pacific	$1,880	$1,954	$2,064	$110
Office of Economic Analysis	$1,576	$1,632	$1,723	$91
Office of Analysis for Europe	$2,090	$2,237	$2,358	$121
External Research Staff	$919	$941	$976	$35
Office of Analysis for Inter-American Affairs	$1,601	$1,664	$1,755	$91
Office of Analysis for Near East & South Asia	$1,969	$2,234	$2,351	$117
Office of Analysis for Russia and Eurasia	$2,171	$2,262	$2,383	$121
Office of Strategic, Proliferation and Military Issues	$1,773	$2,040	$2,145	$105
Office of Publications	$593	$614	$647	$33
Principal DAS for Intelligence & Research	$198	$204	$214	$10
Current Intelligence Staff	$1,491	$1,538	$1,615	$77
Office of the Executive Director	$6,244	$1,710	$1,795	$85
Office of Intelligence Operations	$778	$700	$740	$40
Office of Research and Media Reaction	$6,551	$7,651	$8,856	$1,205
Deputy Assistant Secretary for Intelligence Policy and Coordination	$210	$0	$0	$0
Office of Intelligence Coordination	$884	$908	$958	$50
Office of the Geographer and Global Issues	$1,687	$7,150	$6,800	($350)
Office of Intelligence Resources	$1,139	$1,199	$1,258	$59
Office of Analysis for Terrorism, Narcotics and Crime	$1,401	$1,666	$1,748	$82
Total	$37,150	$40,892	$43,114	$2,222

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Intelligence & Research	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$23,146	$24,473	$25,297	$824
1200	Personnel Benefits	$5,729	$6,048	$6,255	$207
2100	Travel & Trans of Persons	$491	$776	$791	$15
2300	Rents, Comm & Utilities	$613	$685	$699	$14
2400	Printing & Reproduction	$226	$242	$246	$4
2500	Other Services	$4,910	$6,989	$8,116	$1,127
2600	Supplies and Materials	$324	$329	$334	$5
3100	Personal Property	$1,711	$1,350	$1,376	$26
	Total	$37,150	$40,892	$43,114	$2,222

DIPLOMATIC & CONSULAR PROGRAMS

African Affairs

OVERVIEW STATEMENT

The Bureau of African Affairs (AF) formulates and implements foreign policy to support the creation of a more democratic, stable and prosperous sub-Saharan Africa. U.S. policy toward Africa seeks to enhance U.S. prosperity by fostering economic development and liberalization, which strengthens the economies of potential trading partners while building a platform for U.S. investments. The U.S. engages in democracy promotion and support for human rights both as a reflection of our national values and as a foundation for our broader national interests. Countering transnational threats emanating from Africa, especially the spread of HIV/AIDS, must be seen as an U.S. priority in Africa along with continued concerns over terrorism, narcotics, crime, and environmental degradation. U.S. goals and priorities are undermined by violent conflict in Africa; therefore conflict resolution and the pursuit of regional stability are central to AF's overall policy objectives. Diplomatic readiness in the form of secure and permanent U.S. presence at 43 embassies and four constituent posts in sub-Saharan Africa ensures our ability to meet the needs of American citizens abroad, carry out essential public diplomacy, and implement our policy and programs throughout Africa.

NATIONAL INTERESTS & GOALS

Priority: Economic Prosperity, African Global Economic Integration- Integrate sub-Saharan Africa into the global economy by facilitating entry into the international trading system, fostering interest in Africa by, and achieving a level playing field for, U.S. firms, and promoting free trade within the region.

Performance Goal: A. An African investment climate and participation in trade regimes which attract greater global capital. B. Increased U.S. investment in and exports to Africa. C. Increased African economic growth. D. Reduced African debt. E. Regional economic integration. F. Stable population growth rates in Africa. G. An educated population with access to technology. H. Improved transportation links between Africa and other regions of the world, and within Africa.

Indicators: A. Expanded implementation of the African Growth and Opportunity Act. B. Levels of U.S. investment and exports. C. African tariff rates. D. African share of world trade. E. African economic growth rates. F. Funding and implementation of debt relief initiatives, including the Highly Indebted Poor Countries (HIPC) initiative. G. Level of Overseas Private Investment Corporation (OPIC), Export-Import Bank (EXIM), and Trade Development Agency (TDA) funding for African projects. H. Completed civil aviation assessments at African airports under Safe Skies Initiative. I. African countries designated eligible for the General System of Preferences (GSP) program. J. Primary school enrollment.

Progress (FY 2001): The Bureau hosted the first ministerial level U.S.-sub-Saharan Africa Trade and Economic Cooperation Forum in October 2001 to help focus African leaders on the importance of good governance and economic reform. The Bureau implemented the African Growth and Opportunity Act (AGOA) advocating careful and balanced consideration of the eligibility criteria to reward economic, political and social reform and serve as an incentive for further reform. Of the 48 sub-Saharan countries, 35 were found eligible for AGOA benefits. Africa's share of U.S. trade increased in 2001. Overall U.S.-Africa trade for the first three quarters of CY 2001 was up about four percent. Plans were finalized to open TDA and OPIC regional offices in sub-Saharan Africa in 2002. Africa's real GDP growth rate increased to 3.2 percent in 2000 up from a 2.7 percent growth rate in 1999. The Bureau supported the addition of 1,835 new products to the Generalized System of Preferences (GSP) list for AGOA beneficiaries and promoted adoption of anti-transshipment procedures to enable countries to qualify for AGOA textile and apparel

benefits. As of December 31, 2001, 12 countries had finished the procedures to qualify for the expanded textile and apparel benefits under AGOA. The Bureau's AGOA outreach activities included an AGOA professional intern program, the production of a video on AGOA successful industries,, live satellite interactives, support to customs workshops and a speaker program. Under the Safe Skies initiative, Department of Transportation inspections took place in Kenya, Cote d'Ivoire, Cape Verde, Namibia, Tanzania, Mali, Cameroon, and Angola. By the end of the year, eighteen African countries had reached decision points for debt relief under the Highly Indebted Poor Countries (HIPC) initiative.

Priority: Democratic Governments And Respect For Human Rights - Increase democracy, good governance and respect for the rule of law in Africa by promoting respect for human rights, political participation – particularly by disaffected groups and women – free and fair electoral processes, strong, independent judiciaries and legislatures, growth of an independent media and civil society, and respect for civilian rule among the military.

Performance Goal: A. Strong democratic institutions, fostered by key regional democracies. B. Peaceful, free and fair democratic transitions in important regional economic pillars. C. Democratic political systems, where authoritarian regimes and those in conflict now exist. D. Respect for human rights, including the rights of women and political rights. E.. Accountable, transparent and effective governance. F. An independent judiciary and respect for the rule of law. G. Independent, effective legislatures. H. Inclusive, transparent electoral processes on a level playing field. I. A democratic culture, vibrant civil societies and independent media.

Indicators: A. Stability and strength of key democratic institutions in Nigeria and South Africa. B. Credible and peaceful transitions of democratic power in Kenya, Zimbabwe, and Cote d'Ivoire. C. Open and transparent elections in Mali and the Republic of Congo, and strong democratic institutions in Niger and Mozambique. D. An inclusive national dialogue in the Democratic Republic of Congo aimed at establishing democratic governance, a renewed commitment to democratic reform in post-conflict Ethiopia and Eritrea, and a continued commitment to democratic reform in Sierra Leone. E. Regional organizations' focus on respect for human rights, particularly the issues of child soldiers and slavery. F. Reported violations of basic civil liberties, especially in Kenya and Zimbabwe. G. Number of countries adopting anti-corruption measures. H. Extent of Executive influence over Judiciaries' rulings. I. Extent of Legislatures' accountability to their individual constituencies J. Number of opposition political parties, pro-democracy NGOs and the independent media and extent of Executive constraint over their activities. K. Voter turn-out.

Progress (FY 2001): Peaceful transitions of democratic power in Ghana and Senegal. Deepening strategic partnerships between the United States and important regional states like Nigeria and South Africa. The rigid, ceremonial Bi-national Commission (BNC) with South Africa was replaced, by mutual consent of our Presidents, with the more supple Cooperative Forum, which oversees the work of nine active sectoral committees. Nigeria agreed to provide the largest number of troops during United Nations Mission in Sierra Leone (UNAMSIL) critical consolidation phase and stayed when other troop contributors departed, thus playing an important role in putting the Sierra Leone civil war on the road to peaceful resolution. The Bureau focused intense efforts on important periods of transition in Kenya, Zimbabwe, Zambia, and Cote d'Ivoire. In Zimbabwe, the United States Government used its diplomatic and assistance assets both to help level the playing field for a political opposition besieged by a Mugabe government determined to stay in power, and to promote free and fair elections. In Cote d'Ivoire, by creating a common front with international financial institutions and other donors, convinced the government of need to pursue meaningful national reconciliation. Result was National Reconciliation Forum and re-entry of all key political factions in the political life of the country. Through AF-directed democracy and human rights projects in over 40 sub-Saharan African countries, the Bureau invested diplomatic, public diplomacy, and financial resources to promote democratic and independent African civil societies, judiciaries and

legislatures. In Zambia, a "third-term" gambit was turned back, setting a broader regional trend in which Presidents in Namibia, Mozambique, and Angola announced their intentions not to run for another term. The Bureau provided both diplomatic and financial support for the Inter-Congolese Dialogue. The Facilitator, former Botswana President Masire, chaired a successful planning meeting in August. The first session adjourned early due to participation issues; the second session reconvenes in February. As one of three key elements of the Lusaka Cease-Fire Agreement, a successful dialogue is an essential part of resolving the conflict in the Democratic Republic of Congo and restoring peace to the Great Lakes Region.

Priority: Conflict Resolution And Regional Stability - IncreaseAfrican capacity at the national, sub-regional, and regional level to prevent, mitigate and resolve crises, conflict, and regional instability.

Performance Goal: A. Well-trained and equipped African forces for peacekeeping operations. B. Enhanced regional and sub-regional peacekeeping capability through U.S. crisis response assistance and training and Foreign Military Financing (FMF) grants to organizations and countries participating in peace support, regional security, and general threat reduction operations. C. Effective enforcement of UN embargoes and sanctions in Africa through a bilateral and multinational focus on enforcing restrictions in place against entities such as the National Union for the Total Independence of Angola (UNITA), the Former Rawandan Armed Forces (ex-FAR/Interahamwe), Liberia arms transfers, and rebel groups in Sierra Leone. D. A reduced flow of small arms and conventional weapons in Africa. E. Professionalized African military leaders through the International Military Education and Training (IMET) program with an emphasis on E-IMET courses. F. Increased international support for regional stability initiatives such as ongoing peace support operations.

Indicators: A. Number of African troops participating in African peace support, conflict resolution, and regional stability operations. B. Organization of African Unity (OAU) and sub-regional organizations participation in peace support, conflict resolution, and regional stability operations. C. Extent of small arms flows and accumulations. D. Number of IMET students completing U.S. training courses and past IMET students moving into prominent command positions. F. Amount of International funding, logistical and other support for African peacekeeping operations. G. Extent to which participants completing DoD's African Center for Strategic Studies seminars demonstrate adherence to professional military practices and international democratic and human rights norms.

Progress (FY 2001): Agreements were reached with the Sudanese government and southern opposition representatives on three of the four points U.S. Special Envoy Danforth put before them. Binding arbitration to resolve the long-standing Ethiopia-Eritrea border demarcation issue moved forward. U.S.-supported Disarmament, Demobilization, and Reintegration (DDR) program in Sierra Leone disarmed over 44,000 ex-combatants and set that country on the path to democratic elections. U.S. agreed to contribute funding for a Special Court to try those most responsible for violations of international humanitarian law during the conflict in Sierra Leone. By January 2001, more than 8,600 African troops received training in peacekeeping and humanitarian relief operations under the Bureau-managed African Crisis Response Initiative (ACRI) program. The Bureau was instrumental in organizing the program to train five Nigerian battalions, plus one battalion each from Ghana and Senegal for participation in UNAMSIL. With Bureau encouragement and partial U.S. assistance, African countries supported peace support, conflict resolution, and regional stability operations in the Democratic Republic of Congo, Burundi, and Sierra Leone. The Joint Military Commission in the Democratic Republic of Congo, supported by the Bureau, has directly contributed to a successful disengagement of forces along the front as well as DDR planning. The OAU, Economic Community of West African States (ECOWAS), and Southern Africa Development Conference (SADC), which the Bureau continued to support through diplomacy, technical assistance and limited strategic funding, contributed to the advancement of peace support, conflict resolution, and regional stability operations in Burundi, the Comoros, Democratic Republic of Congo, Guinea-Bissau, Lesotho, Liberia, Mozambique, Sierra Leone, and Sudan.

DIPLOMATIC & CONSULAR PROGRAMS

Priority: Defending Against Transnational Threats - Decrease the spread of terrorism, disease, illegal narcotics, international crime, and environmental degradation in Africa

Performance Goal: A. Minimal impact of African crime on the United States. B. Reduced entry of illegal drugs from Africa to the United States. C. No African-based international terrorist attacks on U.S. citizens. D. Decreased environmental degradation. E. A reduction of disease in Africa. F. Non-proliferation of weapons of mass destruction and small arms in Africa. G. Elimination of the illicit use of natural resources in fueling West African wars.

Indicators: A. Number of cases prosecuted against Africa-based individuals engaged in international crime and number of Africa-based international crime syndicates destroyed. B. Enactment of national statutes to counteract money laundering and other financial crimes. C. Number of arrests, prosecutions, and incarcerations of drug traffickers. D. Number of seizures of drug shipments transiting Africa. E. Number of terrorist incidents in Africa. F. Number of countries acceding to international counter terrorism conventions, including that of the OAU. G. Number of key agreements, including climate change, bio-diversity, and pollutants, negotiated by African countries and regional organizations. H. Extent of regional cooperation on combating disease, especially HIV/AIDS, malaria, and tuberculosis. I. Extent of accession to international and regional non-proliferation and arms control regimes.

Progress (FY 2001): The Nigerian Drug Law Enforcement Agency (NDLEA) has stepped up narcotics interdiction efforts at Murtala Mohammed International Airport, with U.S. training and technical assistance. The first International Law Enforcement Academy in Africa began operations in Botswana to facilitate improvement in fighting crime and drug trafficking primarily in SADC countries. With Bureau support there was substantial progress towards worldwide ratification of the UN Convention on Desertification; regional cooperation on watershed management also advanced. Africa generally increased its commitment to environmental protection, as evidenced by the completion of a multinational agreement on the use of persistent organic pollutants. The Bureau continued to support development of the White House HIV/AIDS initiative. The Bureau also continued working with the SADC Forum to develop a Southern Africa HIV/AIDS policy and develop comprehensive public diplomacy programs on HIV/AIDS. The Bureau supported UN sanction efforts in Sierra Leone and Liberia aimed at breaking the link between illicit trading in natural resources (such as "conflict" diamonds) and arms trafficking, which has fueled protracted regional conflicts.

Priority: Diplomatic Readiness - Advance U.S. goals and interests in Africa through a continued, permanent U.S. presence, security enhanced office buildings, efficient and prompt consular assistance to American citizens, adequate post staffing, sufficient back-up communication personnel, and modern and efficient information systems.

Performance Goal: A. Sufficient trained and qualified personnel to meet basic operational requirements. B. HIV/AIDS prevention training and expanded medical coverage for HIV infected employees. C. Sufficient resources for the increasing costs of medical coverage for HIV/AIDS infected staff. D. Application of information technology resources in accordance with the Department's Strategic and Information Resource Plans. E. Expeditiously constructed new office buildings. F. Reopen embassies in countries where operations have been suspended (Khartoum and Brazzaville). G. Foreign National Offshore Retirement Plans at posts where no local plan exists.

Indicators: A. Number of completed, secure new office buildings in sub-Saharan Africa. B. Number of posts with Foreign National offshore retirement plans. C. Reopening of posts in countries where operations have been suspended (percentage complete). D. Increased operational positions to meet Bureau growth. E. Number of AF posts expected to experience health insurance increases as the HIV/AIDS epidemic spreads.

F. Percent decline of special "When Actually Employed" (WAE) costs with new positions. G. AF posts with Microsoft Classified-Local Area Network System (NT C-LANS). H. Number of substandard unclassified personal computers. Percent of systems Foreign Service Nationals (FSNs) with A+ certification. I. Number of International Voice Gateway (IVG) lines at AF posts.

Progress (FY 2001): Significant strides have been made towards improving the Bureau's diplomatic readiness since terrorist bombings destroyed two of our embassies in East Africa in 1998. New embassies are being constructed in both Kenya and Tanzania with completion dates scheduled for January 2003. Our embassy staff in Uganda moved into its newly constructed chancery in February 2001, just sixteen months after ground was broken. Groundbreaking for the new embassy in Luanda is scheduled for spring 2002. An additional seven chanceries have been identified for new construction and recently completed a "rightsizing" review. These posts include Cote d'Ivoire, Mali, South Africa (Cape Town), Guinea, Zimbabwe, Eritrea, Cameroon, and Mozambique. The Bureau has reviewed the vulnerability of the remainder of AF posts and prioritized them according to the need for relocation or upgrade. Staffing our embassies, however, continues to be a critical challenge. AF Public Diplomacy staff is integrated into Bureau issues and the necessary policy guidance for public affairs strategic planning and public outreach is also being well executed. Eighteen posts are now capable of sending and receiving classified e-mail communications. The vast majority of remaining posts are scheduled to have classified e-mail capability within the next two years.

PROGRAM CHANGE JUSTIFICATION

Changes in State's HIV/AIDS Policy: $3,600,000

The goals of the African Bureau can only be met with the continued support of our Foreign Service National employees overseas, many of whom are being infected by the HIV/AIDS virus at an alarming rate as the pandemic rapidly spreads throughout Sub-Saharan Africa. The bureau is requesting funds for HIV/AIDS prevention training and for the increased health insurance costs of this epidemic on our existing FSN workforce, following the guidance given in the HIV/AIDS in the Workplace policy.

- Post HIV/AIDS Prevention Training: $600,000. In conjunction with the Department's HIV/AIDS in the Workplace policy, funds are requested to promote HIV/AIDS awareness through prevention education training for all employees. These funds would provide formal and informal training programs in FY-03 for the 30 African posts with the highest incidence of HIV/AIDS.

- Medical Benefit Insurance Increases: $1,000,000. As a result of the spread of HIV/AIDS throughout Africa, medical benefit insurance costs are increasing across the board. In addition, treating HIV/AIDS with antiviral medications and treating opportunistic infections caused by the disease often require additional coverage. Thus we anticipate increased medical benefit costs for our existing staff. We expect medical benefits at the twenty high-risk, sub-Saharan African posts will increase 50%, and the increase will be 20% at the remaining 27 African posts in FY-03.

- HIV Post-exposure Prophylaxis (PEP) Costs: $160,000. In keeping with the Department's HIV/AIDS in the Workplace policy, funds are requested for local insurance increases to implement post-exposure prophylaxis treatment. Medical evidence indicates that early treatment with PEP soon after exposure to the HIV/AIDS virus significantly reduces the risk of infection by other opportunistic diseases, such as tuberculosis and pneumonia.

DIPLOMATIC & CONSULAR PROGRAMS

- Double Encumbered Positions: $1,660,000. This debilitating disease will increase the absentee rate of our existing FSN workforce. To accomplish our mission overseas, the bureau will be required to double encumber critical FSN positions.

- Death Benefits: $180,000. Funds are requested for an anticipated 10% increase in FSN death benefits as this disease progresses and takes its toll on our staff.

Additional Public Diplomacy Locally Employed Salary Funding: $250,000

To meet the growing Mutual Understanding Goals of the African Bureau $250,000 is required to hire additional local staff for the translation and production of materials in Hausa, Swahili and Portuguese.

In the wake of September 11, the need to reach predominantly Muslim audiences in the Hausa-speaking regions of Nigeria and the Sahel and the Swahili speaking regions of East Africa was made clear. This increase will enable the Embassies in Abuja, Nairobi and Dar es Salaam to hire local translation teams, and produce pamphlets, cassettes and radio programs to reach these audiences. These funds will also be used for translations into Portuguese in Mozambique, Angola and other small Lusophone countries of Africa.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of African Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	148	506	535	1,189	$121,060	$67,636	$188,696
FY 2002 Estimate	150	556	535	1,241	$149,153	$72,682	$221,835
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($3,931)	$0	($3,931)
2002 American Cost-of-Living Adjustment	0	0	0	0	$89	$842	$931
Annualization of 2002 Hiring Increases	0	0	0	0	$2,218	$1,179	$3,397
Annualization of 2002 Hiring Increases (HR,SO)	0	0	0	0	$437	$200	$637
American Cost-of-Living Adjustment	0	0	0	0	$127	$1,433	$1,560
FSN Wage	0	0	0	0	$3,158	$0	$3,158
Overseas Price	0	0	0	0	$4,981	$0	$4,981
Domestic Price	0	0	0	0	$107	$0	$107
Total Built-in Changes	0	0	0	0	$7,186	$3,654	$10,840
FY 2003 Current Services	150	556	535	1,241	$156,339	$76,336	$232,675
FY 2003 Program Changes							
Change in State's HIV/AIDs Policy	0	0	0	0	$3,600	$0	$3,600
Locally Engaged Staff	0	0	0	0	$250	$0	$250
Total Program Changes	0	0	0	0	$3,850	$0	$3,850
FY 2003 Request	150	556	535	1,241	$160,189	$76,336	$236,525

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**205**	**205**	**205**	**0**
Bureau Direction	8	8	8	0
Mission Direction	195	195	195	0
Public Affairs	1	1	1	0
Legislative Affairs	1	1	1	0
Conduct of Diplomatic Relations	**274**	**316**	**316**	**0**
Political Affairs	106	111	111	0
Political Diplomacy	106	111	111	0
Economic/Trade Affairs	55	71	71	0
Business Services	25	34	34	0
Environmental, Scientific and Technological Affairs	22	31	31	0
International Security Affairs	9	12	12	0
Labor Affairs	3	3	3	0
Intelligence and Research	2	2	2	0
Country Coordination	52	52	52	0
Public Diplomacy	**368**	**378**	**378**	**0**
Public Diplomacy - Program Costs	368	378	378	0
Conduct of Consular Relations	**26**	**26**	**26**	**0**
Overseas Visa Services	8	8	8	0
Overseas Citizens Services	10	10	10	0
Overseas Consular Management	8	8	8	0
International Organization Relations	**8**	**8**	**8**	**0**
International Organization Representation	8	8	8	0
Political and International Security Representation	2	2	2	0
Economic Development and Trade Representation	2	2	2	0
Environment, Science, Education, and Health Representation	2	2	2	0
Refugee and Humanitarian Representation	2	2	2	0
Diplomatic Security	**151**	**151**	**151**	**0**
Investigations and Counterintelligence	2	2	2	0
Overseas Protection of Life	60	60	60	0
Local Guard Services	60	60	60	0
Domestic Protection of Information	22	22	22	0
Physical Security Protection of Information	22	22	22	0
Overseas Protection of Information	12	12	12	0
Diplomatic Courier and Transit Security	12	12	12	0
Mission Security Operations	55	55	55	0
Information Resource Management	**117**	**117**	**117**	**0**
Infrastructure Systems	109	109	109	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Other Telecommunications Abroad	3	3	3	0
ADP Communications and Message Centers	106	106	106	0
Office Automation	8	8	8	0
Other Office Automation	8	8	8	0
Domestic Administrative Support	**40**	**40**	**40**	**0**
Domestic Administrative Management	25	25	25	0
Domestic Financial Services	7	7	7	0
Domestic Personnel Services	6	6	6	0
Domestic General Services	2	2	2	0
Other Domestic General Services	2	2	2	0
Total	1,189	1,241	1,241	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$18,154**	**$20,267**	**$20,588**	**$321**
Bureau Direction	$845	$845	$861	$16
Mission Direction	$17,078	$19,191	$19,492	$301
Public Affairs	$148	$148	$150	$2
Legislative Affairs	$83	$83	$85	$2
Conduct of Diplomatic Relations	**$30,727**	**$41,065**	**$46,276**	**$5,211**
Political Affairs	$10,785	$13,205	$13,783	$578
Political Diplomacy	$10,785	$13,205	$13,783	$578
Economic/Trade Affairs	$7,686	$10,468	$14,105	$3,637
Business Services	$3,403	$5,063	$5,823	$760
Environmental, Scientific and Technological Affairs	$2,323	$4,183	$4,963	$780
International Security Affairs	$882	$1,522	$1,784	$262
Labor Affairs	$406	$446	$450	$4
Intelligence and Research	$324	$344	$346	$2
Country Coordination	$4,918	$5,834	$5,022	($812)
Public Diplomacy	**$25,176**	**$28,398**	**$30,142**	**$1,744**
Public Diplomacy - Program Costs	$25,176	$28,398	$30,142	$1,744
Conduct of Consular Relations	**$7,342**	**$7,342**	**$7,342**	**$0**
Overseas Visa Services	$2,750	$2,750	$2,750	$0
Overseas Citizens Services	$3,232	$3,232	$3,232	$0
Overseas Consular Management	$1,360	$1,360	$1,360	$0
International Organization Relations	**$1,296**	**$1,376**	**$1,384**	**$8**
International Organization Representation	$1,296	$1,376	$1,384	$8
Political and International Security Representation	$324	$344	$346	$2
Economic Development and Trade Representation	$324	$344	$346	$2
Environment, Science, Education, and Health Representation	$324	$344	$346	$2
Refugee and Humanitarian Representation	$324	$344	$346	$2
Diplomatic Security	**$15,692**	**$17,107**	**$17,249**	**$142**
Investigations and Counterintelligence	$324	$344	$346	$2
Overseas Protection of Life	$5,313	$5,733	$5,775	$42
Local Guard Services	$5,313	$5,733	$5,775	$42
Domestic Protection of Information	$2,567	$2,902	$2,936	$34
Physical Security Protection of Information	$2,567	$2,902	$2,936	$34
Overseas Protection of Information	$1,182	$1,322	$1,336	$14
Diplomatic Courier and Transit Security	$1,182	$1,322	$1,336	$14
Mission Security Operations	$6,306	$6,806	$6,856	$50
Information Resource Management	**$21,408**	**$21,790**	**$22,529**	**$739**
Infrastructure Systems	$18,569	$18,951	$19,674	$723

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Other Telecommunications Abroad	$1,710	$1,710	$1,716	$6
ADP Communications and Message Centers	$16,859	$17,241	$17,958	$717
Office Automation	$2,839	$2,839	$2,855	$16
Other Office Automation	$2,839	$2,839	$2,855	$16
Overseas Administrative Support	**$63,486**	**$79,075**	**$85,484**	**$6,409**
International Cooperative Administrative Support Services (ICASS)	$63,486	$79,075	$85,484	$6,409
Domestic Administrative Support	**$5,415**	**$5,415**	**$5,531**	**$116**
Domestic Administrative Management	$3,129	$3,129	$3,179	$50
Domestic Financial Services	$1,062	$1,062	$1,076	$14
Domestic Personnel Services	$918	$918	$930	$12
Domestic General Services	$306	$306	$346	$40
Other Domestic General Services	$306	$306	$346	$40
Total	$188,696	$221,835	$236,525	$14,690

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of African Affairs	Positions American Domestic	American Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**22**	**139**	**44**	**205**	**$8,341**	**$12,247**	**$20,588**
Bureau Direction	8	0	0	8	$261	$600	$861
Mission Direction	12	139	44	195	$8,015	$11,477	$19,492
Public Affairs	1	0	0	1	$65	$85	$150
Legislative Affairs	1	0	0	1	$0	$85	$85
Conduct of Diplomatic Relations	**70**	**191**	**55**	**316**	**$24,104**	**$22,172**	**$46,276**
Political Affairs	3	86	22	111	$7,406	$6,377	$13,783
Political Diplomacy	3	86	22	111	$7,406	$6,377	$13,783
Economic/Trade Affairs	15	41	15	71	$7,756	$6,349	$14,105
Business Services	0	20	14	34	$4,366	$1,457	$5,823
Environmental, Scientific and Technological Affairs	0	30	1	31	$2,584	$2,379	$4,963
International Security Affairs	0	11	1	12	$944	$840	$1,784
Labor Affairs	0	2	1	3	$284	$166	$450
Intelligence and Research	0	1	1	2	$264	$82	$346
Country Coordination	52	0	0	52	$500	$4,522	$5,022
Public Diplomacy	**15**	**83**	**280**	**378**	**$19,009**	**$11,133**	**$30,142**
Public Diplomacy - Program Costs	15	83	280	378	$19,009	$11,133	$30,142
Conduct of Consular Relations	**0**	**0**	**26**	**26**	**$7,342**	**$0**	**$7,342**
Overseas Visa Services	0	0	8	8	$2,750	$0	$2,750
Overseas Citizens Services	0	0	10	10	$3,232	$0	$3,232
Overseas Consular Management	0	0	8	8	$1,360	$0	$1,360
International Organization Relations	**0**	**4**	**4**	**8**	**$1,056**	**$328**	**$1,384**
International Organization Representation	0	4	4	8	$1,056	$328	$1,384
Political and International Security Representation	0	1	1	2	$264	$82	$346
Economic Development and Trade Representation	0	1	1	2	$264	$82	$346
Environment, Science, Education, and Health Representation	0	1	1	2	$264	$82	$346
Refugee and Humanitarian Representation	0	1	1	2	$264	$82	$346
Diplomatic Security	**0**	**71**	**80**	**151**	**$11,387**	**$5,862**	**$17,249**
Investigations and Counterintelligence	0	1	1	2	$264	$82	$346
Overseas Protection of Life	0	21	39	60	$4,079	$1,696	$5,775
Local Guard Services	0	21	39	60	$4,079	$1,696	$5,775
Domestic Protection of Information	0	17	5	22	$1,547	$1,389	$2,936
Physical Security Protection of Information	0	17	5	22	$1,547	$1,389	$2,936
Overseas Protection of Information	0	7	5	12	$764	$572	$1,336
Diplomatic Courier and Transit Security	0	7	5	12	$764	$572	$1,336
Mission Security Operations	0	25	30	55	$4,733	$2,123	$6,856

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Information Resource Management	**3**	**68**	**46**	**117**	**$14,600**	**$7,929**	**$22,529**
Infrastructure Systems	0	63	46	109	$12,686	$6,988	$19,674
Other Telecommunications Abroad	0	3	0	3	$1,237	$479	$1,716
ADP Communications and Message Centers	0	60	46	106	$11,449	$6,509	$17,958
Office Automation	3	5	0	8	$1,914	$941	$2,855
Other Office Automation	3	5	0	8	$1,914	$941	$2,855
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$71,965**	**$13,519**	**$85,484**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$71,965	$13,519	$85,484
Domestic Administrative Support	**40**	**0**	**0**	**40**	**$2,385**	**$3,146**	**$5,531**
Domestic Administrative Management	25	0	0	25	$1,350	$1,829	$3,179
Domestic Financial Services	7	0	0	7	$478	$598	$1,076
Domestic Personnel Services	6	0	0	6	$418	$512	$930
Domestic General Services	2	0	0	2	$139	$207	$346
Other Domestic General Services	2	0	0	2	$139	$207	$346
Total	150	556	535	1,241	$160,189	$76,336	$236,525

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for African Affairs	5	5	5	0
DAS FOR Transnational Issues, Policy and Resource Planning	2	2	2	0
Office of Executive Director	45	45	45	0
Office of Regional Affairs	14	15	15	0
Special Assistant for Press	0	0	0	0
Senior Deputy Assistant Secretary (DAS)	2	2	2	0
Office of Southern African Affairs	15	15	15	0
Office of West African Affairs	16	16	16	0
Office of Central African Affairs	12	12	12	0
Office of East African Affairs	12	12	12	0
DAS FOR Economic and Commercial Issues and Private Sector Outreach	2	2	2	0
Office of Economic Policy	8	9	9	0
Office of Public Diplomacy	15	15	15	0
Total	148	150	150	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for African Affairs	$1,730	$1,760	$1,789	$29
DAS FOR Transnational Issues, Policy and Resource Planning	$461	$471	$480	$9
Office of Executive Director	$57,729	$72,119	$80,126	$8,007
Office of Regional Affairs	$1,365	$1,485	$1,520	$35
Special Assistant for Press	$25	$35	$25	($10)
Senior Deputy Assistant Secretary (DAS)	$470	$490	$504	$14
Office of Southern African Affairs	$1,684	$1,694	$1,729	$35
Office of West African Affairs	$2,034	$2,044	$2,081	$37
Office of Central African Affairs	$1,487	$1,497	$1,526	$29
Office of East African Affairs	$1,352	$1,362	$1,391	$29
DAS FOR Economic and Commercial Issues and Private Sector Outreach	$232	$242	$251	$9
Office of Economic Policy	$1,011	$1,131	$1,154	$23
Office of Public Diplomacy	$4,897	$5,861	$6,509	$648
Total	$74,477	$90,191	$99,085	$8,894

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of African Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Africa Regional Services, Paris	2	12	14	3	12	15	3	12	15	0	0	0
Angola, Luanda	11	12	23	13	12	25	13	12	25	0	0	0
Benin, Cotonou	8	9	17	9	9	18	9	9	18	0	0	0
Botswana, Gaborone	14	7	21	14	7	21	14	7	21	0	0	0
Burkina Faso, Ouagadougou	8	10	18	8	10	18	8	10	18	0	0	0
Burundi, Bujumbura	7	6	13	7	6	13	7	6	13	0	0	0
Cameroon, Yaounde	16	18	34	17	18	35	17	18	35	0	0	0
Cape Verde, Praia	2	6	8	2	6	8	2	6	8	0	0	0
Central Afr Rep., Bangui	5	4	9	6	4	10	6	4	10	0	0	0
Chad, N'Djamena	9	7	16	11	7	18	11	7	18	0	0	0
Cote d'Ivoire, Abidjan	19	23	42	20	23	43	20	23	43	0	0	0
Dem. Rep of Congo, Kinshasa	20	22	42	21	22	43	21	22	43	0	0	0
Djibouti (Rep. Of), Djibouti	6	5	11	7	5	12	7	5	12	0	0	0
Equatorial Guinea, Malabo	0	0	0	1	0	1	1	0	1	0	0	0
Eritrea, Asmara	7	7	14	7	7	14	7	7	14	0	0	0
Ethiopia, Addis Ababa	14	16	30	16	16	32	16	16	32	0	0	0
Gabon, Libreville	7	3	10	8	3	11	8	3	11	0	0	0
Gambia, Banjul	5	2	7	6	2	8	6	2	8	0	0	0
Ghana, Accra	15	25	40	16	25	41	16	25	41	0	0	0
Guinea, Conakry	10	12	22	11	12	23	11	12	23	0	0	0
Guinea-Bissau, Bissau	2	2	4	2	2	4	2	2	4	0	0	0
Kenya, Nairobi	24	21	45	26	21	47	26	21	47	0	0	0
Lesotho, Maseru	3	4	7	4	4	8	4	4	8	0	0	0
Liberia, Monrovia	10	11	21	10	11	21	10	11	21	0	0	0
Madagascar, Antananarivo	10	12	22	11	12	23	11	12	23	0	0	0
Malawi, Lilongwe	9	9	18	10	9	19	10	9	19	0	0	0
Mali, Bamako	9	12	21	10	12	22	10	12	22	0	0	0
Mauritania, Nouakchott	6	5	11	6	5	11	6	5	11	0	0	0
Mauritius, Port Louis	6	6	12	7	6	13	7	6	13	0	0	0
Mozambique, Maputo	11	9	20	13	9	22	13	9	22	0	0	0
Namibia, Windhoek	11	13	24	11	13	24	11	13	24	0	0	0
Niger, Niamey	11	11	22	12	11	23	12	11	23	0	0	0
Nigeria, Lagos	23	30	53	25	30	55	25	30	55	0	0	0
Abuja	15	11	26	16	11	27	16	11	27	0	0	0
Rep. Of the Congo, Brazzaville	1	2	3	2	2	4	2	2	4	0	0	0
Rwanda, Kigali	10	9	19	11	9	20	11	9	20	0	0	0
Senegal, Dakar	18	15	33	18	15	33	18	15	33	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Sierra Leone, Freetown	6	10	16	7	10	17	7	10	17	0	0	0
Somalia, Mogadishu	0	0	0	0	0	0	0	0	0	0	0	0
South Africa, Pretoria	41	35	76	45	35	80	45	35	80	0	0	0
Capetown	10	7	17	11	7	18	11	7	18	0	0	0
Durban	3	4	7	5	4	9	5	4	9	0	0	0
Johannesburg	10	11	21	11	11	22	11	11	22	0	0	0
Sudan, Khartoum	4	6	10	6	6	12	6	6	12	0	0	0
Swaziland, Mbabane	6	5	11	6	5	11	6	5	11	0	0	0
Tanzania, Dar-es-Salaam	13	18	31	13	18	31	13	18	31	0	0	0
Togo, Lome	12	12	24	12	12	24	12	12	24	0	0	0
Uganda, Kampala	11	8	19	13	8	21	13	8	21	0	0	0
Zambia, Lusaka	11	15	26	14	15	29	14	15	29	0	0	0
Zimbabwe, Harare	15	16	31	16	16	32	16	16	32	0	0	0
Total	506	535	1,041	556	535	1,091	556	535	1,091	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Africa Regional Services, Paris	$1,745	$1,799	$1,887	$88
Angola, Luanda	$2,442	$2,946	$3,088	$142
Benin, Cotonou	$1,767	$2,126	$2,229	$103
Botswana, Gaborone	$2,423	$2,655	$2,748	$93
Burkina Faso, Ouagadougou	$1,815	$2,048	$2,127	$79
Burundi, Bujumbura	$1,447	$1,659	$1,722	$63
Cameroon, Yaounde	$3,230	$3,614	$3,775	$161
Cape Verde, Praia	$736	$946	$986	$40
Central Afr Rep., Bangui	$1,108	$1,448	$1,522	$74
Chad, N'Djamena	$2,249	$2,705	$2,837	$132
Cote d'Ivoire, Abidjan	$4,296	$4,687	$4,902	$215
Dem. Rep of Congo, Kinshasa	$4,337	$4,724	$4,919	$195
Djibouti (Rep. Of), Djibouti	$1,708	$2,048	$2,149	$101
Equatorial Guinea, Malabo	$0	$306	$321	$15
Eritrea, Asmara	$1,251	$1,478	$1,532	$54
Ethiopia, Addis Ababa	$2,904	$3,375	$3,527	$152
Gabon, Libreville	$1,612	$1,922	$1,997	$75
Gambia, Banjul	$1,001	$1,341	$1,410	$69
Ghana, Accra	$3,576	$3,969	$4,144	$175
Guinea, Conakry	$2,950	$3,280	$3,417	$137
Guinea-Bissau, Bissau	$289	$499	$517	$18
Kenya, Nairobi	$4,966	$5,503	$5,730	$227
Lesotho, Maseru	$682	$992	$1,033	$41
Liberia, Monrovia	$2,602	$2,826	$2,941	$115
Madagascar, Antananarivo	$2,059	$2,437	$2,550	$113
Malawi, Lilongwe	$1,895	$2,266	$2,373	$107
Mali, Bamako	$2,233	$2,607	$2,728	$121
Mauritania, Nouakchott	$1,107	$1,317	$1,369	$52
Mauritius, Port Louis	$1,229	$1,586	$1,666	$80
Mozambique, Maputo	$2,222	$2,617	$2,759	$142
Namibia, Windhoek	$2,060	$2,295	$2,379	$84
Niger, Niamey	$2,259	$2,623	$2,742	$119
Nigeria, Lagos	$5,724	$6,364	$6,605	$241
Abuja	$3,880	$4,262	$4,449	$187
Rep. Of the Congo, Brazzaville	$973	$1,313	$1,393	$80
Rwanda, Kigali	$1,935	$2,046	$2,136	$90
Senegal, Dakar	$3,597	$3,868	$4,011	$143
Sierra Leone, Freetown	$1,135	$1,593	$1,665	$72
Somalia, Mogadishu	$13	$13	$14	$1

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
South Africa, Pretoria	$8,488	$9,534	$9,920	$386
Capetown	$2,109	$2,492	$2,607	$115
Durban	$656	$1,143	$1,229	$86
Johannesburg	$2,049	$2,436	$2,546	$110
Sudan, Khartoum	$1,577	$1,866	$1,984	$118
Swaziland, Mbabane	$1,191	$1,425	$1,479	$54
Tanzania, Dar-es-Salaam	$3,300	$3,554	$3,697	$143
Togo, Lome	$2,583	$2,826	$2,931	$105
Uganda, Kampala	$3,560	$4,032	$4,224	$192
Zambia, Lusaka	$2,482	$3,092	$3,251	$159
Zimbabwe, Harare	$2,767	$3,141	$3,273	$132
Total	$114,219	$131,644	$137,440	$5,796

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of African Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$69,380	$73,868	$78,788	$4,920
1200	Personnel Benefits	$20,702	$23,760	$25,467	$1,707
1300	Benefits Former Personnel	$112	$112	$112	$0
2100	Travel & Trans of Persons	$7,337	$9,687	$10,237	$550
2200	Transportation of Things	$2,647	$3,947	$3,987	$40
2300	Rents, Comm & Utilities	$6,429	$8,829	$9,526	$697
2400	Printing & Reproduction	$588	$638	$658	$20
2500	Other Services	$61,552	$68,219	$74,385	$6,166
2600	Supplies and Materials	$7,531	$8,331	$8,911	$580
3100	Personal Property	$10,410	$22,415	$22,415	$0
4100	Grants, Subsidies & Contrb	$1,999	$2,020	$2,030	$10
4200	INS Claims & Indemnities	$9	$9	$9	$0
Total		$188,696	$221,835	$236,525	$14,690

DIPLOMATIC & CONSULAR PROGRAMS

Near Eastern Affairs

OVERVIEW STATEMENT

The Bureau of Near Eastern Affairs (NEA) manages U.S. foreign policy toward the Middle East and North Africa and maintains fifteen embassies and five consulates. The September 11 attacks focused world attention on the region's vital political and strategic importance, but it is a region beset by terrorism and violence, ethnic conflict, economic dislocation, ecological disruptions, and human rights abuses. It is against this volatile backdrop of instability and continuous change that NEA faces the daunting challenge of advancing priority U.S. interests including combating terrorism, facilitating Arab-Israeli peace, containing threats to regional stability posed by Iraq, Iran and others, and maintaining secure access to vital energy resources. Adequate funding is essential for NEA to carry out key foreign policy goals. The bureau has streamlined its operations and implemented greater efficiencies in recent years to make the most of scarce resources.

NATIONAL INTERESTS & GOALS

Priority: Law Enforcement - reduce international terrorist attacks. Maintain cooperation with key allies with regard to the counterterrorism campaign.

Performance Goals: A. State sponsors of terrorism reined in through sustained bilateral/multilateral political and economic pressure. B. Terrorist groups denied access to weapons/funds needed to plot and carry out terrorist attacks. C. Increase in counter-terrorism (CT) capabilities of governments in region and their level of cooperation with U.S. authorities. D. Ratification by countries in region of international counter-terrorism conventions.

Indicators: A. Regional allies continue efforts to identify and freeze accounts belonging to groups and individuals supporting terrorism. B. Key allies support U.S. needs for access to local bases and support for military operations, if necessary. C. Information sharing leads to arrest of those associated with terrorist groups and prevention of attacks in the U.S. and against facilities overseas.

Progress (FY 2001): NEA obtained local basing rights in support of Operation Enduring Freedom. Regional allies cooperated by pledging to provide information on suspected terrorists, identify and freeze suspect accounts, and cooperate with USG requests for other assistance.

Priority: National Security – local and regional stability. Achieve comprehensive peace between Israel and its Arab neighbors.

Performance Goals: A. Cessation of violence between Israel and the Palestinians, and resumption of negotiations between the parties. B. Peace negotiations between Israel and Syria and Israel and Lebanon. C. Normalized and/or expanded relations between Israel and Arab countries.

Indicators: A. Violence subsides and restrictions on Palestinian economic activity relaxed. B. Israelis and Palestinians engage in security dialogue. C. Implementation of Mitchell Committee recommendations moves forward. D. The parties resume political negotiations. E. Formal negotiations begin again among the parties on the Israel-Syria and Israel-Lebanon tracks. F. Egypt and Jordan maintain diplomatic and economic ties with Israel.

Progress (FY 2001): Despite continuing violence between Israelis and Palestinians, Israel's peace treaties with Jordan and Egypt remained in effect. The U.S. actively worked to facilitate direct talks between Israeli

and Palestinian leaders in an attempt to restore calm and renew political dialogue under the framework recommended by the Mitchell Commission, which was endorsed by many Arab nations. We are working to get the parties to establish a durable cease-fire as a basis for implementation of Mitchell and a restart of direct political negotiations. Intermittent attacks continued on Israel's northern border, but at significantly reduced levels from previous years. Nevertheless, the potential for unwanted escalation remains high and the U.S. has consistently pressed all sides.

Priority: National Security – local and regional stability. Full and secure access to the energy resources of the Persian Gulf.

Performance Goals: A. Solid security cooperation with regional coalition partners to increase military capabilities vis-à-vis potential aggressors. B. Forward-deployed U.S. forces at levels necessary to address regional threats. C. Maintain free and secure passage through international waterways, including Strait of Hormuz and Suez Canal.

Indicators: A. Steady flow of Persian Gulf energy exports through regional shipping lanes. B. Modest International Military Education and Training funding for Saudi Arabia secured. C. Continued joint training with Gulf states. D. Maintenance and amendment, if necessary, of defense cooperation and access agreements with Bahrain and the UAE. E. Establishment of joint military commission with the UAE.

Progress (FY 2001): U.S. access to Persian Gulf oil resources continued uninterrupted. The U.S. likewise continued to reassure and work with Gulf Cooperation Council (GCC) states to manage the threat posed by Iraq and to coordinate the U.S. response to the September 11 attacks. Military cooperation with the GCC remained strong, as several regional allies agreed to host U.S. forces engaged in Operation Enduring Freedom. Many states in the region participated in bilateral military exercises with the U.S. The U.S. renewed and/or maintained agreements providing access to key military facilities.

Priority: National Security – local and regional stability. Deny opportunities to threaten regional stability.

Performance Goals: A. Deter the possibility of direct Iraqi aggression. B. Prevent Iraqi re-armament, including through the implementation of UN Security Council resolutions that obligate Iraq to cooperate with weapons inspectors (UNMOVIC and IAEA). C. Obtain UNSC and regional support for a new approach to Iraq focusing on strengthening arms controls. D. Obtain regional and international compliance with the strengthened arms controls under new approach. E. End the Iranian WMD and missile programs and Libyan programs to develop and acquire such weapons.

Indicators: A. Iraq provides full and unfettered access to inspection regime. B. Forward-deployed U.S. forces maintain levels necessary to address the Iraqi threat, demonstrating U.S. resolve, power and projection capabilities. C. Continued enforcement of the no-fly zones. D. Enhanced multilateral efforts to deny Iran and Libya access to destabilizing weapons systems.

Progress (FY 2001): UN sanctions on Iraq continued to inhibit Saddam Hussein's efforts to reconstitute his conventional and WMD arsenals. UN Security Council members continued to call for Iraq to provide full and unfettered access for United Nations Monitoring, Verification and Inspections Commission and International Atomic Energy Agency inspections. U.S. and UK aircraft maintained the no-fly zones. Our strengthened bilateral relations in the region positioned us to respond to positive developments in Iranian policy while maintaining efforts to deny WMD access to Iran.

Priority: Economic Prosperity - expand U.S. exports. Expand trade opportunities in the region for U.S. firms.

DIPLOMATIC & CONSULAR PROGRAMS

Performance Goals: A. Increased exports and market share for U.S. companies in the Middle East region. B. U.S. businesses fully informed of local investment opportunities and business climate. C. Reduced structural impediments to trade and economic growth. D. Privatization of state industries. E. Bilateral and multilateral agreements to address tariff and non-tariff barriers. F. Host country consumers and companies made aware of quality and variety of available U.S. goods and services.

Indicators: A. Contracts won by U.S. firms. B. Increased market share for U.S. exports to MENA region and reduction of trade barriers. C. Strengthened legislation and enforcement to protect intellectual property rights. D. Signing of bilateral trade or investment agreements. E. Secure majority U.S. participation in Kuwait's $3 billion Al Zour North power generation project. F. Accession to WTO of countries in application process; participation of region in Doha WTO round.

Progress (FY 2001): NEA supported the U.S. pharmaceutical industry by encouraging the Egyptian Government to issue decrees protecting data confidentiality and providing exclusive marketing rights. The U.S. signed a Free Trade Agreement with Jordan, reduced tariff barriers to U.S. exports and enhanced intellectual property rights (IPR) and e-commerce protections for U.S. firms. Work in IPR implementation and enforcement resulted in improved investment and business climate in the pharmaceutical sector. The PHrma industry organization is establishing its regional HQ in Amman. A U.S. firm is making progress on a $150 million investment in bromine extraction. The UAE placed an option for a future purchase of 25 Boeing 777 aircraft worth approximately $6 billion. CMS Energy won a $1.6 billion water and electrical power generation contract with the UAE giving that company two out of three of the UAE's major water and power privatization projects. Oman has committed to a $1 to $1.2 billion deal for 10-12 U.S. F-16 fighter aircraft. U.S. energy company AES won a $1 billion electric power generation contract with Qatar. The U.S. consortium Ionics-Bechtel won the contract to build a $390 million water desalinization plant in Kuwait. Qatar hosted a successful meeting of the WTO which launched the Doha WTO round and provided the opportunity for greater regional involvement in steps to facilitate world trade. Nine NEA countries (Bahrain, Egypt, Jordan, Kuwait, Morocco, Oman, Qatar, Tunisia, and the UAE) are members of the World Trade Organization. Four countries (Algeria, Lebanon, Saudi Arabia and Yemen) have observer status. Egypt currently has both IPR and money laundering laws under review by the People's Assembly. NEA provided technical assistance on IPR protection and enforcement to Egypt, Tunisia, Algeria, and Morocco.

Priority: National Security – local and regional stability. Contain regional conflicts and prevent hostilities.

Performance Goals: A. Potential regional flash points free of conflict/violence, including the Iraqi-Kuwaiti border and the Sinai peninsula. B. Minimize violence and cross-border incidents in southern Lebanon. C. Encourage peaceful, durable solution to status of the Western Sahara. D. Maintenance of confidence-building measures between Israel and Arab states.

Indicators: A. Continued international and U.S. support for the MFO and UN peacekeeping activities throughout the region. B. Minimal violence and/or attacks against Israel from southern Lebanon. C. Western Sahara remains free of armed conflict.

Progress (FY 2001): International support for the UN Interim Force in Lebanon (UNIFIL), the Multinational Force and Observers (MFO), the U.N. Kuwait Observer Mission (UNIKOM) and other peacekeeping operations remained solid. Key regions, including the Western Sahara and the Sinai, have remained free of armed conflict. The U.S. supported conferences and training courses that enhanced

prospects for improved regional security cooperation. Points of instability along Lebanon's southern border were narrowed to one area.

Priority: Democracy - Expand political reform and adherence to international norms for human rights.

Performance Goals: A. Free and fair elections to national legislatures and/or government advisory councils. B. Greater participation of women in government and private business sector. C. Development of rule of law, including independent and impartial judicial systems. D. Active and growing civil society movement effectively representing citizen concerns and advocating positive change. E. Free and independent media.

Indicators: A. Bahrain continues its progress toward participatory government, including activation of National Action Charter. B. Local government councils in Yemen begin operation and work with citizen groups. C. Increase in number of civil society organizations transmitting citizen concerns to governments. D. Expansion of political and societal rights granted to women, including right to vote in Kuwait. E. Decentralization of service provision and resource control from central to local authorities.

Progress (FY 2001): Governments in the region are continuing to make strides to improve conformity to international human rights norms. The Government of Yemen has improved the condition of women prisoners, created a human rights portfolio at the Ministerial level and appointed Yemen's first female minister to hold the position. Our Middle East Democracy Fund provides training in preparation for the upcoming 2003 elections in Morocco and Algeria. By funding plays, training sessions and radio broadcasts, NEA has encouraged respect for women's and children's rights, education, landmine awareness, democratization, ethics and other programs. NEA has funded purchase of computers, books and training materials to prevent youth violence, encourage independent journalists, and promote democratization of associations.

Priority: Economic Prosperity - broad-based economic growth in developing and transitional economies. Encourage sustainable development and meet humanitarian needs

Performance Goals: A. Expanded economic opportunities and greater income for the (rural) poor. B. Creation of new small businesses and micro-enterprise jobs. C. Increased economic growth rates, private sector share of GDP, and employment levels. D. Sustainable use of the region's natural resources. E. Improvement in the humanitarian situation inside Iraq accompanied by Iraq's compliance with its international obligations.

Indicators: A. Increase in economic growth rates, private sector share of GDP, and employment levels. B. Decrease in regional fertility rates. C. Continued support for the activities of UN Relief and Works Agency and UN High Commission for Refugees. D. DOD participation in demining programs in Lebanon, Jordan, Egypt and Yemen.

Progress (FY 2001): NEA continues to support the UN Relief and Works Agency and UN High Commission for Refugees. The U.S. continues to train demining teams and fund demining efforts in several countries.

Priority: National Security – Reduce the threat from Weapons of Mass Destruction (WMD). Stem the proliferation of WMD in the Middle East and North Africa.

Performance Goals: A. Deny Iraq the ability to reconstitute its WMD arsenal. B. Stop proliferation of nuclear weapon and missile technology, and related equipment, to Iran and Libya. C. Ratification by all

regional countries of international non-proliferation treaties. D. Increased multilateral support, particularly in Europe, for efforts to deny weapons materials to Iran and Libya.

Indicators: A. Return of international weapons inspectors to Iraq. B. Regional cooperation with U.S. strategy, including control of trade with Iraq. C. Accession of all regional states to the Chemical Weapons Convention.

Progress (FY 2001): UN sanctions on Iraq continued to inhibit Saddam Hussein's efforts to reconstitute his conventional and WMD arsenals. UN Security Council members continued to call for Iraq to provide full and unfettered access for United Nations Monitoring, Verification and Inspections Commission and International Atomic Energy Agency inspections.

Priority: Law Enforcement - minimize the impact of international crime on the U.S. and its citizens and reduce the entry of illegal drugs into the U.S. Combat the threat of narcotics and crime.

Performance Goals: A. Strong cooperative law enforcement relationships with regional countries to facilitate joint anti-drug/crime operations. B. Countries in region cooperate fully on requests for extraditions and information required for U.S. law enforcement investigations. C. Strengthened drug interdiction efforts undertaken in region and controls imposed to prevent money laundering. D. Awareness and/or acknowledgement of trafficking in persons problem.

Indicators: A. Strengthened cooperation programs between U.S. and regional security agencies. B. Stepped up local enforcement against drug producers and/or traffickers. C. Adoption of new anti-money laundering legislation by governments in region.

Progress (FY 2001): NEA met regularly with the appropriate regional allies to coordinate and strengthen narcotics interdiction efforts. NEA encouraged regional cooperation which resulted in increased seizures of hashish and cannabis, in addition to generating many arrests. Several regional countries coordinate closely with the U.S. Drug Enforcement Administration and demonstrate a sustained political commitment to combating the scourge of narcotics. In FY01, for the first time, the Department evaluated the trafficking in persons situation in 186 countries. Six countries in the Middle East were determined to be in the third, or lowest tier, and a seventh was listed in the second tier. NEA has approached all of these host governments regarding the issue of trafficking in persons and is currently working with several on strategies to improve conditions.

Priority: Diplomatic Readiness

Performance Goals: A. Non-State ICASS funding base expanded to increase investment in NEA mission infrastructure. B. Adverse impact of mid-level officer shortage minimized by seeking qualified candidates to fill positions and use of alternative appointments such as Eligible Family Members.

Indicators: A. Level of infrastructure investment [furniture and equipment]. B. Reduced mean age of ICASS motor vehicle fleet. C. Staffing gaps reduced.

Progress (FY 2001): The addition of personnel from other agencies enabled us to increase the non-State ICASS funding base, and increase our investment in NEA mission infrastructure. Although staffing gaps continue to be a problem, we have reduced them through aggressive recruiting, alternate appointments (including expanded use of eligible family members and civil service excursion tours), and the use of WAE (when actually employed) personnel.

DIPLOMATIC & CONSULAR PROGRAMS

PROGRAM CHANGE JUSTIFICATION

FY 2003
Justification of Program Changes

Locally Engaged Staff: $2,240,000

Foreign Service National staffing has not kept pace with U.S. staffing at our embassies in the Near East, causing degradation of the services provided and the quality of the work performed.

Increased staffing will improve the level of administrative service provided at post, will improve compliance with regulations, and will permit administrative sections throughout the region to better respond to their ICASS councils.

Increased staffing in the consular, economic, political, and public diplomacy sections will result in more thorough reporting, better outreach, and increased responsiveness to inquiries, whether from the public, the host government, other agencies, Congress, or the Department.

Public Diplomacy Efforts: $260,000

Funding increases for a variety of Public Diplomacy programs dealing with print, speakers, advertisements, and grants to local nongovernmental organizations will improve communications in this region about thewar against terrorism.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Near Eastern Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	129	340	441	910	$69,939	$55,812	$125,751
FY 2002 Estimate	130	379	441	950	$87,468	$59,352	$146,820
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($2,872)	$0	($2,872)
2002 American Cost-of-Living Adjustment	0	0	0	0	$10	$688	$698
Annualization of 2002 Hiring Increases	0	0	0	0	$1,811	$963	$2,774
Annualization of 2002 Hiring Increases (HR,SO)	0	0	0	0	$204	$125	$329
American Cost-of-Living Adjustment	0	0	0	0	$17	$1,171	$1,188
FSN Wage	0	0	0	0	$2,214	$0	$2,214
Overseas Price	0	0	0	0	$1,841	$0	$1,841
Domestic Price	0	0	0	0	$41	$0	$41
Global Inflation including Local Guard Program	0	0	0	0	$78	$0	$78
Total Built-in Changes	0	0	0	0	$3,344	$2,947	$6,291
FY 2003 Current Services	130	379	441	950	$90,812	$62,299	$153,111
FY 2003 Program Changes							
Locally Engaged Staff	0	0	0	0	$2,240	$0	$2,240
Public Diplomacy Efforts	0	0	0	0	$260	$0	$260
Total Program Changes	0	0	0	0	$2,500	$0	$2,500
FY 2003 Request	130	379	441	950	$93,312	$62,299	$155,611

DIPLOMATIC & CONSULAR PROGRAMSDIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Near Eastern Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**114**	**120**	**120**	**0**
Bureau Direction	16	18	18	0
Mission Direction	94	96	96	0
Public Affairs	4	6	6	0
Conduct of Diplomatic Relations	**230**	**244**	**244**	**0**
Political Affairs	88	92	92	0
Political Diplomacy	88	92	92	0
Economic/Trade Affairs	54	56	56	0
Business Services	13	15	15	0
Environmental, Scientific and Technological Affairs	4	6	6	0
International Security Affairs	26	28	28	0
Country Coordination	45	47	47	0
Public Diplomacy	**219**	**229**	**229**	**0**
Public Diplomacy - Program Costs	219	229	229	0
Conduct of Consular Relations	**71**	**71**	**71**	**0**
Overseas Visa Services	38	38	38	0
Overseas Citizens Services	29	29	29	0
Overseas Consular Management	4	4	4	0
Diplomatic Security	**87**	**88**	**88**	**0**
Overseas Protection of Life	87	88	88	0
Other Overseas Security Support	87	88	88	0
Information Resource Management	**97**	**101**	**101**	**0**
Infrastructure Systems	30	32	32	0
Other Telecommunications Abroad	30	32	32	0
Corporate Information Systems and Services	67	69	69	0
Core Foreign Affairs Systems	67	69	69	0
Overseas Administrative Support	**71**	**76**	**76**	**0**
Overseas Administrative Management	12	12	12	0
Overseas Financial Services	4	4	4	0
Overseas Personnel Services	3	4	4	0
Overseas General Services	52	56	56	0
Domestic Administrative Support	**21**	**21**	**21**	**0**
Domestic Administrative Management	4	4	4	0
Domestic Financial Services	2	2	2	0
Domestic Personnel Services	4	4	4	0
Domestic General Services	11	11	11	0
Other Domestic General Services	11	11	11	0
Total	910	950	950	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Near Eastern Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$13,946**	**$15,821**	**$16,741**	**$920**
Bureau Direction	$2,581	$2,996	$3,171	$175
Mission Direction	$10,720	$11,918	$12,611	$693
Public Affairs	$645	$907	$959	$52
Conduct of Diplomatic Relations	**$30,102**	**$34,197**	**$36,190**	**$1,993**
Political Affairs	$10,207	$11,550	$12,225	$675
Political Diplomacy	$10,207	$11,550	$12,225	$675
Economic/Trade Affairs	$6,082	$6,797	$7,192	$395
Business Services	$1,678	$2,057	$2,178	$121
Environmental, Scientific and Technological Affairs	$436	$698	$739	$41
International Security Affairs	$4,203	$4,751	$5,026	$275
Country Coordination	$7,496	$8,344	$8,830	$486
Public Diplomacy	**$15,988**	**$20,370**	**$21,900**	**$1,530**
Public Diplomacy - Program Costs	$15,988	$20,370	$21,900	$1,530
Conduct of Consular Relations	**$7,178**	**$8,818**	**$9,392**	**$574**
Overseas Visa Services	$3,492	$4,290	$4,569	$279
Overseas Citizens Services	$3,239	$3,979	$4,238	$259
Overseas Consular Management	$447	$549	$585	$36
Diplomatic Security	**$10,175**	**$11,410**	**$12,091**	**$681**
Overseas Protection of Life	$10,175	$11,410	$12,091	$681
Other Overseas Security Support	$10,175	$11,410	$12,091	$681
Information Resource Management	**$12,205**	**$13,885**	**$14,705**	**$820**
Infrastructure Systems	$4,839	$5,438	$5,753	$315
Other Telecommunications Abroad	$4,839	$5,438	$5,753	$315
Corporate Information Systems and Services	$7,366	$8,447	$8,952	$505
Core Foreign Affairs Systems	$7,366	$8,447	$8,952	$505
Overseas Administrative Support	**$33,026**	**$38,971**	**$41,051**	**$2,080**
Overseas Administrative Management	$1,935	$2,092	$2,213	$121
Overseas Financial Services	$645	$698	$739	$41
Overseas Personnel Services	$483	$626	$662	$36
Overseas General Services	$2,724	$3,550	$3,765	$215
International Cooperative Administrative Support Services (ICASS)	$27,239	$32,005	$33,672	$1,667
Domestic Administrative Support	**$3,131**	**$3,348**	**$3,541**	**$193**
Domestic Administrative Management	$726	$798	$845	$47
Domestic Financial Services	$322	$348	$368	$20
Domestic Personnel Services	$645	$698	$739	$41
Domestic General Services	$1,438	$1,504	$1,589	$85
Other Domestic General Services	$1,438	$1,504	$1,589	$85

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Near Eastern Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Total	$125,751	$146,820	$155,611	$8,791

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request

PROGRAM ACTIVITIES

Bureau of Near Eastern Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**21**	**66**	**33**	**120**	**$7,152**	**$9,589**	**$16,741**
Bureau Direction	16	2	0	18	$1,187	$1,984	$3,171
Mission Direction	1	62	33	96	$5,667	$6,944	$12,611
Public Affairs	4	2	0	6	$298	$661	$959
Conduct of Diplomatic Relations	**59**	**133**	**52**	**244**	**$15,025**	**$21,165**	**$36,190**
Political Affairs	0	63	29	92	$5,280	$6,945	$12,225
Political Diplomacy	0	63	29	92	$5,280	$6,945	$12,225
Economic/Trade Affairs	0	39	17	56	$2,893	$4,299	$7,192
Business Services	0	11	4	15	$965	$1,213	$2,178
Environmental, Scientific and Technological Affairs	0	4	2	6	$298	$441	$739
International Security Affairs	14	14	0	28	$1,940	$3,086	$5,026
Country Coordination	45	2	0	47	$3,649	$5,181	$8,830
Public Diplomacy	**6**	**51**	**172**	**229**	**$15,791**	**$6,109**	**$21,900**
Public Diplomacy - Program Costs	6	51	172	229	$15,791	$6,109	$21,900
Conduct of Consular Relations	**0**	**0**	**71**	**71**	**$9,392**	**$0**	**$9,392**
Overseas Visa Services	0	0	38	38	$4,569	$0	$4,569
Overseas Citizens Services	0	0	29	29	$4,238	$0	$4,238
Overseas Consular Management	0	0	4	4	$585	$0	$585
Diplomatic Security	**0**	**51**	**37**	**88**	**$6,469**	**$5,622**	**$12,091**
Overseas Protection of Life	0	51	37	88	$6,469	$5,622	$12,091
Other Overseas Security Support	0	51	37	88	$6,469	$5,622	$12,091
Information Resource Management	**4**	**64**	**33**	**101**	**$7,210**	**$7,495**	**$14,705**
Infrastructure Systems	0	32	0	32	$2,226	$3,527	$5,753
Other Telecommunications Abroad	0	32	0	32	$2,226	$3,527	$5,753
Corporate Information Systems and Services	4	32	33	69	$4,984	$3,968	$8,952
Core Foreign Affairs Systems	4	32	33	69	$4,984	$3,968	$8,952
Overseas Administrative Support	**19**	**14**	**43**	**76**	**$31,047**	**$10,004**	**$41,051**
Overseas Administrative Management	12	0	0	12	$890	$1,323	$2,213
Overseas Financial Services	4	0	0	4	$298	$441	$739
Overseas Personnel Services	3	1	0	4	$221	$441	$662
Overseas General Services	0	13	43	56	$2,332	$1,433	$3,765
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$27,306	$6,366	$33,672
Domestic Administrative Support	**21**	**0**	**0**	**21**	**$1,226**	**$2,315**	**$3,541**
Domestic Administrative Management	4	0	0	4	$404	$441	$845
Domestic Financial Services	2	0	0	2	$148	$220	$368
Domestic Personnel Services	4	0	0	4	$298	$441	$739
Domestic General Services	11	0	0	11	$376	$1,213	$1,589

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Near Eastern Affairs	Positions American Domestic	Overseas	PSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Other Domestic General Services	11	0	0	11	$376	$1,213	$1,589
Total	130	379	441	950	$93,312	$62,299	$155,611

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Near Eastern Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	17	17	17	0
Office of Executive Director	32	33	33	0
Office of Regional Affairs	11	11	11	0
Office of Press and Public Affairs	12	12	12	0
Office of Northern Gulf Affairs	11	11	11	0
Office of Israel and Palestinian Affairs	10	10	10	0
Office of Jordan, Lebanon, and Syria Affairs	9	9	9	0
Office of Saudi Arabia, Bahrain, Oman, Qatar, Yemen, Kuwait and UAE Affairs	10	10	10	0
Office of Egyptian and North African Affairs	11	11	11	0
Office of Public Diplomacy	6	6	6	0
Total	129	130	130	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Near Eastern Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$7,160	$8,534	$8,764	$230
Office of Executive Director	$13,474	$15,031	$19,985	$4,954
Office of Regional Affairs	$4,634	$5,457	$5,231	($226)
Office of Press and Public Affairs	$5,054	$5,954	$5,707	($247)
Office of Northern Gulf Affairs	$4,634	$5,457	$5,231	($226)
Office of Israel and Palestinian Affairs	$4,212	$4,961	$4,753	($208)
Office of Jordan, Lebanon, and Syria Affairs	$3,794	$4,465	$4,280	($185)
Office of Saudi Arabia, Bahrain, Oman, Qatar, Yemen, Kuwait and UAE Affairs	$4,212	$4,961	$4,753	($208)
Office of Egyptian and North African Affairs	$4,634	$5,457	$5,231	($226)
Office of Public Diplomacy	$816	$809	$876	$67
Total	$52,624	$61,086	$64,811	$3,725

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of Near Eastern Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Algeria, Algiers	14	10	24	16	10	26	16	10	26	0	0	0
Bahrain, Manama	12	12	24	13	12	25	13	12	25	0	0	0
Egypt, Cairo	46	85	131	51	85	136	51	85	136	0	0	0
Israel, Tel Aviv	44	91	135	48	91	139	48	91	139	0	0	0
Jerusalem	16	20	36	19	20	39	19	20	39	0	0	0
Jordan, Amman	25	31	56	25	31	56	25	31	56	0	0	0
Kuwait, Kuwait	19	16	35	19	16	35	19	16	35	0	0	0
Lebanon, Beirut	18	16	34	25	16	41	25	16	41	0	0	0
Morocco, Rabat	20	19	39	20	19	39	20	19	39	0	0	0
Casablanca	5	10	15	5	10	15	5	10	15	0	0	0
Oman, Muscat	11	10	21	13	10	23	13	10	23	0	0	0
Qatar, Doha	9	7	16	10	7	17	10	7	17	0	0	0
Saudi Arabia, Riyadh	29	21	50	29	21	50	29	21	50	0	0	0
Dhahran	3	5	8	3	5	8	3	5	8	0	0	0
Jeddah	5	11	16	7	11	18	7	11	18	0	0	0
Syria, Damascus	19	24	43	21	24	45	21	24	45	0	0	0
Tunisia, Tunis	18	22	40	19	22	41	19	22	41	0	0	0
United Arab Emirates, Abu Dhabi	12	15	27	18	15	33	18	15	33	0	0	0
Dubai	4	5	9	4	5	9	4	5	9	0	0	0
Yemen, Sanaa	11	11	22	14	11	25	14	11	25	0	0	0
Total	340	441	781	379	441	820	379	441	820	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of Near Eastern Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Algeria, Algiers	$2,524	$2,956	$3,129	$173
Bahrain, Manama	$2,517	$2,911	$3,085	$174
Egypt, Cairo	$9,878	$11,608	$12,292	$684
Israel, Tel Aviv	$10,911	$12,809	$13,556	$747
Jerusalem	$3,974	$4,833	$5,121	$288
Jordan, Amman	$5,039	$5,533	$5,858	$325
Kuwait, Kuwait	$3,594	$3,906	$4,135	$229
Lebanon, Beirut	$3,690	$4,871	$5,149	$278
Morocco, Rabat	$4,132	$4,595	$4,865	$270
Casablanca	$1,430	$1,663	$1,771	$108
Oman, Muscat	$2,464	$2,963	$3,145	$182
Qatar, Doha	$2,095	$2,482	$2,635	$153
Saudi Arabia, Riyadh	$5,963	$6,579	$6,959	$380
Dhahran	$725	$805	$852	$47
Jeddah	$1,410	$1,850	$1,969	$119
Syria, Damascus	$3,585	$4,010	$4,371	$361
Tunisia, Tunis	$3,330	$3,711	$3,930	$219
United Arab Emirates, Abu Dhabi	$2,795	$3,813	$4,041	$228
Dubai	$805	$994	$923	($71)
Yemen, Sanaa	$2,266	$2,842	$3,014	$172
Total	$73,127	$85,734	$90,800	$5,066

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Near Eastern Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$59,018	$65,678	$69,523	$3,845
1200	Personnel Benefits	$18,639	$21,459	$22,570	$1,111
1300	Benefits Former Personnel	$20	$27	$28	$1
2100	Travel & Trans of Persons	$2,004	$2,508	$2,667	$159
2200	Transportation of Things	$734	$923	$982	$59
2300	Rents, Comm & Utilities	$2,130	$2,671	$2,840	$169
2400	Printing & Reproduction	$182	$229	$242	$13
2500	Other Services	$37,515	$46,149	$49,145	$2,996
2600	Supplies and Materials	$1,490	$1,898	$2,016	$118
3100	Personal Property	$2,721	$3,524	$3,739	$215
4100	Grants, Subsidies & Contrb	$1,280	$1,732	$1,833	$101
4200	INS Claims & Indemnities	$18	$22	$26	$4
Total		$125,751	$146,820	$155,611	$8,791

DIPLOMATIC & CONSULAR PROGRAMS

South Asian Affairs

OVERVIEW STATEMENT

The Bureau of South Asian Affairs (SA) formulates and implements U.S. foreign policy for the eight countries of South Asia. These activities are carried out in six embassies and six constituent posts.

Principal objectives of the Bureau include: (1) reduce the risk of terrorism by eliciting support for Operation Enduring Freedom, providing help for regional governments to counter terrorist organizations and address social, economic and governance problems that fuel terrorism; (2) enhance regional stability by helping India and Pakistan take steps necessary to ease bilateral tensions while greatly enhancing our bilateral relations with both nations, leading the effort to build a new Afghanistan, supporting efforts to achieve a negotiated settlement to the conflict in Sri Lanka, and helping to stabilize the situation in Nepal; (3) strengthen democratic institutions, good governance and respect for human rights, including support for educational programs and legal reforms; (4) increase U.S. investment and trade, and promote economic reforms; (5) restrain the development and deployment of weapons of mass destruction and ballistic missiles and prevent onward proliferation; and (6) reduce production and export of illegal drugs from South Asia.

Events in the region since September 11, 2001 have stretched this very small bureau and several of its posts to capacity and beyond; the challenges of rebuilding Afghanistan and restoring democracy and prosperity to Pakistan will pose further huge challenges.

NATIONAL INTERESTS & GOALS

Priority: COUNTERTERRORISM: Reduce the risk of terrorism by eliciting support for Operation Enduring Freedom, providing help for regional governments to counter terrorist organizations and address social, economic and governance problems that fuel terrorism.

Performance Goals: A. Sustain global support for Operation Enduring Freedom until its goals in Afghanistan have been achieved. B. Sustain regional support for any subsequent global coalition against terrorism operations elsewhere. C. Eliminate safe havens for terrorists throughout the region. D. Enhance counterterrorism cooperation with all regional governments through counterterrorism assistance, law enforcement and financial means. E. Help regional governments address economic, social and governance problems that could lead to support for terrorists.

Indicators: A. Diplomatic support for Operation Enduring Freedom. B. Provision of military forces and facilities as necessary in prosecuting Operation Enduring Freedom. C. Diplomatic support for follow-on operations against terrorist groups elsewhere. E. Effective law enforcement actions against regional and global terrorist groups. F. Cooperation with U.S. military and law enforcement agencies in bringing terrorists to justice. G. Cooperation in closing down financial networks used by terrorists. H. Implementation of UNSCR 1373 and ratification of other UN counterterrorism resolutions. I. Provision of effective government services and development assistance to areas affected by terrorism. J. Enhanced respect for human rights by security forces in areas affected by terrorism. K. Legal system reforms to improve provision of police and judicial services.

Progress (as of January 2002): The U.S. assembled and led an unprecedented international coalition in dismantling Al-Qaeda terrorist infrastructure in Afghanistan, replacing the Taliban regime with an internationally accepted interim administration, and providing immediate and long-term financial assistance to establish the new government. All regional governments provided all requested support for U.S.-led military operations in Afghanistan. The U.S. obtained unprecedented international support, including

strong support from all regional governments, for efforts to identify and close down terrorist financial networks and funding sources. Intelligence and law enforcement cooperation from regional governments, particularly Pakistan, has improved dramatically. Pakistan has closed down major Islamic extremist organizations, including those active in Kashmir, has detained over 2,000 extremists, and has promised not to allow groups based on its territory to infiltrate into or conduct terrorist operations in other countries. All regional governments have pledged support for UNSCR 1373 and submitted reports required by that resolution. Pakistan has begun to use funds provided by U.S. balance of payments support in an ambitious program to restore public education services and alleviate rural poverty.

Priority: REGIONAL STABILITY: Help India and Pakistan take steps necessary to ease bilateral tensions. Lead the global effort to rebuild Afghanistan's government, economy and society. Support efforts to achieve a negotiated settlement of the conflict in Sri Lanka.

Performance Goals A. Persuade Pakistan to end all support for insurgents in Kashmir. B. Persuade India and Pakistan to reverse military mobilization, ease tensions, and engage in serious and sustained dialogue to resolve bilateral differences. C. Encourage India to improve governance and reduce alienation in Kashmir. D. Provide U.S. assistance, and encourage assistance by others, to help the new government in Afghanistan establish governing institutions, restore law and order, provide government services and economic assistance to all parts of the country, and manage a transition to democracy. E. Support efforts by the governments of Sri Lanka and Norway to bring about a negotiated settlement with Tamil insurgents. F. Support efforts by Nepal to stem the Maoist insurgency.

Indicators: A. Pakistan shuts down militant organizations, ends all official support for Kashmir insurgents, and brings to justice those who have committed terrorist crimes. B. India and Pakistan return their forces to peacetime operations. C. India and Pakistan implement confidence-building measures. D. Violence in Kashmir declines. E. India and Pakistan engage in serious and sustained dialogue. F. India concludes a ceasefire agreement with Kashmir insurgents. G. Reduction in reports of human rights abuses in Kashmir. H. Widespread participation in free, fair and open state elections in Kashmir. I. International donors meet targets for financial support to Afghanistan. J. Afghan International Security Assistance Force (ISAF) completes its mission and hands off to well-trained Afghan security forces. K. Emergency Loya Jirga drafts new constitution, creates Transitional Authority to replace Interim Authority. L. All heavy weapons are in custody of Afghan government. M. Road traffic in Afghanistan no longer requires armed escort. N. Sri Lanka and the Liberation Tigers of Tamil Eelam (LTTE) sign ceasefire agreement and begin negotiating final settlement. O. Decline of Maoist insurgency in Nepal.

Progress (as of January 2002): Pakistan has banned major Islamic extremist groups active in Kashmir, detained their leaders and many members, and closed their offices and training camps. Pakistan has promised not to permit people based in its territory to conduct terrorist operations elsewhere. Infiltration across the Line of Control has declined. Tokyo conference on financial assistance to Afghanistan successfully held. ISAF has restored law and order in Kabul. U.S. and others have agreed to train a new Afghan army and police force. Afghan Interim Authority is in operation, members of Emergency Loya Jirga have been named. Collection of weapons has begun in some parts of Afghanistan. Sri Lanka and LTTE have both declared and maintained unilateral ceasefires.

DIPLOMATIC & CONSULAR PROGRAMS

***Priority:** DEMOCRACY AND HUMAN RIGHTS: Restore civilian democracy in Pakistan, help governments improve delivery of government services including police and judicial services, reduce child labor and trafficking in persons, encourage legal reform and respect for human rights, strengthen educational systems.*

Performance Goals: A. Encourage and assist Pakistan to restore democratic, civilian rule. B. Encourage and support legal reform measures and improved access to justice. C. Foster strengthening of civil society, particularly in Afghanistan. D. Help governments provide basic governmental services to all parts of their countries, particularly in Afghanistan, Pakistan and Nepal. E. Help governments strengthen educational systems, particularly in Pakistan and Afghanistan. F. Reduce illiteracy, particularly for women and girls. G. Implement long-term arrangements to reduce child labor, especially in hazardous occupations. H. Implement DOS/USAID Regional Strategy to Combat Trafficking in Women and Children. I. Increase respect for human rights, particularly by security forces in areas affected by insurgency and terrorism. J. Improve confidence in the electoral system through independent monitoring of elections, training programs for election officials, and education programs for voters.

Indicators: A. Pakistan holds free and fair national elections in October 2002, leading to installation of civilian government. B. Pakistan uses U.S. and other donor funds effectively in rebuilding its educational system. C. Measurable results from U.S. programs promoting civil society and political party reforms, including greater public debate on institutional reforms and greater accountability within political parties. D. Measurable improvement in delivery of basic governmental services in rural areas of Afghanistan, Pakistan and Nepal. E. Continued implementation of programs in Pakistan, Nepal, India, and Bangladesh to combat child labor. F. Measurable reduction in trafficking in women and children, enhanced public awareness of the problem, and government endorsement of measures to combat it. G. Reduction in practice of child and bonded labor, increase in education/training programs for child/bonded laborers and establishment of credible child labor-free certification schemes. H. Increase in literacy rates for women and school attendance rates for girls, particularly in Afghanistan and Pakistan. I. Reduction in number of complaints of human rights abuses by security forces, particularly in Kashmir, Nepal and Sri Lanka.

Progress (as of January 2002): Pakistan has announced plans for national elections in October, including reserved seats for women and technocrats, educational requirements for candidates, and an end to separate seats for religious minorities. Political parties are preparing for the elections, with U.S. and other international help. Bangladesh held its third parliamentary elections, resulting in a peaceful transfer of power. Trafficking and child labor programs are being implemented. Sri Lanka has successfully prosecuted several military personnel for human rights crimes; complaints about the military have dropped sharply in recent years.

***Priority:** TRADE AND INVESTMENT: Increase trade and investment levels, improve economic cooperation with regional governments, resolve outstanding investment disputes, encourage economic reform.*

Performance Goals: A. Use grant aid and debt relief to help Pakistan achieve sustained economic recovery. B. Obtain cooperation from regional governments, particularly India, in pushing forward a new WTO round. C. Resolve investment disputes, particularly those with India over power projects. D. South Asian governments reduce tariffs and non-tariff barriers and phase in elimination of quantitative restrictions on imports. E. South Asian governments implement market reforms that contribute to sustainable development and reduce market access barriers. F. Regional governments improve transparency in procurement and administration of taxes/duties/licenses. G. Increased EXIM, OPIC and TDA support for business ventures in South Asia.

DIPLOMATIC & CONSULAR PROGRAMS

Indicators: A. India cooperates on new WTO round, and in resolving Dabhol and other power project investment disputes. B. Regional governments reduced tariff rates and quotas, improve transparency in government decisions, increase pace of privatization. C. Bangladesh decides to allow U.S. investors to export gas and gas products to India. D. Exports to South Asian countries increase. E. India passes strong Intellectual Property Rights legislation. F. EXIM, TDA and OPIC resume activities in Pakistan. G. Pakistan meets IMF targets on Poverty Reduction and Growth Facility. H. Afghanistan is granted Normal Trade Relations (NTR) and Generalized System of Preferences (GSP).

Progress (as of January 2002): Pakistan met IMF Standby Agreement targets for the first time. IMF signed three-year Poverty Reduction and Growth Facility with Pakistan. EXIM, OPIC and TDA are planning missions to Pakistan and Afghanistan. The Indian Government continued to pursue a major legislative program of „second generation" economic reforms. Bangladesh is negotiating with IMF on economic reforms to qualify for a Poverty Reduction and Growth Facility.

Priority: NONPROLIFERATION: Restrain development and deployment of weapons of mass destruction and ballistic missiles. Prevent onward proliferation.

Performance Goals: A. No further nuclear tests by India or Pakistan. B. Prevention of onward transfer from India and Pakistan of nuclear, CBW and ballistic missile technology or components. C. Restraint by India and Pakistan on nuclear and missile programs. D. Cooperation by India and Pakistan on export control regimes and adherence to multilateral nonproliferation norms. E. Cooperation on confidence-building measures (CBMs) to help ensure that nuclear weapons will not be used, deliberately or inadvertently.

Indicators: A. India and Pakistan maintain their unilateral moratoria on nuclear tests. B. Neither initiates new ballistic missile development programs. C. No operational deployment of missiles that can carry nuclear weapons. D. Warheads continue to be stored separately from missiles. E. Missile tests are limited in number and notified in advance. F. India and Pakistan respect U.S. export control regimes, bring their own export control regimes in line with international norms, prevent onward proliferation by companies and individuals under their jurisdiction. G. As bilateral tensions ease, India and Pakistan discuss and then implement existing and new nuclear/missile CBMs.

Progress (as of January 2002): After nuclear-related sanctions were waived and the „Entity List" of entities of proliferation concern was trimmed in September 2001, India and Pakistan promised improved cooperation with and respect for U.S. export control regimes. Both countries have maintained their nuclear test moratoria. Both continue to pursue nuclear and missile development programs. India conducted two ballistic missile tests in 2001; Pakistan conducted none. Pakistan remains under U.S. missile sanctions for engaging in missile-related cooperation with China. Both countries have agreed to resume security and nonproliferation dialogues with the U.S.

Priority: NARCOTICS: Reduce production of and trafficking in illegal drugs.

Performance Goals: A. Prevent a sharp increase in Afghan opium exports in the aftermath of Operation Enduring Freedom. B. Work with the new Afghan government to eradicate opium production as quickly as possible. C. Reduce diversion of Indian licit opium production. D. Improve Pakistan's counter-narcotics law enforcement capabilities.

Indicators: A. Heroin price changes do not indicate an increased flow from Afghanistan. B. The new Afghan government cooperates fully with the U.S. and UN to prevent increased production, and develops effective crop substitution programs. C. Full narcotics certification for Pakistan and India. D. More arrests of major traffickers and more convictions; decreased diversion of licit opium in India.

DIPLOMATIC & CONSULAR PROGRAMS

Progress (as of January 2002): The Taliban instituted a ban on poppy cultivation in 2000, and production declined sharply in 2001, but Afghan traffickers continued to market stored supplies. Cultivation reportedly resumed in the chaos surrounding the collapse of the regime, but the new government has pledged full cooperation in eliminating production and trafficking. India has continued to reduce the quantity of opium diverted from its licit program to the black market. The U.S. and GOI conducted a joint study on opium yields aimed at improving management of the licit opium crop. Pakistan continued to implement its five-year Drug Abuse Control Master Plan for improved law enforcement, crop control and demand reduction efforts. Pakistan has virtually eliminated poppy cultivation, but remains an important transit country. The U.S. has initiated a large project with Pakistan's Ministry of Interior to improve border monitoring capabilities.

Priority: DIPLOMATIC READINESS: Promote diplomatic readiness in South Asia.

Performance Goals: A. Staff Embassy in Kabul. B. Provide secure facilities for U.S. diplomatic missions in South Asia. C. Increase investment in SA mission's aging infrastructure. D. Reduce staffing gaps by filling positions with qualified personnel, including Eligible Family Members. E. Obtain Classified Local Area Network [C-LAN] for all SA posts.

Indicators: A. Embassy Kabul has adequate qualified personnel. B. Other facilities in the region meet security standards. C. Reduced staffing gaps. D. All posts with C-LAN connectivity.

Progress: Embassy Kabul reopened in December 2001 with an initial diplomatic staff of seven temporary personnel. Reconstruction of the mission has begun. Security improvements have been and continue to be made at all posts. ICASS funding for infrastructure improvements has been increased. All SA posts have classified e-mail.

PROGRAM CHANGE JUSTIFICATION

Locally Engaged Staff: $600,000

Foreign Service National staffing has not kept pace with U.S. staffing at our embassies in South Asia, causing degradation of the services provided and the quality of the work performed.

Increased staffing will improve the level of administrative service provided at post, will improve compliance with regulations, and will permit administrative sections throughout the region to better respond to their ICASS councils.

In addition, increased staffing will help to address the growth in consular workload, particularly from the H1 program and the new requirement for extra screening of some visa applicants. Increased staffing in the consular section as well as in the economic, political, and public diplomacy sections will result in more thorough reporting, better outreach, and increased responsiveness to inquiries, whether from the public, the host government, other agencies, Congress, or the Department.

Public Diplomacy Efforts: $200,000

Funding increases for a variety of Public Diplomacy programs dealing with print, speakers, advertisements, and grants to local nongovernmental organizations will improve communications in this region about thewar against terrorism.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of South Asian Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	41	144	534	719	$27,927	$15,994	$43,921
FY 2002 Estimate	46	165	534	745	$47,268	$19,535	$66,803
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($1,438)	$0	($1,438)
Annualization of 2002 Hiring Increases (HR,SO)	0	0	0	0	$65	$50	$115
2002 American Cost-of-Living Adjustment	0	0	0	0	$1	$226	$227
Annualization of 2002 Hiring Increases	0	0	0	0	$951	$626	$1,577
American Cost-of-Living Adjustment	0	0	0	0	$2	$385	$387
FSN Wage	0	0	0	0	$922	$0	$922
Overseas Price	0	0	0	0	$1,840	$0	$1,840
Domestic Price	0	0	0	0	$17	$0	$17
Global Inflation including Local Guard Program	0	0	0	0	$38	$0	$38
Total Built-in Changes	0	0	0	0	$2,398	$1,287	$3,685
FY 2003 Current Services	46	165	534	745	$49,666	$20,822	$70,488
FY 2003 Program Changes							
Locally Engaged Staff	0	0	0	0	$600	$0	$600
Public Diplomacy Efforts	0	0	0	0	$200	$0	$200
Total Program Changes	0	0	0	0	$800	$0	$800
FY 2003 Request	46	165	534	745	$50,466	$20,822	$71,288

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of South Asian Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**44**	**49**	**49**	**0**
Bureau Direction	10	12	12	0
Mission Direction	34	37	37	0
Conduct of Diplomatic Relations	**167**	**180**	**180**	**0**
Political Affairs	89	92	92	0
Political Diplomacy	89	92	92	0
Economic/Trade Affairs	29	31	31	0
Business Services	11	13	13	0
Environmental, Scientific and Technological Affairs	7	9	9	0
International Security Affairs	13	15	15	0
Country Coordination	18	20	20	0
Public Diplomacy	**203**	**207**	**207**	**0**
Public Diplomacy - Program Costs	203	207	207	0
Conduct of Consular Relations	**94**	**94**	**94**	**0**
Overseas Visa Services	66	66	66	0
Overseas Citizens Services	28	28	28	0
Diplomatic Security	**31**	**32**	**32**	**0**
Overseas Protection of Life	31	32	32	0
Other Overseas Security Support	31	32	32	0
Information Resource Management	**60**	**62**	**62**	**0**
Infrastructure Systems	10	11	11	0
ADP Communications and Message Centers	10	11	11	0
Corporate Information Systems and Services	50	51	51	0
Core Foreign Affairs Systems	50	51	51	0
Overseas Administrative Support	**120**	**121**	**121**	**0**
Overseas General Services	120	121	121	0
Total	719	745	745	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of South Asian Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$3,240**	**$5,602**	**$5,960**	**$358**
Bureau Direction	$845	$1,470	$1,568	$98
Mission Direction	$2,395	$4,132	$4,392	$260
Conduct of Diplomatic Relations	**$9,019**	**$15,272**	**$16,264**	**$992**
Political Affairs	$4,282	$6,963	$7,415	$452
Political Diplomacy	$4,282	$6,963	$7,415	$452
Economic/Trade Affairs	$1,291	$2,265	$2,408	$143
Business Services	$524	$1,012	$1,078	$66
Environmental, Scientific and Technological Affairs	$302	$660	$702	$42
International Security Affairs	$1,099	$1,861	$1,984	$123
Country Coordination	$1,521	$2,511	$2,677	$166
Public Diplomacy	**$10,318**	**$14,272**	**$15,555**	**$1,283**
Public Diplomacy - Program Costs	$10,318	$14,272	$15,555	$1,283
Conduct of Consular Relations	**$3,024**	**$5,272**	**$5,575**	**$303**
Overseas Visa Services	$2,067	$3,604	$3,811	$207
Overseas Citizens Services	$957	$1,668	$1,764	$96
Diplomatic Security	**$1,346**	**$2,277**	**$2,419**	**$142**
Overseas Protection of Life	$1,346	$2,277	$2,419	$142
Other Overseas Security Support	$1,346	$2,277	$2,419	$142
Information Resource Management	**$2,810**	**$4,708**	**$5,004**	**$296**
Infrastructure Systems	$844	$1,385	$1,476	$91
ADP Communications and Message Centers	$844	$1,385	$1,476	$91
Corporate Information Systems and Services	$1,966	$3,323	$3,528	$205
Core Foreign Affairs Systems	$1,966	$3,323	$3,528	$205
Overseas Administrative Support	**$14,164**	**$19,400**	**$20,511**	**$1,111**
Overseas General Services	$3,435	$5,953	$6,304	$351
International Cooperative Administrative Support Services (ICASS)	$10,729	$13,447	$14,207	$760
Total	$43,921	$66,803	$71,288	$4,485

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of South Asian Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**13**	**19**	**17**	**49**	**$3,086**	**$2,874**	**$5,960**
Bureau Direction	12	0	0	12	$489	$1,079	$1,568
Mission Direction	1	19	17	37	$2,597	$1,795	$4,392
Conduct of Diplomatic Relations	**27**	**76**	**77**	**180**	**$7,018**	**$9,246**	**$16,264**
Political Affairs	2	45	45	92	$3,196	$4,219	$7,415
Political Diplomacy	2	45	45	92	$3,196	$4,219	$7,415
Economic/Trade Affairs	0	11	20	31	$1,421	$987	$2,408
Business Services	0	6	7	13	$539	$539	$1,078
Environmental, Scientific and Technological Affairs	0	4	5	9	$343	$359	$702
International Security Affairs	6	9	0	15	$637	$1,347	$1,984
Country Coordination	19	1	0	20	$882	$1,795	$2,677
Public Diplomacy	**6**	**29**	**172**	**207**	**$11,155**	**$4,400**	**$15,555**
Public Diplomacy - Program Costs	6	29	172	207	$11,155	$4,400	$15,555
Conduct of Consular Relations	**0**	**0**	**94**	**94**	**$5,575**	**$0**	**$5,575**
Overseas Visa Services	0	0	66	66	$3,811	$0	$3,811
Overseas Citizens Services	0	0	28	28	$1,764	$0	$1,764
Diplomatic Security	**0**	**10**	**22**	**32**	**$1,521**	**$898**	**$2,419**
Overseas Protection of Life	0	10	22	32	$1,521	$898	$2,419
Other Overseas Security Support	0	10	22	32	$1,521	$898	$2,419
Information Resource Management	**0**	**23**	**39**	**62**	**$2,940**	**$2,064**	**$5,004**
Infrastructure Systems	0	11	0	11	$489	$987	$1,476
ADP Communications and Message Centers	0	11	0	11	$489	$987	$1,476
Corporate Information Systems and Services	0	12	39	51	$2,451	$1,077	$3,528
Core Foreign Affairs Systems	0	12	39	51	$2,451	$1,077	$3,528
Overseas Administrative Support	**0**	**8**	**113**	**121**	**$19,171**	**$1,340**	**$20,511**
Overseas General Services	0	8	113	121	$5,586	$718	$6,304
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$13,585	$622	$14,207
Total	46	165	534	745	$50,466	$20,822	$71,288

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of South Asian Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	8	11	11	0
Office of Pakistan, Afghanistan, and Bangladesh Affairs	8	9	9	0
Office of India, Nepal, Sri Lanka, Maldive Is. & Bhutan Affairs	8	9	9	0
Office of Regional Affairs	5	5	5	0
Office of Public Diplomacy	12	12	12	0
Total	41	46	46	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of South Asian Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$3,615	$4,639	$5,008	$369
Office of Pakistan, Afghanistan, and Bangladesh Affairs	$3,616	$4,434	$4,790	$356
Office of India, Nepal, Sri Lanka, Maldive Is. & Bhutan Affairs	$3,616	$4,434	$4,790	$356
Office of Regional Affairs	$2,261	$2,723	$2,942	$219
Office of Public Diplomacy	$3,915	$4,717	$5,101	$384
Total	$17,023	$20,947	$22,631	$1,684

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of South Asian Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Afghanistan, Kabul	2	15	17	2	15	17	2	15	17	0	0	0
Bangladesh, Dhaka	16	31	47	17	31	48	17	31	48	0	0	0
India, New Delhi	45	129	174	50	129	179	50	129	179	0	0	0
Mumbai	5	72	77	5	72	77	5	72	77	0	0	0
Kolkata	3	52	55	4	52	56	4	52	56	0	0	0
Chennai	6	62	68	8	62	70	8	62	70	0	0	0
Nepal, Kathmandu	12	24	36	15	24	39	15	24	39	0	0	0
Pakistan, Islamabad	26	63	89	32	63	95	32	63	95	0	0	0
Lahore	3	30	33	3	30	33	3	30	33	0	0	0
Peshawar	3	7	10	4	7	11	4	7	11	0	0	0
Karachi	10	24	34	10	24	34	10	24	34	0	0	0
Sri Lanka, Colombo	13	25	38	15	25	40	15	25	40	0	0	0
Total	144	534	678	165	534	699	165	534	699	0	0	0

FUNDS BY POST
($ in thousands)

Bureau of South Asian Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Afghanistan, Kabul	$534	$7,952	$8,062	$110
Bangladesh, Dhaka	$2,570	$3,896	$4,172	$276
India, New Delhi	$8,881	$12,402	$13,058	$656
Mumbai	$1,370	$1,974	$2,133	$159
Kolkata	$1,007	$1,528	$1,664	$136
Chennai	$1,267	$1,939	$2,104	$165
Nepal, Kathmandu	$1,924	$3,113	$3,355	$242
Pakistan, Islamabad	$5,014	$6,855	$7,286	$431
Lahore	$417	$532	$635	$103
Peshawar	$544	$902	$1,022	$120
Karachi	$1,431	$1,934	$2,112	$178
Sri Lanka, Colombo	$1,939	$2,829	$3,054	$225
Total	$26,898	$45,856	$48,657	$2,801

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of South Asian Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$16,369	$21,464	$23,034	$1,570
1200	Personnel Benefits	$5,903	$8,509	$9,228	$719
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$974	$1,633	$1,732	$99
2200	Transportation of Things	$653	$1,109	$1,175	$66
2300	Rents, Comm & Utilities	$1,171	$1,975	$2,094	$119
2400	Printing & Reproduction	$283	$446	$476	$30
2500	Other Services	$13,612	$23,680	$25,049	$1,369
2600	Supplies and Materials	$1,222	$1,959	$2,086	$127
3100	Personal Property	$2,349	$3,908	$4,148	$240
4100	Grants, Subsidies & Contrb	$1,385	$2,120	$2,266	$146
Total		$43,921	$66,803	$71,288	$4,485

DIPLOMATIC & CONSULAR PROGRAMS

East Asian and Pacific Affairs

OVERVIEW STATEMENT

The East Asia and Pacific region has played a crucial role in the war on terrorism and is increasingly important to the full range of U.S. national interests. This important region deserves greater attention and resources.

The nations of the region have responded wholeheartedly to our fight against terrorism. From our allies (Japan, South Korea, Australia, the Philippines and Thailand), from P5 member China, from the members of ASEAN and the highly diverse ASEAN Regional Forum, and from the largest regional powers to the smallest Pacific Island states, we are seeing nations take concrete steps to combat terrorism individually, bilaterally, and multilaterally. Our anti-terrorism goals are long-term, and we will need continued high levels of cooperation in the region to pursue them effectively. Key challenges will be to deepen and institutionalize the new cooperative patterns oncounterterrorism that we have forged with the states of the East Asia and Pacific region, and to encourage the trend toward cooperation among many states within the region. The Philippines, Singapore, Malaysia, and Indonesia are key states in the war against terrorism and we are strengthening our cooperation with them in support of our global effort. It will be equally important to do what we can to prevent terrorists from using vulnerable island states in the South Pacific to move financial assets.

East Asia and the Pacific is our largest regional trading partner. About 26% of our exports and 36% of our imports in 2001 were with East Asia. About 16% of our foreign direct investments are located there as well. From a security viewpoint, the national interests of four major powers, the U.S., Japan, China, and Russia, intersect in this region. Key potential flashpoints, such as the Korean Peninsula and the Taiwan Strait, remain. About 20% of all U.S. military forces fall under the Pacific Command, and almost 100,000 troops are stationed in East Asia. We maintain major U.S. overseas bases in Japan and South Korea, which serve as the cornerstone of U.S. security strategy in the region. We also have bilateral security alliances with Australia, Thailand, and the Philippines.

The trend toward democratization has been strong over the last fifteen years. Thailand, the Philippines, South Korea, Taiwan, Mongolia, and Indonesia have made major strides but are at different levels of development. Indonesia, in particular, needs support in its critical period of transition. The EAP region is crucial to success on global issues, such as the environment, HIV/AIDS, counter-narcotics, and trafficking in women and children. China follows the U.S. as the second leading emitter of greenhouse gases, and Burma is the largest producer of heroin in the world. Weak governmental institutions in many South Pacific island states make them vulnerable to drug trafficking and money laundering.

If the United States is to maintain its strong leadership role in this area of the world, theState Department will need the people and the funds to carry out its tough mission. If we are to remain an East Asia and Pacific power, we need to fund a commensurate presence and programs.

NATIONAL INTERESTS & GOALS

Priority: National Security

Performance Goal: (A) Progress resolving concerns about the Democratic Peoples Republic of Korea's (DPRK's) Weapons of Mass Destruction (WMD) and missile programs, including implementing Agreed Framework. (B) Implement recommendations contained in the 1996 Final Report of the Special Action

Committee on Okinawa (SACO), Special Measures Agreement (SMA) renewed . (C) Indonesian government increases civilian control over the military. (D) Region-wide security dialogue and enhanced confidence-building measures through ASEAN Regional Forum (ARF) and other multilateral venues. (E) Persuade China to join MTCR.

Indicator: (A) DPRK complies fully with Agreed Framework and accepts new commitments related to nuclear activities. No flight test of North Korean long-range missiles. North/South Korea make progress in implementing 1992 joint Denuclearization Agreement. (B) Concrete progress in security dialogue with Japan. Better dialogue with GOJ on environmental issues regarding bases within the Joint Committee framework. (C) Increased professionalism and accountability of Indonesian Armed Forces. (D) Implementation of preventive diplomacy (PD) programs and activities in ARF. (E) China works with the U.S., and others to prevent the spread of WMD and missile technology; joins Australia Group; and abides by the parameters of the MTCR.

Progress (FY 2001): Security relations with Japan have improved steadily, as evidenced by the cooperation and support Japan is providing with respect to the Counterterrorism Campaign. We are establishing mechanisms to discuss environmental issues regarding our bases within the Joint Committee framework. Japan and the U.S. made progress on relocating Marine Corps Air Station (MCAS) Futenma to Nago, thus moving closer to finalizing a Basic Plan for relocation. The Special Measures Agreement (SMA) with Japan has been in full operation since the completion of negotiations in 2000. China cooperated by encouraging North Korean openness, North-South dialogue, and a peaceful resolution to issues on the Korean peninsula. We continued to urge China to honor its November 2000 commitment not to assist any country in any way in the development of MTCR-class ballistic missiles.

Priority: Economic Prosperity

Performance Goal: (A) Strong regional cooperation on financial and economic measres to combat terrorism. (B) Key regional economic players, such as Indonesia, implement policy and institutional reforms to attract more foreign direct investment. (C) Increased levels of regional GDP; increased foreign direct investment in the region. (D) Support for key U.S. goals, including market access, the new round of WTO trade negotiations, and bilateral Free Trade Agreements (FTAs).

Indicator: (A) APEC members implement UN resolutions and APEC Leaders' commitments to combat terrorism. (B) Foreign direct investment increases in developing East Asia and Pacific countries. (C) Regional GDP growth continues. (D) New Round of WTO negotiations and bilateral FTAs make satisfactory progress.

Progress (FY 2001): The President and other APEC leaders committed to clear measures to combat terrorism. Negotiations during the year enabled China and Taiwan to be admitted to the WTO, China at the end of 2001, and Taiwan entered in early 2002. Payments to South Pacific island nations under the South Pacific Fisheries Treaty maintains U.S. access to important tuna fisheries. U.S foreign direct investment maintained at 16% of U.S. world total.

Priority: American Citizens

Performance Goal: (A) Thorough and functional plans for disasters and emergencies. (B) Effective warden, resident and visitor registration, and security warning distribution systems. (C)Timely notification from host governments of arrests of Americans, followed by prompt access and periodic visits by consular officers.

DIPLOMATIC & CONSULAR PROGRAMS

Indicator: (A) Contingency plans for air crashes, hotel fires, and earthquakes, with broad participation by Chinese officials in a major civil disaster, simulation organized by the Mission (B) Decrease by 10% the time for warden and warning systems to contact all American citizens resident in EAP countries. (C) Consular agreements on notification and access of American prisoners signed.

Progress (FY 2001): Authorities throughout the EAP region continue to cooperate in preparing for natural and unnatural disasters. The average warden warning system requirement of between 2 hours and one day to contact all American citizens resident in EAP countries continues to be reduced. Discussions continue on bilateral agreements to improve the notification time for arrested or detained American citizens.

Priority: Law Enforcement

Performance Goal: (A) Level of bilateral counter-terrorism consultations maintained between the U.S. and regional governments to increase cooperative anti-terrorism efforts and policies. (B) MLAT or MLAA negotiations with Taiwan, Malaysia and Japan completed. (C) Law enforcement cooperation with China strengthened through the Joint Liaison Group (JLG), including fully implementing the MLAA and signing a bilateral letter of agreement (LOA) for expanded assistance. (D) Pacific Island states and other countries in the region become less attractive locations for money laundering.

Indicator: (A) WMD seminars for China and Indonesia; integration of Light Reaction Company (LRC) into Armed Forces of Philippines(AFP); ATA assessment for Singapore, Laos and Vietnam. ARF ministerial and working level meetings on CT strategy held. (B) Implementation of MLAT. (C) JLG meeting to expand information sharing and implementation of LOA. (D) Niue anti-money laundering legislation helped the South Pacific cease to be a haven for money laundering

Progress (FY 2001): Governments in the region increased actions to combat money laundering, drug trafficking, alien smuggling, financial crimes and corruption. Engagement in bilateral and multilateral activities improved efforts to expand knowledge of counter-terrorism resources and methods, to stimulate information sharing, and to establish cooperation during terrorist incidents. Increased regional cooperation with Japan through Mutual Legal Assistance Treaty. Strengthened law enforcement with China via Joint Liaison Group meeting in Beijing. Authority to establish a Resident Legal Advisor (RLA) in Beijing granted. Increased training and regional cooperation through the International Law Enforcement Academy (ILEA) in Bangkok, with active participation of most ASEAN countries. Increased seizures of illegal narcotics by regional law enforcement officials.

Priority: Democracy and Human Rights

Performance Goal: (A) Promote human rights and democratic values multilaterally as well as bilaterally. (B) Decrease in trafficking of women and children regionally by national programs. (C) Indonesian government enforces accountability for atrocities committed in Timor.

Indicator: (A) Human rights discussed at ASEAN PMC. (B) Trafficking programs expand to Cambodia, Laos, the Philippines; U.S.-funded anti-trafficking website is a major resource for regional users. (B) Accountability system institutionalized in Indonesian military and judicial systems; militias disarmed.

Progress (FY 2001): Three-pronged approach influenced political evolution in the region using the Regional Democracy Fund, the Regional Women's Initiative Fund, and bilateral programs. Continued to nurture democratic concepts and rule of law in Cambodia, China and Indonesia.

DIPLOMATIC & CONSULAR PROGRAMS

Supported U.S. NGOs working with Asian NGOs to promote peaceful transitions to more democratic systems, including greater political empowerment of and reducing violence against women.

Priority: Global Issues

Performance Goal: (A) Strengthen capacity of regional governments to respond to outbreaks of infectious diseases. (B) Expand EAP country coverage on HIV/AIDS and reproductive health programs. (C) Expand US-Japan cooperation on infectious disease, particularly HIV/AIDS, malaria and TB; strengthen Japanese NGOs to work with U.S. counterparts on global challenges, such as democracy, market building, refugee relief, and natural disaster mitigation. (D) Government and private sector support for the full range of reproductive health services, including voluntary family planning. (E) Gender equality and empowerment of women, including increased access of girls to primary and secondary education. (F) Regional countries address the underlying causes of forest fires and haze pollution. (G) Expanded environmental cooperation with China, Japan, and Indonesia; reform of destructive fishing practices. (H) Regional fishing issues addressed.

Indicator: (A) EAP Leaders speak out publicly on HIV/AIDS. (B) Determine additional countries to expand beyond current programs in Cambodia, Philippines, Indonesia, Thailand. (C) National leadership dialogues well established in EAP region. (D) Governments increasingly support a broad range of quality voluntary RH services, Maternal Mortality Rates reduced to 440 per 100,000. (E) Governments implement laws and policies to empower women. Female literacy increases by 1% to 87% in Southeast Asia. (F) 75% compliance level with "managed burn" policy. (G) Expanded environmental cooperation; transboundary water cooperation operational. (H) The third MHLC PrepCon is held, Japan and Korea attend and sign the Convention; UNFSA enters into force, more states accede to the CA.

Progress (FY 2001): Bilateral work with Japan continued in efforts to eradicate polio in the region. Expanded US-Japan cooperation on infectious diseases, particularly HIV/AIDS and TB, through the Joint Project Formulation Mission (PFM) to Cambodia. Strengthened capacity of regional governments to respond to disease outbreaks. Expanded country coverage on HIV/AIDS and reproductive health programs. Collaborated with USAID, HHS, Peace Corps and others in the public and private sectors to enhance the national capacities of countries in the region to recognize, report, prevent, and respond effectively to infectious disease threats. Worked with HHS and CDC to expand HIV/AIDs program in China. "Managed burn" policy adopted by Indonesia for forest fire mitigation. Indo-Pacific Fishing Reform Initiative expanded in Southeast Asia to fight destructive fishing reforms. Helped CDC and Naval Medical Research Unit (NAMRU) establish a presence in Cambodia.

Priority: Public Diplomacy and other Diplomatic Activities

Performance Goal: (A) Seek to gain wider understanding and support for the global war on terrorism, stressing that the war on terrorism is not a war on Islam. (B) Seek to encourage democratic initiatives in emerging democracies in the region. (C) Address anti-Americanism in countries such as China where this is used to distract attention from internal problems. (D) Address unbalanced views of globalization that cast the United States as exploiting non-Western countries. (E) Encourage support for non-proliferation of WMD.

Indicator: Nations cooperate with the U.S. in combating terrorism and indigenous Muslim groups support U.S. efforts. (B) The growth of grass-roots organizations. (C) Diminution of the overtly anti-American statements by China's leaders. (D) Acceptance of the WTO in China and other countries. (E) Support in international fora for sanctions on violators.

Progress (FY 2001): Since 9/11, publications, speakers, and exchange resources have been redirected to address both counterterrorism and Islam in the United States. Activities include translating the "Network of Terrorism" into six Asian languages, distributing 500,000 copies of the Indonesian language version of this pamphlet and organizing a journalist reporting tour that resulted in a change in tenor of reporting on the U.S. in Indonesian papers. In addition to exchange and speaker programs, EAP/PD distributed in small grants to grass roots organizations in seven countries to support democratization programs during FY-01. Significant increase in U.S. speaker programs and a concerted program of public speaking by embassy officers in China increased our contact with student audiences. Extensive speaker and International Visitor program support for WTO and APEC activities. Speaker and International Visitor programs and targeted publications on non-proliferation issues have been undertaken

Priority: Diplomatic Readiness

Performance Goal: (A) An EAP bureau staffed with qualified and committed individuals at levels sufficient to meet the policy objectives in the region. (B) The Bureau and its posts have modern information technology resources that meet the growing demand for access, sharing and communicating information with counterparts throughout government and the private sector. (C) All posts in EAP have appropriate office building space, residences and infrastructure to support State and other agencies in carrying out their missions.

Indicator: (A) Existing positions in the bureau are filled and the Bureau receives additional positions justified by the Department's staffing model. (B) NT C-LAN is completed at the remaining 32 posts. Lifecycle replacement of all aging servers and replacement of 50 percent of desktops bureau-wide. (C) Procurement of furniture and furnishings for new single family residences, procurement of office furniture and equipment for new staff, procurement of vehicles to replace aging fleet, replacement of depreciated equipment.

Progress (FY 2001): EAP received 31 new Foreign Service positions for overseas posts, including eleven for China. Installation of NT C-LAN has been completed at nine EAP posts providing improved classified e-mail capabilities and access to SIPNET/INTELINK resources. Congressional approval for opening a U.S. office in Dili, East Timor has been received.

PROGRAM CHANGE JUSTIFICATION

Locally Engaged Staff Positions: $2,289,000

The increase would fund salaries and start-up costs for new foreign service national positions at most EAP posts. These positions are a part of the personnel increase initiative that will bring embassy staff to an adequate level to support program operations. These positions are needed to support the increase in American direct-hire positions so that the American officers can fully concentrate on their reporting and program duties.

Democracy and Civil Society in EAP: $300,000

This would fund small grants to local grassroots organizations in Indonesia and China who are working to expand the rule of law, civil society or democratization in these two East Asian giants. These grants are specifically targeted to groups at the local level to conduct activities that support U.S. policy goals. For

example, a possibility might be a grant to a group of Muslim women in Indonesia to hold workshops on the role of women in rural elections.

Locally Engaged Staff Positions for Public Diplomacy: $660,000

These positions will support the programming efforts of the new American Officer positions added to Public Diplomacy in FY 2002. These positions would be primarily located in Indonesia, China, and Japan. Costs include salaries and startup costs for office equipment and furnishings.

FY 2003 Request
SUMMARY STATEMENT

Bureau of East Asian and Pacific Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	158	517	817	1,492	$131,114	$76,826	$207,940
FY 2002 Estimate	160	540	817	1,517	$154,052	$81,253	$235,305
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($2,207)	$0	($2,207)
2002 American Cost-of-Living Adjustment	0	0	0	0	$76	$942	$1,018
Annualization of 2002 Hiring Increases	0	0	0	0	$951	$529	$1,480
Annualization of 2002 Hiring Increases (HR,SO)	0	0	0	0	$420	$250	$670
American Cost-of-Living Adjustment	0	0	0	0	$133	$1,603	$1,736
FSN Wage	0	0	0	0	$2,773	$0	$2,773
Overseas Price	0	0	0	0	$3,230	$0	$3,230
Domestic Price	0	0	0	0	$75	$0	$75
Global Inflation including Local Guard Program	0	0	0	0	$184	$0	$184
Total Built-in Changes	0	0	0	0	$5,635	$3,324	$8,959
FY 2003 Current Services	160	540	817	1,517	$159,687	$84,577	$244,264
FY 2003 Program Changes							
Democracy and Civil Society in the EAP Region	0	0	0	0	$300	$0	$300
Locally Engaged Staff	0	0	0	0	$2,949	$0	$2,949
Total Program Changes	0	0	0	0	$3,249	$0	$3,249
FY 2003 Request	160	540	817	1,517	$162,936	$84,577	$247,513

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**157**	**167**	**167**	**0**
Bureau Direction	17	18	18	0
Mission Direction	134	143	143	0
Public Affairs	4	4	4	0
Legislative Affairs	2	2	2	0
Conduct of Diplomatic Relations	**401**	**407**	**407**	**0**
Political Affairs	152	157	157	0
Political Diplomacy	152	157	157	0
Economic/Trade Affairs	123	124	124	0
Business Services	20	20	20	0
Environmental, Scientific and Technological Affairs	28	28	28	0
International Security Affairs	14	14	14	0
Labor Affairs	12	12	12	0
Country Coordination	52	52	52	0
Public Diplomacy	**358**	**361**	**361**	**0**
Public Diplomacy - Program Costs	358	361	361	0
Conduct of Consular Relations	**286**	**286**	**286**	**0**
Overseas Visa Services	180	180	180	0
Overseas Citizens Services	88	88	88	0
Overseas Consular Management	18	18	18	0
Law Enforcement Cooperation	**31**	**31**	**31**	**0**
Diplomatic Security	**98**	**98**	**98**	**0**
Overseas Protection of Life	74	74	74	0
Physical Security Protection of Life	69	69	69	0
Overseas Protective Vehicles	5	5	5	0
Mission Security Operations	24	24	24	0
Information Resource Management	**143**	**149**	**149**	**0**
Infrastructure Systems	110	114	114	0
ADP Communications and Message Centers	100	104	104	0
Diplomatic Pouch and Mail	10	10	10	0
Office Automation	33	35	35	0
Other Office Automation	33	35	35	0
Domestic Administrative Support	**18**	**18**	**18**	**0**
Domestic Administrative Management	7	7	7	0
Domestic Financial Services	5	5	5	0
Domestic Personnel Services	4	4	4	0
Domestic General Services	2	2	2	0
Supply, Transportation, and Acquisition	2	2	2	0
Total	1,492	1,517	1,517	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$20,271**	**$25,075**	**$26,429**	**$1,354**
Bureau Direction	$1,516	$1,911	$1,993	$82
Mission Direction	$18,267	$22,576	$23,824	$1,248
Public Affairs	$325	$392	$408	$16
Legislative Affairs	$163	$196	$204	$8
Conduct of Diplomatic Relations	**$42,377**	**$47,504**	**$49,813**	**$2,309**
Political Affairs	$14,473	$16,072	$16,888	$816
Political Diplomacy	$14,473	$16,072	$16,888	$816
Economic/Trade Affairs	$14,291	$15,828	$16,619	$791
Business Services	$2,266	$2,614	$2,738	$124
Environmental, Scientific and Technological Affairs	$3,507	$3,811	$3,984	$173
International Security Affairs	$1,584	$1,763	$1,840	$77
Labor Affairs	$721	$740	$770	$30
Country Coordination	$5,535	$6,676	$6,974	$298
Public Diplomacy	**$32,633**	**$33,945**	**$36,369**	**$2,424**
Public Diplomacy - Program Costs	$32,633	$33,945	$36,369	$2,424
Conduct of Consular Relations	**$18,317**	**$22,245**	**$23,401**	**$1,156**
Overseas Visa Services	$10,918	$13,259	$13,948	$689
Overseas Citizens Services	$5,756	$6,990	$7,353	$363
Overseas Consular Management	$1,643	$1,996	$2,100	$104
International Organization Relations	**$247**	**$300**	**$316**	**$16**
International Organization Representation	$247	$300	$316	$16
Political and International Security Representation	$247	$300	$316	$16
Law Enforcement Cooperation	**$2,474**	**$2,827**	**$2,964**	**$137**
Diplomatic Security	**$12,433**	**$14,031**	**$14,705**	**$674**
Investigations and Counterintelligence	$67	$81	$85	$4
Overseas Protection of Life	$8,801	$9,754	$10,213	$459
Local Guard Services	$2,318	$2,815	$2,961	$146
Physical Security Protection of Life	$5,959	$6,414	$6,705	$291
Overseas Protective Vehicles	$524	$525	$547	$22
Mission Security Operations	$3,565	$4,196	$4,407	$211
Information Resource Management	**$14,794**	**$17,000**	**$17,860**	**$860**
Infrastructure Systems	$12,423	$14,336	$15,085	$749
Other Telecommunications Abroad	$1,488	$2,051	$2,158	$107
ADP Communications and Message Centers	$10,775	$12,090	$12,722	$632
Diplomatic Pouch and Mail	$160	$195	$205	$10
Office Automation	$2,371	$2,664	$2,775	$111
Other Office Automation	$2,371	$2,664	$2,775	$111
Training Services	**$95**	**$115**	**$121**	**$6**

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Language Studies	$95	$115	$121	$6
Overseas Administrative Support	**$62,702**	**$70,342**	**$73,530**	**$3,188**
International Cooperative Administrative Support Services (ICASS)	$62,702	$70,342	$73,530	$3,188
Domestic Administrative Support	**$1,597**	**$1,921**	**$2,005**	**$84**
Domestic Administrative Management	$627	$754	$787	$33
Domestic Financial Services	$421	$504	$526	$22
Domestic Personnel Services	$365	$440	$459	$19
Domestic General Services	$184	$223	$233	$10
Supply, Transportation, and Acquisition	$184	$223	$233	$10
Total	$207,940	$235,305	$247,513	$12,208

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of East Asian and Pacific Affairs	Positions				Funds (S in thousands)		
	American Domestic	Overseas	FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**24**	**96**	**47**	**167**	**$13,607**	**$12,822**	**$26,429**
Bureau Direction	18	0	0	18	$382	$1,611	$1,993
Mission Direction	0	96	47	143	$13,150	$10,674	$23,824
Public Affairs	4	0	0	4	$50	$358	$408
Legislative Affairs	2	0	0	2	$25	$179	$204
Conduct of Diplomatic Relations	**100**	**205**	**102**	**407**	**$18,283**	**$31,530**	**$49,813**
Political Affairs	12	94	51	157	$5,439	$11,449	$16,888
Political Diplomacy	12	94	51	157	$5,439	$11,449	$16,888
Economic/Trade Affairs	20	72	32	124	$6,888	$9,731	$16,619
Business Services	5	6	9	20	$1,635	$1,103	$2,738
Environmental, Scientific and Technological Affairs	3	20	5	28	$1,529	$2,455	$3,984
International Security Affairs	7	7	0	14	$448	$1,392	$1,840
Labor Affairs	1	6	5	12	$25	$745	$770
Country Coordination	52	0	0	52	$2,319	$4,655	$6,974
Public Diplomacy	**14**	**78**	**269**	**361**	**$24,855**	**$11,514**	**$36,369**
Public Diplomacy - Program Costs	14	78	269	361	$24,855	$11,514	$36,369
Conduct of Consular Relations	**0**	**0**	**286**	**286**	**$23,401**	**$0**	**$23,401**
Overseas Visa Services	0	0	180	180	$13,948	$0	$13,948
Overseas Citizens Services	0	0	88	88	$7,353	$0	$7,353
Overseas Consular Management	0	0	18	18	$2,100	$0	$2,100
International Organization Relations	**0**	**0**	**0**	**0**	**$316**	**$0**	**$316**
International Organization Representation	0	0	0	0	$316	$0	$316
Political and International Security Representation	0	0	0	0	$316	$0	$316
Law Enforcement Cooperation	**0**	**8**	**23**	**31**	**$2,090**	**$874**	**$2,964**
Diplomatic Security	**0**	**48**	**50**	**98**	**$9,458**	**$5,247**	**$14,705**
Investigations and Counterintelligence	0	0	0	0	$85	$0	$85
Overseas Protection of Life	0	42	32	74	$5,622	$4,591	$10,213
Local Guard Services	0	0	0	0	$2,961	$0	$2,961
Physical Security Protection of Life	0	37	32	69	$2,661	$4,044	$6,705
Overseas Protective Vehicles	0	5	0	5	$0	$547	$547
Mission Security Operations	0	6	18	24	$3,751	$656	$4,407
Information Resource Management	**4**	**105**	**40**	**149**	**$5,924**	**$11,936**	**$17,860**
Infrastructure Systems	0	84	30	114	$5,803	$9,282	$15,085
Other Telecommunications Abroad	0	0	0	0	$2,158	$0	$2,158
ADP Communications and Message Centers	0	84	20	104	$3,440	$9,282	$12,722
Diplomatic Pouch and Mail	0	0	10	10	$205	$0	$205
Office Automation	4	21	10	35	$121	$2,654	$2,775

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of East Asian and Pacific Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Other Office Automation	4	21	10	35	$121	$2,654	$2,775
Training Services	**0**	**0**	**0**	**0**	**$121**	**$0**	**$121**
Language Studies	0	0	0	0	$121	$0	$121
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$64,488**	**$9,042**	**$73,530**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$64,488	$9,042	$73,530
Domestic Administrative Support	**18**	**0**	**0**	**18**	**$393**	**$1,612**	**$2,005**
Domestic Administrative Management	7	0	0	7	$160	$627	$787
Domestic Financial Services	5	0	0	5	$78	$448	$526
Domestic Personnel Services	4	0	0	4	$101	$358	$459
Domestic General Services	2	0	0	2	$54	$179	$233
Supply, Transportation, and Acquisition	2	0	0	2	$54	$179	$233
Total	160	540	817	1,517	$162,936	$84,577	$247,513

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	23	23	23	0
Office of the Executive Director	33	33	33	0
Office of Australia, New Zealand and Pacific Island Affairs	12	12	12	0
Office of Philippines, Indonesia, Malaysia, Brunei, Singapore	13	14	14	0
Office of Economic Policy	8	8	8	0
Office of Korea	15	15	15	0
Office of Japan	12	12	12	0
Office of the Public Affairs Advisor	5	5	5	0
Office of Chinese Affairs	15	15	15	0
Office of Burma, Cambodia, Laos, Thailand and Vietnam	12	12	12	0
Office of Regional Security Policy	10	11	11	0
Total	158	160	160	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$2,981	$3,134	$3,354	$220
Office of the Executive Director	$4,678	$4,889	$5,106	$217
Office of Australia, New Zealand and Pacific Island Affairs	$1,976	$2,097	$2,193	$96
Office of Philippines, Indonesia, Malaysia, Brunei, Singapore	$1,795	$1,978	$2,066	$88
Office of Economic Policy	$1,539	$1,641	$1,719	$78
Office of Korea	$1,955	$2,055	$2,148	$93
Office of Japan	$1,835	$1,942	$2,032	$90
Office of the Public Affairs Advisor	$696	$734	$768	$34
Office of Chinese Affairs	$2,158	$2,278	$2,382	$104
Office of Burma, Cambodia, Laos, Thailand and Vietnam	$1,914	$2,029	$2,122	$93
Office of Regional Security Policy	$1,660	$1,849	$1,935	$86
Total	$23,187	$24,626	$25,825	$1,199

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of East Asian and Pacific Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Australia, Canberra	23	28	51	23	28	51	23	28	51	0	0	0
Melbourne	2	7	9	2	7	9	2	7	9	0	0	0
Perth	1	4	5	1	4	5	1	4	5	0	0	0
Sydney	4	27	31	4	27	31	4	27	31	0	0	0
Brunei, Bandar Seri Begawan	3	6	9	3	6	9	3	6	9	0	0	0
Burma, Rangoon	11	18	29	12	18	30	12	18	30	0	0	0
Cambodia, Phnom Pen	9	7	16	11	7	18	11	7	18	0	0	0
China, Beijing	80	0	80	84	0	84	84	0	84	0	0	0
Guangzhou	12	0	12	13	0	13	13	0	13	0	0	0
Shanghai	14	0	14	16	0	16	16	0	16	0	0	0
Shenyang	6	0	6	6	0	6	6	0	6	0	0	0
Chengdu	6	0	6	6	0	6	6	0	6	0	0	0
East Timor, Dili	0	0	0	2	0	2	2	0	2	0	0	0
Federated States of Micronesia, Kolonia	2	0	2	2	0	2	2	0	2	0	0	0
Fiji, Suva	6	8	14	6	8	14	6	8	14	0	0	0
Hong Kong	28	18	46	29	18	47	29	18	47	0	0	0
Indonesia, Jakarta	36	64	100	35	64	99	35	64	99	0	0	0
Surabaya	2	4	6	2	4	6	2	4	6	0	0	0
Japan, Tokyo	66	139	205	69	139	208	69	139	208	0	0	0
Fukuoka	2	13	15	2	13	15	2	13	15	0	0	0
Nagoya	1	3	4	1	3	4	1	3	4	0	0	0
Naha	2	11	13	2	11	13	2	11	13	0	0	0
Osaka-Kobe	3	22	25	3	22	25	3	22	25	0	0	0
Sapporo	1	4	5	1	4	5	1	4	5	0	0	0
Korea(South), Seoul	40	123	163	43	123	166	43	123	166	0	0	0
Pusan	0	3	3	0	3	3	0	3	3	0	0	0
Laos, Vientiane	4	3	7	4	3	7	4	3	7	0	0	0
Malaysia, Kuala Lumpur	11	36	47	12	36	48	12	36	48	0	0	0
Marshall Islands, Majuro	2	0	2	2	0	2	2	0	2	0	0	0
Mongolia, Ulaanbaatar	4	2	6	5	2	7	5	2	7	0	0	0
New Zealand, Wellington	7	9	16	7	9	16	7	9	16	0	0	0
Auckland	1	5	6	1	5	6	1	5	6	0	0	0
Papua New Guinea, Port Moresby	4	2	6	5	2	7	5	2	7	0	0	0
Philippines, Manila	36	121	157	37	121	158	37	121	158	0	0	0
Singapore, Singapore	13	26	39	13	26	39	13	26	39	0	0	0
Thailand, Bangkok	37	88	125	37	88	125	37	88	125	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of East Asian and Pacific Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Chiag Mai	2	8	10	2	8	10	2	8	10	0	0	0
Vietnam, Hanoi	23	3	26	23	3	26	23	3	26	0	0	0
Ho Chi Minh City	12	3	15	13	3	16	13	3	16	0	0	0
Western Somoa, Apia	1	2	3	1	2	3	1	2	3	0	0	0
Total	517	817	1,334	540	817	1,357	540	817	1,357	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Australia, Canberra	$6,843	$7,620	$7,974	$354
Melbourne	$820	$936	$982	$46
Perth	$411	$470	$493	$23
Sydney	$1,341	$1,506	$1,576	$70
Brunei, Bandar Seri Begawan	$983	$1,111	$1,164	$53
Burma, Rangoon	$3,631	$4,193	$4,388	$195
Cambodia, Phnom Pen	$3,436	$4,137	$4,334	$197
China, Beijing	$26,898	$30,865	$32,487	$1,622
Guangzhou	$3,787	$4,418	$4,628	$210
Shanghai	$3,796	$4,445	$4,649	$204
Shenyang	$1,900	$2,153	$2,256	$103
Chengdu	$1,900	$2,153	$2,256	$103
East Timor, Dili	$0	$293	$543	$250
Federated States of Micronesia, Kolonia	$467	$515	$539	$24
Fiji, Suva	$1,849	$2,081	$2,181	$100
Hong Kong	$12,339	$14,140	$15,064	$924
Indonesia, Jakarta	$9,528	$10,384	$10,667	$283
Surabaya	$492	$544	$569	$25
Japan, Tokyo	$36,510	$41,683	$44,062	$2,379
Fuknoka	$852	$935	$977	$42
Nagoya	$589	$642	$670	$28
Naha	$432	$465	$485	$20
Osaka-Kobe	$1,384	$1,549	$1,622	$73
Sapporo	$386	$454	$476	$22
Korea(South), Seoul	$13,910	$15,969	$16,706	$737
Pusan	$157	$188	$198	$10
Laos, Vientiane	$1,717	$1,966	$2,060	$94
Malaysia, Kuala Lumpur	$4,772	$5,551	$5,812	$261
Marshall Islands, Majuro	$538	$600	$628	$28
Mongolia, Ulaanbaatar	$1,460	$1,766	$1,849	$83
New Zealand, Wellington	$2,215	$2,469	$2,588	$119
Auckland	$399	$455	$477	$22
Papua New Guinea, Port Moresby	$1,451	$1,774	$1,860	$86
Philippines, Manila	$10,605	$11,962	$12,519	$557
Singapore, Singapore	$5,778	$6,559	$6,878	$319
Thailand, Bangkok	$8,610	$9,459	$10,020	$561
Chiag Mai	$1,940	$2,277	$2,392	$115
Vietnam, Hanoi	$6,911	$7,726	$8,193	$467
Ho Chi Minh City	$3,483	$4,009	$4,197	$188

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Western Somoa, Apia	$233	$257	$269	$12
Total	$184,753	$210,679	$221,688	$11,009

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$85,677	$94,036	$98,425	$4,389
1200	Personnel Benefits	$30,190	$34,244	$35,892	$1,648
1300	Benefits Former Personnel	$5	$5	$5	$0
2100	Travel & Trans of Persons	$6,570	$7,993	$8,478	$485
2200	Transportation of Things	$1,233	$1,500	$1,590	$90
2300	Rents, Comm & Utilities	$6,422	$7,812	$8,286	$474
2400	Printing & Reproduction	$366	$445	$472	$27
2500	Other Services	$62,835	$71,435	$75,425	$3,990
2600	Supplies and Materials	$3,680	$4,477	$4,748	$271
3100	Personal Property	$9,564	$11,656	$12,387	$731
4100	Grants, Subsidies & Contrb	$1,398	$1,702	$1,805	$103
4200	INS Claims & Indemnities	$0	$0	$0	$0
Total		$207,940	$235,305	$247,513	$12,208

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DIPLOMATIC & CONSULAR PROGRAMS

Western Hemisphere Affairs

OVERVIEW STATEMENT

The Bureau of Western Hemisphere Affairs (WHA) formulates and implements U.S. foreign policy in Canada, Mexico, Central and South America, and the Caribbean, including the follow-on action of the Summit of the Americas. The United States has 28 embassies, one U.S. Interests Section, and 19 consulates in the hemisphere, and an American Presence Post staffed by an FSO in Winnipeg. Principal objectives of the Bureau are to: 1) increase adherence to democratic practices and respect for human rights; 2) open markets to increase trade and prosperity and free the flow of goods, services, and capital in the hemisphere; 3) reduce the number of people in poverty by strengthening the region's economies, expanding economic access and opportunity for the poor, and improving educational opportunities; 4) expand US exports; 5) reduce the production and flow of illicit narcotics through the hemisphere to the U.S.; and 6) prevent international terrorist attacks in the hemisphere, especially on the United States, its citizens, and its interests.

NATIONAL INTERESTS & GOALS

Priority: Increase adherence to democratic practices and respect for human rights.

Performance Goal: A. Free, fair and transparent elections B. Strengthened capacity for judges, public defenders and prosecutors C. Reformed criminal codes and procedures D. Increasingly empowered civil society and vulnerable social groups D. Entry into force of Interamerican Convention Against Corruption E. Continued assertion of civilian authority over regional militaries

Indicator: A. Progressive implementation of the Guatemalan Peace Accords B. Strengthened Cuban civil society, especially in terms of more and better accepted activities by human rights and democracy activists C. Improved Cuban Government performance on human and labor rights, development of legal reforms D. Increased participation of civil society in public life E. Increased political participation in the region, especially of women and minorities F. Greater independence of media institutions in the Hemisphere G. Free and fair elections, assisted by election observation missions and OAS/UPD technical cooperation programs H. Strengthened and more effective Inter-American Commission on Human Rights I. Strengthened preventive democracy mechanism in the Interamerican system J. Enhanced capacity of labor ministries to implement core labor standards and encourage good labor relations regionally K. Engagement with U.S. labor to help strengthen and professionalize unions.

Progress(FY 2001): New presidential elections in April 2001 in Peru (following the departure of President Fujimori) and the implementation of OAS-recommended democratic reforms – including Peru's return to the OAS' Inter-American Human Rights Court – and a deepened relationship with the new Fox administration in Mexico were significant developments in the region. The Bush administration's early commitment to a "Century of the Americas" led to strong, positive hemispheric relations and a successful Third Summit of the Americas (in April in Quebec, Canada). The Summit confirmed the "democracy clause". The OAS approved the "Democratic Charter" in September 2001. Other events in the region included providing substantial support for presidential elections in Peru and Nicaragua, the passage of a UN Human Rights Commission Resolution on Cuba and facilitating the peaceful democratic transition of power in Bolivia to Vice President Quiroga after then President Banzer's resignation due to health reasons. Nonetheless, the continued setbacks in Cuba and Haiti, the concentration of executive authority in Venezuela, and Argentina's economic crisis coupled with Colombia's on-going civil conflict prompted continuing concern for democracy in the region in 2001.

DIPLOMATIC & CONSULAR PROGRAMS

Priority: Open markets to increase trade and prosperity and free the flow of goods, services, and capital.

Performance Goal: The expansion of opportunities for U.S. exports and investment through negotiating bilateral and multilateral trade agreements, ensuring our trade partners fully comply with existing agreements, taking advantage of appropriate opportunities to enact trade legislation, and advancing deregulation and market access in the telecommunications and aviation sectors and protection of intellectual property rights.

Indicator: A. FTAA negotiations B. FTA with Chile C. More open markets D. Investment Policy Reforms E. Social concerns: 1) Core ILO Labor standards, 2) Child labor – ILO 182, 3) Bilateral agreements to increase use of Turtle Exclusion Devices (TEDs) F. Enlargement of the independent and formal sectors of the Cuban economy.

Progress(FY 2001): During 2001, the U.S. helped lead a successful Summit of the Americas that agreed to complete FTAA negotiations by January 2005 and to shoot for implementation of the agreement by December 2005. The U.S. made substantial progress on the FTA with Chile and stands to complete the negotiations in early 2002. Bilateral trade consultations were launched or continued with Mercosur, Brazil, Panama, and Central America, the latter leading to a January 2002 White House announcement of our willingness to explore FTA talks with Central America in 2002. U.S. consultations with key countries in the Western Hemisphere helped launch the new global round of WTO Trade Talks at Doha.

Priority: Reduce the number of people in poverty by strengthening the region's economies, expanding economic access and opportunity for the poor, and improving educational opportunities.

Performance Goal: Increased support for sound macro-economic policies, market-oriented reforms, enhanced trade liberalization, all of which are needed to promote growth and maintain economic stability. Advanced bilateral and multilateral development strategies that use assistance more effectively to promote broad-based growth and encourage self-reliance in developing countries.

Indicator: Reduced Latin American and Caribbean unemployment rate to 8.2% by FY 2003. Reduced inflation rate to 6% and reduced number of households below the poverty line to 33%.

Progress(FY 2001): During 2001, external developments (primarily the global economic slowdown, exacerbated by terrorist attacks in the U.S.) and the Argentine financial crisis pressured Latin American and particularly Caribbean economies and reduced GDP growth to 0.5%, below the 4.1% growth recorded in 2000. However, solid macroeconomic policies helped many countries ride out the slowdown. Regional unemployment stayed constant at 8.4%, while inflation fell to 7.0%, down from 8.7% in 2000. The economic slowdown resulted in some increase in poverty in the hardest-hit countries. Despite growing popular disenchantment with economic privation in the face of economic stagnation, government support for sound macroeconomic policies and market reforms remained strong in most countries. Venezuela may be a notable exception, but there the public is increasingly disenchanted with President Chavez's alternative economic model. The expected global upturn in 2002 should allow for recovery and stronger growth throughout the region.

Priority: Expand US exports to Hemispheric trading partners by 10% by 2004.

Performance Goal: Increased exports of U.S. goods and services to our Hemispheric trading partners from $306 billion in CY99 to $333 billion by 2002.

Indicator: A. Status of Regional Trade negotiations B. Conclusion of an FTA with Chile C. U.S. Exports of goods and services

DIPLOMATIC & CONSULAR PROGRAMS

Progress(FY 2001): CY2001 January-November U.S. exports of goods and services showed an almost 7% decline versus the same period in CY2000 due to weakness in economic growth in the region exacerbated by the events of September 11. While in the first 11 months of CY2000, two-way trade in merchandise and services between the U.S. and Latin America and the Caribbean amounted to over $356 billion, in the first eleven months of CY01 such trade had only reached about $338 billion, about 5% lower than the comparable period in 2000. U.S.-Canada trade in merchandise and services reached $354 billion in the first 11 months of CY01 while US-Mexico merchandise trade reached $216 billion in the same period, a decrease of 6.1 percent and 5.7 percent versus $377 billion and $229 billion, respectively in January-November 2000. October and November figures for CY2001 were down 13.3% for Canada and 10% for Mexico versus the same months in CY2000, suggesting a significant negative impact on trade after September 11.

Priority: Reduce the production and flow of illicit narcotics through the hemisphere to the US.

Performance Goal: A. Reduced acreage of coca cultivation in Peru and Bolivia. No increase of coca cultivation in Colombia. B. Conclusion of final agreements for four "forward operating locations" (FOLs) for detection and monitoring aircraft in the region and initiation of the required construction to make these facilities operational. C. Regional partners undertake legal/constitutional reforms to permit the extradition of nationals; conclusion of modern bilateral extradition treaties. F. Deeper analysis conducted by the OAS Multilateral Evaluation Mechanism (MEM). G. Adoption and enforcement of effective money laundering legislation. H. More fully trained police and prosecutors in counternarcotics measures and anti-money laundering techniques.

Indicator: A. Reduced illegal drug production B. Reduced flow of illegal drugs to the U.S. by cooperating with producing countries to reduce drug crops C. Enhanced international cooperation

Progress(FY 2001): U.S. support for programs that control the cultivation and production of illegal drug crops through effective law enforcement, alternative development, and crop eradication are central to our strategy in the hemisphere. As in the previous years, results in 2001 for coca cultivation were mixed. Cultivation levels were stagnant in Peru and increased slightly in Bolivia. Nevertheless, Bolivia levels are down remarkably over the long-term, declining from 48,100 hectares in 1996 to 19,900 in June of 2001. In Colombia we have broken records for eradication, treating more than 75,000 hectares of coca, as compared to the previous record of 47,000 hectares in 2000. However, the net change for coca cultivation has yet to be determined for Colombia. Through continued assistance to the Colombian Government for its Plan Colombia and implementation of the Andean Regional Initiative, the U.S. is providing important law enforcement, alternative development, judicial reform and human rights assistance to key countries in a cooperative, integrated, and systematic offensive against drug producers and traffickers and against the institutions that support them. On the multilateral front, the OAS counter-drug commission (CICAD) continues to make progress, most notably through the hemisphere's Multilateral Evaluation Mechanism, which is working through its second round of evaluations. In addition,, the Dutch Parliament granted their final approval for our Forward Operating Locations (FOL) in Aruba and Curacao.

Priority: Prevent international terrorist attacks in the hemisphere, especially on the United States, its citizens, and its interests.

Performance Goal: Increased international cooperation reinforced by routine multilateral intelligence sharing with key countries. Terrorist fund raising is limited by bilateral and multilateral arrangements in the hemisphere. The OAS counterterrorism organization (CICTE) improves coordination of information exchanges, judicial cooperation, and training.

DIPLOMATIC & CONSULAR PROGRAMS

Indicator: A. Improved intelligence on groups designated by the Secretary as Foreign Terrorist Organizations B. Continued support for law enforcement operations in the region that target the infrastructure of various Middle Eastern terrorist groups C. More professionalized Latin American and Caribbean anti-terrorist capabilities D. Strengthened law enforcement treaties with countries in the region E. Increased multi-lateral anti-terrorist cooperation bilaterally and at the OAS F. Support detention operations for al-Qaeda and other terrorists at Guantanamo Naval Base.

Progress(FY 2001): Following the September 11 attacks, a strong support coalition formed in the hemisphere. Multilateral activity has reinforced bilateral and domestic counterterrorism efforts. In addition to statements of support from individual countries and a resolution by OAS foreign ministers committing the OAS and member states to concrete measures to combat terrorism, states party invoked the Rio Treaty in support of U.S. counterterrorism action. The hemisphere made significant progress on acceding to the 12 international terrorism treaties, preventing terrorist fundraising, and improving border controls and travel documentation. Overall accession to the 12 international counterterrorism (CT) conventions has climbed from 49 percent to 65 percent. Many countries have passed, drafted, or asked for assistance in drafting laws to enforce UN Resolution 1373. Governments in the hemisphere have also moved promptly to try to identify and freeze terrorist accounts and thwart terrorist fundraising, and many have asked for technical assistance from the U.S. A newly reenergized Inter-American Committee Against Terrorism (CICTE) formed subcommittees on border and financial controls which met during the fall to develop specific recommendations for individual and collective action. A CICTE ministerial-level meeting on January 28-29, 2002 approved these recommendations and an ambitious work plan including information exchange and development of a network of experts to be overseen by a newly established CICTE Secretariat. The OAS is drafting a value-added Hemispheric CT Convention which it is hoped will be ready for adoption at the June 2002 OAS General Assembly. Domestically, WHA is working with Governor Ridge's office of Homeland Security to safeguard our shared borders with Mexico, Canada and the Third Border (Caribbean) while ensuring trade volume is not damaged. In addition, the Department designated the United Self-Defense Forces of Colombia (AUC) as a Foreign Terrorist Organization (FTO).

PROGRAM CHANGE JUSTIFICATION

Locally Engaged Staff for Public Diplomacy: $250,000

Includes additional local-hire staff positions and program funds to support enhanced public diplomacy initiatives relating to the war on terrorism and targeting foreign audiences about U.S. values, culture, democratization, globalization and civil society.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Western Hemisphere Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	280	630	1,252	2,162	$144,157	$77,793	$221,950
FY 2002 Estimate	280	665	1,252	2,197	$164,390	$81,738	$246,128
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($2,504)	$0	($2,504)
2002 American Cost-of-Living Adjustment	0	0	0	0	$14	$947	$961
Annualization of 2002 Hiring Increases	0	0	0	0	$1,630	$866	$2,496
Annualization of 2002 Hiring Increases (HR,SO)	0	0	0	0	$147	$100	$247
American Cost-of-Living Adjustment	0	0	0	0	$23	$1,612	$1,635
FSN Wage	0	0	0	0	$5,968	$0	$5,968
Overseas Price	0	0	0	0	$4,699	$0	$4,699
Domestic Price	0	0	0	0	$95	$0	$95
Total Built-in Changes	0	0	0	0	$10,072	$3,525	$13,597
FY 2003 Current Services	280	665	1,252	2,197	$174,462	$85,263	$259,725
FY 2003 Program Changes							
Locally Engaged Staff	0	0	0	0	$250	$0	$250
Total Program Changes	0	0	0	0	$250	$0	$250
FY 2003 Request	280	665	1,252	2,197	$174,712	$85,263	$259,975

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**188**	**188**	**188**	**0**
Bureau Direction	26	26	26	0
Mission Direction	160	160	160	0
Public Affairs	2	2	2	0
Conduct of Diplomatic Relations	**468**	**481**	**481**	**0**
Political Affairs	200	203	203	0
Political Diplomacy	200	203	203	0
Economic/Trade Affairs	114	114	114	0
Business Services	35	45	45	0
Environmental, Scientific and Technological Affairs	22	22	22	0
International Security Affairs	14	14	14	0
Country Coordination	83	83	83	0
Public Diplomacy	**425**	**432**	**432**	**0**
Public Diplomacy - Program Costs	425	432	432	0
Conduct of Consular Relations	**716**	**716**	**716**	**0**
Overseas Visa Services	530	530	530	0
Overseas Citizens Services	160	160	160	0
Overseas Consular Management	26	26	26	0
International Organization Relations	**17**	**17**	**17**	**0**
International Organization Representation	17	17	17	0
Political and International Security Representation	8	8	8	0
Economic Development and Trade Representation	6	6	6	0
Environment, Science, Education, and Health Representation	2	2	2	0
Refugee and Humanitarian Representation	1	1	1	0
Law Enforcement Cooperation	**23**	**23**	**23**	**0**
Diplomatic Security	**125**	**124**	**124**	**0**
Overseas Protection of Life	61	61	61	0
Physical Security Protection of Life	45	45	45	0
Other Overseas Security Support	16	16	16	0
Overseas Protection of Information	10	10	10	0
Technical and Procedural Protection of Information	10	10	10	0
Mission Security Operations	54	53	53	0
Information Resource Management	**167**	**183**	**183**	**0**
Infrastructure Systems	112	126	126	0
Other Telecommunications Abroad	34	48	48	0
ADP Communications and Message Centers	69	69	69	0
Diplomatic Pouch and Mail	9	9	9	0
Office Automation	55	57	57	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Other Office Automation	55	57	57	0
Domestic Administrative Support	**33**	**33**	**33**	**0**
Domestic Administrative Management	11	11	11	0
Domestic Financial Services	10	10	10	0
Domestic Personnel Services	8	8	8	0
Domestic General Services	4	4	4	0
Supply, Transportation, and Acquisition	4	4	4	0
Total	2,162	2,197	2,197	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$13,203**	**$14,583**	**$15,295**	**$712**
Bureau Direction	$2,662	$2,938	$3,081	$143
Mission Direction	$10,135	$11,176	$11,719	$543
Public Affairs	$406	$469	$495	$26
Conduct of Diplomatic Relations	**$51,234**	**$56,249**	**$59,390**	**$3,141**
Political Affairs	$25,852	$28,298	$29,786	$1,488
Political Diplomacy	$25,852	$28,298	$29,786	$1,488
Economic/Trade Affairs	$12,477	$13,643	$14,342	$699
Business Services	$2,539	$2,824	$3,105	$281
Environmental, Scientific and Technological Affairs	$2,588	$2,907	$3,054	$147
International Security Affairs	$1,410	$1,597	$1,679	$82
Country Coordination	$6,368	$6,980	$7,424	$444
Public Diplomacy	**$36,067**	**$38,664**	**$41,167**	**$2,503**
Public Diplomacy - Program Costs	$36,067	$38,664	$41,167	$2,503
Conduct of Consular Relations	**$26,013**	**$30,546**	**$32,397**	**$1,851**
Overseas Visa Services	$18,246	$21,317	$22,609	$1,292
Overseas Citizens Services	$6,740	$7,959	$8,441	$482
Overseas Consular Management	$1,027	$1,270	$1,347	$77
International Organization Relations	**$1,485**	**$1,651**	**$1,733**	**$82**
International Organization Representation	$1,485	$1,651	$1,733	$82
Political and International Security Representation	$1,026	$1,159	$1,218	$59
Economic Development and Trade Representation	$203	$223	$234	$11
Environment, Science, Education, and Health Representation	$167	$176	$184	$8
Refugee and Humanitarian Representation	$89	$93	$97	$4
Law Enforcement Cooperation	**$1,106**	**$1,275**	**$1,342**	**$67**
Diplomatic Security	**$8,082**	**$8,859**	**$9,283**	**$424**
Overseas Protection of Life	$3,599	$4,012	$4,211	$199
Physical Security Protection of Life	$2,837	$3,133	$3,285	$152
Other Overseas Security Support	$762	$879	$926	$47
Overseas Protection of Information	$1,254	$1,423	$1,496	$73
Technical and Procedural Protection of Information	$1,254	$1,423	$1,496	$73
Mission Security Operations	$3,229	$3,424	$3,576	$152
Information Resource Management	**$16,068**	**$17,893**	**$18,983**	**$1,090**
Infrastructure Systems	$12,753	$14,271	$15,188	$917
Other Telecommunications Abroad	$5,583	$6,455	$7,002	$547
ADP Communications and Message Centers	$5,327	$5,688	$5,944	$256
Diplomatic Pouch and Mail	$1,843	$2,128	$2,242	$114
Corporate Information Systems and Services	$5	$6	$7	$1

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Information Services	$5	$6	$7	$1
Office Automation	$3,310	$3,616	$3,788	$172
Other Office Automation	$3,310	$3,616	$3,788	$172
Training Services	**$35**	**$43**	**$46**	**$3**
Professional Development/Area Studies	$35	$43	$46	$3
Overseas Administrative Support	**$66,363**	**$73,848**	**$77,701**	**$3,853**
International Cooperative Administrative Support Services (ICASS)	$66,363	$73,848	$77,701	$3,853
Domestic Administrative Support	**$2,294**	**$2,517**	**$2,638**	**$121**
Domestic Administrative Management	$945	$1,028	$1,077	$49
Domestic Financial Services	$569	$639	$672	$33
Domestic Personnel Services	$475	$516	$540	$24
Domestic General Services	$305	$334	$349	$15
Supply, Transportation, and Acquisition	$305	$334	$349	$15
Total	$221,950	$246,128	$259,975	$13,847

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Western Hemisphere Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**28**	**111**	**49**	**188**	**$5,192**	**$10,103**	**$15,295**
Bureau Direction	26	0	0	26	$1,036	$2,045	$3,081
Mission Direction	0	111	49	160	$3,833	$7,886	$11,719
Public Affairs	2	0	0	2	$323	$172	$495
Conduct of Diplomatic Relations	**132**	**243**	**106**	**481**	**$29,480**	**$29,910**	**$59,390**
Political Affairs	30	130	43	203	$16,555	$13,231	$29,786
Political Diplomacy	30	130	43	203	$16,555	$13,231	$29,786
Economic/Trade Affairs	17	56	41	114	$6,833	$7,509	$14,342
Business Services	1	32	12	45	$1,146	$1,959	$3,105
Environmental, Scientific and Technological Affairs	1	12	9	22	$1,348	$1,706	$3,054
International Security Affairs	0	13	1	14	$823	$856	$1,679
Country Coordination	83	0	0	83	$2,775	$4,649	$7,424
Public Diplomacy	**14**	**94**	**324**	**432**	**$27,914**	**$13,253**	**$41,167**
Public Diplomacy - Program Costs	14	94	324	432	$27,914	$13,253	$41,167
Conduct of Consular Relations	**0**	**0**	**716**	**716**	**$32,397**	**$0**	**$32,397**
Overseas Visa Services	0	0	530	530	$22,609	$0	$22,609
Overseas Citizens Services	0	0	160	160	$8,441	$0	$8,441
Overseas Consular Management	0	0	26	26	$1,347	$0	$1,347
International Organization Relations	**16**	**1**	**0**	**17**	**$649**	**$1,084**	**$1,733**
International Organization Representation	16	1	0	17	$649	$1,084	$1,733
Political and International Security Representation	7	1	0	8	$577	$641	$1,218
Economic Development and Trade Representation	6	0	0	6	$72	$162	$234
Environment, Science, Education, and Health Representation	2	0	0	2	$0	$184	$184
Refugee and Humanitarian Representation	1	0	0	1	$0	$97	$97
Law Enforcement Cooperation	**0**	**6**	**17**	**23**	**$793**	**$549**	**$1,342**
Diplomatic Security	**0**	**84**	**40**	**124**	**$2,670**	**$6,613**	**$9,283**
Overseas Protection of Life	0	28	33	61	$1,648	$2,563	$4,211
Physical Security Protection of Life	0	24	21	45	$1,088	$2,197	$3,285
Other Overseas Security Support	0	4	12	16	$560	$366	$926
Overseas Protection of Information	0	8	2	10	$763	$733	$1,496
Technical and Procedural Protection of Information	0	8	2	10	$763	$733	$1,496
Mission Security Operations	0	48	5	53	$259	$3,317	$3,576
Information Resource Management	**57**	**126**	**0**	**183**	**$7,313**	**$11,670**	**$18,983**
Infrastructure Systems	19	107	0	126	$6,290	$8,898	$15,188
Other Telecommunications Abroad	0	48	0	48	$4,214	$2,788	$7,002

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
ADP Communications and Message Centers	19	50	0	69	$706	$5,238	$5,944
Diplomatic Pouch and Mail	0	9	0	9	$1,370	$872	$2,242
Corporate Information Systems and Services	0	0	0	0	$7	$0	$7
Information Services	0	0	0	0	$7	$0	$7
Office Automation	38	19	0	57	$1,016	$2,772	$3,788
Other Office Automation	38	19	0	57	$1,016	$2,772	$3,788
Training Services	**0**	**0**	**0**	**0**	**$46**	**$0**	**$46**
Professional Development/Area Studies	0	0	0	0	$46	$0	$46
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$67,466**	**$10,235**	**$77,701**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$67,466	$10,235	$77,701
Domestic Administrative Support	**33**	**0**	**0**	**33**	**$792**	**$1,846**	**$2,638**
Domestic Administrative Management	11	0	0	11	$259	$818	$1,077
Domestic Financial Services	10	0	0	10	$323	$349	$672
Domestic Personnel Services	8	0	0	8	$120	$420	$540
Domestic General Services	4	0	0	4	$90	$259	$349
Supply, Transportation, and Acquisition	4	0	0	4	$90	$259	$349
Total	280	665	1,252	2,197	$174,712	$85,263	$259,975

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Western Hemispheric Affairs	7	7	7	0
Permanent Mission to the OAS	17	17	17	0
Western Hemishpere Affairs Executive Staff	5	5	5	0
Deputy Assistant Secretary 1	2	2	2	0
Office of Brazilian/Southern Cone Affairs	12	12	12	0
Office of Regional Economic Policy and Summit Coordination	13	13	13	0
Principal Deputy Assistant	4	4	4	0
Office of Mexican Affairs	9	12	12	0
Office of Policy, Planning, Coordination and Press	12	12	12	0
Office of the Executive Director	28	28	28	0
Florida Regional Center	24	24	24	0
Civil Service Border Visa Examiners	63	63	63	0
Deputy Assistant Secretary 2	3	3	3	0
Office of Andean Affairs	14	14	14	0
Office of Caribbean Affairs	5	14	14	0
Office of Cuban Affairs	9	11	11	0
Deputy Assistant Secretary 3	3	3	3	0
Office of Canadian Affairs	7	7	7	0
Office of Central American and Panamanian Affairs	15	15	15	0
Office of Public Diplomacy and Public Affairs	14	14	14	0
Special Advisor on Haiti	5	0	0	0
Haiti Working Group	9	0	0	0
Total	280	280	280	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Western Hemispheric Affairs	$809	$861	$903	$42
Permanent Mission to the OAS	$1,526	$1,609	$1,680	$71
Western Hemishpere Affairs Executive Staff	$459	$485	$507	$22
Deputy Assistant Secretary 1	$213	$228	$240	$12
Office of Brazilian/Southern Cone Affairs	$1,151	$1,221	$1,277	$56
Office of Regional Economic Policy and Summit Coordination	$1,268	$1,346	$1,409	$63
Principal Deputy Assistant	$377	$400	$418	$18
Office of Mexican Affairs	$851	$1,228	$1,284	$56
Office of Policy, Planning, Coordination and Press	$1,057	$1,112	$1,162	$50
Office of the Executive Director	$6,333	$6,775	$7,143	$368
Florida Regional Center	$2,815	$3,037	$3,184	$147
Civil Service Border Visa Examiners	$5,147	$5,379	$5,608	$229
Deputy Assistant Secretary 2	$371	$402	$421	$19
Office of Andean Affairs	$1,244	$1,309	$1,368	$59
Office of Caribbean Affairs	$433	$1,268	$1,325	$57
Office of Cuban Affairs	$839	$1,104	$1,154	$50
Deputy Assistant Secretary 3	$300	$321	$336	$15
Office of Canadian Affairs	$627	$661	$691	$30
Office of Central American and Panamanian Affairs	$1,351	$1,425	$1,488	$63
Office of Public Diplomacy and Public Affairs	$1,819	$2,648	$2,782	$134
Special Advisor on Haiti	$510	$0	$0	$0
Haiti Working Group	$775	$0	$0	$0
Total	$30,275	$32,819	$34,380	$1,561

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of Western Hemisphere Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Argentina, Buenos Aires	23	46	69	24	46	70	24	46	70	0	0	0
Bahamas, Nassau	9	18	27	10	18	28	10	18	28	0	0	0
Barbados, Bridgetown	11	13	24	13	13	26	13	13	26	0	0	0
Belize, Belize City	5	9	14	6	9	15	5	9	14	(1)	0	(1)
Bolivia,La Paz	26	35	61	26	35	61	26	35	61	0	0	0
Brazil, Brasilia	34	51	85	34	55	89	34	55	89	0	0	0
Recife	1	8	9	1	8	9	1	8	9	0	0	0
Rio de Janeiro	10	38	48	10	37	47	10	37	47	0	0	0
Sao Paulo	13	39	52	15	37	52	15	37	52	0	0	0
Canada, Ottawa	24	31	55	26	31	57	26	31	57	0	0	0
Calgary	3	11	14	3	11	14	3	11	14	0	0	0
Halifax	2	9	11	2	9	11	2	9	11	0	0	0
Montreal	7	19	26	7	19	26	7	19	26	0	0	0
Quebec	2	9	11	2	9	11	2	9	11	0	0	0
Toronto	8	19	27	8	19	27	8	19	27	0	0	0
Vancouver	7	11	18	7	11	18	7	11	18	0	0	0
Winnipeg	1	2	3	1	2	3	1	2	3	0	0	0
Chile, Santiago	22	38	60	23	38	61	23	38	61	0	0	0
Columbia, Bogata	26	61	87	29	61	90	29	61	90	0	0	0
Costa Rica, San Jose	17	34	51	20	34	54	20	34	54	0	0	0
Cuba, Havana	18	0	18	18	0	18	18	0	18	0	0	0
Dom. Republic, Santo Domingo	28	48	76	31	48	79	31	48	79	0	0	0
Ecuador, Quito	16	26	42	16	26	42	16	26	42	0	0	0
Guayaquil	3	17	20	3	17	20	3	17	20	0	0	0
El Salvador, San Salvador	22	37	59	23	37	60	23	37	60	0	0	0
Grenada, St. Georges	1	1	2	1	1	2	1	1	2	0	0	0
Guatemale, Guatemala City	19	34	53	20	34	54	20	34	54	0	0	0
Guyana, Georgetown	9	18	27	10	18	28	10	18	28	0	0	0
Haiti, Port-au-Prince	28	48	76	28	48	76	28	48	76	0	0	0
Honduras, Tegucigalpa	19	34	53	20	34	54	20	34	54	0	0	0
Jamaica, Kingston	12	43	55	12	43	55	12	43	55	0	0	0
Mexico, Mexico City	53	89	142	59	88	147	60	88	148	1	0	1
Ciudad Juarez	3	17	20	3	17	20	3	17	20	0	0	0
Guadalajara	7	14	21	7	14	21	7	14	21	0	0	0
Hermosillo	2	10	12	2	10	12	2	10	12	0	0	0
Matamoros	1	12	13	1	12	13	1	12	13	0	0	0
Merida	1	8	9	1	8	9	1	8	9	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Monterrey	8	21	29	8	21	29	8	21	29	0	0	0
Nuevo Laredo	1	14	15	1	14	15	1	14	15	0	0	0
Tijuana	2	16	18	2	16	18	2	16	18	0	0	0
Netherland Antilles, Curacao	2	3	5	2	3	5	2	3	5	0	0	0
Nicaragua, Managua	19	29	48	20	29	49	20	29	49	0	0	0
Panama, Panama City	22	52	74	22	52	74	22	52	74	0	0	0
Paraguay, Asuncion	10	19	29	12	19	31	12	19	31	0	0	0
Peru, Lima	30	50	80	30	50	80	30	50	80	0	0	0
Suriname, Paramaribo	6	6	12	6	6	12	6	6	12	0	0	0
Trinidad, Port-au-Spain	10	21	31	10	21	31	10	21	31	0	0	0
Uruguay, Montevideo	8	22	30	9	22	31	9	22	31	0	0	0
Venzuela, Caracas	19	42	61	21	42	63	21	42	63	0	0	0
Total	630	1,252	1,882	665	1,252	1,917	665	1,252	1,917	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Argentina, Buenos Aires	$9,305	$11,113	$11,773	$660
Bahamas, Nassau	$2,871	$2,962	$3,129	$167
Barbados, Bridgetown	$3,606	$3,899	$4,122	$223
Belize, Belize City	$1,637	$1,766	$1,865	$99
Bolivia,La Paz	$7,216	$7,217	$7,628	$411
Brazil, Brasilia	$10,318	$12,101	$12,816	$715
Recife	$715	$894	$947	$53
Rio de Janeiro	$3,434	$4,170	$4,416	$246
Sao Paulo	$3,817	$4,606	$4,874	$268
Canada, Ottawa	$6,762	$7,403	$7,823	$420
Calgary	$704	$754	$796	$42
Halifax	$421	$465	$490	$25
Montreal	$1,906	$2,071	$2,189	$118
Quebec	$771	$864	$914	$50
Toronto	$2,066	$2,270	$2,396	$126
Vancouver	$943	$995	$1,045	$50
Winnipeg	$285	$292	$299	$7
Chile, Santiago	$7,167	$8,257	$8,745	$488
Columbia, Bogata	$8,878	$10,268	$10,871	$603
Costa Rica, San Jose	$4,426	$5,023	$5,310	$287
Cuba, Havana	$5,383	$6,691	$7,068	$377
Dom. Republic, Santo Domingo	$8,370	$9,196	$9,722	$526
Ecuador, Quito	$4,241	$4,343	$4,591	$248
Guayaquil	$792	$835	$881	$46
El Salvador, San Salvador	$6,191	$6,404	$6,767	$363
Grenada, St. Georges	$319	$322	$341	$19
Guatemale, Guatemala City	$4,621	$4,851	$5,123	$272
Guyana, Georgetown	$1,809	$2,106	$2,220	$114
Haiti, Port-au-Prince	$7,104	$7,295	$7,703	$408
Honduras, Tegucigalpa	$4,449	$5,019	$5,300	$281
Jamaica, Kingston	$4,979	$4,598	$4,865	$267
Mexico, Mexico City	$13,287	$15,097	$15,964	$867
Ciudad Juarez	$2,054	$2,406	$2,551	$145
Guadalajara	$2,234	$2,586	$2,734	$148
Hermosillo	$768	$907	$960	$53
Matamoros	$1,314	$1,558	$1,651	$93
Merida	$795	$938	$993	$55
Monterrey	$2,799	$3,242	$3,429	$187
Nuevo Laredo	$1,300	$1,540	$1,632	$92

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Tijuana	$1,380	$1,614	$1,711	$97
Netherland Antilles, Curacao	$609	$542	$573	$31
Nicaragua, Managua	$4,752	$5,423	$5,729	$306
Panama, Panama City	$6,432	$7,009	$7,410	$401
Paraguay, Asuncion	$3,175	$3,478	$3,679	$201
Peru, Lima	$9,007	$9,211	$9,742	$531
Suriname, Paramaribo	$1,376	$2,029	$2,143	$114
Trinidad, Port-au-Spain	$2,571	$2,825	$2,987	$162
Uruguay, Montevideo	$4,187	$4,825	$5,115	$290
Venzuela, Caracas	$8,129	$9,029	$9,563	$534
Total	$191,675	$213,309	$225,595	$12,286

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Western Hemisphere Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$126,442	$138,418	$145,789	$7,371
1200	Personnel Benefits	$30,988	$34,647	$36,639	$1,992
1300	Benefits Former Personnel	$757	$922	$978	$56
2100	Travel & Trans of Persons	$5,025	$5,648	$5,994	$346
2200	Transportation of Things	$2,476	$2,755	$2,923	$168
2300	Rents, Comm & Utilities	$15,119	$17,228	$18,276	$1,048
2400	Printing & Reproduction	$437	$892	$948	$56
2500	Other Services	$12,446	$13,830	$14,674	$844
2600	Supplies and Materials	$11,697	$12,883	$13,673	$790
3100	Personal Property	$12,097	$13,831	$14,680	$849
4100	Grants, Subsidies & Contrb	$4,460	$5,068	$5,394	$326
4200	INS Claims & Indemnities	$6	$6	$7	$1
Total		$221,950	$246,128	$259,975	$13,847

DIPLOMATIC & CONSULAR PROGRAMS

European Affairs

OVERVIEW STATEMENT

The Bureau of European and Eurasian Affairs manages relations with 49 states and five additional posts in Europe and Eurasia, from Iceland in the West to the Russian Far East, and from the Nordic and Baltic countries southward to Central Asia, the Mediterranean, and the Caucasus. We advance American security through initiatives to promote regional stability, both within Europe and Eurasia individually, and between the two regions. We seek to strengthen the NATO Alliance, including by promoting a robust round of NATO enlargement for the Prague Summit. Our dialogue with Russia has broadened and deepened, particularly since the terrorist attacks of September 11, 2001, with a major focus on promoting cooperation, not only between our two countries, but also between Russia and NATO, Russia and its neighbors in the Caucasus, and between Russia and Central Asia. We are pursuing a vigorous partnership with the European Union, including cooperation on counterterrorism, advancing European contributions to Balkan stability, and removing irritants in longstanding trade disputes. American security is advanced through promotion of democracy, stability and economic prosperity in Central and Southeastern Europe, as well as in the twelve states of Eurasia. For these reasons, we support EU enlargement: We are working to promote rule of law, democracy, human rights, religious freedom and civil society development in the Balkans, Russia, Central Asia and the Caucasus. Finally, we are committed to combating transnational threats such as HIV/AIDS, and other infectious diseases, environmental degradation, organized crime, narcotics trafficking, and trafficking in persons, all of which weaken democracies and economic and national strength.

NATIONAL INTERESTS & GOALS

PRIORITY: NATIONAL SECURITY, REGIONAL STABILITY AND NATO: Strengthen the Alliance by enhancing NATO's capabilities to meet new threats, inviting new members, narrowing the transatlantic defense capabilities gap, solidifying a new NATO-Russia relationship while preserving NATO's ability to act "at 19," and working with partners, in Central Asia and the Balkans in particular, to advance the security of the entire Euro-Atlantic area. Support improved Greek-Turkish relations and progress in the UN-led direct talks between the two Cypriot leaders; achieve further progress on Turkey's economic and political reforms, including EU accession goals, and regional stability issues. Reinforce the political settlement in Northern Ireland. Better Russian-Baltic relations, including more focused partnership with the Nordics.

Performance Goals:

- Reinforce NATO's ability to respond to new threats, including terrorism, and prevent conflict in the region and beyond.
- Secure robust NATO Enlargement round at Prague Summit. Continue reforms under Force Goals and Membership Action Plan (MAP) for new NATO members and aspirants.
- Ratify adapted Treaty on Conventional Armed Forces in Europe (CFE).
- Verify Russia's claim to have reduced equipment in the CFE flank region to adapted Treaty levels.
- Implement Russia's commitment to close bases and withdraw forces from Georgia, and reach agreement on status of residual presence.
- Seek Russian military withdrawal from Moldova, with assistance from the U.S. and Organization for Security and Cooperation in Europe (OSCE) partners through an OSCE Voluntary Fund. Restructure and streamline the New Transatlantic Agenda (NTA) process.
- Foster Russian political settlement in Chechnya.
- Bolster Central Asian security and cooperation.
- Advance stability in Balkans, including through support of the Stability Pact for Southeast Europe.
- Improve Greek-Turkish relations; encourage further progress in UN-led direct Cyprus talks.

- Reinforce political settlement in Northern Ireland.
- Encourage structural reforms to economies to enhance prosperity and therefore stability, particularly reforms to diminish corruption and increase transparency.

Indicators:

- New members at the 2002 Prague Summit and preparation for accession.
- New NATO-Russia Council focused on practical, mutually beneficial projects.
- Provision to NATO by Russia of additional information/inspection opportunities to enable U.S. and NATO to confirm Russia's equipment reductions in the flank, meeting precondition for ratification of adapted CFE Treaty by NATO Allies.
- NATO candidates which are not already members of CFE Treaty indicate desire to join adapted Treaty when possible; U.S., Allies indicate readiness to ratify adapted CFE in context of fulfillment of Istanbul commitments.
- Constructive consultations on missile defense and the Alliance response to the ballistic missile threat.
- Completion of European Security and Defense Identity (ESDI) arrangements for planning and participation.
- Implementation completed of Rapid Expert Assistance and Cooperation Teams (REACT) to enhance effective functioning of OSCE field missions.
- Agreement between Russia and Georgia on conditions for closure of Gudauta base in Abkhazia with appropriate transparency and on status/duration of Russian presence at remaining bases.
- Disposal/removal of Russian munitions and small arms stored in Moldova throughout 2002; removal of Russian forces from Moldova completed by December 31, 2002.
- Disbursement of Greek assistance to Balkan region begins.
- Central Asian border security enhanced.
- Central Asian governments successfully address terrorist threat from Islamic militant groups
- Nagorno-Karabakh peace settlement mediated and, working through the UN and OSCE, a resolution of Transnistria, Abkhazia and South Ossetia conflict occurs.
- Nagorno-Karabakh, Transnistria, Abkhazia, and South Ossetia integrated into Europe and Eurasia politically and economically.
- Implementation of Turkey's economic reform program and progress in meeting EU accession requirements.
- Strengthen Greek-Turkish confidence-building measures.
- Progress on UN-led direct talks between two Cypriot leaders.
- Inclusion of Balkans as a NATO issue in order to prevent conflict from undermining European stability.
- Accelerated civilian implementation in Bosnia through streamlining of the international community presence.
- Full implementation of the Ohrid Framework Agreement in Macedonia.
- Implementation of the Good Friday Agreement through economic development, leading to political reconciliation, stability and reduction in terrorism and violence in Northern Ireland.

Progress (as of January 2002):

At the June 2001 informal summit, NATO heads of state and government decided to launch another round of enlargement at the 2002 Prague Summit. Under the Membership Action Plan, NATO continued a rigorous set of country-specific evaluations designed to help aspirants become the strongest possible candidates. In FY 2001 we further strengthened Euro-Atlantic partnership by continuing to integrate the three new members into the full range of Alliance activity and implementing NATO's Washington Summit decisions. We coordinated at NATO and with the European Union to develop a European Security and Defense Policy that brings about a real increase in European capabilities, provides arrangements for non-

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EU NATO members to participate, and does not duplicate NATO. NATO's Weapons of Mass Destruction Center enhanced and coordinated NATO's ability to address new threats and, as a result, increased Alliance attention to security threats emanating from beyond Europe. Following on the September 11th attacks on the United States, NATO invoked Article 5 of the North Atlantic Treaty for the first time in its history, and Allies took a range of steps, both collectively and individually, to assist in the defense of the United States against the new threat. Many NATO Partners also contributed and supported this effort. NATO also continued to implement Washington Summit decisions on a more operational Partnership for Peace by working side-by-side with Partner forces in the Balkans. Cooperation between NATO and Russian forces on the ground in Bosnia and Kosovo was good, and dialogue and cooperation with Russia in the Permanent Joint Council improved. In December, following up on the Crawford Summit, Allies and Russia agreed to work to give their relationship a new quality by creating a NATO-Russia Council "at 20," which in our view should focus on serious, practical, concrete, mutually beneficial projects.

In the context of CFE signature, the U.S. facilitated agreements between Russia and Georgia, and Russia and Moldova, on withdrawal of Russian stationed military equipment. The Russians made progress in implementing the Georgian withdrawal agreement, withdrawing all personnel and equipment from their base at Vaziani prior to the July 1, 2001 deadline set at Istanbul and transferring it to Georgia. Despite consistent pressure from the U.S. and NATO Allies, Russia did not meet its commitment to close another base in Abkhazia in the same time frame (though it withdrew significant equipment from the facility in fall), nor has agreement been reached on the duration of the Russian presence at remaining bases. In Moldova, Russia removed or destroyed all CFE-Treaty Limited Equipment by November 2001, thereby completing the first part of its Istanbul Summit withdrawal commitment one month early, with U.S. and OSCE financial assistance. Russia made some progress toward completing the remainder of its obligation to eliminate all Russian forces in Moldova by December 31, 2002, by withdrawing three trainloads of ammunition in December 2001 against a backdrop of significant obstructionism by local Transnistrian authorities.

The United States and the European Union worked closely together to realize the goals of the New Transatlantic Agenda (NTA): promoting peace, democracy and development throughout the world; expanding world trade; responding to global challenges; and building bridges across the Atlantic. Foremost was our close and successful cooperation in supporting the advance of peace and democracy in Southeast Europe. We were able to use the very close relationship built on the NTA and its early warning system to manage effectively differences over compliance with World Trade Organization (WTO) findings on "Foreign Sales Corporation" provisions so that these differences did not erupt into a major trade dispute.

The OSCE strengthened and consolidated its role in early warning, conflict prevention and post-conflict rehabilitation. At the Bucharest Ministerial, OSCE leaders adopted the Action Plan on Terrorism to add OSCE's capabilities to the global struggle against terrorism following the attacks of September 11th. The OSCE is continuing restructuring of its Secretariat and implementing the Rapid Expert Assistance and Cooperation Teams (REACT) concept to enhance the planning and deployment of new field missions. Through its 19 field missions, the OSCE promoted democratic institution building and protection of human rights. Notable successes were the admission of Yugoslavia into OSCE, closure of OSCE missions in Estonia and Latvia, and efforts in support of the political settlement in FYROM.

US-Turkey relations remained strong. Turkey provided strong support for the war on terrorism and contributed troops to the International Security Assistance Force in Afghanistan. Turkey also made significant progress in implementing an economic reform package agreed with the IMF and adopted constitutional reforms that advanced its EU candidacy. U.S.-Greece relations continued to improve with increased cooperation on SE Europe and counterterrorism. Greece and Turkey made additional progress on rapprochement, including initiating a dialogue on the Aegean. The two Cypriot leaders opened direct talks on a settlement under UN auspices.

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The USG has been in the forefront of governments working to promote stability in Central Asia. Since the announcement of the Central Asian Security Initiative in 1999, the U.S. has committed more than $70 million to programs that improve border security, strengthen export controls, contain weapons of mass destruction and promote regional cooperation. Notable accomplishments include the lack of significant Islamic Movement of Uzbekistan terrorist operations over the last two years and enhanced cooperation between Uzbekistan and its neighbors.

In Northern Ireland, the United States supported the efforts of local politicians and the governments of Ireland and the United Kingdom to achieve a lasting and peaceful political settlement. U.S. contribution to the International Fund for Ireland ($19.6 million) promoted economic and social advancement and encouraged dialogue and reconciliation between nationalists and unionists; the Walsh Visa Program provided vocational training, conflict resolution skills, and multicultural experience in the United States for almost 400 at-risk, disadvantaged young adults from Northern Ireland and the border counties of the Republic of Ireland.

We deepened and broadened regional cooperation in northern Europe through focused partnership, including with the EU, on projects that strengthened practical links between the Nordics, Baltics, and northwest Russia. In close cooperation with OSCE, we worked with the Government of Albania to implement results of the successful local elections in October 2000 and improved upon the electoral process in preparation for crucial parliamentary elections held in June 2001. Throughout the period we actively supported programs designed to improve the rule of law and strengthen civil society. We also signed a Memorandum of Understanding with the governments of Albania, Germany and Norway agreeing to implement a weapons destruction program for surplus small arms and light weapons. We enlisted Albanian government support for efforts to consolidate democratic change in Yugoslavia and encouraged Albania to find additional ways to play a constructive regional role.

We have worked to support the democratic coalition that has governed the FRY and Serbia since the overthrow of former President Milosevic in October 2000 and the implementation of a comprehensive political and economic reform agenda. We encouraged the disarming of the UCPMB, an armed insurgency group in Southern Serbia, and have worked with all parties in the region to move forward with a number of confidence-building measures, including the introduction of a multi-ethnic police force. We encouraged restarting the dialogue between Belgrade and Podgorica on the future of the Yugoslav Federation and support the EU-led process on this issue. We are fully supporting the work of the International Crimes Tribunal for Yugoslavia (ICTY) and continue to press on FRY and Serbian officials to cooperate with the Tribunal on all levels. Another notable success was the November 17, 2001, province-wide election in Kosovo. In Bosnia, moderate reform governments headed by the Alliance for Change hold power at the state level and in the Federation. We continue to work with reform leaders and the international community to consolidate self-sustaining peace state institutions as well as to move Bosnia toward European integration. We also continue to support the Office of the High Representative in achieving its other objectives, including privatization, financial reform, and combating corruption.

In close coordination with the EU, OSCE, and NATO, we worked to halt the spread of an ethnic Albanian insurgency and foster a political solution that ended the fighting and preserved Macedonia's sovereignty and territorial integrity. Jointly with the EU, we facilitated peace negotiations and a political agreement laying the groundwork for Macedonia's return to peace and stability in a context of strengthened civil rights for minority groups. We enlisted Albanian government support to play a constructive role with regard to conflicts and potential conflicts in Macedonia and Kosovo involving ethnic Albanians. The OSCE mission in Skopje expanded quickly to almost 200 people to implement elements of the Framework Agreement for a political settlement in Macedonia. This effort was augmented by the EU and supported by a NATO military presence.

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PRIORITY: COUNTERTERRORISM: Counter and reduce heightened terrorist threat against American citizens and interests. Pursue a robust counterterrorism agenda with Europe and Eurasia on all fronts, including combating existing groups and laying a foundation for early suppression of potential terrorist activity.

Performance Goals:

- Close down terrorist financing and other logistics, transportation and communications networks.
- Push for full implementation of UNSCR 1373 in Europe and Eurasia.
- Enhance information sharing; aviation security and law enforcement cooperation.
- Resolve collectively specific terrorist cases.
- Promote stability in Central Asia.
- Increase law enforcement and monitoring of weapons of mass destruction.
- Develop and implement tools to prevent terrorist capabilities.
- Implement OSCE Action Plan on Terrorism.
- Promote adherence to Financial Action Task Force (FATF) 40 recommendations on money laundering and 8 recommendations on terrorism.

Indicators:

- Terrorist assets frozen.
- Terrorist financing transit networks shut down.
- Progress achieved towards universal acceptance of counterterrorism conventions.
- Intelligence sharing increased with European and Eurasian partners.
- Adherence to FATF recommendations increased.
- Implementation of U.S.-EU agreement on cooperation strengthened between U.S. agencies and EUROPOL.
- Nonproliferation integrated into counterterrorism policy.
- Progress achieved in halting WMD and illicit arms trafficking.
- Reduce proliferation of weapons expertise and technology.
- Enhance cooperation with Russia and other OSCE members on counterterrorism activities.

Progress (as of January 2002) :

Several countries have signed or ratified many or all of the 12 international counterterrorism conventions. For example, France has undertaken a formal commitment (11/01) to begin the administrative process leading to adhesion to the 1973 Convention on the Prevention and Punishment of Crimes Against Internationally-Protected Persons. This is the only counterterrorism Convention outstanding for France. Following September 11th, Azerbaijan became a party to the 1999 Convention for the Suppression of Financing of Terrorism. Azerbaijan is a party to eight of the twelve counterterrorism conventions. Portugal is in the process of ratifying the International Convention for the Suppression of the Financing of Terrorism and has committed to accede to the Convention on the Marking of Plastic Explosives for the Purpose of Detection. Portugal is a party to the other 10 counterterrorism conventions. Although Armenia is currently only a party to two of the twelve international counterterrorism conventions, the government is currently preparing to ratify a series of them. The International Convention for the Suppression of the Financing of Terrorism was signed by the Armenian Foreign Minister and awaits ratification by the Armenian Parliament. Italy has ratified 10 of the 12 conventions and signed the Suppression of Financing of Terrorism Convention in March 2001. After September 11th, Italy set up a special working group to expedite ratification of this convention; the Council of Ministers is expected to approve a bill to send the Convention to Parliament for ratification soon. The Government of Kazakhstan set up an interagency advisory council to accelerate accession to the remaining five conventions it has yet to ratify. The Government of Cyprus ratified two conventions since September 30, 2001 – Convention for Suppression of

Terrorist Financing (11/22/01) and Convention on the Suppression of Unlawful Acts at Airports (12/20/01) -- in direct response to our request for cooperation in Operation Enduring Freedom. They have now ratified 11 of 12 of the UN Conventions. The final Convention, the Convention on Marking Plastic Explosives for the Purpose of Detection, is in the process of ratification. Ireland is now party to five of the twelve conventions. Two more have been signed, pending ratification legislation, and the process to sign the remaining five is underway. Belgium has signed the UN Convention for the Suppression of Terrorist Financing and has promised to fast track this convention. Ratification is expected in 2002. The Belgians have signed or ratified all of the other conventions besides the 1973 Convention on Punishment of Crimes, which they plan to accede to in the near term. In late 2001, Poland signed the 1991 Convention on the marking of Plastic Explosives for the Purpose of Detection, and is now signatory to all 12 international Counterterrorism conventions. Poland is party to 8 of the 12 conventions, and the GOP has initiated the process that is expected to lead to ratification of the four remaining conventions by the end of 2002.

On November 6, 2001, Poland, in consultation with the USG, hosted a counterterrorism conference attended by 12 regional heads of government and heads of state to focus regional governments on ratification of the international counterterrorism conventions and to promote cooperation in the war on terrorism.

The U.S.-EUROPOL Agreement was signed in Brussels on December 6, 2001. The Department of Justice representative at USEU is currently the USG point of contact for EUROPOL. The U.S. has positioned an FBI agent to serve as a liaison with the Europol Counterterrorism Task Force in The Hague. U.S. and EUROPOL officials are exploring ways to cooperate on terrorism threat assessment and other counterterrorism initiatives.

The UN Conference on Small Arms and Light Weapons concluded its deliberations and reached consensus on a Program of Action in July 2001. The Program of Action provides a strong basis for the first globally agreed small arms and light weapons regime.

The U.S. and EU continued to hold policy level discussions on Justice and Home Affairs during each Presidency. Expert level exchanges have occurred on counterterrorism, border controls, narcotics and judicial cooperation. Ongoing consultations on Russia are taking place with Justice and Treasury Department officials (as well as the State Department) on counterterrorism measures, especially including money laundering and other financial measures. At the Bucharest Ministerial OSCE leaders approved an Action Plan on Terrorism.

We have been working closely with the countries of Central Asia to combat the threat of terrorism. Since the announcement of the Central Asian Border Security Initiative in April 2000, the USG has committed $70 million for customs and border-guard training, anti-terrorism assistance, and communication, observation and detection equipment. These programs have been well-received. They have developed the basis for cooperation upon which we have built our current joint efforts in Operation Enduring Freedom. In addition to these programs, we have also strongly emphasized the importance of human rights, democracy and economic development as a means of dealing with the long-term root causes of terrorism. The terrorist threat emanating from Afghanistan reinforces our view that underdevelopment and repressive, anti-democratic regimes provide conditions that terrorists and other extremists exploit.

With SEED-funded advisors from the FBI, DEA, INS and U.S. Customs, the countries of the Balkans have greater improved border and airport security.

PRIORITY: ECONOMIC PROSPERITY, AND BROAD-BASED GROWTH IN CENTRAL/EASTERN EUROPE, THE BALKANS AND EURASIA, INCLUDING OPEN MARKETS BETWEEN THE U.S., THE REGION AND THE EU: Assist the countries of Central and Eastern

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Europe (CEE) with their economic transition, positioning them for EU membership. Secure European and Eurasian support for further multilateral trade and investment liberalization and for measures to reduce barriers to bilateral trade and investment flows.

Performance Goals:

- Seek WTO and international financial institution commitments to promote economic reform in CEE, Russia, the Caucasus and Central Asia.
- Achieve progress on Turkey's economic and political reforms, including EU accession goals, and regional stability issues.
- Get Stability Pact to focus its efforts and maximize its contribution to furthering economic reform and increased regional cooperation in South East Europe.
- Via Support to East European Democracy (SEED) and FREEDOM Support Act (FSA), assist in economic and legal reform, fighting corruption, and improving investment climate, thereby generating an increase in Foreign Direct Investment.
- Continue structural reforms in CEE and Eurasian economies to enhance prosperity, sound economic governance, and transparency.
- Continue work with the EU and its member states to support global sustainable development.
- Expand WTO membership among European states and seek commitment to further liberalization through the launch of a new round.
- Achieve progress in World Trade Organization (WTO) efforts on trade liberalization commitments already undertaken in the Uruguay Round.
- Conclude bilateral agreements where relevant to reduce non-tariff trade barriers including sanitary and phyto-sanitary barriers and differing regulatory standards.
- Implement OECD Anti-Bribery Convention.
- Maintain U.S. market access to states aspiring to join the European Union.
- Enhance trade and investment among Baltic and Nordic states and Russia.
- Promote trade and economic cooperation among Balkan states.
- Promote regional trade within Central Asia, and among Russia, Central Asian and Caucasus states, particularly for water, energy and other vital natural resources.
- Work with the EU to spur continued reforms in the Balkan countries via the EU's Stabilization and Association Process.

Indicators:

- Central and Eastern European, Baltics, Caucasus and Central Asian countries and Russia demonstrate improvement in quality of life indicators.
- Reduction in economic corruption in Balkans, Caucasus and Central Asia.
- Improved private country risk ratings in CEE, Baltics and Eurasia.
- Increased Foreign Direct Investment in CEE, Baltics, and Eurasia.
- Increased volume of trade and investment flows among Baltic and Nordic states and Russia.
- Renewed growth in Kyrgyzstan, Tajikistan, and other depressed economies.
- European support for the launch of a new WTO Round.
- U.S.-EU economic cooperation through Transatlantic Economic Partnership agreement.
- Implementation of OECD Anti-Bribery Convention.
- Expanded European membership in rules-based trade organizations such as the WTO and the OECD.
- Additional WTO rounds and discussion on accessions.
- Increased U.S. business opportunities in Europe and Eurasia through exports, opening markets and creating a better foreign investment climate in transitional economies.
- Safe and open economic systems open for U.S. exports and investment in Europe and Eurasia.
- Improved existing Early Warning Mechanism to avoid potential trade disputes with the EU.

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- Central and Eastern Europe Business Information Center (CEEBIC) FSNs in Southeast Europe provide commercial/development services.
- USAID policy advisors in Southeast Europe aid in opening borders.
- Customs officers at Southeast Europe borders successfully monitor transfer of goods and services.
- Enhanced independence of Caspian energy states by developing East-West Corridor.
- Progress in Eurasian cooperation in trade and transport of water, energy and other natural resources.
- Democratic and economic institution building in Eastern Europe and Eurasia.

Progress (as of January 2002) :
With SEED support, U.S. investments in CEE have continued to expand, and CEE countries increasingly are adopting Western banking, capital markets, and international accounting standards. SEED support to the fledgling democracies in the FRY and Serbia helped foster public backing for tough but critical economic reforms in Serbia. SEED assistance is helping small and medium enterprises become viable by offering access to credit programs and training in marketing and management skills. The process of privatization of state-owned enterprises is well underway in many of the countries of Southeastern Europe. By now, many have made progress with economic reform programs--especially in the area of fiscal management and pension reform. Parliaments have adopted the legislation necessary to encourage entrepreneurship and create a favorable investment climate. U.S. technical assistance programs have helped governments undertake economic revitalization and have provided civil society capacity-building programs at the local level. In Balkan regions devastated by war, housing and local infrastructure are gradually being rebuilt, jobs are being created, and small businesses are being restored. Governments and NGOs are tackling the problems of trafficking in persons, lack of transparency in public administration, and corruption.

In 2001, the U.S. played a leading role in the launch of new global trade negotiations at Doha in November, overcoming the obstacles that plagued the prior effort in Seattle. Cooperation between the U.S. and the European Union was crucial to the launch of the new round. Work on agriculture and services trade liberalization commitments undertaken in the Uruguay Round continued. In 2001, Lithuania and Moldova became members of the WTO, and the U.S. and the EU cooperated in the successful effort to secure China's membership of the WTO. We expect significant progress on the accession process for Armenia, Macedonia, and Russia in 2002.

We made progress on bilateral open markets issues under the Transatlantic Economic Partnership (TEP). The U.S. and the European Union finalized work on a Mutual Recognition Agreement (MRA) on Marine Safety Equipment, and made progress on agreeing to a set of Guidelines for Regulatory Cooperation and Transparency. We continue to refine our Early Warning Mechanism to head off potential trade conflicts. Outside the TEP, but in the area of regulatory cooperation, we made further progress toward implementation of several MRAs and enlisted private sector testing facilities and conformity assessment bodies to operationalize the three MRAs already implemented: Recreational Craft, Telecommunications Equipment, and Electromagnetic Compatibility. When fully operational, these MRAs will result in hundreds of millions of dollars of savings to U.S. industry.

We continued to seek to resolve and improve the management of bilateral trade disputes. Agreement was reached with the EU on bananas and on a temporary compensation arrangement on an entertainment copyright (Irish Music) dispute. Following the WTO decision authorizing retaliation against the EU on beef hormones, discussions are continuing with the EU to resolve this dispute. The WTO has ruled against the U.S. with respect to Foreign Sales Corporation (FSC) and we are evaluating that decision in terms of how to ensure a level playing field in international taxation. Multilateral steel discussions have commenced at the OECD toward addressing the problem of global excess steel capacity. We continue to have Senior

Level discussions with the EU to try to prevent the EU's approach to biotechnology products from becoming a major U.S.-EU trade dispute.

As of February 1, thirty-two of the thirty-five signatory countries to the OECD Bribery Convention had adopted implementing legislation, with the remaining three countries in various stages of preparing such legislation. Review of implementing legislation is almost complete. In November of 2001, we started the next phase of examining enforcement of anti-bribery legislation consistent with commitments under the Convention.

The United States and the European Union continued to work closely to secure the goals of the New Transatlantic Agenda (NTA): promoting peace, democracy and development throughout the world; expanding trade; responding to global challenges; and building bridges across the Atlantic.

In Central and Eastern Europe (CEE), to maintain U.S. market access to states aspiring to join the European Union, we succeeded in persuading the EU to eliminate a discriminatory rule of origin provision in conformity agreements with EU candidate countries. This enables U.S. companies to export industrial products meeting EU standards to these countries without undergoing duplicative and time-consuming testing. The U.S. also negotiated reductions in tariff levels for specific products entering Polish and Hungarian markets, and persuaded Poland and Slovenia to reinstate data exclusivity for pharmaceutical products. Throughout Southern and Central Europe, SEED-funded projects continued to facilitate privatization, reform of banking structures, and improvement of macroeconomic and competition policies. In addition, particularly through the Southeast Europe Cooperative Initiative (SECI), USG programs facilitated the improvement of customs arrangements and border-crossing infrastructure.

As a result of the MOU on Trade signed in June 2001 under the auspices of the Stability Pact, 16 Free Trade Agreements between the SEE countries have been signed or were under negotiation as of early 2002.

In 2001, FSA-funded business advisory and credit programs supported the growth of small and medium private business throughout the Eurasian region. FSA technical assistance programs helped Russia and Ukraine draft important new macro-economic reforms in areas such as taxation and land ownership, and helped Moldova to join the WTO in 2001. Meanwhile, FSA-funded programs have also produced major progress on land privatization in countries such as Ukraine, Moldova, Georgia and Kyrgyzstan. In 2001, U.S. assistance was instrumental in promoting continued energy reform in Georgia and in helping provide winter heat for poor Georgians.

Although regional trade cooperation among Russia, Central Asian and Caucasian states did not improve significantly during FY '01, these countries are reviewing possible concrete steps in the post-September 11th environment.

In November 2001, the U.S., Russia, and Kazakhstan opened the Caspian Pipeline Consortium's new oil pipeline from the Tegiz field in Kazakhstan to the port of Novorossiysk, Russia. In December, the Secretary and Kazakhstani Foreign Minister Idrisov signed an Energy Partnership Declaration in which the two countries agreed to work together to develop Kazakhstan's vast energy resources on a market basis in line with international standards for environmental and social protection. In this declaration, Kazakhstan renewed its commitment to take concrete steps to ship some of its oil through the East-West corridor.

PRIORITY: PROMOTE DEMOCRACY, RULE OF LAW, AND HUMAN RIGHTS, PARTICULARLY IN THE BALKANS, RUSSIA, THE CAUCASUS AND CENTRAL ASIA: Advance transition to Rule of Law and sustainable democratic institutions in Central and Eastern Europe and Balkans; promote democratic, human rights and civil society reforms in the Balkans, Russia, the

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Caucasus and Central Asia. Foster in OSCE an effective, visible role in democracy promotion, conflict prevention, and post-conflict rehabilitation.

Performance Goals:

- Support grassroots political development in Balkans and Eurasia through NGOs, citizen exchanges and civic education.
- Enhance outreach to next generation of European/Eurasian leaders, as well as to American citizens.
- Promote resolution of ethnic conflicts in Balkans, Caucasus and Central Asia.
- Foster rule of law and judicial reform, both in national and local institutions, in Central Europe, the Balkans, Russia, Caucasus and Central Asia.
- Help achieve a pluralistic and democratic political culture in Belarus.
- Strengthen local non-governmental organizations in the Balkans and Eurasia.
- Development of functioning local institutions in the wake of elections in Kosovo.
- Promote development of independent media throughout Europe and Eurasia.
- Transfer publicly indicted war criminals to the ICTY in the Hague
- Support the reform of educational administrations and curricular materials in Europe and Eurasia.
- Support the development of independent media and increase access to information, including internet access and training, in the Balkans and Eurasia.

Indicators:

- Local NGO's in Balkans and Eurasia demonstrate ability to effect change and influence government decisions.
- Increased numbers of young leaders in Europe/Eurasia participate in U.S. exchange programs.
- USG exchange alumni use knowledge and contacts gained to implement democratic change in their local governments, NGO's, media and educational institutions.
- Increased tolerance, communication and cooperation among governments and citizens in regions of ethnic conflict.
- Legislation passed to implement legal and court reforms.
- Independent broadcast and print media outlets maintain freedom to operate and both government and independent media improve reporting quality.
- Growth in numbers and sophistication of internet users.
- Removal of regulatory, legal and taxation barriers that restrict creation of commercially viable media.
- Reduced government ownership and indirect leverage on the mass media.
- Passage of legal reform legislation.
- Mission completion for the UN International Police Task Force and deployment of a smaller, more focused follow-on mission led by the EU or OSCE.
- Establishment of a Rule of Law Task Force in Bosnia to coordinate the full-range of international rule of law programs.
- Development of competitive and fair political processes, including elections.
- Emergence of laws and legal institutions that support and embody democratic processes.
- Developed with the Albanian government an effective national strategy to interdict trafficking in human beings.

Progress (as of January 2002):

SEED and FSA-funded Democracy Commission Small Grants Programs, administered by U.S. embassies in Central Europe and Eurasia, provide hundreds of small, targeted grants to a variety of local NGOs for concrete, achievable projects that support political reform, development of civil society, and other foreign policy goals in the region. SEED-funded grants to U.S. NGOs specializing in civic education have resulted in the adoption of national curriculums in civics that reach elementary through university level students.

Youth leadership programs like the FSA-funded FLEX program and the SEED-funded Southeast Europe Youth Leadership Institute provide training in and exposure to civic reform ideals, while also providing U.S. citizens with the opportunity to increase their knowledge and understanding of the region. While all ethnic conflicts in South and Central Europe have not been resolved, SEED-funded initiatives in the civil society and NGO sectors have resulted in both intra and inter regional cooperation initiatives. Cooperation among women's and student groups across borders are particularly effective. For example, in Kosovo, SEED funds supported the development of the three main private TV and radio stations by assisting staff in increasing advertising revenues, and completion of viable business plans. The stations now offer balanced reporting and more hours of programming to Kosovars. Journalists, media managers, and editors are trained through USAID, Broadcasting Board of Governors, and the Bureau of Educational Affairs programs throughout South and Central Europe. University affiliations promote long-term relationships between faculty members from the U.S. and their CEE counterparts. Exposure to university reform issues, as well as curriculum development processes and materials provide European scholars with the training they need to encourage change in outdated post-socialist universities.

In Kazakhstan an advocacy campaign succeeded in turning back the harshest components of the Government of Kazakhstan's amendment to the media law. In FY01 over 9,500 Eurasian citizens traveled to the U.S. on USG sponsored exchange programs. Almost 90,000 Eurasian citizens have traveled to the U.S. on USG programs since 1992. Alumni of these programs are active in their countries' government reform, grassroots organizations, and educational development. A new code of Criminal Procedure was passed by the Russian State Duma that assigns more rights to defendants. In Georgia, citizen protest pushed back a government attempt to shut down the self-supporting Rustavi 2 television station which airs a popular investigative journalism show. In Russia alone, more than 25,000 alumni of USG exchange programs and other key professionals utilized free internet access provided through the Internet Access and Training program, and more than 3,000 received specialized Internet training through the Internet Access and Training program.

Through USG assistance programs both within and outside the Stability Pact framework, the United States has carried out many programs to help promote the rule of law and democracy in Southeast Europe. Through its media assistance, the U.S. has helped to organize National Media Working Groups in all Southeast European countries. These groups are instrumental in carrying out the commitments made under the Stability Pact-sponsored Media Charter for Southeast Europe. As a result of this Charter, new media laws that conform with western standards have been passed in almost all countries in Southeast Europe.

U.S. assistance has also been used to help develop a web-based network of local government officials in Southeast Europe and to educate governments of the region on the benefits of fiscal decentralization. Through the Southeast Europe Youth Leadership program, 75 secondary school students and educators from the Balkans participated in an exchange program designed to develop leadership skills, foster relationships among youth from different ethnic and religious groups, and help the participants to understand the meaning of civic participation and the rights and responsibilities of citizens in a democracy. Through USG-funded Civic Education programs, thousands of teachers and students throughout Central and Eastern Europe have learned to participate actively in their communities to effect change.

The United States worked closely with the German, Austrian and French governments to implement bilateral agreements that resulted in the establishment of foundations to make payments to slave and forced laborers, individuals who suffered material and property losses, and others wronged by the Nazis. We advised Chairman of the International Commission on Holocaust Era Insurance Claims in negotiations with US insurance regulators, European insurance companies and survivor organizations on procedures for Holocaust era insurance claims adjudication. We encouraged Central and Eastern European governments, pan-European institutions and NGOs to continue progress on property law, regulation, restitution of and compensation for private and communal property. Cooperated with Council of Europe member and

observer countries to further implementation of international guidelines regarding the return of Nazi-confiscated art. Ten million dollars was distributed from the Nazi Persecutee Relief Fund for programs to aid needy Holocaust survivors in Central and Eastern Europe. We supported efforts for multilateral curriculum development and teacher training through participation in the International Task Force for Cooperation on Holocaust Education.

At the initiative of President Bush and President Putin, the United States and Russia have undertaken a Media Entrepreneurship Dialogue that will bring together US media executives and their Russian counterparts to analyze regulatory and other legal barriers that inhibit the development of commercially viable, independent media.

The U.S. has worked closely with international organizations and local officials in Bosnia to advance rule of law and security programs in the wake of September 11th. The State Border Service continued to train and deploy personnel and increase its effectiveness. The Bosnian government has engaged a contractor to develop and issue a new citizens identification card. The U.S. provided support to the Independent Judicial Commission that is reviewing and vetting all judges and prosecutors. Anti-corruption assistance and training programs for Bosnian authorities continued.

The U.S. continues to provide support to Belarus's besieged independent media, including material and technical support to journalists and editors who are struggling to keep their publications open in the face of continued harassment by the regime and competition from government-subsidized state media. In addition, U.S. assistance includes legal assistance and legal education, as well as training for civic and political activists.

Our programs in the Ukraine have helped build capacity and self-sustainability among public policy NGOs, and seminars, workshops, and exchanges have increased networking and efficiency. The U.S. maintains several programs to assist independent journalists.

U.S. diplomatic efforts resulted in the transfer of Slobodan Milosevic to the Hague.

PRIORITY : GLOBAL ISSUES: Reduce crime, corruption, narcotics trafficking, and trafficking in persons in Europe and Eurasia; alleviate environmental degradation in Eurasia; and reduce the threat of infections disease in Central and Eastern Europe, Russia and Ukraine.

Performance Goals:

- Strengthen regional and bilateral dialogues on global issues.
- Enhance bilateral mutual legal assistance to fight crime and corruption; promote legal sector reform; and promote anti-corruption, anti-money laundering, anti-trafficking in persons, and counternarcotics policies and procedures.
- Expand U.S.-EU counternarcotics activities to Africa, Latin America, Central Asia, and Central Europe.
- Cooperate with EU on migration projects in third countries of mutual interest.
- Cooperate on measures to fight transnational organized crime in G-8 and other fora.
- Reinforce efforts of the International Law Enforcement Academy in Budapest to increase work in Central Asia and throughout Eastern Europe.
- Enhance cooperation in fight against HIV/AIDS, malaria and tuberculosis in Africa, and against emerging infectious diseases in Eastern and Central Europe and Eurasia.
- Promote USG positions on climate change and sustainable development; use regional environmental centers (RECs) to promote civil society participation in environmental decision making; secure regional management of shared waters in Central Asia.

- Support implementation of safety upgrades to Soviet-designed nuclear power plants.
- Improve reporting/analysis on human rights and religions freedom; promote human rights/religious freedom standards.
- Promote refugee protection/return in conflict regions.

Indicators:
- Crime, corruption, narcotics trafficking, and trafficking in persons reduced.
- Infectious disease research, development assistance and public diplomacy more closely coordinated in the health sector.
- EU and other Europeans commit more resources to this effort.
- EU shifts focus in the context of U.S.-EU HIV/AIDs cooperation away from drug pricing to concrete development assistance, diplomatic cooperation and research coordination.
- Joint development and diplomatic projects developed in Africa devoted to fight the three diseases.
- New projects developed under U.S.-EU Science and Technology (S&T) Agreement on environmental issues.
- New U.S.-EU cooperation on trans-boundary water issues.
- Successful conclusion to persistent organic pollutants (POPs) negotiations and implementation of the Biosafety Protocol.
- Containment/reduction in infectious diseases.
- Reduction in environmental damage.
- Broader adherence to human rights standards.

Progress (as of January 2002):
Since we initiated the Central Asian Border Security Initiative in April 2000, the USG has committed $70 million for customs and border-guard training, anti-terrorism assistance, and communication, observation and detection equipment. This program has helped the States of Central Asia build their border control capacity and improve their ability to stop the flow of drugs across their border. Additionally, the Southern European Cooperative Initiative (SECI) center contributed significantly to combating trafficking in narcotics and persons on a regional level.

In the last year, the U.S. and EU resolved their dialogue on a joint drug effort in Nigeria, noting the U.S. had concluded its action items from the 1999 joint recommendations, and the EU resolved to disengage from the Nigerians on demand reduction efforts after failure to reach agreement between the EU and Nigerians on regulations for implementing the program. Also in the last year, cooperation on programs in Latin America and the Caribbean continued successfully, and the EU contributed to Plan Colombia through efforts that complemented the U.S. focus. The U.S. and EU continued their on-the-ground coordination of programs in Central Europe and launched on-the-ground dialogue of efforts in Central Asia. The U.S. and Russia signed a joint statement on counternarcotics at Crawford in November 2001.

The USG along with 28 other countries signed the Council of Europe (COE) Convention on Cybercrime in Budapest on November 23, 2001.

Ratification of the Mutual Legal Assistance Treaty (MLAT) with Russia, providing enhanced legal cooperation across the board, was a major accomplishment for our countries. Russia also passed Financial Action Task Force (FATF) compliant legislation, and President Putin signed a decree creating a Financial Intelligence Unit. Elsewhere, our MLAT with France entered into force on October 1, 2001, and the U.S.-France Extradition Treaty was ratified by France and entered into force on February 1, 2002.

In 2001, Poland established a Financial Investigation Unit, which has begun working closely with counterparts in the region to identify and block transactions that may be related to terrorist organizations.

DIPLOMATIC & CONSULAR PROGRAMS

At the June 14, 2001, U.S.-EU Summit in Goteborg, Sweden, the U.S. and the EU: (1) announced they would work together at the United Nations General Assembly Special Session on HIV/AIDS to promote an effective global response to HIV/AIDS; and (2) agreed to support the establishment of a global fund against HIV/AIDS, malaria and tuberculosis. At the June 25-27, 2001, UN General Assembly Special Session (UNGASS), both the U.S. and the EU strongly advocated the establishment of such a fund. As agreed in the UNGASS Declaration of Commitment, the fall 2002 UN General Assembly will devote at least one full day to follow-up to the June 2001 UNGASS against HIV/AIDS.

The principle focus of U.S.-EU cooperation since summer 2001 has been launching the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). The GFATM was launched in January 2002 after less than six months of negotiations in which the U.S., the European Commission and several EU member states were major participants.

Nearly one percent of Ukraine's adult population - 230,000 people - is living with HIV/AIDS. No other country in Europe or Eurasia has a higher rate of infection. As with other states in the region, tuberculosis has increased rapidly. FSA-funded humanitarian programs delivered a substantial amount of such targeted assistance to those in greatest need in the form of medical supplies and equipment, pharmaceuticals, food and clothing.

In Central Europe, HIV infections seem to be holding steady. The Polish Government has implemented a strong national response, successfully limiting the epidemic in at-risk subpopulations and thereby preventing it from increasing in the general population. The Czech Republic, Hungary, and Slovenia have established well-designed national HIV/AIDS programs, and are having great successes in keeping prevalence low. In Bulgaria, Romania, the Russian Federation, and Ukraine, the budgets of national HIV/AIDS programs have also increased substantially in recent years. Following the UN Special Assembly on HIV/AIDS, the countries of the Commonwealth of Independent States began work on a special declaration on HIV/AIDS and on a regional work plan.

The Federal Republic of Germany Development Ministry and German pharmaceutical industry agreed to establish model public-private partnerships in two to three African countries (TBD) to combat HIV/AIDS. The Health Ministry's press release touts the global HIV/AIDS fund, public-private partnerships to develop health systems, and also drug pricing.

FSA-funded health programs have addressed the problems of HIV/AIDS and TB throughout the region, with a focus on Russia, Ukraine and Central Asia. In 2001, FSA funded a program in Ukraine to develop the capacity of NGOs to help prevent the contraction and spread of HIV/AIDS in high-risk populations and established a national HIV/AIDS information clearinghouse. An HIV/AIDS risk assessment study for Russia was completed in 2001, helping to lay the groundwork for the developments of international HIV protocols and policies for addressing the threat of HIV/AIDS to high risk populations. Also in 2001, an FSA assistance funded the opening of a pilot tuberculosis program in Ukraine to implement the World Health Organization's (WHO) Directly Observed Treatment - Short Course (DOTS) approach to case identification and treatment. FSA also funded the establishment of three similar TB pilot test sites in Russia.

No new projects on environmental issues under the U.S.-EU S&T Agreement were developed in 2001. Dialogue continued on water under the auspices of the Central Asian Economic Community, International Foundation for the Aral Sea, and the Organization for Security Cooperation in Europe, but there was little real progress on regional management of shared water resources.

DIPLOMATIC & CONSULAR PROGRAMS

The U.S. signed the POPs Convention in Stockholm in May 2001, after the President endorsed the treaty at a White House Rose Garden Ceremony in April. We expect the Administration soon will submit the Treaty to the Senate and forward implementing legislation to Congress.

The U.S. participated as a full member in the first two meetings of the Intergovernmental Committee on the Cartegena Protocol, which was established to prepare for entry into force of the Biosafety Protocol to the Convention on Biological Diversity.

PRIORITY : DIPLOMATIC READINESS, INCLUDING INFRASTRUCTURE, HUMAN RESOURCES, AND QUALITY OF LIFE: Develop and manage personnel, information, and infrastructure resources to support successful implementation of U.S. policy goals.

Performance Goals:

- Complete the formal management integration of EUR and S/NIS into a single bureau, adjusting budgets, positions, staffing patterns and systems.
- Realign EUR's newly integrated financial and human resources to meet the changing needs of the EUR Bureau.
- Deploy the new positions under the Secretary's Diplomatic Readiness Initiative, with emphasis on support of EUR's policies in the Balkans and Central Asia and the front line states.
- Expand the classified e-mail installation program and continue replacement of outdated classified LAN systems, and establish a life cycle management system that will institutionalize and obtain funding for the regular, periodic replacement of both classified and unclassified programs. Extend internet access, via the OpenNet Plus platform, to all EUR overseas posts.
- Identify, catalog and justify additional requirements, both human and financial resources to support new initiatives and to fill the needs identified by the Infrastructure Model.
- Enhance the quality and performance of EUR's talent pool, with outreach, recruiting, and renewed emphasis on training.
- Establish a diplomatic post in Astana, Kazakhstan, an American Presence Post (APP) in Izmir, Turkey, and a consulate in Podgorica, FYR.
- Identify and support priority-building projects including upgrades and expansion in Consulate General St. Petersburg, Russia; Embassy Dushanbe, Tajikistan; and Belgrade, Yugoslavia. Coordinate essential maintenance, repair and capital projects undertaken by the Overseas Building Office.
- Secure final acquisition of the Creekbed property and the funds to renovate the property and to build a secure warehouse facility to house other agency elements, including the regional courier service and a secure procurement facility.

Indicators:

- Information technology lifecycle issues, secure phones, telephone systems, and bandwidth addressed.
- EUR's workforce realigned in accordance with the latest priorities and through increased regionalization on the Creekbed platform in Frankfurt.
- Market-competitive wage and benefit packages provided to our FSN workforce, with particular emphasis on IT personnel.
- Training and development of people provided through Frankfurt Regional Support Center (RSC), Vienna RPO's partnerships with Foreign Service Institute (FSI) and Regional Information Management Center (RIMC), the FSN Executive Corps, and long-distance learning.
- EUR's Partnership Principles implemented to enhance productivity and quality of life.

Progress (as of January 2002):

EUR continued realignment of our financial and human resources to complete the integration of EUR and S/NIS, and to meet changing needs and resources. On the resources side, through reprogramming

and new resources from the central system, we were able to respond to foreign policy success in the Balkans by rapidly reopening and fully staffing Embassy Belgrade. Furthermore, we are opening a new consulate in Podgorica, FYR. Every EUR Embassy now has at least two office management specialist and at least two information management specialist positions. Regional Support Center Frankfurt has expanded and enhanced the FSN Executive Corps, and established and maintained a robust schedule of support visits to posts in Eastern Europe, the Balkans, the Caucasus and Central Asia. EUR expended a great deal of effort in securing and building interest, support and approval for the acquisition of the 469th Army Hospital (Creekbed) in Frankfurt as a potential diplomatic platform for regional support of the diplomatic goals of EUR, NEA and AF. In addition, infrastructure needs and shortfalls were analyzed using EUR's Infrastructure Model. As a result, EUR identified infrastructure needs of $108 million at all our posts, and reprogrammed $4.5 million from our existing base to target the highest priority needs. On the IT side, EUR identified funding for and installed 16 classified, NT-based email systems, achieving, thereby, 100% classified email connectivity in the EUR Bureau. EUR spent $1.2 million to replace obsolete secure telephone equipment, and established OpenNet Plus as a baseline for internet connectivity both domestically and overseas, aiming for rollout in FY 2002.

PROGRAM CHANGE JUSTIFICATION

Funding Increase: $265,000

This increase in Public Diplomacy funding will provide for three additional locally engaged staff (LES) positions (1 in Italy and 2 in Tajikistan) and funds for increased Public Diplomacy programming in Tajikistan, Turkey and the Baltics. The programming will promote democratization, tolerance and rule of law in these countries with emphasis on speaking programs and grants to local non-governmental organizations and entities. The programming would further Public Diplomacy outreach and strengthen the commitment to combating terrorism.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of European Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	329	1,180	1,105	2,614	$281,359	$166,580	$447,939
FY 2002 Estimate	331	1,277	1,105	2,713	$340,309	$176,020	$516,329
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($6,750)	$0	($6,750)
2002 American Cost-of-Living Adjustment	0	0	0	0	$544	$2,040	$2,584
Annualization of 2002 Hiring Increases	0	0	0	0	$3,484	$1,881	$5,365
Annualization of 2002 Hiring Increases (HR,SO)	0	0	0	0	$942	$550	$1,492
American Cost-of-Living Adjustment	0	0	0	0	$946	$3,472	$4,418
FSN Wage	0	0	0	0	$8,748	$0	$8,748
Overseas Price	0	0	0	0	$4,818	$0	$4,818
Domestic Price	0	0	0	0	$333	$0	$333
Global Inflation including Local Guard Program	0	0	0	0	$39	$0	$39
Total Built-in Changes	0	0	0	0	$13,104	$7,943	$21,047
FY 2003 Current Services	331	1,277	1,105	2,713	$353,413	$183,963	$537,376
FY 2003 Program Changes							
Locally Engaged Staff	0	0	0	0	$265	$0	$265
Total Program Changes	0	0	0	0	$265	$0	$265
FY 2003 Request	331	1,277	1,105	2,713	$353,678	$183,963	$537,641

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of European Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**457**	**477**	**477**	**0**
Bureau Direction	46	46	46	0
Mission Direction	409	429	429	0
Public Affairs	2	2	2	0
Conduct of Diplomatic Relations	**631**	**659**	**659**	**0**
Political Affairs	363	377	377	0
Political Diplomacy	363	377	377	0
Economic/Trade Affairs	138	152	152	0
Business Services	56	56	56	0
Environmental, Scientific and Technological Affairs	42	42	42	0
International Security Affairs	32	32	32	0
Public Diplomacy	**670**	**689**	**689**	**0**
Public Diplomacy - Program Costs	670	689	689	0
Conduct of Consular Relations	**329**	**329**	**329**	**0**
Overseas Visa Services	155	155	155	0
Overseas Citizens Services	150	150	150	0
Overseas Consular Management	24	24	24	0
International Organization Relations	**66**	**66**	**66**	**0**
International Organization Representation	66	66	66	0
Political and International Security Representation	39	39	39	0
Economic Development and Trade Representation	20	20	20	0
Conference Representation	7	7	7	0
Law Enforcement Cooperation	**93**	**93**	**93**	**0**
Diplomatic Security	**127**	**127**	**127**	**0**
Overseas Protection of Life	127	127	127	0
Other Overseas Security Support	127	127	127	0
Information Resource Management	**187**	**219**	**219**	**0**
Infrastructure Systems	185	217	217	0
Other Telecommunications Abroad	185	217	217	0
Corporate Information Systems and Services	2	2	2	0
Information Services	2	2	2	0
Domestic Administrative Support	**54**	**54**	**54**	**0**
Domestic Administrative Management	54	54	54	0
Total	2,614	2,713	2,713	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of European Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$48,301**	**$55,302**	**$58,910**	**$3,608**
Bureau Direction	$9,125	$10,304	$12,041	$1,737
Mission Direction	$38,754	$44,549	$46,318	$1,769
Public Affairs	$422	$449	$551	$102
Conduct of Diplomatic Relations	**$110,408**	**$122,066**	**$125,870**	**$3,804**
Political Affairs	$59,528	$64,963	$66,513	$1,550
Political Diplomacy	$59,528	$64,963	$66,513	$1,550
Economic/Trade Affairs	$30,336	$34,222	$35,854	$1,632
Business Services	$8,581	$9,233	$9,440	$207
Environmental, Scientific and Technological Affairs	$6,561	$7,480	$7,714	$234
International Security Affairs	$5,402	$6,168	$6,349	$181
Public Diplomacy	**$68,815**	**$75,717**	**$79,460**	**$3,743**
Public Diplomacy - Program Costs	$68,815	$75,717	$79,460	$3,743
Conduct of Consular Relations	**$28,798**	**$40,073**	**$41,970**	**$1,897**
Overseas Visa Services	$13,414	$18,772	$19,572	$800
Overseas Citizens Services	$13,115	$18,820	$19,817	$997
Overseas Consular Management	$2,269	$2,481	$2,581	$100
International Organization Relations	**$11,368**	**$12,009**	**$13,005**	**$996**
International Organization Representation	$11,368	$12,009	$13,005	$996
Political and International Security Representation	$6,624	$7,034	$7,498	$464
Economic Development and Trade Representation	$3,483	$3,659	$3,781	$122
Conference Representation	$1,261	$1,316	$1,726	$410
Law Enforcement Cooperation	**$9,168**	**$9,428**	**$10,116**	**$688**
Diplomatic Security	**$24,552**	**$26,798**	**$27,468**	**$670**
Overseas Protection of Life	$24,552	$26,798	$27,468	$670
Other Overseas Security Support	$24,552	$26,798	$27,468	$670
Information Resource Management	**$28,224**	**$40,289**	**$44,698**	**$4,409**
Infrastructure Systems	$27,859	$39,913	$44,243	$4,330
Other Telecommunications Abroad	$27,859	$39,913	$44,243	$4,330
Corporate Information Systems and Services	$365	$376	$455	$79
Information Services	$365	$376	$455	$79
Training Services	**$613**	**$613**	**$714**	**$101**
Professional Development/Area Studies	$613	$613	$714	$101
Overseas Administrative Support	**$108,729**	**$123,446**	**$124,983**	**$1,537**
International Cooperative Administrative Support Services (ICASS)	$108,729	$123,446	$124,983	$1,537
Domestic Administrative Support	**$8,963**	**$10,588**	**$10,447**	**($141)**
Domestic Administrative Management	$8,963	$10,588	$10,447	($141)
Total	$447,939	$516,329	$537,641	$21,312

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of European Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**48**	**358**	**71**	**477**	**$21,195**	**$37,715**	**$58,910**
Bureau Direction	46	0	0	46	$6,054	$5,987	$12,041
Mission Direction	0	358	71	429	$14,821	$31,497	$46,318
Public Affairs	2	0	0	2	$320	$231	$551
Conduct of Diplomatic Relations	**153**	**456**	**50**	**659**	**$59,599**	**$66,271**	**$125,870**
Political Affairs	95	268	14	377	$25,123	$41,390	$66,513
Political Diplomacy	95	268	14	377	$25,123	$41,390	$66,513
Economic/Trade Affairs	58	83	11	152	$22,165	$13,689	$35,854
Business Services	0	43	13	56	$5,128	$4,312	$9,440
Environmental, Scientific and Technological Affairs	0	33	9	42	$3,819	$3,895	$7,714
International Security Affairs	0	29	3	32	$3,364	$2,985	$6,349
Public Diplomacy	**37**	**171**	**481**	**689**	**$54,820**	**$24,640**	**$79,460**
Public Diplomacy - Program Costs	37	171	481	689	$54,820	$24,640	$79,460
Conduct of Consular Relations	**0**	**0**	**329**	**329**	**$41,970**	**$0**	**$41,970**
Overseas Visa Services	0	0	155	155	$19,572	$0	$19,572
Overseas Citizens Services	0	0	150	150	$19,817	$0	$19,817
Overseas Consular Management	0	0	24	24	$2,581	$0	$2,581
International Organization Relations	**37**	**25**	**4**	**66**	**$6,587**	**$6,418**	**$13,005**
International Organization Representation	37	25	4	66	$6,587	$6,418	$13,005
Political and International Security Representation	22	14	3	39	$3,879	$3,619	$7,498
Economic Development and Trade Representation	8	11	1	20	$1,854	$1,927	$3,781
Conference Representation	7	0	0	7	$854	$872	$1,726
Law Enforcement Cooperation	**0**	**12**	**81**	**93**	**$8,852**	**$1,264**	**$10,116**
Diplomatic Security	**0**	**100**	**27**	**127**	**$18,231**	**$9,237**	**$27,468**
Overseas Protection of Life	0	100	27	127	$18,231	$9,237	$27,468
Other Overseas Security Support	0	100	27	127	$18,231	$9,237	$27,468
Information Resource Management	**2**	**155**	**62**	**219**	**$29,911**	**$14,787**	**$44,698**
Infrastructure Systems	0	155	62	217	$29,690	$14,553	$44,243
Other Telecommunications Abroad	0	155	62	217	$29,690	$14,553	$44,243
Corporate Information Systems and Services	2	0	0	2	$221	$234	$455
Information Services	2	0	0	2	$221	$234	$455
Training Services	**0**	**0**	**0**	**0**	**$714**	**$0**	**$714**
Professional Development/Area Studies	0	0	0	0	$714	$0	$714
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$106,784**	**$18,199**	**$124,983**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$106,784	$18,199	$124,983
Domestic Administrative Support	**54**	**0**	**0**	**54**	**$5,015**	**$5,432**	**$10,447**

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of European Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Domestic Administrative Management	54	0	0	54	$5,015	$5,432	$10,447
Total	331	1,277	1,105	2,713	$353,678	$183,963	$537,641

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of European Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary	44	44	44	0
European Union and Regional Affairs	15	15	15	0
Public Affairs	12	12	12	0
Principal Deputy Assistant Secretary	2	2	2	0
Deputy Assistant Secretary 1	2	2	2	0
Assistance for Europe and Eurasia	38	40	40	0
North Central European Affairs	11	11	11	0
South Central European Affairs	15	15	15	0
Deputy Assistant Secretary 2	2	2	2	0
Western European Affairs	9	9	9	0
UK, Ireland, and Benelux Affairs	8	8	8	0
German, Austrian and Swiss Affairs	8	8	8	0
Southern European Affairs	9	9	9	0
Special Advisor - New Independent States	15	15	15	0
Deputy Assistant Secretary 3	2	2	2	0
Nordic and Baltic Affairs	8	8	8	0
Regional Political and Security Issues	18	18	18	0
New and Independent States	43	43	43	0
Office of Public Diplomacy	19	19	19	0
Executive Director	66	66	66	0
Total	346	348	348	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of European Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary	$10,047	$10,683	$10,927	$244
European Union and Regional Affairs	$3,426	$3,546	$3,668	$122
Public Affairs	$2,739	$2,841	$3,012	$171
Principal Deputy Assistant Secretary	$455	$469	$541	$72
Deputy Assistant Secretary 1	$455	$463	$463	$0
Assistance for Europe and Eurasia	$3,806	$5,470	$4,251	($1,219)
North Central European Affairs	$2,512	$2,676	$2,954	$278
South Central European Affairs	$3,426	$3,554	$3,708	$154
Deputy Assistant Secretary 2	$455	$569	$779	$210
Western European Affairs	$2,056	$2,131	$2,456	$325
UK, Ireland, and Benelux Affairs	$1,827	$1,894	$2,301	$407
German, Austrian and Swiss Affairs	$1,827	$1,888	$2,282	$394
Southern European Affairs	$2,056	$2,131	$2,393	$262
Special Advisor - New Independent States	$1,103	$883	$958	$75
Deputy Assistant Secretary 3	$455	$469	$617	$148
Nordic and Baltic Affairs	$1,827	$1,894	$2,236	$342
Regional Political and Security Issues	$4,101	$4,055	$4,629	$574
New and Independent States	$9,818	$9,743	$11,079	$1,336
Office of Public Diplomacy	$3,233	$3,299	$3,419	$120
Executive Director	$13,933	$14,418	$14,922	$504
Total	$69,557	$73,076	$77,595	$4,519

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of European Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Albania, Tirana	10	7	17	13	7	20	13	7	20	0	0	0
Armenia, Yerevan	11	15	26	17	15	32	17	15	32	0	0	0
Austria, Vienna	25	27	52	26	27	53	26	27	53	0	0	0
Azerbaijan, Baku	12	7	19	16	7	23	16	7	23	0	0	0
Belgium, Brussels	30	25	55	31	25	56	31	25	56	0	0	0
Bosnia-Herzegovina, Sarajevo	20	11	31	22	11	33	22	11	33	0	0	0
Bulgaria, Sofia	16	13	29	18	13	31	18	13	31	0	0	0
Belarus, Minsk	7	12	19	11	12	23	11	12	23	0	0	0
Croatia, Zagreb	12	16	28	14	16	30	14	16	30	0	0	0
Cyprus, Nicosia	12	14	26	12	14	26	12	14	26	0	0	0
Czech Republic, Prague	14	15	29	14	15	29	14	15	29	0	0	0
Denmark, Copenhagen	14	16	30	15	16	31	15	16	31	0	0	0
Estonia, Tallinn	8	8	16	10	8	18	10	8	18	0	0	0
Finland, Helsinki	18	12	30	19	12	31	19	12	31	0	0	0
France, Paris	61	55	116	63	46	109	63	46	109	0	0	0
Marseille	0	0	0	1	3	4	1	3	4	0	0	0
Strasbourg	0	0	0	1	1	2	1	1	2	0	0	0
Lyon	0	0	0	1	1	2	1	1	2	0	0	0
Toulouse	0	0	0	1	1	2	1	1	2	0	0	0
Bordeaux	0	0	0	1	1	2	1	1	2	0	0	0
Ille	0	0	0	1	1	2	1	1	2	0	0	0
Renne	0	0	0	1	1	2	1	1	2	0	0	0
Georgia, Tbilisi	11	6	17	15	6	21	15	6	21	0	0	0
Germany, Berlin	81	107	188	69	99	168	69	99	168	0	0	0
Frankfurt	31	25	56	31	25	56	31	25	56	0	0	0
Hamburg	0	0	0	3	2	5	3	2	5	0	0	0
Leipzig	0	0	0	3	1	4	3	1	4	0	0	0
Munich	0	0	0	5	5	10	5	5	10	0	0	0
Dusseldorf	0	0	0	2	0	2	2	0	2	0	0	0
Greece, Athens	35	31	66	33	29	62	33	29	62	0	0	0
Thessaloniki	0	0	0	2	2	4	2	2	4	0	0	0
Holy See, Vatican City	5	5	10	5	5	10	5	5	10	0	0	0
Hungary, Budapest	20	23	43	20	23	43	20	23	43	0	0	0
Iceland, Reykjavik	6	7	13	6	7	13	6	7	13	0	0	0
Ireland, Dublin	10	17	27	10	17	27	10	17	27	0	0	0
Italy, Rome	56	67	123	43	58	101	43	58	101	0	0	0
Florence	0	0	0	2	1	3	2	1	3	0	0	0
Milan	0	0	0	8	2	10	8	2	10	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of European Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Naples	0	0	0	4	6	10	4	6	10	0	0	0
Kazakhstan, Almaty	15	7	22	10	5	15	10	5	15	0	0	0
Astana	0	0	0	6	2	8	6	2	8	0	0	0
Kyrgyzstan, Bishkek	7	5	12	9	5	14	9	5	14	0	0	0
Kosovo, Pristina	9	1	10	10	1	11	10	1	11	0	0	0
Latvia, Riga	7	12	19	8	12	20	8	12	20	0	0	0
Lithuania, Vilnius	7	8	15	7	8	15	7	8	15	0	0	0
Luxembourg, Luxembourg	7	5	12	7	5	12	7	5	12	0	0	0
Malta, Valletta	7	7	14	7	7	14	7	7	14	0	0	0
OSCE Vienna	14	0	14	14	0	14	14	0	14	0	0	0
Moldova, Chisinau	7	7	14	10	7	17	10	7	17	0	0	0
Netherland, The Hague	18	16	34	18	11	29	18	11	29	0	0	0
Amsterdam	0	0	0	1	5	6	1	5	6	0	0	0
Norway, Oslo	15	13	28	17	13	30	17	13	30	0	0	0
Poland, Warsaw	35	33	68	34	29	63	34	29	63	0	0	0
Krakow	0	0	0	3	4	7	3	4	7	0	0	0
Portugal, Lisbon	20	20	40	19	17	36	19	17	36	0	0	0
Ponta Delgada	0	0	0	1	3	4	1	3	4	0	0	0
Romania, Bucharest	18	23	41	20	22	42	20	22	42	0	0	0
Cluj-Napoca	0	0	0	1	1	2	1	1	2	0	0	0
Russia, Moscow	132	60	192	112	50	162	112	50	162	0	0	0
St Petersburg	0	0	0	16	3	19	16	3	19	0	0	0
Vladivostok	0	0	0	4	4	8	4	4	8	0	0	0
Yekaterinburg	0	0	0	3	3	6	3	3	6	0	0	0
Slovakia, Bratislava	7	10	17	11	10	21	11	10	21	0	0	0
Slovenia, Ljubljana	6	12	18	8	12	20	8	12	20	0	0	0
Spain, Madrid	27	56	83	25	53	78	25	53	78	0	0	0
Barcelona	0	0	0	3	3	6	3	3	6	0	0	0
Sweden, Stockholm	20	24	44	20	24	44	20	24	44	0	0	0
Switzerland, Bern	16	10	26	16	10	26	16	10	26	0	0	0
Tajikistan, Dushanbe	9	10	19	10	10	20	10	10	20	0	0	0
TFYROM, Skopje	9	8	17	13	8	21	13	8	21	0	0	0
Turkey, Ankara	51	51	102	41	44	85	41	44	85	0	0	0
Izmir	0	0	0	1	2	3	1	2	3	0	0	0
Adana	0	0	0	2	1	3	2	1	3	0	0	0
Istanbul	0	0	0	10	4	14	10	4	14	0	0	0
Turkmenistan, Ashgabat	7	10	17	9	10	19	9	10	19	0	0	0
United Kingdom, London	44	58	102	40	54	94	40	54	94	0	0	0
Belfast	0	0	0	4	2	6	4	2	6	0	0	0
Edinburgh	0	0	0	1	2	3	1	2	3	0	0	0
Burmuda, Hamilton	2	2	4	2	2	4	2	2	4	0	0	0
Ukraine, Kiev	27	17	44	31	17	48	31	17	48	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of European Affairs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Uzbekistan, Tashkent	17	12	29	22	12	34	22	12	34	0	0	0
USEU	27	11	38	29	11	40	29	11	40	0	0	0
USNATO	35	3	38	36	3	39	36	3	39	0	0	0
USOECD	14	8	22	14	8	22	14	8	22	0	0	0
Yugoslavia, Belgrade	17	30	47	16	26	42	16	26	42	0	0	0
Podgorica	0	0	0	5	4	9	5	4	9	0	0	0
Total	1,178	1,090	2,268	1,275	1,090	2,365	1,275	1,090	2,365	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of European Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Albania, Tirana	$2,963	$3,952	$4,259	$307
Armenia, Yerevan	$3,529	$5,463	$5,620	$157
Austria, Vienna	$9,718	$9,928	$10,285	$357
Azerbaijan, Baku	$3,324	$4,360	$4,666	$306
Belgium, Brussels	$8,601	$8,835	$9,216	$381
Bosnia-Herzegovina, Sarajevo	$8,522	$9,636	$9,856	$220
Bulgaria, Sofia	$2,932	$4,384	$4,666	$282
Belarus, Minsk	$2,673	$3,646	$3,778	$132
Croatia, Zagreb	$4,956	$5,212	$5,400	$188
Cyprus, Nicosia	$4,152	$4,868	$5,158	$290
Czech Republic, Prague	$4,782	$5,156	$5,332	$176
Denmark, Copenhagen	$4,552	$5,024	$5,235	$211
Estonia, Tallinn	$2,086	$3,207	$3,433	$226
Finland, Helsinki	$4,656	$5,344	$5,513	$169
France, Paris	$19,536	$16,623	$17,439	$816
Marseille	$0	$605	$605	$0
Strasbourg	$0	$356	$356	$0
Lyon	$0	$183	$183	$0
Toulouse	$0	$183	$183	$0
Bordeaux	$0	$183	$183	$0
Ille	$0	$183	$183	$0
Renne	$0	$183	$183	$0
Georgia, Tbilisi	$3,328	$4,037	$4,247	$210
Germany, Berlin	$32,729	$26,682	$27,737	$1,055
Frankfurt	$10,977	$11,408	$11,408	$0
Hamburg	$0	$956	$956	$0
Leipzig	$0	$833	$833	$0
Munich	$0	$2,038	$2,038	$0
Dusseldorf	$0	$469	$469	$0
Greece, Athens	$9,636	$9,854	$10,178	$324
Thessaloniki	$0	$718	$718	$0
Holy See, Vatican City	$1,804	$1,801	$1,963	$162
Hungary, Budapest	$5,852	$6,240	$6,881	$641
Iceland, Reykjavik	$2,112	$2,533	$3,058	$525
Ireland, Dublin	$4,852	$5,059	$5,320	$261
Italy, Rome	$23,254	$20,794	$20,788	($6)
Florence	$0	$594	$594	$0
Milan	$0	$2,142	$2,142	$0
Naples	$0	$1,641	$1,641	$0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of European Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Kazakhstan, Almaty	$4,520	$3,295	$3,398	$103
Astana	$0	$1,490	$1,555	$65
Kyrgyzstan, Bishkek	$2,352	$2,664	$2,863	$199
Kosovo, Pristina	$4,050	$5,125	$5,382	$257
Latvia, Riga	$2,397	$3,339	$3,561	$222
Lithuania, Vilnius	$2,290	$2,634	$2,749	$115
Luxembourg, Luxembourg	$2,064	$2,528	$2,772	$244
Malta, Valletta	$2,047	$2,711	$2,919	$208
OSCE Vienna	$3,787	$4,026	$4,129	$103
Moldova, Chisinau	$1,927	$2,788	$2,919	$131
Netherland, The Hague	$5,730	$5,995	$6,404	$409
Amsterdam	$0	$853	$853	$0
Norway, Oslo	$4,762	$6,406	$6,724	$318
Poland, Warsaw	$11,674	$10,617	$10,879	$262
Krakow	$0	$1,203	$1,203	$0
Portugal, Lisbon	$5,882	$6,205	$6,660	$455
Ponta Delgada	$0	$605	$605	$0
Romania, Bucharest	$5,887	$6,367	$6,327	($40)
Cluj-Napoca	$0	$356	$356	$0
Russia, Moscow	$30,273	$31,726	$32,032	$306
St Petersburg	$0	$4,162	$4,162	$0
Vladivostok	$0	$1,440	$1,440	$0
Yekaterinburg	$0	$1,079	$1,079	$0
Slovakia, Bratislava	$2,780	$4,075	$4,675	$600
Slovenia, Ljubljana	$2,622	$3,389	$3,776	$387
Spain, Madrid	$12,124	$15,402	$15,489	$87
Barcelona	$0	$1,079	$1,079	$0
Sweden, Stockholm	$5,663	$8,085	$8,780	$695
Switzerland, Bern	$5,103	$5,695	$5,922	$227
Tajikistan, Dushanbe	$1,573	$3,393	$3,641	$248
TFYROM, Skopje	$3,347	$4,434	$4,629	$195
Turkey, Ankara	$14,510	$17,639	$18,114	$475
Izmir	$0	$230	$165	($65)
Adana	$0	$594	$594	$0
Istanbul	$0	$3,369	$3,337	($32)
Turkmenistan, Ashgabat	$2,101	$3,315	$3,402	$87
United Kingdom, London	$22,880	$24,014	$24,112	$98
Belfast	$0	$1,192	$1,192	$0
Edinburgh	$0	$490	$490	$0
Burmuda, Hamilton	$907	$718	$718	$0
Ukraine, Kiev	$7,193	$9,918	$10,170	$252
Uzbekistan, Tashkent	$3,667	$5,889	$5,889	$0
USEU	$6,136	$6,755	$6,937	$182

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of European Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
USNATO	$5,750	$6,789	$7,417	$628
USOECD	$3,965	$6,003	$6,299	$296
Yugoslavia, Belgrade	$6,893	$6,365	$7,995	$1,630
Podgorica	$0	$1,494	$1,550	$56
Total	$378,382	$443,253	$460,046	$16,793

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of European Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$178,968	$195,840	$204,296	$8,456
1200	Personnel Benefits	$70,077	$80,063	$83,523	$3,460
1300	Benefits Former Personnel	$203	$450	$455	$5
2100	Travel & Trans of Persons	$12,623	$14,861	$15,438	$577
2200	Transportation of Things	$3,051	$3,197	$3,318	$121
2300	Rents, Comm & Utilities	$13,226	$16,398	$17,493	$1,095
2400	Printing & Reproduction	$910	$1,154	$1,176	$22
2500	Other Services	$122,019	$149,175	$154,387	$5,212
2600	Supplies and Materials	$9,207	$12,015	$12,485	$470
3100	Personal Property	$25,458	$29,847	$30,989	$1,142
4100	Grants, Subsidies & Contrb	$12,197	$13,329	$14,081	$752
Total		$447,939	$516,329	$537,641	$21,312

DIPLOMATIC & CONSULAR PROGRAMS

International Organizational Affairs

OVERVIEW STATEMENT

The Bureau of International Organization Affairs develops and implements U.S. policy in the United Nations (UN), its specialized and voluntary agencies, and other international organizations. Our mission is to advance U.S. interests through multilateral diplomacy, while ensuring that international organizations through which we work remain efficient and effective. Our primary goal is to ensure that the multilateral system contributes to achievement of U.S. objectives in areas as diverse as regional stability, weapons of mass destruction, counter-terrorism, open markets, economic development, human rights, humanitarian assistance, health, environment, crime, illegal drugs, and population.

NATIONAL INTERESTS & GOALS

Priority: NATIONAL SECURITY & LAW ENFORCEMENT, SHAPE EFFECTIVE INTERNATIONAL RESPONSE TO THREATS TO PEACE (INCLUDING TERRORISM) Consult and negotiate in international organizations [e.g., UN Security Council (UNSC), International Atomic Energy Agency (IAEA), International Civil Aviation Organization (ICAO)] to protect ourselves and others against terrorism and to prevent instabilities from threatening vital and important U.S. interests by passing counter-terrorism resolutions, providing expertise and mechanisms to assist in search for peace, or undertaking peacekeeping operations and/or imposing sanctions.

Performance Goal: Advancement of U.S. goals regarding threats to peace (including terrorism) through international organizations.

Indicator: UN actions to address threats to peace, e.g., peacekeeping operations, UNSC resolutions, multilateral sanctions, and negotiation of terrorism conventions.

Progress (as of January, 2002): UNSC adopted three resolutions, including Resolution 1373, which affirmed the right of self-defense; found terrorism to be a threat to international peace and security; stressed the accountability of the supporter as well as the perpetrator of terrorist acts; obliged member states to freeze assets of terrorist-affiliated persons and organizations and deny them safehaven. UNSC established a Counter Terrorism Committee to oversee global implementation of Resolution 1373. UN sanctions on al-Qaida and Taliban extended. UN General Assembly (UNGA) adopted two anti-terrorism resolutions condemning the terrorism on September 11th. More states are becoming parties to 12 international terrorism conventions. Though suspended in 1999, maintained UN sanctions against Libya because Libya has not complied with all of requirements for lifting of sanctions. IAEA reevaluated its response to the threat of nuclear terrorism. ICAO passed an anti-terrorism resolution. UN peacekeeping operations in the Balkans, Africa, Middle East, and Asia contributed to peace and stability. Major improvement in effectiveness of peacekeeping in Sierra Leone. Gradual reduction in size of UN Interim Force in Lebanon reflected changed role/circumstances; progress towards key objectives in Kosovo and East Timor; Congo peacekeeping operation on track. Sanctions regimes in Africa maintained; sanctions on Yugoslavia lifted following election of post-Milosevic Yugoslav government; sanctions on Sudan lifted.

Priority: NATIONAL SECURITY; INFLUENCE OPERATIONS OF INTERNATIONAL ORGANIZATIONS. Promote ongoing reform of international organizations, including completion of Helms/Biden reform benchmarks. Payment of arrears helps strengthen U.S. credibility as a Member State committed to international organizations. Support study of UN Capital Master Plan.

DIPLOMATIC & CONSULAR PROGRAMS

Performance Goal: A. Continued reform of UN system and payment of U.S. arrears. B. Safe, modern, and secure UN Headquarters facilities.

Indicators: A. Status of reform goals and payment of arrears. B. Status of UN Capital Master Plan.

Progress (as of December, 2001): In December 2000, UN membership revised scales of assessment for UN regular and peacekeeping budgets, lowering the amount charged to the U.S. in both budgets. This allowed release to UN of $582 million in UN arrears authorized under Helms-Biden. Continued progress on other Helms-Biden requirements. U.S. candidate elected to UN Joint Inspection Unit and International Law Commission. UN implemented key peacekeeping reform proposals, including expanded staffing for UN's Department of Peacekeeping Operations.

***Priority:** NATIONAL SECURITY; REDUCE THREAT OF WEAPONS OF MASS DESTRUCTION (WMD) Consult and negotiate in international organizations which provide mechanisms for addressing WMD and nonproliferation issues, e.g., international collaboration to adopt and sustain measures against states engaged in proliferation of WMD or their delivery systems.*

Performance Goal: Advance U.S. arms control, nuclear nonproliferation, and WMD goals through effective and efficient international organization programs and activities.

Indicator: Status of sanctions resolutions against Iraq and of IAEA Programs.

Progress (as of November, 2001): UNSC preliminary agreement on adoption of new "smart" sanctions against Iraq for implementation in June 2002. Most member states comply with existing sanctions requirements. Iraq refused return of UN weapons inspectors. Sanctions regime extended in June, July, and November, 2001. U.S. monitored exports to Iraq and blocked dangerous goods. IAEA completed first year of its first biennial budget using a results based budget approach. IAEA approved 61 Additional Protocols (on strengthened nuclear safeguards), 23 have entered into force, and one is being applied provisionally. The 2000 session of the UNGA First Committee reaffirmed the just-concluded Nuclear Non-Proliferation Treaty Review Conference and agreed on a moderate version of the New Agenda Group's proposals for nuclear disarmament that the U.S. could support. In July 2001, the UN-hosted conference on illicit trade in small arms and light weapons agreed on an action plan that emphasized strengthening export controls and stockpile management while avoiding inappropriate controls on civilian possession of certain weapons.

***Priority:** ECONOMIC PROSPERITY; SET STANDARDS AND ENABLE INTERNATIONAL COOPERATION. Consult and negotiate in international organizations regarding institutional, economic standards setting, and open market issues. Ensure that private sector interests are considered in relevant international organizations, where appropriate.*

Performance Goals: International organizations set standards and enable cooperation to stimulate the free flow of goods, services, and capital: (1) International Labor Organization (ILO) promotes respect for rights at work. Program and budgets include refined outlines of goals and indicators. (2) Private sector carriers allowed to participate in Universal Postal Union (UPU) governing body meetings and policy discussions. UPU reforms continue. (3) International Telecommunication Union (ITU) promotes market-based solutions and private sector engagement. ITU Secretary General's effectiveness strengthened. (4) World Intellectual Property Organization (WIPO) improves budgeting procedures. U.S. interests respected on intellectual property.

Indicators: A. Status of ILO and UPU activities. B. Reform that improves ITU efficiency and enhances private sector participation. C. Reform of WIPO. D. Consensus on WIPO's standards for Traditional Knowledge, Genetic Resources, and Folklore.

DIPLOMATIC & CONSULAR PROGRAMS

Progress (as of October, 2001): ILO reduced U.S. assessment from 25% to 22%, implemented strategic budget for 2000-01 biennium, established monitoring and evaluation rules, visited Burma to study forced labor, and welcomed program for Colombia. Through ILO, U.S. worked to promote implementation of Declaration on Rights at Work and supported elimination of child labor. ICAO conducted safety audits of virtually all 187 Member States over 3 years, and continues to play an important role in helping resolve the „hushkit" dispute with the European Union to prevent discrimination against U.S. aircraft. UPU Working Group achieved consensus on reform proposals. UPU approved inclusion of private-sector representatives in governing bodies, put in place new budgeting process, installed biennial budgeting, and made operational the Inspector General function. ITU Working Group achieved draft language to improve budget management. U.S. positions of Zero Nominal Growth in national assessments, increased efficiency, and fee reductions were incorporated into WIPO budget. Senate gave advice and consent to amended International Plant Protection Convention, subject to understandings in instrument signed by President.

Priority: ECONOMIC PROSPERITY; PROMOTE BROAD-BASED GROWTH. Consult and negotiate in international organizations regarding institutional reform and U.S. economic development issues, e.g., democratization, good governance, open markets, and globalization as keys to economic growth and prosperity. Continue promoting the greater effectiveness and improved coordination of development policies and programs by the UN Development Group (UNDG).

Performance Goals: A. Continued reform of and U.S. participation in international organizations and bodies that promote broad-based growth in developing and transitional economies. B. Effective and efficient programs in international organizations that advance U.S. economic development goals.

Indicator: Status of reform goals, and U.S. economic development goals not related to reform, e.g., 80% of UNDG countries have UN Development Assistance Frameworks (UNDAFs).

Progress (as of October, 2001): U.S. goals generally reflected in program strategies of UN Development Program (UNDP), World Food Program (WFP), International Fund for Agricultural Development, (IFAD), and UN Conference on Trade and Development (UNCTAD). UNDP Administrator consults with U.S. regularly. UNDG has been refining strategies on halving poverty by 2015 and promotion of girls' education, and continues work on harmonization of program cycles of UNDG members. As of November 2000, 93 countries had harmonized UN programming cycles. By end of 2004, 90% of qualifying program countries will have harmonized their cycles. 19 countries have completed UNDAFs and process is nearing completion in another 25. Food and Agriculture Organization (FAO) reduced U.S. assessment from 25% to 22%, and released a document detailing efficiency savings. New FAO Strategic Framework and Medium-Term Plan speak to decisions based on results. IFAD committed to reforms supporting greater transparency, and developed improved methods for measuring impact assessments. UNCTAD Least Developed Country (LDC) report pays greater attention to need for LDCs to create investment-friendly economic climate. UNCTAD used results-based budget.

Priority: DEMOCRACY; PROMOTE AND PROTECT DEMOCRACY AND HUMAN RIGHTS. Consult and negotiate in international organizations to advance human rights and democracy, e.g., by promoting core civil and political rights; highlighting human rights abuses; and providing assistance in human rights education, election monitoring, and good governance.

Performance Goal: Effective and efficient international organization bodies and programs which advance U.S. foreign policy and human rights goals.

Indicator: International organization activities and/or status of U.S. foreign policy and human rights goals, e.g., war crimes tribunals, votes/consensus on key U.S. objectives.

DIPLOMATIC & CONSULAR PROGRAMS

Progress (as of February, 2002): As of September 2001, the International Criminal Court for Former Yugoslavia had brought a total of 69 indictments (including Milosevic), proceedings were in progress for 43 accused/convicted persons, and 26 remained at large. As of February 2002, the International Tribunal for Rwanda had brought a total of 59 indictments, with 43 persons currently in custody, including 8 who have already been convicted. As for Sierra Leone, a Memorandum of Understanding with the UN on the special court was signed in Freetown in January and an American put forward to the UN as proposed prosecutor. As for Cambodia, legislation has passed creating an Extraordinary Chamber for Khmer Rouge crimes but work remains to be completed on the UN/Cambodia Memorandum of Understanding. U.S. neither stayed for the end of the World Conference Against Racism nor supported final Conference document because it had unacceptable references to Israel and situation in Middle East. U.S. was not re-elected to UN Commission on Human Rights (UNCHR); worked to focus UNCHR and UNGA on rights of individual; supported resolutions on democracy; supported resolutions concerning human rights abuses in Cuba, China, Iraq, Iran, and Sudan; supported investigations on Burma, Iraq, and Chechnya; supported American expert on Sub-Commission on Promotion and Protection of Human Rights; supported creation of Rapporteur on Indigenous Issues; and participated in preparations for Permanent Forum on Indigenous Issues and negotiations on Draft Declaration on Indigenous Rights.

Priority: HUMANITARIAN RESPONSE; ADDRESS EFFECTIVELY AND EFFICIENTLY HUMANITARIAN CRISES. Consult and negotiate in international organizations regarding institutional reform and U.S. humanitarian assistance policies, e.g., promoting greater burdensharing among donors; more effectively and efficiently addressing humanitarian crises by providing early warnings, assessments, coordination, and delivery mechanisms for humanitarian assistance.

Performance Goal: Reformed international organizations, procedures, and/or programs which advance U.S. humanitarian goals.

Indicators: A. Status of Oil-For-Food, WFP's emergency-response capability, and Global Disaster Information Network (GDIN). B. Number of donors in WFP's donor base.

Progress (as of October, 2001): Proposed „smart sanctions" on Iraq aimed at minimizing humanitarian impact. Other sanctions regimes designed to avoid significant humanitarian impact. Installation of web-based system for handling Oil-for-Food (OFF) program contracts completed. UN Office for Coordination of Humanitarian Affairs (OCHA) made improvements in the UN's coordination of humanitarian activities, including establishing OCHA office dealing with Internally Displaced Persons (IDPs) and designating a „lead agency" for IDPs in crises. New WFP donors include Argentina, Slovenia, and Portugal. WFP working with OCHA on refinement of Oslo Guidelines (military assets in humanitarian operations). WFP's Executive Board operates by consensus, within which it accorded considerable respect to U.S. views. GDIN partners delayed previously set goal of „Legally binding information-sharing agreements," in lieu of developing specific GDIN services, conducting needs survey, and making an incorporation plan.

Priority: GLOBAL ISSUES; IMPROVE HEALTH GLOBALLY. Consult and negotiate in international organizations regarding U.S. priority health issues, e.g., providing global surveillance and response for infectious diseases (e.g., polio, HIV/AIDS, TB), development of international partnerships and collaborations on health issues.

Performance Goal: Adoption by international organizations of efficient and effective strategies for addressing priority U.S. health concerns.

Indicators: A. South East Asia and Africa regions cut polio cases in half. B. Efforts on track to eliminate polio by 2005.

DIPLOMATIC & CONSULAR PROGRAMS

Progress (as of October, 2001): World Health Organization (WHO), with its international partners, continues to make progress in polio eradication in few remaining bastions of wild poliovirus, in order to certify the world polio-free in 2005. WHO and Pan American Health Organization committed to timely and quality advice and assistance to national health services, especially as they deal with HIV/AIDS and other disease outbreaks; and seek to strengthen epidemiological and laboratory surveillance as main defense against infectious disease spread. WHO adopted new scale of assessments, thus reducing U.S. assessment from 25% to 22%; adopted strategic approach to 2002-2003 budget; and began to make operational a system of program evaluation.

Priority: DIPLOMATIC ACTIVITIES; ENCOURAGE EQUITABLE U.S. REPRESENTATION IN INTERNATIONAL ORGANIZATIONS. Recruit U.S. applicants for international organization positions and consult with international organization secretariats regarding U.S. employment targets.

Performance Goal: Hiring of U.S. citizens by international organizations to achieve/maintain desired staffing levels, especially in target agencies.

Indicator: Number or percentage of American Citizens in posts subject to geographical distribution.

Progress (as of January, 2002): In the 7 UN agencies targeted, we met our goal in one (ILO); we did not meet our goal in five (ITU, ICAO, FAO, UN High Commissioner for Refugees, WHO); and staffing data from the UN is not yet in. The Department is stepping up its efforts to work with these UN agencies and other USG agencies to address this issue.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of International Organizations Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	273	62	12	347	$13,611	$31,108	$44,719
FY 2002 Estimate	281	62	12	355	$13,987	$33,238	$47,225
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($130)	$0	($130)
2002 American Cost-of-Living Adjustment	0	0	0	0	$36	$385	$421
Annualization of 2002 Hiring Increases	0	0	0	0	$91	$96	$187
American Cost-of-Living Adjustment	0	0	0	0	$63	$655	$718
FSN Wage	0	0	0	0	$96	$0	$96
Overseas Price	0	0	0	0	$108	$0	$108
Domestic Price	0	0	0	0	$73	$0	$73
Total Built-in Changes	0	0	0	0	$337	$1,136	$1,473
FY 2003 Current Services	281	62	12	355	$14,324	$34,374	$48,698
FY 2003 Request	281	62	12	355	$14,324	$34,374	$48,698

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of International Organizations Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**17**	**21**	**22**	**1**
Bureau Direction	13	17	18	1
Mission Direction	4	4	4	0
Public Diplomacy	**10**	**10**	**10**	**0**
Public Diplomacy - Program Costs	10	10	10	0
Conduct of Consular Relations	**3**	**3**	**3**	**0**
Overseas Visa Services	3	3	3	0
International Organization Relations	**214**	**212**	**213**	**1**
International Organization Representation	214	212	213	1
Political and International Security Representation	128	126	127	1
Economic Development and Trade Representation	64	64	64	0
Environment, Science, Education, and Health Representation	17	17	17	0
Refugee and Humanitarian Representation	5	5	5	0
Law Enforcement Cooperation	**5**	**5**	**5**	**0**
Diplomatic Security	**8**	**8**	**8**	**0**
Overseas Protection of Life	4	4	4	0
Overseas Protective Vehicles	4	4	4	0
Overseas Protection of Information	4	4	4	0
Technical and Procedural Protection of Information	4	4	4	0
Information Resource Management	**39**	**41**	**38**	**(3)**
Infrastructure Systems	31	33	31	(2)
ADP Communications and Message Centers	31	33	31	(2)
Office Automation	8	8	7	(1)
Other Office Automation	8	8	7	(1)
Domestic Administrative Support	**51**	**55**	**56**	**1**
Domestic Administrative Management	8	8	8	0
Domestic Financial Services	13	15	16	1
Domestic Personnel Services	9	10	10	0
Domestic General Services	21	22	22	0
Other Domestic General Services	21	22	22	0
Total	347	355	355	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of International Organizations Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$2,215**	**$2,459**	**$2,635**	**$176**
Bureau Direction	$1,726	$1,816	$1,906	$90
Mission Direction	$489	$643	$729	$86
Public Diplomacy	**$1,564**	**$1,644**	**$1,696**	**$52**
Public Diplomacy - Program Costs	$1,564	$1,644	$1,696	$52
Conduct of Consular Relations	**$409**	**$466**	**$555**	**$89**
Overseas Visa Services	$409	$466	$555	$89
International Organization Relations	**$25,353**	**$25,811**	**$26,148**	**$337**
International Organization Representation	$25,353	$25,811	$26,148	$337
Political and International Security Representation	$15,711	$15,784	$15,903	$119
Economic Development and Trade Representation	$6,915	$7,241	$7,301	$60
Environment, Science, Education, and Health Representation	$2,046	$2,126	$2,196	$70
Refugee and Humanitarian Representation	$681	$660	$748	$88
Law Enforcement Cooperation	**$607**	**$670**	**$757**	**$87**
Diplomatic Security	**$1,225**	**$1,404**	**$1,571**	**$167**
Overseas Protection of Life	$666	$733	$816	$83
Physical Security Protection of Life	$666	$733	$816	$83
Overseas Protection of Information	$559	$671	$755	$84
Technical and Procedural Protection of Information	$559	$671	$755	$84
Information Resource Management	**$4,587**	**$4,681**	**$4,851**	**$170**
Infrastructure Systems	$3,481	$3,537	$3,625	$88
ADP Communications and Message Centers	$3,481	$3,537	$3,625	$88
Office Automation	$1,106	$1,144	$1,226	$82
Other Office Automation	$1,106	$1,144	$1,226	$82
Overseas Administrative Support	**$2,733**	**$3,248**	**$3,273**	**$25**
International Cooperative Administrative Support Services (ICASS)	$2,733	$3,248	$3,273	$25
Domestic Administrative Support	**$6,026**	**$6,842**	**$7,212**	**$370**
Domestic Administrative Management	$1,204	$1,235	$1,325	$90
Domestic Financial Services	$1,522	$1,725	$1,815	$90
Domestic Personnel Services	$990	$1,183	$1,245	$62
Domestic General Services	$2,310	$2,699	$2,827	$128
Other Domestic General Services	$2,310	$2,699	$2,827	$128
Total	$44,719	$47,225	$48,698	$1,473

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of International Organizations Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**18**	**4**	**0**	**22**	**$1,004**	**$1,631**	**$2,635**
Bureau Direction	18	0	0	18	$683	$1,223	$1,906
Mission Direction	0	4	0	4	$321	$408	$729
Public Diplomacy	**4**	**2**	**4**	**10**	**$679**	**$1,017**	**$1,696**
Public Diplomacy - Program Costs	4	2	4	10	$679	$1,017	$1,696
Conduct of Consular Relations	**3**	**0**	**0**	**3**	**$236**	**$319**	**$555**
Overseas Visa Services	3	0	0	3	$236	$319	$555
International Organization Relations	**165**	**40**	**8**	**213**	**$5,377**	**$20,771**	**$26,148**
International Organization Representation	165	40	8	213	$5,377	$20,771	$26,148
Political and International Security Representation	105	17	5	127	$2,903	$13,000	$15,903
Economic Development and Trade Representation	45	16	3	64	$1,560	$5,741	$7,301
Environment, Science, Education, and Health Representation	10	7	0	17	$667	$1,529	$2,196
Refugee and Humanitarian Representation	5	0	0	5	$247	$501	$748
Law Enforcement Cooperation	**2**	**3**	**0**	**5**	**$256**	**$501**	**$757**
Diplomatic Security	**4**	**4**	**0**	**8**	**$755**	**$816**	**$1,571**
Overseas Protection of Life	4	0	0	4	$408	$408	$816
Physical Security Protection of Life	0	0	0	0	$408	$408	$816
Overseas Protective Vehicles	4	0	0	4	$0	$0	$0
Overseas Protection of Information	0	4	0	4	$347	$408	$755
Technical and Procedural Protection of Information	0	4	0	4	$347	$408	$755
Information Resource Management	**29**	**9**	**0**	**38**	**$1,197**	**$3,654**	**$4,851**
Infrastructure Systems	22	9	0	31	$822	$2,803	$3,625
ADP Communications and Message Centers	22	9	0	31	$822	$2,803	$3,625
Office Automation	7	0	0	7	$375	$851	$1,226
Other Office Automation	7	0	0	7	$375	$851	$1,226
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$2,619**	**$654**	**$3,273**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$2,619	$654	$3,273
Domestic Administrative Support	**56**	**0**	**0**	**56**	**$2,201**	**$5,011**	**$7,212**
Domestic Administrative Management	8	0	0	8	$474	$851	$1,325
Domestic Financial Services	16	0	0	16	$560	$1,255	$1,815
Domestic Personnel Services	10	0	0	10	$398	$847	$1,245
Domestic General Services	22	0	0	22	$769	$2,058	$2,827
Other Domestic General Services	22	0	0	22	$769	$2,058	$2,827
Total	281	62	12	355	$14,324	$34,374	$48,698

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of International Organizations Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for International Organ. Affairs	42	44	45	1
U.S. Mission to the UN	123	124	123	(1)
Political Affairs	2	2	2	0
Deputy Assistant Secretary for Policy, Public and Congressional Affairs	71	76	74	(2)
Deputy Assistant Secretary for Global Issues	35	35	37	2
Total	273	281	281	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of International Organizations Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for International Organ. Affairs	$6,178	$6,469	$7,332	$863
U.S. Mission to the UN	$12,418	$12,442	$12,640	$198
Political Affairs	$300	$323	$325	$2
Deputy Assistant Secretary for Policy, Public and Congressional Affairs	$9,023	$10,952	$11,050	$98
Deputy Assistant Secretary for Global Issues	$5,109	$5,209	$5,250	$41
Total	$33,028	$35,395	$36,597	$1,202

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of International Organizations Affairs Country and Post	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Switzerland, Geneva	38	10	48	39	9	48	39	9	48	0	0	0
Austria, Vienna	14	1	15	13	2	15	13	2	15	0	0	0
Canada, Montreal	4	0	4	4	0	4	4	0	4	0	0	0
France, Paris	1	0	1	1	0	1	1	0	1	0	0	0
Italy, Rome	4	1	5	4	1	5	4	1	5	0	0	0
Kenya, Nairobi	1	0	1	1	0	1	1	0	1	0	0	0
Total	62	12	74	62	12	74	62	12	74	0	0	0

FUNDS BY POST
($ in thousands)

Bureau of International Organizations Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Switzerland, Geneva	$7,774	$7,843	$7,956	$113
Austria, Vienna	$2,030	$2,057	$2,115	$58
Canada, Montreal	$488	$490	$520	$30
France, Paris	$292	$300	$325	$25
Italy, Rome	$913	$930	$955	$25
Kenya, Nairobi	$194	$210	$230	$20
Total	$11,691	$11,830	$12,101	$271

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of International Organizations Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$28,605	$30,518	$31,224	$706
1200	Personnel Benefits	$7,675	$8,230	$8,722	$492
2100	Travel & Trans of Persons	$1,055	$1,062	$1,099	$37
2200	Transportation of Things	$197	$167	$207	$40
2300	Rents, Comm & Utilities	$1,867	$1,931	$1,971	$40
2400	Printing & Reproduction	$334	$318	$339	$21
2500	Other Services	$3,647	$3,655	$3,709	$54
2600	Supplies and Materials	$554	$570	$614	$44
3100	Personal Property	$785	$774	$813	$39
Total		$44,719	$47,225	$48,698	$1,473

DIPLOMATIC & CONSULAR PROGRAMS

International Conferences

OVERVIEW STATEMENT

The Office of International Conferences, IO/OIC, provides a central source of funds to finance and monitor the United States' participation in multilateral conferences, including the travel, per diem and administrative costs of accredited U.S. State Department delegates, and the costs of conferences hosted by the United States. The basic objective of the office is to ensure that the United States is represented by the leanest and most efficient delegations that can be formed through the accreditation process to attain U.S. policy objectives through these vital diplomatic activities.

The Office of International Conferences continues to finance limited United States participation in some 450 meetings annually. These meetings include subjects and concerns in which the United States has very substantial interests such as the functioning of the U.N. system, including its principal elements, subsidiary bodies and specialized agencies; economic and energy issues; human rights; population; narcotics; natural resources; health research; and trade. In view of the key importance of the U.S./European relationship, the United States participates in a variety of meetings of the North Atlantic Treaty Organization (NATO) and the United Nations Economic Commission for Europe (ECE). The United States has a leading role in wide-ranging discussions on disarmament and nuclear-related matters. The United States also continues to promote and protect U.S. hemispheric interests through participation in the Organization of American States (OAS) and related organizations. The U.S. accomplishes similar goals in the Pacific basin through meetings of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Asia Pacific Economic Cooperation (APEC) forum, and the signatories of the Antarctic Treaty. It is expected that the United States will participate in some 450 conferences in FY 2003. This is a continuation of the FY 2002 level of activity. Major meetings that will involve substantial U.S. Government participation are the United Nations General Assembly, and the regular meetings of UN subsidiary and specialized agencies. These UN subsidiary and specialized agencies include the Economic and Social Council (ECOSOC) and its commissions, the World Health Organization (WHO), the Food and Agriculture Organization (FAO), the International Labor Organization (ILO), the International Telecommunications Union (ITU), the International Atomic Energy Agency (IAEA), the United Nations Conference on Trade and Development (UNCTAD), and the World Trade Organization (WTO). Other major meetings to be held in FY 2003 include the Organization of American States (OAS) General Assembly, and a Ministerial and four senior official meetings of the Asia Pacific Economic Cooperation (APEC).

The Department will continue to provide basic support, through the Office of International Conferences, for U.S. participation in international conferences and U.S. contributions to certain new or provisional organizations, with the goal of serving U.S. foreign policy objectives through multilateral diplomacy.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Office of International Conferences	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$3,534	$0	$3,534
FY 2002 Estimate	0	0	0	0	$5,264	$0	$5,264
FY 2003 Built-in Changes							
Domestic Price	0	0	0	0	$96	$0	$96
Total Built-in Changes	0	0	0	0	$96	$0	$96
FY 2003 Current Services	0	0	0	0	$5,360	$0	$5,360
FY 2003 Request	0	0	0	0	$5,360	$0	$5,360

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of International Conferences	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Public Diplomacy	**$189**	**$0**	**$0**	**$0**
Public Diplomacy - Program Costs	$189	$0	$0	$0
International Organization Relations	**$2,242**	**$3,967**	**$4,178**	**$211**
International Organization Representation	$2,242	$3,967	$4,178	$211
Domestic Administrative Support	**$1,103**	**$1,297**	**$1,182**	**($115)**
Total	$3,534	$5,264	$5,360	$96

FY 2003 Request
PROGRAM ACTIVITIES

Office of International Conferences	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
International Organization Relations	**0**	**0**	**0**	**0**	**$4,178**	**$0**	**$4,178**
International Organization Representation	0	0	0	0	$4,178	$0	$4,178
Domestic Administrative Support	**0**	**0**	**0**	**0**	**$1,182**	**$0**	**$1,182**
Total	0	0	0	0	$5,360	$0	$5,360

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of International Conferences	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Other Office of International Conferences	$3,534	$5,264	$5,360	$96
Total	$3,534	$5,264	$5,360	$96

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of International Conferences	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$391	$750	$780	$30
1200	Personnel Benefits	$13	$5	$6	$1
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$1,659	$2,200	$2,370	$170
2200	Transportation of Things	$4	$6	$8	$2
2300	Rents, Comm & Utilities	$1,000	$1,753	$1,844	$91
2400	Printing & Reproduction	$4	$2	$2	$0
2500	Other Services	$325	$450	$238	($212)
2600	Supplies and Materials	$61	$80	$89	$9
3100	Personal Property	$67	$8	$12	$4
3200	Real Property	$0	$0	$0	$0
3300	Investments and Loans	$0	$0	$0	$0
4100	Grants, Subsidies & Contrb	$10	$10	$11	$1
4200	INS Claims & Indemnities	$0	$0	$0	$0
9000	Other	$0	$0	$0	$0
9100	Unvouchered	$0	$0	$0	$0
Total		$3,534	$5,264	$5,360	$96

DIPLOMATIC & CONSULAR PROGRAMS

International Information Programs

OVERVIEW STATEMENT

American diplomacy must deal as effectively with foreign publics as it does with foreign governments. Reaching the right audience at the right moment with the right message is essential for the conduct of effective policy and action. The United States' ability to deal with crises, resolve conflicts, support global economic growth and pursue all international affairs strategic goals increasingly depends upon its ability to inform publics in other countries about our policies, explain their context and support advocacy by senior officials and embassy officers. This is the mission of the Office of International Information Programs (IIP).

In this new world of information, the factors affecting success of diplomatic initiatives are hardly limited to foreign ministries and embassies. Individuals and institutions – empowered by access to computers, networks, and endless amounts of and sources of information – can engage whole communities and even entire nations. Publics, NGOs, businesses, and even individuals have the ability to affect international affairs profoundly.

IIP understands these dynamics, and employs public diplomacy -- the art and science of engaging, informing and influencing publics around the world -- to provide a context for understanding U.S. policy, to help set the global agenda, to forge consensus on common approaches to global challenges, and to help shape the preferences of international actors.

To achieve the full potential of public diplomacy, IIP is committed to using cutting-edge technologies, teamwork, "best practices," and customer service to maximize the quality and effectiveness of its value to the implementation of U.S. foreign policy. IIP uses innovative information tools such as the Internet, digital videoconferencing, databases and multimedia resources. IIP engages millions of people directly -- in their own languages – on the themes and issues vital to American national interests. IIP is committed to providing information and services that are authoritative, relevant and timely; and to providing overseas opinion leaders with more complete context, and a balanced range of responsible U.S. opinion.

NATIONAL INTERESTS & GOALS

IIP implements all International Affairs Strategic Goals (IASG) by engaging international publics and encouraging support and cooperation with the U.S. through the use of information services and products. The only exception is the IASG providing support for Americans abroad, which is outside the IIP mandate. IIP initiatives are designed to provide context and a balanced range of responsible U.S. opinion, make the best use of technology, provide rapid-response capability to emerging crisis situations and have a long-term perspective. The IIP Web site, the official Department site for international users, is now widely recognized as the prime source for information on U.S. policy and perspective.

Priority: Regional stability - Strengthen the security of the United States and prevent instabilities from threatening the vital and important interests of the United States and its allies.

Performance Goal: Foster an international climate of opinion that promotes stability and resolution of conflicts; support information objectives of U.S. missions abroad with materials that are authoritative, relevant and timely.

Progress: A. The IIP Web page *Focus on Afghanistan* has been a primary agent since September 11 to convey U.S. policy for a peaceful, economically developed Afghanistan, with over a dozen items

added daily. Before the advent of the interim government in Afghanistan, a professional organization of Afghan carpet traders delivered information from this page (in an Embassy Islamabad publication) to Afghan carpet merchants in Peshawar. Secondary distribution was extensive, if impossible to measure. B. The electronic journal *U.S. National Security: The Bush Team* features statements on key policy areas by the Administration national security team and Members of Congress. C. Secretary Powell's April 3 statement on the EP-3 aircraft accident was posted, in English and Chinese, within an hour after delivery, giving the Chinese government access to it in Chinese at opening of business. The IIP Chinese language site received over 135,000 hits during that week. D. An IIP Web page is dedicated to the Nagorno-Karabakh peace process. E. A March 9-11 conference, co-sponsored by Embassy Bogotá and the leading national media of Colombia, featured two IIP speakers on the making of peace in Cartagena, highlighting the consensus among Colombian leaders on the need to reach a negotiated end to civil violence in Colombia. F. A new comprehensive IIP Web page is dedicated to Conflict Resolution and Peacekeeping. The electronic journal *Small Arms and Light Weapons: U.S. Policy and Views* was published for the July 2001 U.N. Conference on the Illicit Trade in Small Arms and Light Weapons. G. IIP is home to the interagency International Public Information (IPI) process that ensures USG readiness to employ the tools and strategies of international information in times of international crises. IPI's first official assignment was coordination of the campaign to counter Slobodan Milosevic' attempt to subvert the FRY elections in 1999. The IPI mechanism continues to engage in interagency strategic communication liaison, intensified since September 11, and provides reporting for Department senior management.

Priority: Democracy and Human Rights - Open political systems and societies to democratic practices, the rule of law, good governance and respect for human rights.

Performance Goal: Inform international publics about democracy and human rights policies and encourage support and cooperation with the U.S. through the use of information services and products that A. Strengthen the international framework for democracy and human rights policies. B. Project the truth in all public statements and documents, including investigations, official texts and transcripts and explanations of votes and other actions in multilateral for a. C. Project consistent USG positions with regard to past, present and future human rights abuses, regardless of violator. E. Foster international understanding for the fundamental nature of the rule of law, including the functioning of legislatures, constitutionalism, law enforcement and the administration of justice. F. Foster international understanding of the pivotal role of civil society in a fully functioning democracy, with emphasis on the need for effective civic education. G. Foster international understanding of the essential role of the electoral process in a democracy, projecting U.S. elections as an example of periodic elections that lead to peaceful change in elected officials.

Progress: A. The IIP Web page *The Rule of Law: War on Terrorism* was launched October 31, focusing on the legal basis for U.S. involvement in Afghanistan. A companion page links to Library of Congress Web site, Thomas, and to legislation related to the attack of September 11. B. The text of the First Lady's November 17 radio address and the Department's accompanying "Report on the Taliban's War Against Women" generated an impressive degree of engagement with governments, human rights groups, women's groups and others. All are incorporated into an IIP Web page *America's Commitment to Women* posted in December 2001 that focuses on Afghan women and the role of women in the Afghan interim government. C. A dedicated IIP Web page *Elections 2000* was a source of information for an international public striving to understand the U.S. elections and the unusual events that followed in the contested Florida results. D. In FY 2001, over a third of IIP's Speaker program resources focused on democracy issues. We anticipate this level of activity to continue, based on effectiveness reporting from the field and continued intense expression of interest on these critical issues of democratization. E. *The Democracy Papers*, 12 eight-page papers on democracy-building topics written by noted American scholars and compiled by IIP, are in circulation in several languages. Embassy Jakarta, alone, is translating and printing 500,000 copies. F. IIP presented a full perspective on U.S. positions on the controversial UN World Conference Against

Racism, Racial Discrimination, Xenophobia and Related Intolerance (WCAR) in Durban, which began late August, 2001. The IIP Web page *Race and Ethnic Diversity* provides an in-depth look at ethnic diversity, hate crimes, and racial profiling. G. The electronic journal *Religious Freedom As A Human Right* is tied to the annual *International Religious Freedom Report*, and includes articles exploring religious diversity in the U.S., and on the origins of religious freedom as a universally recognized human right.

Priority: Open Markets - Open world markets to increase trade and the free flow of goods, services, and capital

Performance Goal: A. Strengthen the international framework for open markets of goods, services and investment. B. Foster an international environment that encourages private sector competition. C. Support policy reforms to improve the environment for foreign investment in emerging markets. D. Integrate developing and transitional economies more fully into the world economic system. E. Promote liberalization of global transportation systems. F. Foster the liberalization of electronic commerce and international telecommunications regimes. G. Ensure the openness of international markets for new technologies, including biotechnology.

Progress: A. The IIP publication *Outline of the U.S. Economy*, released in February, is available in English, Arabic, French and Spanish. B. IIP created the official conference Web site for the November 9-14 Fourth WTO Ministerial in Doha, Qatar. C. The electronic journal *Trade In The Post-Doha Global Economy* brings together the views of key U.S. negotiators, Congress and scholars to discuss the major issues that will be negotiated over the next few years in the wake of the Doha round. An article from the journal appeared in Singapore's *Business Times*, the largest and most influential economic newspaper in Southeast Asia, occupying the entire op-ed page. The Mandarin-language version of the same article, enjoyed coverage a week earlier in Singapore's largest Chinese-language paper, *Lianhe Zaobao*.

Priority: Economic Development - Promote broad-based growth in developing and transitional economies to raise standards of living, and reduce poverty and corruption.

Performance Goal: A. Use assistance more effectively to promote growth. B. Reduce poverty. C. Encourage greater stability and self-reliance in developing economies. D. Promote market reform in transitional economies.

Progress: A. An IIP Web page is dedicated to the May 14-20 UN Conference on the Least Developed Countries (LDCs), with fact sheets to prepare for a series of conference sessions on issues of sustainable development. B. The electronic journal *Addressing Global Poverty* was released September 5. The theme running throughout the journal is the direct relationship between the effectiveness of external assistance to help alleviate poverty, and enacting the right policies in-country. C. IIP sent a team to Shanghai to cover the October 17-21 APEC meetings and President Bush's visit. The team provided on-site real time coverage enabling fast production, Web dissemination and electronic mailing. An innovation in summit coverage was a Web-based photo gallery of highlights from the event. Media reaction affirmed the effectiveness of the effort.

Priority: Environmental Protection - International treaties and agreements on oceans and environment that are science-based, protect national security, advance economic interests and foster environmental protection.

Performance Goal: A. Provide authoritative, contextual and timely information on a wide range of environmental issues: biodiversity; climate change; water resources; toxic chemicals, hazardous wastes and other pollutants; genetic crop resources and GMOs; living marine resources; and critical ecosystems – all emphasizing U.S. engagement in multilateral processes; promoting greater understanding of dynamic

linkage between environmental action and economic issues. B. Highlight opportunities for applications of emerging technology to address environmental challenges.

Progress: In the works are an electronic journal and dedicated Web page to support U.S. participation in the World Summit on Sustainable Development to be held in November 2002, stressing summit themes of rational decision making, open and responsive government, and the importance of complete, scientific knowledge of environmental conditions and the consequences of development.

Priority: Global Growth and Stability - Increase global economic growth and stability.

Performance Goal: A. Enhance world economic stability through increased international energy security cooperation. B. Increase food production in a sustainable manner. C. Promote debt restructuring agreements when necessary and appropriate to promote financial stability. D. Strengthen international financial institutions and the global financial architecture.

Progress: A. Since September 11, IIP's *Economic Issues* Web page has sought to reassure the world about global financial stability, with information on the Federal Reserve, the nation's air transportation system and global statements of assurance on monetary liquidity. B. *The USA at G8 Genoa* Web page features background, documents, texts and other materials on U.S. policy relating to the July 20-22 Summit and at associated meetings of G-7 finance ministers and G-8 foreign ministers. C. An IIP energy policy Web page, launched May 17, was designed to coincide with the administration's release of its new energy policy strategy. D. A July IIP digital videoconference on energy was the lead story the following day on the Canadian Broadcasting Corporation's (CBC) national news.

Priority: Free and Independent Media - Foster acceptance of the link between responsive governance and free, independent and effective journalism.

Performance Goal: A. Explain the benefits to society of an open, independent media. B. Help journalists improve their skills and abilities.

Progress: A. In the course of just five days in April, two IIP professionals-in-residence made substantial headway helping Yugoslavia rewrite the restrictive telecommunications law inherited from the Milosevic regime, moving forward the process towards new legislation. B. Several professionals-in-residence continue to conduct lively seminars on investigative reporting and a free press in the FYROM and Kosovo, despite security tensions in the region. C. A 2001 electronic journal explores how media ethics has evolved into a system of self-control that shapes the role of journalism in the American system, where government plays a minimal regulatory role. D. IIP continues to support Embassy Amman's media professional development program, launched in FY-2000 in response to widespread requests from Jordanian journalists. E. Five U.S Speakers conducted a workshop on "Strengthening Library Associations in the South Caucasus," in Tbilisi for librarians from Armenia, Azerbaijan and Georgia. F. *A Responsible Press Office:An Insider's Guide*, by Marguerite Sullivan, is a how-to publication for government leaders and public information specialists who want to create effective mechanisms of communication between the media and the government. Ms. Sullivan is an IIP U.S. Speaker Program participant to the new democracies of Eastern Europe, on topics of press office organization. This publication, in print and electronic versions, is available in English, Spanish, Albanian, Croatian, French, Romanian, Russian and Ukrainian.

Priority: HIV/AIDS, Tuberculosis and Other Infectious Diseases - Mobilize international initiatives and resources to reduce the spread of HIV/AIDS and other infectious diseases.

DIPLOMATIC & CONSULAR PROGRAMS

Performance Goal: A. Support international initiatives to gain political commitments that advance world health. B. Promote international agreements and broad collaborations against HIV/AIDS and other emerging infectious diseases. C. Strengthen developing country political commitment to capacity building in the public health infrastructure.

Progress: A. The May 11 Presidential announcement of a $200 million contribution to a global fund to fight HIV/AIDS and other infectious diseases was featured on several IIP Web pages. B. The IIP Web page dedicated to HIV/AIDS and other Infectious Diseases carried official materials and public statements from the U.S. delegation to the June 25-27 UNGASS, supplemented by IIP-produced background materials.

Priority: Mutual Understanding - Improve and strengthen U.S. bilateral and multilateral relations around the world by promoting better international understanding of U.S. society and values, between Americans and the peoples of the world.

Performance Goal: Provide information and speakers on American society and values, its literature, arts and culture, contributing to posts' efforts to inform and enrich understanding of the U.S. by key overseas opinion leaders and publics.

Progress: A. Over 80 posts ordered copies of the 1994 IIP poster show *Islam in America*, revived after September 11, for display in embassies, Information Resource Centers and other venues. The 17-panel show depicts religious practice, family life, education and community activities, and illustrates how Muslims adapt traditional practices to life in the U.S. Although produced seven years ago, its content is still current. B. The *Islam in the United States* Web page emphasizes strong Arab-American and Muslim-American support for the coalition anti-terrorism campaign, with significant focus on Muslim life in the U.S. Visuals include a photo essay on mosques in America. C. The electronic pamphlet: *Muslim Life in America* portrays Muslims as part of mainstream American life through colorful photos of Muslims at home, at work, at prayer, at school, and in the community. The pamphlet, launched November 2, also contains facts and figures on Muslim demographics in America, plus links to related Web sites. Top online search engines rank this electronic publication #2 out of 324,000 possible sites, when searching on the words "Muslims in America," #15 of 338,000 sites when typing the words "American Muslims," #1, #2, #3 (8 of the first 10 listings) of 325,000 when searching on the words "Muslim Life in America." A print version is now in production. D. IIP has released the fifth annual edition of *InfoUSA*. *InfoUSA* is an authoritative resource on CD-ROM and on-line, for international users seeking information about U.S. policies and American society, culture and political processes. The 2001 edition of the CD-ROM, which features a new chapter on civil rights, contains more than 600 megabytes of information, several hundred full text public domain documents and thousands of professionally reviewed links to Web sites. U.S. Embassies distribute 30,000 copies each year. The *InfoUSA* Web site receives 4,500 hits a day. E. The American Corners project was launched in October 2000 to make information about the U.S. more readily available to Russian audiences spread across 11 time zones. American Corners are embassy partnerships with local libraries and universities providing online and hard copy reference resources on the U.S., in places where such did not exist before. American corners serve as advocacy centers for the U.S., and are a nexus for English language training, educational advising programs, and information on doing business with the U.S. Each American Corner carries 1,000 books and reference works, several hundred CD-ROMs, and computers with online access. Six new American Corners augment the reach of IIP Information Resource Centers in Moscow, St. Petersburg and Vladivostok, as well as four additional full-service American Centers. F. Britannica.com has listed the electronic version of IIP's *Outline of American Literature* under their "Web's Best Sites" and has given it the highest rating -- four stars -- as a source of information on American literature.

Priority: Illegal Drugs - Reduce the entry of illegal drugs into the U.S.

DIPLOMATIC & CONSULAR PROGRAMS

Performance Goal: A. Explain U.S. policy. B. Encourage producing/transit countries to devote their own resources to achievement of international objectives and to understand the very substantial U.S. commitment to demand reduction. C. Highlight the environmental and social damage caused by the international narcotics industry. D. Identify and take actions to confront bribery and corruption that are often a part of the presence of the narcotics industry.

Progress: A. The Washington File and relevant IIP Web sites give extensive coverage each year to the release of the annual U.S. drug certification statement, this year on the 24 countries listed as major drug-producing or drug-transit countries. In anticipation of the report, IIP re-designed its Narcotics Web page as a model of its emerging new "corporate look." IIP and INL collaborate to assure that the President's message and the executive summary of the report are available to the field in both English and in translations as soon as released. Using the Internet as a delivery mechanism gives U.S. embassies access to electronically reproducible hard copy texts days earlier than through the Department's previous dissemination methods. B. The Spanish-language Internet version of the new pamphlet *The Andes Under Siege: Environmental Consequences of the Drug Trade* is now online, and is featured prominently on the IIP Spanish-language Plan Colombia Web page. It has enjoyed good placement and usage in Latin American media. The print version circulated in June.

Priority: Information/Communications - Strengthen international acceptance and development of an advanced telecommunications infrastructure as both a prerequisite for economic development and an indicator of social and political dynamism.

Performance Goal: A. Clarify the mutually supportive relationship between a modern telecommunications and information technology infrastructure and a more open and prosperous economy and society. B. Promote pro-competitive telecommunications policies. C. Support U.S. negotiating positions in the ITU and other international fora.

Progress: A. An Internet workshop for Yemeni NGOs introduced its participants to the potential of the Internet for promoting the role of NGOs and linking them with NGOs around the world. B. Senior news producers of the Pakistan Broadcasting Corporation (PBC) received an introduction to IIP Web pages and Embassy Islamabad's IRC online databases on August 1, 2001. The presentation focused on Internet-based research in broadcast journalism.

Priority: Weapons of Mass Destruction - Reduce the threat to the U.S, and its allies, posed by weapons of mass destruction (WMD)

Performance Goal: A. Increase the awareness of threats to the security of the U.S. and the world at large from WMDs. B. Foster an international climate of opinion that recognizes the need to deal with such threats in a new, post-Cold War context. C. Support policy reforms to improve international stability. D. Help to convince rogue states and other hostile actors that the U.S. is determined to take whatever steps are necessary to negate WMD and other threats. E. Promote a new conceptual framework for post-Cold War arms control and non-proliferation regimes.

Progress:, A. IIP provided high profile coverage to Secretary of Defense Donald Rumsfeld's focus on WMD at the 37th Munich Conference on Security Policy annual talks on Allied military policy. The Secretary's statement served as a guide for subsequent targeted digital videoconferencing. B. IIP gave context to Iraq's continued efforts to acquire WMD, and focused throughout the year on Iraqi under-spending on food, medicine, education, and key infrastructure, in the IIP *Crisis in Iraq* and Arabic language Web sites. IIP also highlighted the UN Secretary General's March 2 report to the Security Council on the current status of Iraq's use of oil for food funds. C. An IIP Web page

launched in October features material on anthrax as a biological weapon, and documents USG actions against the anthrax threat.

Priority: International Crime - Minimize the impact of international crime on the United States and its citizens.

Performance Goal: A. Explain U.S. negotiating positions. B. Support understanding of the need to harmonize national laws covering actions of international criminal groups. C. Increase understanding of the costs of international criminal activity in terms of achievement of national development objectives, both economic and political. D. Amplify and complement national and regional "cultural norms" to create a global consensus against international criminal activity.

Progress: A. The Fight Against Money Laundering, an IIP electronic and print journal issued in May, examines the scope of action being taken to contain this $1 trillion phenomena. B. Within a half-hour of the release of the Department's *Trafficking in Persons* report, IIP posted the introduction as a lead item on its international Web site followed soon thereafter by the full English version, and Arabic, Chinese, French, Russian and Spanish translations of the introduction and of regionally relevant country-specific reports. C. An IIP Speaker specializing in human trafficking, engaged some of Denmark's ablest human rights experts from government, law enforcement, NGOs and academia, just one day before the Danish Minister of Justice traveled to Palermo to sign the new UN protocol on trafficking. D. Two 2001 electronic journals focus, respectively, on the mechanics of the U.S. criminal justice system, and arresting transnational crime.

Priority: Counter-Terrorism - Reduce the number and impact of international terrorist attacks, especially on the United States and its citizens.

Performance Goal: A. Encourage enhanced awareness of the universal threat of terrorist groups. B. Strengthen international cooperation in support of counter-terrorism initiatives.

Progress: A. Since September 11, IIP initiatives have generated worldwide over 240 newspaper, 100 radio and 150 television interviews; over 300 placements of op-eds either signed or prepared for ambassadorial placement; and hundreds of placements of Washington File articles. Almost 60 U.S. Speakers have traveled abroad on IIP-funded programs addressing September 11-related issues and embassies have sponsored over 100 roundtables or panel discussions, frequent media roundtables, over 220 speeches and public addresses by ambassadors and other embassy officers, and over 80 DVCs. The *Network of Terrorism*, an IIP-produced print and electronic pamphlet, is now available in 36 languages and 1.3 million print copies are in circulation, making it one of the most widely read publications we have ever produced for international audiences. B. In a very short period of time, the IIP Web site shot to the top of most search engines (using "terrorism" as the search term) and has been cited by numerous print and on-line publications. The *U.S. News and World Report*'s Web site features the IIP Web site as one of five "reliable sites (that) add their own blend of knowledge to the mix of regular headlines." C. The IIP *Response to Terrorism* page was completely redesigned to meet the challenge of September 11, and all of IIP's main pages now link to it. D. Volume on IIP's language pages has increased, almost all of the additional content devoted to terrorism. Our Russian page doubled its output. The French and Spanish pages are translating 30-40 items a week. On September 21 alone, over 10,000 words were translated and transmitted in Spanish. E. The IIP electronic journal *Terrorism: Threat Assessment, Countermeasures and Policy* was produced in print form. F. A series of reports on the trial of the four defendants accused of bombing the American Embassies in Nairobi and Dar Es Salaam, gave heavy focus to due process at each stage of the New York trial. The IIP series was singled out by CNN and was heavily used by Arabic media. IIP also transmitted all official USG statements on the Lockerbie decision and full coverage, with explanatory detail for international users, of the arraignments of Zacarias Moussaoui and John Walker Lindh. IIP will pay

close attention to all September 11 related legal proceedings, explaining the U.S. judicial process for international publics.

Priority: Humanitarian Assistance - Provide humanitarian assistance to victims of crisis and disaster.

Performance Goal: Inform the international public about U.S. humanitarian assistance policies and actions, and the reasons why we seek their support and cooperation with U.S. efforts in this area. Effective information is provided to influential foreign decision-makers so they will make their own commitments to humanitarian assistance.

Progress: IIP has given wide publicity in all languages, including Dari and Pashto, to items on humanitarian conditions in Afghanistan. IIP Web page *The Plight of Afghanistan* was launched last May. This page and the updated IIP Humanitarian Assistance/Refugees page have become central dissemination points, in various languages, for information on U.S. humanitarian support to the Afghan people.

PROGRAM CHANGE JUSTIFICATION

Strengthen Web Content and Presentation

Specific Increase: $450,000
The increase will permit more innovative and competitive state-of-the-art capability and practices for the Department's international information delivery, to ensure USG policy, actions and perspective reach the right audiences, at the right time, in the right format. IIP must constantly keep abreast of the habits of its target users (critical international leaders and opinion makers), organize presentation of material to match those habits, and use the latest and most reliable technology for efficient delivery of that material. If we are to stay competitive in the marketplace of ideas, we must adopt modern state-of-the-art content management methods, to disseminate and repurpose IIP products, on demand. This initiative is known as "Liquid State."

This critical need applies to all International Affairs Strategic Goals served by IIP.

InfoUSA Translations

Specific Increase: $125,000
The increase will provide funding for the well-acclaimed and effective *InfoUSA* digital encyclopedia, and to establish Arabic, Chinese, French, Russian and Spanish language versions. It will help disseminate in-depth information about the U.S. to users we most want to reach.
InfoUSA is an excellent example of the use of new technologies to meet the goals of modern public diplomacy. A combined Internet and CD-ROM information product, *InfoUSA* contains thousands of pages of full text materials detailing U.S. laws, governance, education, society, and culture. Compiled by a team of IIP information specialists, *InfoUSA* is updated daily on the Internet. 30,000 CD-ROMs are distributed semiannually to users worldwide, and even in these numbers, is inadequate to meet current post demand. Recipients range from the executive branch and government ministries in many countries, academic institutions, NGOs and media recipients.

InfoUSA supports most IASGs, particularly the Department's Mutual Understanding goal, the extreme importance of which has only been reinforced by events of these past several months.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

International Information Programs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	263	17	0	280	$20,296	$22,781	$43,077
FY 2002 Estimate	265	18	0	283	$20,327	$24,230	$44,557
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($9)	$0	($9)
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$48	$48
2002 American Cost-of-Living Adjustment	0	0	0	0	$7	$281	$288
American Cost-of-Living Adjustment	0	0	0	0	$12	$478	$490
FSN Wage	0	0	0	0	$3	$0	$3
Overseas Price	0	0	0	0	$24	$0	$24
Domestic Price	0	0	0	0	$277	$0	$277
Global Inflation including Local Guard Program	0	0	0	0	$162	$0	$162
Total Built-in Changes	0	0	0	0	$476	$807	$1,283
FY 2003 Current Services	265	18	0	283	$20,803	$25,037	$45,840
FY 2003 Program Changes							
Information USA Translations	0	0	0	0	$125	$0	$125
Strengthen Web Content and Presentation	0	0	0	0	$450	$0	$450
Total Program Changes	0	0	0	0	$575	$0	$575
FY 2003 Request	265	18	0	283	$21,378	$25,037	$46,415

STAFF BY PROGRAM ACTIVITY
(positions)

International Information Programs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Public Diplomacy	**280**	**283**	**283**	**0**
Public Diplomacy - Program Costs	280	283	283	0
Total	280	283	283	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Information Programs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Public Diplomacy	**$43,077**	**$44,557**	**$46,415**	**$1,858**
Public Diplomacy - Program Costs	$43,077	$44,557	$46,415	$1,858
Total	$43,077	$44,557	$46,415	$1,858

FY 2003 Request
PROGRAM ACTIVITIES

International Information Programs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Public Diplomacy	**265**	**18**	**0**	**283**	**$21,378**	**$25,037**	**$46,415**
Public Diplomacy - Program Costs	265	18	0	283	$21,378	$25,037	$46,415
Total	265	18	0	283	$21,378	$25,037	$46,415

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

International Information Programs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Director	40	40	40	0
Information Technology Service	30	32	32	0
Geographic Liaison	94	94	94	0
Thematic Programs	99	99	99	0
Total	263	265	265	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

International Information Programs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Director	$7,204	$4,951	$5,091	$140
Information Technology Service	$8,837	$9,461	$9,750	$289
Geographic Liaison	$14,691	$16,264	$17,279	$1,015
Thematic Programs	$9,700	$11,081	$11,408	$327
Total	$40,432	$41,757	$43,528	$1,771

STAFF BY POST
(positions)

International Information Programs	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Cote d'Ivoire, Abidjan	1	0	1	1	0	1	1	0	1	0	0	0
Thailand, Bangkok	1	0	1	1	0	1	1	0	1	0	0	0
China, Beijing	1	0	1	1	0	1	1	0	1	0	0	0
Egypt, Cairo	0	0	0	1	0	1	1	0	1	0	0	0
Germany, Berlin	1	0	1	1	0	1	1	0	1	0	0	0
Brazil, Brasilia	1	0	1	1	0	1	1	0	1	0	0	0
Argentina, Buenos Aires	1	0	1	1	0	1	1	0	1	0	0	0
Pakistan, Islamabad	1	0	1	1	0	1	1	0	1	0	0	0
Nigeria, Lagos	1	0	1	1	0	1	1	0	1	0	0	0
Mexico, Mexico City	1	0	1	1	0	1	1	0	1	0	0	0
Russia, Moscow	1	0	1	1	0	1	1	0	1	0	0	0
Kenya, Nairobi	1	0	1	1	0	1	1	0	1	0	0	0
India, New Delhi	1	0	1	1	0	1	1	0	1	0	0	0
South Africa, Pretoria	1	0	1	1	0	1	1	0	1	0	0	0
Italy, Rome	1	0	1	1	0	1	1	0	1	0	0	0
Japan, Tokyo	1	0	1	1	0	1	1	0	1	0	0	0
Austria, Vienna	2	0	2	2	0	2	2	0	2	0	0	0
Total	17	0	17	18	0	18	18	0	18	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

International Information Programs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Cote d'Ivoire, Abidjan	$129	$136	$140	$4
Thailand, Bangkok	$161	$168	$173	$5
China, Beijing	$153	$160	$165	$5
Egypt, Cairo	$70	$106	$109	$3
Germany, Berlin	$153	$162	$168	$6
Brazil, Brasilia	$131	$136	$140	$4
Argentina, Buenos Aires	$120	$120	$124	$4
Pakistan, Islamabad	$141	$145	$149	$4
Nigeria, Lagos	$109	$114	$118	$4
Mexico, Mexico City	$121	$127	$131	$4
Russia, Moscow	$136	$143	$147	$4
Kenya, Nairobi	$127	$130	$134	$4
India, New Delhi	$148	$153	$158	$5
South Africa, Pretoria	$167	$177	$182	$5
Italy, Rome	$243	$256	$265	$9
Japan, Tokyo	$99	$105	$108	$3
Austria, Vienna	$437	$462	$476	$14
Total	$2,645	$2,800	$2,887	$87

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	International Information Programs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$17,359	$18,457	$19,083	$626
1200	Personnel Benefits	$6,058	$6,402	$6,616	$214
2100	Travel & Trans of Persons	$1,054	$1,057	$1,110	$53
2200	Transportation of Things	$48	$41	$43	$2
2300	Rents, Comm & Utilities	$950	$955	$1,004	$49
2400	Printing & Reproduction	$160	$163	$171	$8
2500	Other Services	$9,842	$9,859	$10,381	$522
2600	Supplies and Materials	$1,159	$1,159	$1,217	$58
3100	Personal Property	$2,185	$2,195	$2,306	$111
4100	Grants, Subsidies & Contrb	$4,262	$4,269	$4,484	$215
Total		$43,077	$44,557	$46,415	$1,858

DIPLOMATIC & CONSULAR PROGRAMS

Public Affairs

OVERVIEW STATEMENT

The Bureau of Public Affairs (PA) directs public affairs activities in the Department and provides information about the goals, development and implementation of U.S. foreign policy to the American people and foreign media. The Assistant Secretary for Public Affairs serves as the principal advisor to the Secretary, other senior Department officials, and other U.S. Government agencies on all public affairs, media relations, and information aspects of the Department's responsibilities to the U.S. public. The Assistant Secretary for PA also serves as the Department Spokesperson and conducts daily press briefings with support from the Press Office. The Bureau arranges contacts with Department officials and private citizens and groups through Washington conferences, briefings, and seminars, and through regional town meetings and media engagements across the country. PA ensures that broadcast and print media have the opportunity to interview Department experts about foreign policy developments. PA ensures that regional, national and foreign media of all types have the opportunity to hear directly from Department experts about foreign policy developments through interviews, special briefings, policy-specific articles, and productions. The PA Bureau also serves as a liaison between the Department and state and local government officials and responds to public inquiries and correspondence about foreign affairs issues.

PA develops public affairs strategies through its Office of Strategic Communications, and coordinates interagency public affairs activities with regional and functional bureaus on behalf of the Department. It coordinates Department publishing efforts and prepares and distributes Department of State public information about U.S. foreign policy via the Internet, CD-ROM, hard copy publications, and broadcast productions. The Bureau also publishes the *Foreign Relations of the United States* series, the official documentary historical record of major foreign policy decisions and significant diplomatic activity of the U.S. Government.

PA supports the Secretary and Department principals by approving and distributing all public statements, speeches, and congressional testimony by the Secretary, and reviewing all official statements by State principals. The Spokesman and PA staff travel with the Secretary to manage media relations. The Office of Press Relations coordinates and supports the Secretary's press conferences and photo opportunities; prepares the Spokesman for daily press briefings; approves and disseminates all State Department press releases; coordinates events held in the State Department's press briefing room; arranges for press travel with the Secretary of State; and explains US foreign policy positions to the press. The State Department personnel staffing the US Agency for International Development Press Office serve as Spokesman for the AID Administrator. PA also reviews unofficial manuscripts, speeches and presentations for Department personnel.

The Office of Regional Media Outreach facilitates and generates media interviews for officials throughout the Department with national and regional media; places articles authored by State Department officials, including the Secretary; and makes available radio actualities to radio news departments across the country. The Media Resource Unit, as part of this office, provides 24 hour media monitoring; tracks national, regional and specialty media for news reports or editorials based on interviews, briefings or other media interaction with State Department officials; and provides electronic news clips, magazine clips, wire stories, TV news summaries, transcripts and tapings. All products are available to the Secretary as well as other domestic bureaus and embassies worldwide.

PA staffs and operates three foreign press centers located in New York, Los Angeles, and Washington, DC. In addition, the staff works with locally initiated and funded international Press Centers in Atlanta, Chicago, Cleveland, Houston, and Seattle. The Centers facilitate resident and visiting foreign journalists in reporting

on U.S. Government policy and the American scene by offering briefings with senior U.S. Government officials and experts, organizing thematic tours, maintaining an international web site, and operating an information resource service as well as TV and radio production facilities.

The Bureau also includes the Office of Broadcast Services whose mission is to produce and facilitate audio-visual products and services in the U.S. and abroad for the purpose of explaining and supporting U.S. national interests. The office services the Department and posts with an international satellite network, web streaming, interactive broadcast television productions, TV specials, and assistance to international broadcasters, TV CO-OP documentaries, special events planning and summit media management. The Operations Unit provides production support at TV studios in Main State and the National Press Building and on remote locations.

NATIONAL INTERESTS & GOALS

Priority: GLOBAL ISSUES Broaden public understanding of foreign policy by strengthening our involvement with a national and worldwide network of government, community, business, and non-governmental organizations.

Performance Goal: A. Tap the "untapped" audiences to build a broader understanding and support for policies. Strategies: (1) Expand the use of the Internet to reach a younger and more technologically oriented audience. (2) Enhance education outreach. (3) Provide training opportunities through conferences. (4) Cultivate a new audience base through community organizations. (5) Overseas construction of exhibit space and public areas and further the development of the new U.S. Diplomacy Center museum. (6) Develop targeted outreach for key constituencies.

Indicators: A. Increase in number of hits on the Department's web site. B. Audio/Video on the Web. C. Increase in number of Department speaker engagements, increase in number of events/invitations nationwide. D. Feedback from audience surveys. E. Expand Non-Governmental Organization outreach and database. F. Develop teaching modules for use in classrooms. G. Launch a diplomacy museum fundraising campaign to supplement appropriated funds. H. Complete the content concepts for a diplomacy museum design phase. I. Implement a more focused regional outreach.

Progress (FY 2001): Web Site Activities: Redesigned the Department's primary website and added a content management system, increasing from approximately 1.2 to 2 million hits per week. Created a new front page to the web site that includes daily content updates and audio clip capability. Audio/Video on the Web and Electronic Media: Launched the Bureau's Web Streaming Pilot that will result in the ability to stream the daily briefing, special events, and interviews with Department Principals via Video News Releases. Utilized commercial television, such as MTV, to broadcast Secretary's appearances on national television. Outreach Activities: Designed outreach programs for over 250 Department speakers. Created the Digital Video Conference Program with major US Universities, to allow Senior Department officials to hold dialogue sessions with college students. Implemented the Hometown Diplomat Program, which allows Department personnel to share their experiences working in diplomacy with their hometown communities. Coordinated 23 town hall meetings across the country for Department Principals. Used focus groups to gather feedback for more effective outreach. Co-hosted 10 major in-house conferences/in-house programs; e.g. World Economic Forum, U.S. Senate Youth, Council of the Americas, American Academy of Diplomacy, and Association of American Universities. Arranged 200 in-house briefings for students and other groups. Held monthly NGO briefings, and expanded NGO database. Worked with the National Council of Social Studies to develop a curriculum and materials for use in classrooms, and a first module on terrorism. Historian's Office: Worked with the Bureau of Administration to finalize the architectural design of the museum, the United States Diplomacy Center, and worked with various experts to outline the content

of exhibits. Completed 7 volumes of the Foreign Relations of the United States. Worked toward publication of the documentary record of the Johnson, Nixon, and Ford administrations. Responded to hundreds of history and/or research related public inquiries each month. Anti-Terrorist Activities: More than 400 specific instances of outreach on the campaign against terrorism, both foreign and domestic, from interviews and briefings to addressing college classrooms and town hall meetings – about 5 events every single day.

Priority: DEMOCRACY Develop a public outreach program that focuses on directly engaging a larger audience base.

Performance Goal: A. Reach people more directly by by-passing the Washington filters. Strategies: (1). Increase outreach to the press and the general public via the Internet. (2) Educate the local media as a communication tool in expanding the Department's share of the information markets. (3) Take advantage of the national and foreign media as an access to a wider audience base. (4) Increase the Department's press coverage nation-wide.

Indicators: A. Increase in number of Internet interviews and chats with Department principals. B. Expansion of programs with foreign journalists and broadcasters. C. Increase in number of Department spokesperson and officials interactions with the local media.

Progress (FY 2001): Press Activities: Coordinated satellite media tours, allowing senior Department officials to appear on several different local TV news programs in back to back interviews. Facilitated press access to the Secretary during trips abroad. Conducted the Department's daily press briefing. Foreign Press Centers (FPC) and the Office of Broadcasting arranged for special media events such as the Inauguration and US hosted summits, such as Summit of the Americas and the Bush/Putin Crawford Summit. Provided pre-trip media coordination for White House/Presidential foreign travel. Foreign Media Activities: Hosted 21 Television Co-Operative projects in which foreign journalists and broadcasters come to America to film documentaries and interview Administration officials. The Foreign Press Center held over 100 special briefings to foreign press and media, and hosted 35 foreign journalist tours. Through our American Embassy Television Network (AETN), broadcast a total of 150 special events related to the Department's response to the coalition against terrorism. Broadcast Activities: Made substantial progress on completing the Department's broadcasting studio and briefing room that will allow for the transmission of facilitative, dialogue and special programming live from the Department. Provided global transmission to broadcasters and embassies of special events coverage for the White House, State Department and other government officials particularly on the war on terrorism programming. Provided daily live feeds of all press briefings for State, White House and other government agencies. Prepared video news release productions on humanitarian aid to Afghanistan, women in Afghanistan, etc. Co-produced with foreign broadcast outlets documentary programs on life in America, Muslims in America, and other topical issues.

Priority: GLOBAL ISSUES Support the Department by reaching a larger audience base, and find innovative approaches to engage the public in foreign policy matters through enhanced skills and abilities.

Performance Goal: A. Foster and reward creative initiatives by increasing training opportunities for public affairs personnel.

Indicator: A. Each bureau employee receives a specified number of hours of training per year.

Progress (FY 2001): The Bureau is conducting a skills assessment survey to identify categories of required training. This survey will be used to implement the most effective bureau wide training program that will focus on supporting a dynamic workforce that can meet the Department's outreach challenges.

DIPLOMATIC & CONSULAR PROGRAMS

PROGRAM CHANGE JUSTIFICATION

Public Diplomacy Efforts: $1,000,000

Television Co-Operatives, foreign journalist reporting tours, and special events support the Bureau's goal of reaching and influencing a more diverse overseas audience, through utilizing the foreign media as an access to these audiences. With the following increases, PA seeks to tap new audiences from which the Department can build a broader understanding and support for our policies.

Television (TV) Co-Operatives and Media Broadcast Projects ($500,000)
The Office of Broadcast Services seeks to host 15-20 TV Co-Ops and other media projects with foreign broadcasters during FY 2003. Documentary reports are produced from each Co-Op project that highlights a specific aspect of American life, culture or community. The documentaries are shown on national foreign television, and have historically received widespread coverage overseas. The average cost of each TV Co-Op is $25,000. This amount includes contractor support, grantee travel and per diem, and special equipment costs.

Foreign Journalist Tours ($300,000)
The Foreign Press Center seeks to host 5-6 issue based reporting tours for journalists in strategically important nations that have few or no U.S. based correspondents. The average cost per tour for a 10-14 day program for 8-12 journalists is approximately $50,000, with an additional $10,000 for interpretation services. The FPC seeks to host tours for journalists from the Middle East, the Balkans, and South Asia.

Special Events ($200,000)
The Office of Broadcast Services and the Foreign Press Center provide broadcast coordination and reporting assistance to foreign correspondents at special Presidential international events. The average cost to support each event is $50,000 to $60,000 for travel and per diem, satellite costs, and equipment relocation. The estimated $200,00 will cover 3-4 major events for which OBS and FPC will provide support in fiscal year 2003.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Public Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	205	0	0	205	$6,189	$14,206	$20,395
FY 2002 Estimate	209	0	0	209	$11,593	$16,120	$27,713
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($14)	$0	($14)
2002 American Cost-of-Living Adjustment	0	0	0	0	$1	$187	$188
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$72	$72
American Cost-of-Living Adjustment	0	0	0	0	$2	$318	$320
Domestic Price	0	0	0	0	$205	$0	$205
Total Built-in Changes	0	0	0	0	$194	$577	$771
FY 2003 Current Services	209	0	0	209	$11,787	$16,697	$28,484
FY 2003 Program Changes							
Public Diplomacy Efforts	0	0	0	0	$1,000	$0	$1,000
Total Program Changes	0	0	0	0	$1,000	$0	$1,000
FY 2003 Request	209	0	0	209	$12,787	$16,697	$29,484

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Public Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**201**	**184**	**184**	**0**
Bureau Direction	37	37	37	0
Mission Direction	85	64	64	0
Public Affairs	79	83	83	0
Information Resource Management	**4**	**25**	**25**	**0**
Infrastructure Systems	0	21	21	0
Voice Communications Programs	0	21	21	0
Office Automation	4	4	4	0
Other Office Automation	4	4	4	0
Total	205	209	209	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Public Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$18,023**	**$22,286**	**$23,499**	**$1,213**
Bureau Direction	$3,537	$4,107	$4,528	$421
Mission Direction	$7,735	$8,751	$9,254	$503
Public Affairs	$6,751	$9,428	$9,717	$289
Public Diplomacy	**$1,035**	**$1,153**	**$2,170**	**$1,017**
Public Diplomacy - Program Costs	$1,035	$1,153	$2,170	$1,017
Information Resource Management	**$1,337**	**$4,274**	**$3,815**	**($459)**
Infrastructure Systems	$0	$2,216	$2,190	($26)
Voice Communications Programs	$0	$2,216	$2,190	($26)
Office Automation	$1,337	$2,058	$1,625	($433)
Other Office Automation	$1,337	$2,058	$1,625	($433)
Total	$20,395	$27,713	$29,484	$1,771

FY 2003 Request

PROGRAM ACTIVITIES

Bureau of Public Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**184**	**0**	**0**	**184**	**$8,722**	**$14,777**	**$23,499**
Bureau Direction	37	0	0	37	$1,523	$3,005	$4,528
Mission Direction	64	0	0	64	$4,161	$5,093	$9,254
Public Affairs	83	0	0	83	$3,038	$6,679	$9,717
Public Diplomacy	**0**	**0**	**0**	**0**	**$2,170**	**$0**	**$2,170**
Public Diplomacy - Program Costs	0	0	0	0	$2,170	$0	$2,170
Information Resource Management	**25**	**0**	**0**	**25**	**$1,895**	**$1,920**	**$3,815**
Infrastructure Systems	21	0	0	21	$520	$1,670	$2,190
Voice Communications Programs	21	0	0	21	$520	$1,670	$2,190
Office Automation	4	0	0	4	$1,375	$250	$1,625
Other Office Automation	4	0	0	4	$1,375	$250	$1,625
Total	209	0	0	209	$12,787	$16,697	$29,484

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Public Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Public Affairs	20	20	20	0
Executive Office	18	18	18	0
Deputy Assistant Secretary for Press	64	64	64	0
Deputy Assistant Secretary for Public Liaison and IGA	64	68	68	0
Deputy Assistant Secretary for Public Information	39	39	39	0
Deputy Assistant Secretary for Strategic Communications and Planning	0	0	0	0
Total	205	209	209	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Public Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Public Affairs	$1,512	$1,791	$1,851	$60
Executive Office	$2,930	$2,969	$3,035	$66
Deputy Assistant Secretary for Press	$5,936	$7,466	$7,875	$409
Deputy Assistant Secretary for Public Liaison and IGA	$5,760	$8,277	$8,515	$238
Deputy Assistant Secretary for Public Information	$4,257	$7,210	$8,208	$998
Deputy Assistant Secretary for Strategic Communications and Planning	$0	$0	$0	$0
Total	$20,395	$27,713	$29,484	$1,771

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Public Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$11,216	$13,392	$13,961	$569
1200	Personnel Benefits	$3,567	$3,393	$3,415	$22
2100	Travel & Trans of Persons	$334	$723	$810	$87
2200	Transportation of Things	$9	$15	$15	$0
2300	Rents, Comm & Utilities	$413	$350	$387	$37
2400	Printing & Reproduction	$303	$260	$275	$15
2500	Other Services	$3,466	$8,559	$9,490	$931
2600	Supplies and Materials	$521	$350	$380	$30
3100	Personal Property	$566	$671	$751	$80
Total		$20,395	$27,713	$29,484	$1,771

DIPLOMATIC & CONSULAR PROGRAMS

Consular Affairs

OVERVIEW STATEMENT

The mission of the Bureau of Consular Affairs (CA) is to assist Americans abroad, facilitate international travel, and protect our borders pursuant to statutory mandates:

- To administer laws, formulate regulations and implement policies relating to the broad range of consular services provided to American citizens abroad;
- To issue passports to U.S. citizens; and
- To formulate and implement policies relating to immigration and to administer the provisions of the Immigration and Nationality Act as they relate to the Department of State in coordination with the U.S. Immigration and Naturalization Service.

NATIONAL INTERESTS & GOALS

Priority: Support U. S. citizens abroad and those concerned about them in the U. S.

Performance Goals: A. Prepare for and respond to crises abroad, aviation disasters, and other situations in which US citizens need consular services. B. Maintain information services to US citizens. C. Assist in the resolution of international parental child abduction cases. D. Develop and enhance databases to track all citizen services case activities. E. Implement Hague Convention on Intercountry Adoption. F. Work with U.S. federal, state, and local law enforcement authorities and foreign authorities to achieve compliance with consular notification and access provisions of Vienna Convention on Consular Relations and bilateral treaties.

Indicators: A. Availability of automated case-tracking systems. Consular information systems are accurate and available to users. B. Implementation of international conventions. Level of outreach to public and stakeholders.

Progress (as of January 2002): We deployed a Crisis Management module for use by task forces to improve service to Americans during crises. Following 9/11, we provided assistance to New York City officials dealing with the deaths of foreigners in the World Trade Center and staffed task forces to deal with Americans stranded overseas by the closure of US air space, setting up additional Task Force sites in the bureau. Running up to three training sessions per day, CA trained 250 employees on the use of the new case tracking system.

We kept Americans apprised of information that may affect their safety and security overseas by ensuring that posts' systems for contacting Americans abroad in a crisis were up-to-date and that accurate information was available, consistent with USG domestic information and conveyed to Americans overseas in a factual but non-alarmist manner. We issued 65 Travel Warnings, 120 Public Announcements, and 189 Consular Information Sheets. CA's web site received 117.9 million hits, 30.7 million more than in FY00. 90% of users found the information helpful. We held 69 briefings for stakeholder groups, including international student program participants, travel agents, and parents whose children were taken abroad by the other parent.

DIPLOMATIC & CONSULAR PROGRAMS

We handled approximately 1200 parental abduction and prevention cases. Assistant Secretary Ryan led a US delegation to the March 2001 Special Commission on the Practical Operation of the Hague Convention of 25 October 1980 on the Civil Aspects of International Child Abduction. The US/German bilateral working group on international parental child abduction (IPCA) met 3 times, resulting in improved access and return orders in new cases, and more German involvement in long-standing cases. We deployed an IPCA module to the Office of Children's Issues to improve their ability to track abduction cases and to work with other agencies to resolve them.

Data from the American Citizens Service (ACS) system (including US passports) at all consular posts worldwide is now transmitted in near-real time to a Consolidated Consular Database (CCD) in Washington and available via a web interface to Washington and consular managers. The latest ACS release includes improvements to arrest services, and the reporting functionality is facilitated through establishment of the CCD. We piloted a Consular Lost and Stolen Passport database.

We began implementation of the Inter-country Adoption Act of 2000 by working with subject and procedural experts on a contract basis, to draft proposed regulations. The contractor also held two public meetings to discuss the draft regulations. Coordinating with INS, we began work on a system to track adoptions. We led the US delegation to the November 2000 Hague Special Commission on the Practical Operation of the Hague Convention of 29 May 1993 on Protection of Children and Co-Operation in Respect of Intercountry Adoption. We issued over 19,500 visas worldwide to children being adopted from abroad. We worked to secure enactment of the Child Citizenship Act of 2000, giving automatic citizenship to foreign-born adopted children, and provided guidance to the field.

CA assumed responsibility for State's consular notification program aimed at improving compliance with the consular notification and access requirements of the Vienna Convention on Consular Relations and 165 bilateral consular conventions. In FY01, there were 4 Consular Corps briefings on consular notification, 11 law enforcement seminars, and 3 meetings with state and local officials. We sent 13,618 copies of our72-page instructional booklet on consular notification and accessto all 50 states, plus DC and Guam, and distributed 61,228 Pocket Cards summarizing the consular notification requirements. We began distributing an 11-minute video as a tool to educate government officials about the requirements. 59 copies were sent to 12 states. Following September 11, we worked with the Department of Justice to address concerns raised by foreign embassies regarding the large number of aliens detained on a variety of charges.

Priority: Timely and effective passport issuance, with document integrity assured.

Performance Goals: A. Issue passports in a timely and professional manner. B. Produce a more secure and tamper-resistant US passport by implementing a photodigitized passport and other enhancements.

Indicators: A. Timeliness of passport issuance. B. Produce a more secure and tamper-resistant US passport by implementing a photodigitized passport and other enhancements. C.Add staff to improve caseload ratios, service, and outreach to customers and stakeholders and to comply with Congressional mandates. D. Ensure that employees receive appropriate training

Progress (as of January 2002): In FY01, the domestic passport agencies issued 7.1 million passports. Overseas posts issued another 250,000 passports. The average wait time for in-person applications in 2001 was 25 to 46 minutes. Our work on hand during the three busiest months averaged 3.1 weeks, with the target being no more than 25 business days. We issued 1.9 million passports (27% of the total) within three days of receiving the applications. A primary reason for progress in service levels was our success in adding staff. The number of people on board at the end of the year was 17% higher than the previous year. Overtime hours worked decreased by almost 80% from the previous record year. Passport employees enrolled in more than 500 individual courses. We also scheduled on-site training, which enabled us to meet

our goal of training 40% of our staff during 2001. We continued to use technology to enhance both the security and efficiency of passport operations. The last six domestic passport-issuing offices received the new photodigitization passport issuance system that incorporates the use of printed digital photos and related security devices resulting in greatly improved passport security. We began to research ways to efficiently bring this new technology to overseas issuances. We completed implementation of PFMWeb, which provides employees nationwide with desktop electronic access to full-color digital images of passport records stored in Washington. We implemented the Passport Lookout Tracking System, which is designed to virtually replicate roughly 100,000 fraud files in real-time to any authorized user. We completed software to deploy the Consular Lost and Stolen Passport (CLASP) database system allowing posts abroad to enter losses and thefts of US passports. Since September 11, we have intensified efforts to improve electronic data sharing with other border security agencies (Customs, INS and APHIS). We enhanced our web site with a Passport Acceptance Facility Database searchable by zip code to help customers locate the nearest place to apply for a passport. In 2001, 352 post offices, libraries, and other state and local government offices signed up to accept passport applications, with a growing number also offering the option of on-site passport photos. We revised the *Passport Agent's Reference Guide* to keep the more than 5,300 passport-application acceptance facilities advised of changes in policy and procedure. We assisted over a dozen foreign countries in their efforts to improve their national passports and/or their internal controls over passport issuance. This has a direct and beneficial effect on the US visa process as well as US border security since improved passports are harder to alter and counterfeit.

Priority: Facilitate the travel and immigration to the U. S. of legitimate VISA applicants and the denial of VISAS to ineligible applicants.

Performance Goals: A. Meet demand for nonimmigrant and immigrant visas, accommodating workload increases resulting from new legislative mandates. B. Improve management of core consular functions, maximize technology, improve business practices, and ensure training of consular personnel. C. Share data with law enforcement and intelligence agencies and reduce the risk of illegitimate entry of aliens inimical to US interests by using all-source information from throughout the USG to identify foreign terrorists and criminals.

Indicators: A. Immigrant Visa Cases. Non-Immigrant Visa Cases. Service enhancements. B. Status of name check enhancements.

Progress (as of January 2002): The decrease in immigrant visa (IV) case numbers from 669,872 in FY00 to 628,762 in FY01 was due to the extremely heavy demand from INS for visa numbers to adjust the status of large numbers of aliens already in the US. The nonimmigrant visa (NIV) demand in FY01 reached 10,596,194 and was higher than projected, despite the disruption to international travel after 9/11. The Border Biometric Program processed 2,333,967 Border Crossing Cards. Since Congress did not extend the deadline on which Border Crossing Cards without biometric indicators expired, demand for new cards surged. The event that had the greatest impact on visa processing prior to September 11 was the passage of the Legal Immigration Family Equity Act, which created two new nonimmigrant visa categories. The first of these new visas was issued on April 1, 2001, and by the end of FY01 posts abroad had processed almost 34,000 of them.

Beginning in 1996, using funds derived from Machine Readable Visa fees, we undertook a major modernization of consular systems. By March 2001, all visa data collected abroad was being replicated to the Consular Consolidated Database (CCD). In May 2001, consular officers abroad gained access to the CCD. The details of visa issuance, once available only to the post taking action, are now available in real-time to all visa offices worldwide and consular management in Washington. This data and the associated digital photographs of NIV applicants proved to be critical to our ability to support the anti-terrorist task forces after September 11. As FY02 began, we had searched over 900 nonimmigrant visa records at the

request of federal law enforcement task forces investigating the terrorist attacks. Passport Services provided law enforcement with 305 records. We used facial recognition software to compare the photographs on the visa applications of the hijackers in the CCD against other visa photographs, but found no evidence that they had applied using different names. During FY 2001, we took steps to enhance the integrity of the nonimmigrant visa by developing a new, even more secure machine-readable visa (MRV).

The National Visa Center (NVC) processed 364,837 immigrant visa petitions during the fiscal year, and reviewed an additional 63,900 cases for the completeness of various supporting documents before sending the cases to consular sections abroad for action. NVC also enhanced border security by running approximately 1.67 million National Crime Information Center namechecks for various categories of immigrant and nonimmigrant visas. The Kentucky Consular Center (KCC), established to process the millions of pieces of mail received annually by the Diversity Visa "Lottery" program, began operation. The concept of both of these centers is to centralize critical processing functions in the United States to allow leaner operations to run at posts abroad. To ensure the availability of information needed for effective visa adjudication, we deployed facial recognition software to the Kentucky Consular Center to combat a problem of multiple Diversity Visa applications under assumed identities.

We developed and piloted at 3 sites a web-based system called INSAMS (INS Allocation Management System), with which INS officers can obtain authorization to use immigrant visa numbers around the clock. We coordinated with the Salt Lake Organizing Committee to develop and test a system called the Olympic Visa Information Database (OVID) to issue US visas electronically on Olympic and Paralympic Identity Cards for accredited participants in the 2002 Olympics.

Machine Readable Visa fees financed the salary and basic benefits of over 2,000 American employees who provide worldwide consular services. To cover staffing gaps and address increased workload worldwide, we have increased officer staff. We have also increased the number of WAE and other TDY assignments from 106 in FY00 to 235 in FY01 (person/years of assistance grew from 19 to 33 in the same period.) CA provided nearly 800 small-footprint computers to posts in FY01 for use in interview windows, making it possible for posts with minimal space to have easy access to online information when speaking to visa applicants. We initiated a deployment of stand-by Oracle servers to posts, providing a readily available back-up contingency in case of catastrophic server failure.

CA and FSI worked together to provide 21st Century management tools to consular employees. FSI provided training for consular personnel and supported FSI regional consular leadership and development conferences for mid-level officers. Consular trainers made 161 trips to posts for refresher training in automated systems. Using the consular Intranet home page, we have made up-to-date guidance and reference materials (including consular policy guides and training manuals) available to consular personnel. We also used the Intranet to facilitate long-distance interaction between posts and Washington and provide on-line training.

We re-issued two anti-fraud self-instructional guides for consular staff, and drafted another. We conducted four week-long fraud courses for consular personnel (an increase of 25%). CA's Office of Fraud Prevention Programs provided anti-fraud training at 8 conferences hosted by other Department entities. We provided basic training on fraud issues to approximately 500 new personnel who will be going overseas to adjudicate visas and passports. CA and posts worldwide put aside routine work for one day in January to focus on leadership and management issues.

We are working to widen the flow of information to relevant Federal Inspection Services. We deployed a pilot program to share limited non-immigrant visa data with INS inspectors at Newark and Miami and with

the INS forensic document lab, and are prepared to share all replicated non-immigrant visa files in the CCD as soon as INS is ready to receive them.

We enhanced the capabilities of the namecheck system by deploying a Russo-Slavic namecheck algorithm. Since February 2001, information on all lost and stolen foreign passports reported to State has been entered into the Consular Lookout and Support System (CLASS) and transmitted to the Interagency Border Inspection System (IBIS). We developed an e-form by which posts can report lost/stolen/missing foreign passports with US visas in them, resulting in a 500% increase in notifications. Transmission of information on lost and stolen US passports to IBIS began in London. We enhanced Diplomatic Security's connection to CLASS to provide support for increasing security needs. Washington-based agents now have desktop access to CLASS.

We have long sought "serious violator" data from the US Customs Service and gained final agreement with Customs for the transfer of approximately 18,000 lookouts beginning in early in FY02. The lookouts come from Customs through its direct electronic link to IBIS. CLASS already transmits its most serious lookouts electronically to IBIS for use by INS and other border inspection agencies.

In FY01, Canada with which we have shared terrorist lookout information since 1998, began reciprocal sharing via the TIPOFF, a counter-terrorism tool maintained by the Bureau of Intelligence and Research (INR) utilizing sensitive intelligence and law enforcement information contributed by the CIA, NSA and FBI to watchlist known or suspected terrorists. TIPOFF can add lookouts directly to the CLASS namecheck database, where they are immediately available to Foreign Service posts worldwide. TIPOFF records currently comprise over 48,000 of the 5.8 million entries on aliens in the CLASS system. A subset of these entries, held to a higher standard of biographic data, is also entered in the IBIS port-of-entry namecheck system, operated by INS and Customs. There are over 23,000 TIPOFF entries in IBIS. In FY01, preliminary figures indicate that there have been 178 true TIPOFF hits for visa applicants checked through CLASS. Of those, 81 were denied, 14 abandoned their applications, and four withdrew applications. There was insufficient information in the other cases to make a finding of ineligibility under Section 212 (a)(3)(B) of the Immigration and Nationality Act. TIPOFF (via the IBIS system) yielded 86 true hits from the terrorism database at ports of entry in FY01. Of these, 38 of the individuals in question were denied entry, and one was arrested. Three were paroled for operational reasons, and 23 were questioned and admitted. There was insufficient information in the other cases to deny admission.

The terrorist attacks of September 11 caused other agencies to share a great deal of information regarding terrorists with State. The number of TIPOFF entries into CLASS ranged from 256 to 364 in June through August 2001. In September, 990 entries were made. In early FY02, the President directed the creation of an interagency Foreign Terrorist Tracking Task Force (FTTTF) to institutionalize the information sharing process. State is working closely with the FTTTF and the Homeland Security Council on this issue and others related to US border security.

Again this year, we worked with the Department of Justice (INS and FBI) on legislation that would give consular and immigration officers access to certain crime information. We were not successful in having a bill introduced until after September 11. This and other provisions we had sought were included in the USA PATRIOT Act, enacted early in FY02. Consular officers now will have access to certain law enforcement and intelligence information that will aid in efforts to keep terrorists and other criminals out of the United States.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Consular Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	242	0	0	242	$18,077	$25,650	$43,727
FY 2002 Estimate	249	0	0	249	$18,820	$27,326	$46,146
FY 2003 Built-in Changes							
2002 American Cost-of-Living Adjustment	0	0	0	0	$31	$317	$348
American Cost-of-Living Adjustment	0	0	0	0	$54	$539	$593
Domestic Price	0	0	0	0	$296	$0	$296
Total Built-in Changes	0	0	0	0	$381	$856	$1,237
FY 2003 Current Services	249	0	0	249	$19,201	$28,182	$47,383
FY 2003 Request	249	0	0	249	$19,201	$28,182	$47,383

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Consular Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**16**	**16**	**16**	**0**
Bureau Direction	8	8	8	0
Public Affairs	8	8	8	0
Conduct of Consular Relations	**226**	**233**	**233**	**0**
Domestic Passport Services	70	70	70	0
Overseas Visa Services	40	40	40	0
Overseas Citizens Services	65	65	65	0
Overseas Consular Management	51	58	58	0
Total	242	249	249	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Consular Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,696**	**$2,001**	**$2,060**	**$59**
Bureau Direction	$848	$998	$1,027	$29
Public Affairs	$848	$1,003	$1,033	$30
Conduct of Consular Relations	**$42,031**	**$44,145**	**$45,323**	**$1,178**
Domestic Passport Services	$10,724	$11,263	$11,577	$314
Overseas Visa Services	$12,235	$12,547	$12,849	$302
Overseas Citizens Services	$8,495	$9,183	$9,448	$265
Overseas Consular Management	$10,577	$11,152	$11,449	$297
Total	$43,727	$46,146	$47,383	$1,237

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Consular Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**16**	**0**	**0**	**16**	**$250**	**$1,810**	**$2,060**
Bureau Direction	8	0	0	8	$122	$905	$1,027
Public Affairs	8	0	0	8	$128	$905	$1,033
Conduct of Consular Relations	**233**	**0**	**0**	**233**	**$18,951**	**$26,372**	**$45,323**
Domestic Passport Services	70	0	0	70	$3,654	$7,923	$11,577
Overseas Visa Services	40	0	0	40	$8,322	$4,527	$12,849
Overseas Citizens Services	65	0	0	65	$2,091	$7,357	$9,448
Overseas Consular Management	58	0	0	58	$4,884	$6,565	$11,449
Total	249	0	0	249	$19,201	$28,182	$47,383

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Consular Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Consular Affairs	8	8	8	0
Public Affairs and Policy Coordination	8	8	8	0
Office of the Executive Director	51	58	58	0
Deputy Assistant Secretary for Passport Services	70	70	70	0
Deputy Assistant Secretary for Visa Services	40	40	40	0
Deputy Assistant Secretary for Overseas Citizens Services	65	65	65	0
Total	242	249	249	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Consular Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Consular Affairs	$848	$998	$1,027	$29
Public Affairs and Policy Coordination	$848	$1,003	$1,033	$30
Office of the Executive Director	$10,577	$11,152	$11,449	$297
Deputy Assistant Secretary for Passport Services	$10,724	$11,263	$11,577	$314
Deputy Assistant Secretary for Visa Services	$12,235	$12,547	$12,849	$302
Deputy Assistant Secretary for Overseas Citizens Services	$8,495	$9,183	$9,448	$265
Total	$43,727	$46,146	$47,383	$1,237

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Consular Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$21,389	$22,569	$23,253	$684
1200	Personnel Benefits	$6,608	$7,078	$7,297	$219
2100	Travel & Trans of Persons	$658	$698	$712	$14
2200	Transportation of Things	$15	$94	$96	$2
2300	Rents, Comm & Utilities	$3,971	$3,018	$3,079	$61
2400	Printing & Reproduction	$636	$943	$962	$19
2500	Other Services	$8,394	$10,143	$10,348	$205
2600	Supplies and Materials	$604	$716	$731	$15
3100	Personal Property	$1,327	$755	$770	$15
3300	Investments and Loans	$125	$132	$135	$3
Total		$43,727	$46,146	$47,383	$1,237

FY 2003 Request
Machine Readable Visas Processing Fees

SUMMARY STATEMENT

Bureau of Consular Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	990	0	0	990	$212,145	$50,316	$262,461
FY 2002 Estimate	1,026	0	0	1,026	$262,973	$55,551	$318,524
FY 2003 Current Services	1,026	0	0	1,026	$262,973	$55,551	$318,524
FY 2003 Program Changes							
Adjustments for New Positions	28	0	0	28	$51,823	$3,216	$55,039
Total Program Changes	28	0	0	28	$51,823	$3,216	$55,039
FY 2003 Request	1,054	0	0	1,054	$314,796	$58,767	$373,563

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
Visa Fingerprint Fees

SUMMARY STATEMENT

Bureau of Consular Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$217	$0	$217
FY 2002 Estimate	0	0	0	0	$350	$0	$350
FY 2003 Current Services	0	0	0	0	$350	$0	$350
FY 2003 Program Changes							
FY03 Workload Increase	0	0	0	0	$950	$0	$950
Total Program Changes	0	0	0	0	$950	$0	$950
FY 2003 Request	0	0	0	0	$1,300	$0	$1,300

FY 2003 Request
Diversity Lottery Fees

SUMMARY STATEMENT

Bureau of Consular Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$3,199	$0	$3,199
FY 2002 Estimate	0	0	0	0	$4,200	$0	$4,200
FY 2003 Current Services	0	0	0	0	$4,200	$0	$4,200
FY 2003 Program Changes							
FY 2003 Increase	0	0	0	0	$200	$0	$200
Total Program Changes	0	0	0	0	$200	$0	$200
FY 2003 Request	0	0	0	0	$4,400	$0	$4,400

DIPLOMATIC & CONSULAR PROGRAMS

Under Secretary for Management

OVERVIEW STATEMENT

The Under Secretary for Management (M) serves as the principal advisor to the Secretary of State on all matters involving the allocation of State Department resources including forward planning and control of positions, funds, and other worldwide Department resources in support of the President's foreign policy objectives. The Under Secretary is also directly responsible for the overall management of the Department's major support operations (e.g., security, personnel, finance, information systems, consular affairs, foreign buildings, and administrative operations).

In addition, the Under Secretary coordinates and negotiates management issues with other agencies. M works directly with the Office of Management and Budget on resource requirements and with the President's Management Council on administration initiatives and interagency coordination. The Under Secretary also has direct line responsibility for several bureaus and related offices (Administration, Consular Affairs, Diplomatic Security, Resource Management, Information Resource Management, the Office of Equal Opportunity and Civil Rights, and Human Resources). M's FY 2002 and 2003 priorities are: continue to improve the security of US Government personnel and facilities overseas; accelerate the replacement or upgrades of elements of our overseas posts' infrastructure including buildings and information systems; and improve the ability of the Department to recruit, properly train, and retain talented employees.

NATIONAL INTERESTS & GOALS

The Under Secretary for Management pursues four major initiatives: (1) People, (2) Technology, (3) Security, and (4) Facilities.

Through an extremely successful recruitment campaign, more than 23,500 applicants registered for the September 2001 Foreign Service Written Exam. This is the highest number since the mid-1980s. Our new recruits better reflect the diversity of our country with nearly 17% of those who passed the September exam being members of minority groups. We have also improved Civil Service recruitment by creating new web-based recruiting tools. Once we identify the best people, we will bring them on more quickly. For Foreign Service recruits, for instance, we have reduced the time from written exam to entry into service from 27 months to less than a year.

In September 2001 we opened a childcare center at the National Foreign Affairs Training Center (NFATC). It enables employees and spouses to take advantage of the training necessary to be successful in overseas assignments.

We have completed the pilot of our OpenNet Plus Project to put a modern Sensitive but Unclassified system with Internet access, on every desktop. We will provide web access to the desktop of every State employee by mid-FY 2003. We will also give every post classified connectivity and e-mail by FY 2004.

No area is more critical than security, particularly the security of our missions abroad, which face the threat of terrorism, espionage, cyber terrorism, transnational crime and other issues which may threaten our interests. State set up its first ever Management Task Force to respond to the many logistical issues raised in the aftermath of the September 11 attacks. The M Task Force closed down in November and was succeeded by the still functioning Chem/Bio Working Group. State received funding from the Emergency Supplemental Appropriations Act to meet our response and security needs, including funding for medical

response, terrorism rewards, evacuations, emergency communications, hiring 203 additional security agents, and strengthening our domestic and overseas facilities against terrorist threats.

One of our most important efforts in the war against terrorism was countering the threat from anthrax. In the fall of 2001, State suffered one case of inhalational anthrax (the individual was hospitalized, treated and released); dealt with six domestic and overseas confirmed cases of anthrax contamination; investigated 140 suspicious incidents around the world; provided antibiotics to more than 1,000 employees who were at risk for exposure; and answered thousands of phone calls and e-mails from concerned employees. The Office of Medical Services (MED) negotiated previously uncharted territory with regard to health issues. MED had presciently purchased and pre-positioned emergency antibiotics before the anthrax crisis occurred, facilitating a quick response when the need arose. The Bureaus of Administration and Diplomatic Security were also key to our response, ensuring the safety of our mail and pouch service while getting the system back up and running as quickly as possible.

The Bureau of Consular Affairs was also vital to our efforts. It worked with the City of New York and foreign governments to facilitate issuance of death certificates for foreign victims of the September 11 attacks; provided information to foreign governments regarding crime services and compensation programs for foreign victims; implemented measures to scrutinize applications for nonimmigrant visas more closely to ensure that visas are not issued to individuals who might enter the United States to threaten our national security; and worked with other national security agencies to obtain necessary information.

The M bureau restructured the Office of Foreign Buildings Operations as the new Overseas Building Office (OBO), headed by an assistant secretary equivalent. OBO has developed a long-range plan covering major facility requirements through FY 2007. It has also developed a standard embassy design concept for small, medium, and large embassies. This concept will reduce costs while speeding up construction and enhancing quality.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Under Secretary for Management	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	34	0	0	34	$1,162	$3,398	$4,560
FY 2002 Estimate	34	0	0	34	$2,557	$4,116	$6,673
FY 2003 Built-in Changes							
2002 American Cost-of-Living Adjustment	0	0	0	0	$1	$48	$49
American Cost-of-Living Adjustment	0	0	0	0	$2	$81	$83
Domestic Price	0	0	0	0	$44	$0	$44
Total Built-in Changes	0	0	0	0	$47	$129	$176
FY 2003 Current Services	34	0	0	34	$2,604	$4,245	$6,849
FY 2003 Request	34	0	0	34	$2,604	$4,245	$6,849

STAFF BY PROGRAM ACTIVITY
(positions)

Under Secretary for Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**34**	**34**	**34**	**0**
Department Direction	34	34	34	0
Total	34	34	34	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Under Secretary for Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$4,335**	**$6,412**	**$6,584**	**$172**
Department Direction	$4,335	$6,412	$6,584	$172
Information Resource Management	**$225**	**$261**	**$265**	**$4**
Infrastructure Systems	$100	$86	$90	$4
Voice Communications Programs	$100	$86	$90	$4
Office Automation	$125	$175	$175	$0
Other Office Automation	$125	$175	$175	$0
Total	$4,560	$6,673	$6,849	$176

FY 2003 Request

PROGRAM ACTIVITIES

Under Secretary for Management	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**34**	**0**	**0**	**34**	**$2,339**	**$4,245**	**$6,584**
Department Direction	34	0	0	34	$2,339	$4,245	$6,584
Information Resource Management	**0**	**0**	**0**	**0**	**$265**	**$0**	**$265**
Infrastructure Systems	0	0	0	0	$90	$0	$90
Voice Communications Programs	0	0	0	0	$90	$0	$90
Office Automation	0	0	0	0	$175	$0	$175
Other Office Automation	0	0	0	0	$175	$0	$175
Total	34	0	0	34	$2,604	$4,245	$6,849

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Under Secretary for Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Under Secretary for Management	14	11	11	0
White House Liaison	3	3	3	0
Management Policy and Planning	17	20	20	0
Ambassador's Fund	0	0	0	0
Total	34	34	34	0

Note: Certain resources (positions and funds) currently displayed within the Office of Management Policy and Planning are being realigned to the Bureau of Resource Management as part of the reorganization of budget and planning authorities to achieve organizational unity with respect to financial management, strategic planning, and budget activities within the Department of State.

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Under Secretary for Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Under Secretary for Management	$2,308	$1,887	$1,967	$80
White House Liaison	$324	$499	$502	$3
Management Policy and Planning	$1,928	$3,287	$3,380	$93
Ambassador's Fund	$0	$1,000	$1,000	$0
Total	$4,560	$6,673	$6,849	$176

Note: Certain resources (positions and funds) currently displayed within the Office of Management Policy and Planning are being realigned to the Bureau of Resource Management as part of the reorganization of budget and planning authorities to achieve organizational unity with respect to financial management, strategic planning, and budget activities within the Department of State.

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Under Secretary for Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$2,629	$3,177	$3,285	$108
1200	Personnel Benefits	$856	$1,036	$1,069	$33
2100	Travel & Trans of Persons	$71	$150	$158	$8
2300	Rents, Comm & Utilities	$186	$205	$213	$8
2400	Printing & Reproduction	$22	$59	$63	$4
2500	Other Services	$432	$758	$769	$11
2600	Supplies and Materials	$53	$62	$62	$0
3100	Personal Property	$311	$226	$230	$4
4100	Grants, Subsidies & Contrb	$0	$1,000	$1,000	$0
Total		$4,560	$6,673	$6,849	$176

DIPLOMATIC & CONSULAR PROGRAMS

Resource Management

OVERVIEW STATEMENT

The Bureau of Resource Management (RM) administers and oversees the Department's financial management and budget infrastructure. Within this new Bureau, the Department has integrated its strategic, budget, and performance planning and execution functions in order to enhance its financial management capabilities. The Department's Chief Financial Officer and Assistant Secretary for Resource Management is the primary architect of the structures which support strategic and program planning and budgeting for U. S. Foreign Assistance Programs and for State Department programs and operations.

The Bureau provides financial services to all Department entities and to most agencies overseas. These services are critical to the Department's ability to advance U.S. international affairs interests, including other USG agencies represented abroad. The Financial Service Centers (FSCs) – located in Charleston, South Carolina, Bangkok, Thailand, and Paris, France – provide critical support to the financial needs of 260 posts and 250 USG agencies serviced abroad. The expansion of FSC Charleston and integration of overseas and domestic financial services, planned for the next few years, is designed to achieve economies of scale and improve the effectiveness and efficiency of the Department's financial operations and systems.

NATIONAL INTERESTS & GOALS

Priority: Budget and Performance Integration

Performance Goals: Integrate the functions of S/RPP and M/P to create an integrated budget and planning infrastructure that will support DOS managers in their efforts to make performance-oriented resource decisions. Support cost-effective International Affairs Strategic Planning through continued efforts to coordinate the Secretary's foreign policy objectives with other agencies. Measure and evaluate performance within the Department's budget framework. Consolidate the strategic planning budgeting, and reporting for State bureaus and posts together with other foreign affairs agencies into a single automated system of management information.

Indicators: Mechanisms are in place that support resource decisions based on stated goals, priorities, benchmarks, and results. Central Financial Planning System (CFPS) is developed and implemented. Status of multi-year intelligence related bureau program planning. Status of joint program planning with the national security community.

Priority: Improve Financial Performance

Performance Goals: Complete development and deployment of the Regional Financial Management System (RFMS). Upgrade CFMS (Central Financial Management System), the Department's core accounting system, to the next generation of Commercial Off-the-Shelf (COTS) financial management system. Integrate RFMS and CFMS. Improve timeliness, usefulness, and reliability of financial information. RM continuously works to reduce erroneous and delinquent payments.

Indicators: The implementations of RFMS, Fixed Asset System, Core Accounting System Upgrade, and separate development network (FMS) are on target. Length of time to close books after end of fiscal year* [*achieving 7 day closing goal improbable until RFMS is fully implemented by end of 2003]. Timely issuance of audited financial statements. Unqualified opinion (clean) on audited financial statements. Timely submission of an accurate FACTS report to Treasury. Timely issuance of Accountability Report.

Accountability report receives AGA Certificate of Excellence in Accountability Reporting. IT systems are fully compliant with Federal requirements. Material weaknesses and reportable conditions cited in Independent Auditor's Report removed. All material differences are reconciled on a monthly basis. Reliable budget and accounting information such as obligations and outlays are readily available for all accounts.

Priority: Quality Financial Management and customer service.

Performance Goals: The expansion of FSC Charleston and integration of overseas and domestic financial services is designed to achieve economies of scale and to improve the effectiveness and efficiency of the Department's financial operations and systems. RM will continue to use electronic technologies as appropriate to facilitate operations and to enhance customer service. RM will upgrade Travel Manager Plus to enhance customer service and effect paperless travel, implementing electronic routing and signature of TDY travel authorizations and vouchers domestically and providing the latest version of the software to overseas posts. Complete the ICASS software rebuild.

Indicators: Number of domestic bureaus using Travel Manager 7.1 or 8.0. Number of overseas posts using Travel Manager 7.1 or 8.0. Financial management and logistics systems integrated. Number and percentage of employee reimbursement and vendor payments and FSN salary payments made via EFT. Status of ICASS software rebuild to integrate the ICASS budget & cost data information with other Department administrative management systems, creating a performance result & cost comparison tool for managers.

Priority: Strategically Managed Human Capital.

Performance Goal: RM will strengthen the concept that it is the Department's Financial Management Home Bureau by maintaining a close working relationship with HR to advance financial management officers (FMO) issues.

Indicators: Status of training provided to FMOs and Foreign Service Nationals at the Financial Services Centers and at all posts. Status of E-orientation and support web for new financial managers. Status of the development of a Department-wide forum where all financial managers can interact and share ideas and experiences. Progress toward designing processes, practices, and workloads to accommodate as well as mitigate the realities of high staff turnover. The use of e-technology to support the Department's financial management community and disseminate financial management information department-wide.

FY 2001 PROGRESS REPORT

Accountability in audited financial statements, accountability reports and program performance reports.

The FY 2000 Financial Statements received "Unqualified" opinion and were issued by March 1, 2001 due date. FY 2000 Accountability Report was signed and submitted March 2001 including Performance Plan data. RM implemented the strategies and tactics highlighted for financial management in State's performance plan and pursued for better integration of performance goals and budget requirements The Department of State also has been an active participant in interagency groups concerned with improving and better integrating budgets and performance plans.

Improved financial management through FFMIA substantial compliance.

State continued to maintain substantial compliance with two of the three components of FFMIA – Federal accounting standards and the SGL at the transaction level. However, the audit of State's FY 2000 Financial

Statements issued by the Office of Inspector General and concurred with by State management, while free of material misstatements, found that State's financial management systems were not in substantial compliance with applicable Federal financial management system requirements. To be in substantial compliance with this requirement, OMB implementation guidance indicates that State must substantially:

(1) meet Circular A-127 requirements, including the requirement to support management's fiduciary role by providing complete, reliable, consistent, timely and useful financial management information,
(2) follow JFMIP's Federal Financial Management Systems Requirements calling for core financial management systems to support program and financial managers and be able to provide financial information to support internal and external reporting requirements, and
(3) comply with Circular A-130, Appendix III, requiring an adequate level of security to assure systems operate effectively, with appropriate safeguards, and plans to assure continuity of operations.

State recognizes the significance of this substantial noncompliance and made considerable progress during FYs 2000 and 2001 to correct these problems.

Effective implementation of the Debt Collection Improvement Act.

The quality and reliability of data collection and analysis is increasing, particularly as it pertains to information on debt and credit card collections. A standard has been prescribed so that future targets will always be set and performance will always be measured using appropriate criteria, which is identical. Our records indicate that in FY 01, 10,600 debts were collected netting approximately $679,921,924 with $18,031,974 being collecting by credit card.

Improve the financial management workforce.

The Bureau has participated in and supported Department-wide Financial Management Officers' (FMO) professional development by subsidizing attendance to financial management conferences, workshops, and other training activities. The Bureau hosted its 6th annual interagency conference in Charleston, S. C. held to resolve financial management issue involving disbursing, accounting, payroll, and other activities. RM encourages employees who seek CFMG certifications by supporting their attendance of required classes at Bureau expense. The Bureau continues to finance the Department's membership and activities in the Association of Government Accountants (AGA).

Improve business practices and customer service.

The expansion of the Charleston Complex and integration of overseas and domestic financial services, begun in FY 01, is designed to achieve economies of scale and improve the effectiveness and efficiency of the Department's financial operations and systems. Since 1991, one of the Department's highest priority financial management goals has been to achieve a fully integrated worldwide financial management operational system.

Worldwide implementation of the integrated overseas financial system – the Regional financial Management System (RFMS) – began in November 1, 2001 with Embassy Lima as the first serviced-post at Charleston. The second Charleston financial Services Complex building will be ready for occupancy by April 2002. Staffing Charleston to consolidate Paris and certain domestic operations is underway.

Ensure that the Department has adequate mechanisms in place to secure resources to meet its strategic objectives and to allocate those resources in accordance with departmental policy priorities.

DIPLOMATIC & CONSULAR PROGRAMS

In the summer of 2001, for the first time, the Deputy Secretary of State personally conducted 16 hour-long hearings in which the leaders of every bureau presented their strategic and performance goals, then defended and prioritized the resources they were requesting in the FY 2003 budget. The budget office held some 30 follow-up hearings at a more detailed level.

Increase efficiency of intelligence resources planning for the Department.

RM represents the department in the Budget Officers' Advisory Council and on the Advisory Committee of the OPM-sponsored Interagency GPRA Interest Group. In April 2001, RM launched 8 interagency working groups approved by the Intelligence Resources Board. The working groups focused principally on better the better employment of existing Department of Defense (DoD) and Intelligence Community (IC) networks to improve communications and coordination with other members of the foreign affairs community, while improving information security, budget coordination, and access to IC or DoD purchased commercial products. The working groups completed their findings and recommendations by late July 2001 with four of the eight having identified requirements for new or continued resources. Requests for funding were integrated into State's FY'02 and FY'03 budget builds by August 2001. All working groups improved interagency coordination on a variety of issues, leading to greater willingness to share important budget and planning data with State elements.

Ensure that the International Cooperative Administrative Support Services (ICASS) program is responsive to customer needs and meets applicable laws.

The strategies to promote the use of data provided by ICASS in managers' decision-making processes world-wide was successfully implemented. EUR and NEA/SA Bureau Program Management Officers were trained by the ISC to use the ICASS Global Database (GDB) to perform ad hoc analyses of post data. The ICASS Service Center (ISC) produced a Trendline Analysis for FY 1998-2000 containing information about trends in service and costs during ICASS' first three operational years. The ISC used the GDB to provide an analysis by region of the impact of Security Supplemental funding on ICASS customer agencies. Regional bureaus used data from the GDB as a basis for making recommendations on the distribution of the exchange-rate surplus fund. The ISC used GDB data to analyze the potential impact of increased ICASS targets for infrastructure replacement. Customer agencies used this as a basis for determining their agency's affordability. ICASS is enhancing their training capabilities by integrating the use of web based interactive Training modules. Teleconferencing is also being introduced to better reach long distance customers.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Resource Management	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	373	0	0	373	$38,176	$24,114	$62,290
FY 2002 Estimate	381	0	0	381	$57,016	$26,336	$83,352
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($28)	$0	($28)
2002 American Cost-of-Living Adjustment	0	0	0	0	$15	$305	$320
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$144	$144
American Cost-of-Living Adjustment	0	0	0	0	$26	$520	$546
FSN Wage	0	0	0	0	$280	$0	$280
Overseas Price	0	0	0	0	$75	$0	$75
Domestic Price	0	0	0	0	$841	$0	$841
Total Built-in Changes	0	0	0	0	$1,209	$969	$2,178
FY 2003 Current Services	381	0	0	381	$58,225	$27,305	$85,530
FY 2003 Program Changes							
Paris Rightsizing - Charleston FSC	0	0	0	0	$16,448	$0	$16,448
Total Program Changes	0	0	0	0	$16,448	$0	$16,448
FY 2003 Request	381	0	0	381	$74,673	$27,305	$101,978

DIPLOMATIC & CONSULAR PROGRAMSDIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**9**	**9**	**9**	**0**
Bureau Direction	9	9	9	0
Information Resource Management	**40**	**40**	**40**	**0**
Infrastructure Systems	2	2	2	0
Diplomatic Pouch and Mail	2	2	2	0
Corporate Information Systems and Services	38	38	38	0
Financial Systems	38	38	38	0
Overseas Administrative Support	**22**	**30**	**30**	**0**
Overseas Financial Services	22	30	30	0
Domestic Administrative Support	**302**	**302**	**302**	**0**
Domestic Administrative Management	27	27	27	0
Domestic Financial Services	270	270	270	0
Domestic Personnel Services	5	5	5	0
Total	373	381	381	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$712**	**$3,734**	**$5,785**	**$2,051**
Bureau Direction	$712	$3,734	$5,785	$2,051
Information Resource Management	**$10,592**	**$17,177**	**$22,186**	**$5,009**
Infrastructure Systems	$193	$135	$165	$30
Diplomatic Pouch and Mail	$193	$135	$165	$30
Corporate Information Systems and Services	$10,399	$17,042	$22,021	$4,979
Financial Systems	$10,399	$17,042	$22,021	$4,979
Overseas Administrative Support	**$19,229**	**$31,360**	**$30,282**	**($1,078)**
Overseas Administrative Management	$0	$0	$269	$269
Overseas Financial Services	$5,197	$13,924	$10,177	($3,747)
International Cooperative Administrative Support Services (ICASS)	$14,032	$17,436	$19,836	$2,400
Domestic Administrative Support	**$31,757**	**$31,081**	**$43,725**	**$12,644**
Domestic Administrative Management	$3,477	$5,491	$6,086	$595
Domestic Financial Services	$27,891	$25,055	$37,079	$12,024
Domestic Personnel Services	$389	$535	$560	$25
Total	$62,290	$83,352	$101,978	$18,626

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Resource Management	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**9**	**0**	**0**	**9**	**$5,260**	**$525**	**$5,785**
Bureau Direction	9	0	0	9	$5,260	$525	$5,785
Information Resource Management	**40**	**0**	**0**	**40**	**$15,600**	**$6,586**	**$22,186**
Infrastructure Systems	2	0	0	2	$80	$85	$165
Diplomatic Pouch and Mail	2	0	0	2	$80	$85	$165
Corporate Information Systems and Services	38	0	0	38	$15,520	$6,501	$22,021
Financial Systems	38	0	0	38	$15,520	$6,501	$22,021
Overseas Administrative Support	**30**	**0**	**0**	**30**	**$22,923**	**$7,359**	**$30,282**
Overseas Administrative Management	0	0	0	0	$269	$0	$269
Overseas Financial Services	30	0	0	30	$8,404	$1,773	$10,177
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$14,250	$5,586	$19,836
Domestic Administrative Support	**302**	**0**	**0**	**302**	**$30,890**	**$12,835**	**$43,725**
Domestic Administrative Management	27	0	0	27	$4,520	$1,566	$6,086
Domestic Financial Services	270	0	0	270	$26,020	$11,059	$37,079
Domestic Personnel Services	5	0	0	5	$350	$210	$560
Total	381	0	0	381	$74,673	$27,305	$101,978

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Chief Financial Officer (Comptroller)	9	9	9	0
Executive Office	37	30	30	0
Financial Management Services Directorate	27	26	26	0
Deputy Assistant Secretary for Budget & Planning	42	42	42	0
Deputy Chief Financial Officer/Deputy Assistant Secretary for Financial Services	34	38	38	0
Domestic Financial Services Directorate	199	208	208	0
International Financial Services Directorate	19	22	22	0
Intelligence Resource Planning	6	6	6	0
FSC Charleston, South Carolina	0	0	0	0
Total	373	381	381	0

Note: In addition, the resources (positions and funds) currently displayed for the Office of Resources, Plans & Policy within the Office of the Secretary and certain resources (positions and funds) currently displayed for the Office of Management Policy and Planning within the Under Secretary for Management are being realigned to the Bureau of Resource Management as part of the reorganization of budget and planning authorities to achieve organizational unity with respect to financial management, strategic planning, and budget activities within the Department of State.

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Chief Financial Officer (Comptroller)	$1,039	$1,850	$1,900	$50
Executive Office	$10,906	$9,956	$9,564	($392)
Financial Management Services Directorate	$10,670	$10,810	$13,092	$2,282
Deputy Assistant Secretary for Budget & Planning	$3,695	$3,975	$3,890	($85)
Deputy Chief Financial Officer/Deputy Assistant Secretary for Financial Services	$2,576	$17,696	$36,048	$18,352
Domestic Financial Services Directorate	$17,495	$18,470	$18,662	$192
International Financial Services Directorate	$2,504	$2,404	$2,510	$106
Intelligence Resource Planning	$798	$925	$1,075	$150
FSC Charleston, South Carolina	$3,238	$6,386	$8,524	$2,138
Total	$52,921	$72,472	$95,265	$22,793

Note: In addition, the resources (positions and funds) currently displayed for the Office of Resources, Plans & Policy within the Office of the Secretary and certain resources (positions and funds) currently displayed for the Office of Management Policy and Planning within the Under Secretary for Management are being realigned to the Bureau of Resource Management as part of the reorganization of budget and planning authorities to achieve organizational unity with respect to financial management, strategic planning, and budget activities within the Department of State.

FUNDS BY POST
($ in thousands)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
FSC Bangkok	$2,206	$2,902	$2,560	($342)
FSC Paris	$7,163	$7,978	$4,153	($3,825)
Total	$9,369	$10,880	$6,713	($4,167)

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$21,628	$29,931	$27,664	($2,267)
1200	Personnel Benefits	$8,459	$11,281	$11,522	$241
2100	Travel & Trans of Persons	$991	$2,290	$2,368	$78
2200	Transportation of Things	$473	$650	$789	$139
2300	Rents, Comm & Utilities	$1,666	$5,280	$5,157	($123)
2400	Printing & Reproduction	$455	$675	$750	$75
2500	Other Services	$26,406	$23,555	$47,900	$24,345
2600	Supplies and Materials	$750	$1,450	$1,578	$128
3100	Personal Property	$1,462	$8,240	$4,250	($3,990)
Total		$62,290	$83,352	$101,978	$18,626

DIPLOMATIC & CONSULAR PROGRAMS

Dir Gen of the Foreign Service & Director of Human Resources

OVERVIEW STATEMENT

The principal objective of the Bureau of Human Resources is to ensure that the Department of State puts the right people, in the right place, at the right time, with the right skills to fulfill the Department's mission. The Bureau's mission is: (1) to win the war for talent in the American labor market and recruit a flexible, skilled, diverse workforce able to perform the Department's foreign policy and management functions; (2) to retain the Department's talented employees by developing and implementing quality of life programs that help them cope with the challenges of the 21st century work environment domestically and overseas and allow the Department to compete effectively with the private sector; (3) to improve the Department's leadership and management by supporting and implementing programs designed to develop these skills in Department employees and by promoting the most qualified and best performing employees; and (4) to manage Bureau operations efficiently and effectively.

NATIONAL INTERESTS & GOALS

Goal: Optimize size, distribution and configuration of the Department's human resources in response to the priorities of the Secretary.

Progress: Expanded overseas service incentives for most difficult to staff posts and for the acquisition and use of hard languages. Developed first phase of a domestic staffing model that is the last part of a comprehensive workforce plan. Changed Fair Share Bid program to encourage bids on hardship posts. Implemented a Service Need Differential program to encourage longer tours at hardship posts. Changed tour of duty at non-hardship posts to 4 years. In Calendar Year 2000, 83 percent of employees assigned to language designated positions were language-qualified.

Goal: Develop and implement programs to increase the mobility and flexibility of the career Civil Service workforce, anticipating the need to prepare successors for the increased number of employees projected to retire in the next decade and beyond.

Progress: Presented 14 hands-on workshops for Leadership Competencies Development Initiative participants to help them develop Individual Development Plans; distributed to all Department supervisors a "desk aid" on helping employees write IDPs. Conditioned more management positions on management training. Expanded 360-rating pilot program to Civil Service employees; 2800 Department employees participated. Ten Civil Service employees served in positions under the Civil Service Overseas Mobility Initiative; 46 were assigned to hard-to-fill positions. Hired entry-level civil service employees who will be trained for long-term careers in the Department in several deficit skill areas.

Goal: Recruit new employees in adequate numbers and with requisite skills to meet the challenges which State will face in the opening years of the next century, ensuring that the next generation of our workforce is representative of America's diversity.

Progress: Met FY01 hiring targets; overall hired 504 Foreign Service employees, 351 Civil Service. Increased resigstrations for and takers of Foreign Service Written Exam (FSWE). Increased minority registration for FSWE to highest number ever. Hired Serrano Scholar interns to expand outreach in Hispanic community. Increased recruitment outreach with new website, electronic postcards, direct calls to applicants, and advertising campaign. Reduced time of Foreign Service hiring process by expanding medical and security clearance capacity and by offering Foreign Service Written Exam twice in the year.

Expanded alternate entry programs. Hired 19 employees under the Civil Service Career Entry Program. Hired more than 60 new Presidential Management Interns.

Goal: Consistent with the Workforce Plan, recruit and retain high-quality Locally Employed Staff (LES) and Eligible Family Members (EFMs) by offering competitive salaries and benefits.

Progress: Began research on posts where we will expand the Mexico City pilot spousal employment effort in FY02. Implemented online employment data on family members for posts. Allowed family members to bid on domestic hard-to-fill positions. Developed plans for off-shore retirement fund for FSNs in locations where local retirement systems are inadequate.

Goal: Sustain the morale, health and well-being of employees and family members, creating an environment that fosters the development and retention of talented personnel. Provide consistent and reliable service to employees, annuitants and their survivors.

Progress: Developed online retirement benefit calculator and automated phone access for retirees. Opened childcare facility at training center. Provided eldercare visitation travel. Revised HIV/AIDS hiring policy for locally employed staff overseas. Increased transfer allowances to match inflation costs. Increased evacuees' lodging allowance. Revised R&R regulations to give flexibility.

Priority: Win the war for talent. Recruitment of a talented and diverse workforce in sufficient strength to meet the Department's mission.
Performance Goals: A. Hire 399 additional employees each year to meet immediate diplomatic readiness needs. Increase minority recruitment and hiring. B. Effectively use Serrano Scholars and Howard University Programs for recruitment. A. Increase recruitment advertising efforts overall. Reduce time delays in hiring process. B. Begin Student Loan Repayment incentive for Foreign and Civil Service employees who make a service commitment. C. Hire entry-level civil service employees and cultivate for long-term career in Department*Indicators:* A. Number and rate of hiring. B. Budgetary resources. C. HR resources, infrastructure to manage additional hiring. D. Training resources.

Priority: Career Development: Leadership and Management Development

Performance Goals: A. Expand Civil Service opportunities within the Department for career development. Prepare Civil Service employees to fill coming management staffing gaps by invigorating the Leadership Development Competencies Initiative. B. Establish a "training float" so that more employees can take time for training without diminishing our ability to carry out the mission. C. Condition more management positions on management training. D. Expand 360-rating program to rate all managers. Revise long-term training per diem rates to enable more training.

Indicators: A. Enrollment in management training and career development initiatives. B. Additional hiring.

Priority: Improve opportunities for family members and dual-career couples.

Performance Goal: A. Expand Mexico City pilot spousal employment effort to more posts.
Indicators: A. Bilateral work agreements. B. Spousal employment network programs at posts.

Priority: Diplomatic Readiness: Getting the right people in the right place at the right time with the right skills.

DIPLOMATIC & CONSULAR PROGRAMS

Program Goals: A. Utilize effective overseas service incentives for most difficult to staff posts. B. Reduce growing disincentives to overseas service. C. Gain training float so that employees can be trained before taking a position requiring language and other skills. D. Increase Civil Service career development opportunities. E. Finalize comprehensive workforce planning strategy to accurately identify workforce needs at all levels. F. Improve benefits for locally employed staff.

Indicators: A. Number of hard-to-fill and unfilled positions. B. Positions for which language and other training requirements not met.

Priority: Improve Quality of Life

Program Objectives: A. Provide childcare tuition assistance. B. Provide health units to 30 posts without services now. C. Develop plan for comprehensive occupational health program. E. Support Community Liaison Officers overseas. F. Provide emergency visitation travel and lifecare referral services.

Indicators: Availability of childcare. Availability of health services.

FY 2003 Request
SUMMARY STATEMENT

Bureau of Human Resources	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	408	0	0	408	$36,244	$44,819	$81,063
FY 2002 Estimate	418	0	0	418	$57,716	$47,802	$105,518
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($47)	$0	($47)
2002 American Cost-of-Living Adjustment	0	0	0	0	$28	$554	$582
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$241	$241
American Cost-of-Living Adjustment	0	0	0	0	$49	$943	$992
Domestic Price	0	0	0	0	$888	$0	$888
Workers Compensation	0	0	0	0	$516	$0	$516
Total Built-in Changes	0	0	0	0	$1,434	$1,738	$3,172
FY 2003 Current Services	418	0	0	418	$59,150	$49,540	$108,690
FY 2003 Request	418	0	0	418	$59,150	$49,540	$108,690

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Human Resources	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**17**	**31**	**31**	**0**
Bureau Direction	17	31	31	0
Information Resource Management	**14**	**27**	**27**	**0**
Corporate Information Systems and Services	14	27	27	0
Administrative Systems	6	9	9	0
Information Services	8	18	18	0
Overseas Administrative Support	**21**	**23**	**23**	**0**
Overseas Personnel Services	21	23	23	0
Domestic Administrative Support	**356**	**337**	**337**	**0**
Domestic Administrative Management	5	5	5	0
Domestic Financial Services	8	6	6	0
Domestic Personnel Services	338	323	323	0
Domestic General Services	5	3	3	0
Other Domestic General Services	5	3	3	0
Total	408	418	418	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Human Resources	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$5,497**	**$6,388**	**$6,588**	**$200**
Bureau Direction	$5,497	$6,388	$6,588	$200
Information Resource Management	**$7,719**	**$15,323**	**$16,531**	**$1,208**
Corporate Information Systems and Services	$7,719	$15,323	$16,531	$1,208
Administrative Systems	$1,020	$1,111	$2,982	$1,871
Information Services	$6,699	$14,212	$13,549	($663)
Medical Services	**$5,654**	**$6,555**	**$7,072**	**$517**
Workers' Compensation	$5,654	$6,555	$7,072	$517
Overseas Administrative Support	**$3,242**	**$4,548**	**$4,548**	**$0**
Overseas Personnel Services	$3,242	$4,548	$4,548	$0
Domestic Administrative Support	**$58,951**	**$72,704**	**$73,951**	**$1,247**
Domestic Administrative Management	$480	$515	$515	$0
Domestic Financial Services	$680	$422	$422	$0
Domestic Personnel Services	$57,366	$71,571	$72,818	$1,247
Domestic General Services	$425	$196	$196	$0
Other Domestic General Services	$425	$196	$196	$0
Total	$81,063	$105,518	$108,690	$3,172

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Human Resources	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**31**	**0**	**0**	**31**	**$4,200**	**$2,388**	**$6,588**
Bureau Direction	31	0	0	31	$4,200	$2,388	$6,588
Information Resource Management	**27**	**0**	**0**	**27**	**$14,502**	**$2,029**	**$16,531**
Corporate Information Systems and Services	27	0	0	27	$14,502	$2,029	$16,531
Administrative Systems	9	0	0	9	$2,400	$582	$2,982
Information Services	18	0	0	18	$12,102	$1,447	$13,549
Medical Services	**0**	**0**	**0**	**0**	**$7,072**	**$0**	**$7,072**
Workers' Compensation	0	0	0	0	$7,072	$0	$7,072
Overseas Administrative Support	**23**	**0**	**0**	**23**	**$1,869**	**$2,679**	**$4,548**
Overseas Personnel Services	23	0	0	23	$1,869	$2,679	$4,548
Domestic Administrative Support	**337**	**0**	**0**	**337**	**$31,507**	**$42,444**	**$73,951**
Domestic Administrative Management	5	0	0	5	$68	$447	$515
Domestic Financial Services	6	0	0	6	$80	$342	$422
Domestic Personnel Services	323	0	0	323	$31,319	$41,499	$72,818
Domestic General Services	3	0	0	3	$40	$156	$196
Other Domestic General Services	3	0	0	3	$40	$156	$196
Total	418	0	0	418	$59,150	$49,540	$108,690

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Human Resources	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Director General of the Foreign Service	6	4	4	0
Office of Casualty Assistance	3	2	2	0
Deputy Assistant Secretary for HR	2	2	2	0
Civil Service Personnel Management	41	43	41	(2)
Grievance Staff	10	10	10	0
Resource Mgmt and Organization Analysis	25	24	24	0
Principal Deputy Assistant Secretary	2	2	2	0
Office of Policy Coordination	5	7	7	0
Career Development & Assignments	113	98	103	5
Performance Evaluation	15	17	15	(2)
Deputy Assistant Secretary	2	2	2	0
Overseas Employment	21	24	23	(1)
Recruitment, Examination and Employment	58	63	63	0
Executive Office	52	66	68	2
Executive Office - FSN Annuity Supplemental Program	0	0	0	0
Executive Office - Student Per Diem	0	0	0	0
Employee Relations	18	20	18	(2)
Retirement	21	21	21	0
Workers Compensation	0	0	0	0
Family Liaison Office	14	13	13	0
Total	408	418	418	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Human Resources	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Director General of the Foreign Service	$1,017	$1,042	$1,045	$3
Office of Casualty Assistance	$220	$231	$236	$5
Deputy Assistant Secretary for HR	$260	$260	$260	$0
Civil Service Personnel Management	$4,960	$4,832	$5,445	$613
Grievance Staff	$481	$806	$806	$0
Resource Mgmt and Organization Analysis	$3,074	$3,874	$3,874	$0
Principal Deputy Assistant Secretary	$250	$250	$250	$0
Office of Policy Coordination	$628	$627	$627	$0
Career Development & Assignments	$12,991	$14,344	$12,702	($1,642)
Performance Evaluation	$2,106	$2,202	$2,035	($167)
Deputy Assistant Secretary	$250	$250	$250	$0
Overseas Employment	$2,949	$3,188	$3,125	($63)
Recruitment, Examination and Employment	$16,153	$26,180	$29,080	$2,900
Executive Office	$20,505	$30,349	$31,703	$1,354
Executive Office - FSN Annuity Supplemental Program	$314	$0	$0	$0
Executive Office - Student Per Diem	$1,160	$0	$0	$0
Employee Relations	$3,675	$6,015	$5,725	($290)
Retirement	$2,811	$2,808	$2,750	($58)
Workers Compensation	$5,654	$6,555	$7,072	$517
Family Liaison Office	$1,605	$1,705	$1,705	$0
Total	$81,063	$105,518	$108,690	$3,172

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Human Resources	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$36,391	$42,198	$40,655	($1,543)
1200	Personnel Benefits	$18,460	$16,604	$21,185	$4,581
1300	Benefits Former Personnel	$1,000	$1,000	$1,200	$200
2100	Travel & Trans of Persons	$203	$200	$500	$300
2200	Transportation of Things	$110	$125	$200	$75
2300	Rents, Comm & Utilities	$1,600	$2,500	$2,500	$0
2400	Printing & Reproduction	$900	$1,000	$1,100	$100
2500	Other Services	$20,835	$40,584	$39,760	($824)
2600	Supplies and Materials	$1,017	$1,017	$1,200	$183
3100	Personal Property	$231	$250	$350	$100
4100	Grants, Subsidies & Contrb	$316	$40	$40	$0
	Total	$81,063	$105,518	$108,690	$3,172

DIPLOMATIC & CONSULAR PROGRAMS

Human Resources Special Complement

OVERVIEW STATEMENT

The Bureau of Human Resources administers a number of separate position and FTE complements required for overall management of its human resources. The following are types of positions in the special complement.

Faculty Advisors – Positions at various military facilities, which extend quotas for enrollment of DOS personnel. Employees typically teach courses, provide guidance and counseling for DOS students, serve as the department's liaison with the institutions, and serve as senior advisors to the commandants/presidents of the institutions.

Pre-Assignment GS Training (PAC) – Positions that are established for newly hired Civil Service employees awaiting clearance and permanent assignment.

Career Mobility Program – Positions to which employees are assigned for professional development.

Mid-Level Complement – Positions used to assign mid-level officers hired under affirmative action goals.

Assignment to Non-Governmental Organizations – Positions used to detail employees to non-governmental organizations such as the Carnegie Foundation, the Council on Foreign Relations, and NATO as well as the Diplomats-in-Residence program.

JOC FSI Training – Positions that are used for junior officers while in training domestically.

Reimbursable and Non-Reimbursable Details – Positions used to detail employees to other U.S. Government Agencies on a non-reimbursable funding basis.

Worker Trainee Program – Positions at the GS-1 level established to offer promising individuals an opportunity to achieve economic independence by learning basic work skills and good work habits.

Presidential Management Intern Program – Positions for the government wide program to recruit graduate students upon completion of their degree for an initial two-year appointment.

Overseas Mobility Initiative (CSOMI) – Positions for the assignment of Civil Service employees on special tours overseas.

Special Domestic Assignment Program (SDAP) – Positions established to allow the detail of employees to the Congress and state/local government agencies (Pearson).

UNA CHAPMAN COX Sabbatical Leave Program – Allows a twelve-month sabbatical for FS employees with exceptional performance and potential to pursue a project mutually beneficial to the employee and the Department. The Una Chapman Cox Foundation funds all expenses of the project; the Department continues to pay the employee's salary and benefits.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Human Resources-Special Complement	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	327	44	0	371	$353	$33,844	$34,197
FY 2002 Estimate	373	79	0	452	$1,517	$36,009	$37,526
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($178)	$0	($178)
2002 American Cost-of-Living Adjustment	0	0	0	0	$17	$417	$434
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$914	$914
American Cost-of-Living Adjustment	0	0	0	0	$29	$710	$739
Total Built-in Changes	0	0	0	0	($132)	$2,041	$1,909
FY 2003 Current Services	373	79	0	452	$1,385	$38,050	$39,435
FY 2003 Request	373	79	0	452	$1,385	$38,050	$39,435

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Human Resources-Special Complement	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Domestic Administrative Support	**371**	**452**	**452**	**0**
Specialized Employee Assignments	371	452	452	0
Total	371	452	452	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Human Resources-Special Complement	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Domestic Administrative Support	**$34,197**	**$37,526**	**$39,435**	**$1,909**
Specialized Employee Assignments	$34,197	$37,526	$39,435	$1,909
Total	$34,197	$37,526	$39,435	$1,909

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Human Resources-Special Complement	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Domestic Administrative Support	**373**	**79**	**0**	**452**	**$1,385**	**$38,050**	**$39,435**
Specialized Employee Assignments	373	79	0	452	$1,385	$38,050	$39,435
Total	373	79	0	452	$1,385	$38,050	$39,435

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Human Resources-Special Complement	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Faculty Advisors	6	6	6	0
Pre-Assignment GS Training (PAC)	59	59	59	0
Career Mobility Program	8	8	8	0
Mid-Level Complement	5	5	5	0
Non-Governmental Organizations	9	9	9	0
Junior Officer Reporting/Anal. Prog	0	0	0	0
Junior Officer Training	130	132	132	0
Non-Reimbursable Details	8	8	8	0
Worker Trainee	47	47	47	0
Presidential Management Interns	35	35	35	0
Special Domestic Assignment Program (SDAP)	19	19	19	0
UNA CHAPMAN COX Sabbatical Leave Program	1	1	1	0
Professional Associates Program	0	0	0	0
Other Human Resources-Special Complement	44	123	123	0
Total	371	452	452	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Human Resources-Special Complement	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Faculty Advisors	$720	$720	$740	$20
Pre-Assignment GS Training (PAC)	$3,000	$4,529	$4,425	($104)
Career Mobility Program	$800	$910	$910	$0
Mid-Level Complement	$625	$650	$650	$0
Non-Governmental Organizations	$990	$990	$990	$0
Junior Officer Reporting/Anal. Prog	$0	$120	$120	$0
Junior Officer Training	$14,300	$9,231	$12,681	$3,450
Non-Reimbursable Details	$880	$1,534	$1,534	$0
Worker Trainee	$3,000	$5,000	$3,525	($1,475)
Presidential Management Interns	$2,625	$4,150	$4,300	$150
Special Domestic Assignment Program (SDAP)	$2,400	$2,500	$2,500	$0
UNA CHAPMAN COX Sabbatical Leave Program	$100	$125	$125	$0
Professional Associates Program	$353	$1,517	$1,385	($132)
Other Human Resources-Special Complement	$4,404	$5,550	$5,550	$0
Total	$34,197	$37,526	$39,435	$1,909

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Human Resources-Special Complement	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100 Personnel Compensation	$25,961	$26,206	$29,860	$3,654
1200 Personnel Benefits	$8,236	$11,320	$9,575	($1,745)
Total	$34,197	$37,526	$39,435	$1,909

DIPLOMATIC & CONSULAR PROGRAMS

Medical Director

OVERVIEW STATEMENT

The mission of the Office of Medical Services (MED) is to promote the health of all under its care by encouraging disease prevention, health promotion, and facilitating access to healthcare. The goal of the Medical program is a healthy workforce, delivery of primary health care overseas, medical evacuation and hospitalization when necessary. To achieve this mission, MED requires a comprehensive occupational health program delivering high quality services to the Department of State and other supported agencies domestically and abroad. The Medical Director serves as the Department's advisor on foreign policy implications of international health-related issues.

The health care program includes various clinical services such as foreign programs, overseas health practitioner activities, and medical clearances, as well as the examination clinic, laboratory, and health and immunization units. The program also provides guidance and support to approximately 150 health units throughout the world, primarily in locations where health care does not meet minimal US standards. These health units service the needs of State Department employees, family members, and employees of other USG agencies stationed abroad.

In FY 2001, more than 13,000 medical clearance actions were undertaken. Overseas, there were approximately 289,000 patient visits to State Department Health Units worldwide. Approximately 900 overseas medical evacuations were conducted. In addition to these services, travel-related medical care in the form of immunizations, malaria prevention, and advice is provided. The Office of Medical Services has established four central medical evacuation centers in Singapore, London, Pretoria and Fort Lauderdale for the purpose of providing improved access to medical care.

Mental Health Services are available to Foreign Service employees and dependents in the United States and U S government employees and family members stationed at diplomatic posts abroad. Mental Health Services performs routine psychiatric consultations and evaluation and also oversees the Alcohol and Drug Awareness program and the Employee Consultation Services.

NATIONAL INTERESTS & GOALS

Priority: Enhance the services offered by M/MED to ensure the long- term health of Foreign Service employees and their families.

Performance Goals: Provide an automated, retrievable and secure medical record system. Institute a system to track credentials of providers world wide, and review and test each provider's skills and knowledge.

Indicators: Complete systems integration of the Electronic Medical Records System (EMR), tests EMR at beta site, and deploy in Washington. Ensure that medical providers are practicing within their license and competencies.

Progress (As of January 2002): The Medical Informatics Division has achieved improvements to the availability of medical records through development of the Electronic Medical Record (EMR) System. This project will provide mission critical medical information and clinical support for the care of Department and foreign affairs agency employees and dependents around the world. In FY 2000 MED started system integration development for MED Washington as well as an operations plan. In FY 2001

MED is completing the Washington deployment of the EMR and worldwide system integration requirements.

The Office of Medical Services has instituted a credentialing and privileging process that assures that all providers are licensed professionals practicing within the scope of their training and experience. Knowledge and skills are assessed at two-year intervals to assure current competence of all direct hire providers. MED also assesses the competence of consultants and locally engaged providers overseas. Starting in FY 2001 MED has monitored the incidence of certain reportable diseases at overseas health units and developed an "Adverse Event" procedure to identify potential adverse outcomes and avert claims against the government. During FY 2000, the Office of Medical Services began an accreditation process to validate the quality of its healthcare services relative to current US standards and to identify areas for improvement. In this effort, a contract was awarded to the Joint Commission for Accreditation (JCA) in December 2000. During Fiscal Year 2001, six selected posts were visited by a joint Department and JCA representatives.

In FY 2002, the Office of Medical Services is exploring the feasibility of establishing a comprehensive worldwide Occupational Health Program (OHP). The Occupational Health Program will address the organizational responsibilities for program elements such as (but not limited to): job-related medical surveillance examinations, treatment of on the job illnesses and injuries, immunizations/travel medicine services, disability evaluations, health promotion counseling/education, respiratory protection program, industrial hygiene services, epidemiological studies or exposure assessment surveys, and a Drug-Free Workplace.

Priority: Enable MED to respond quickly and effectively to medical emergencies at post.

Performance Goals: Provide training in chemical and biological warfare countermeasures. Enhance the Department's anthrax immunization program.

Indicators: Using experts in the field, provide training to medical providers in medical management of chemical and biological warfare victims. Provide anthrax immunizations to employees who are in a danger zone and elect to take the immunization.

Progress (As of January 2002): The Department's anthrax immunization program is currently operating at a single pilot site due to decreased availability of anthrax vaccine. Nonetheless, during FY-2001, MED continued to monitor this program by tracking vaccinations, educating health care providers and patients and tracking any adverse effects to those who received the vaccine. MED also worked in streamlining to easily expand the program to other posts, as vaccines become available.

After the September 11 terrorist attack on the United States, threat of weapons of mass destruction (WMD) has become ever imminent. In an effort to fight this threat, the Office of Medical Services has developed an emergency medical preparedness plan. This plan integrates Washington, regional and local assets into a comprehensive plan that addresses the planning, response and aftermath portions of an event. MED also provides for advanced training for medical personnel and first responders. In FY 2001/2002, The Office of Medical services pre-positioned antidotes for chemical/biological attacks at overseas posts. MED also supplied a second cache of medical equipment and supplies to posts that were under threat, allowing those posts to establish an alternate medical site, in case the regular health unit became unavailable.

In FY 2002 MED will deploy 30 new health units at embassies and consulates where none exist now. These new health units will house the electronic medical records system, emergency medical supplies and basic health unit equipment and medical supplies. In support of this effort, the Office of Medical Services was transferred $7.7 million from the Emergency Response Fund for chemical/biological warfare antidotes,

overseas health units, electronic medical records, and mass casualty and emergency exercises. $4 million for these activities will continue to be required in FY 2003 and is displayed as part of the FY 2002 Estimate and FY 2003 Request.

FY 2003 Request

SUMMARY STATEMENT

Office of the Medical Director	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	111	0	0	111	$12,789	$6,993	$19,782
FY 2002 Estimate	111	0	0	111	$17,179	$7,522	$24,701
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($50)	$0	($50)
2002 American Cost-of-Living Adjustment	0	0	0	0	$0	$87	$87
American Cost-of-Living Adjustment	0	0	0	0	$0	$148	$148
Domestic Price	0	0	0	0	$40	$0	$40
Total Built-in Changes	0	0	0	0	($10)	$235	$225
FY 2003 Current Services	111	0	0	111	$17,169	$7,757	$24,926
FY 2003 Request	111	0	0	111	$17,169	$7,757	$24,926

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

o Office of the Medical Director	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**3**	**4**	**3**	**(1)**
Bureau Direction	3	4	3	(1)
Information Resource Management	**8**	**8**	**8**	**0**
Office Automation	8	8	8	0
Other Office Automation	8	8	8	0
Medical Services	**66**	**65**	**66**	**1**
Domestic Health Units	6	6	6	0
Medical Evacuation	5	5	5	0
Medical Examinations and Clearances	44	43	44	1
Mental Health Programs	10	10	10	0
Environmental Health	1	1	1	0
Domestic Administrative Support	**34**	**34**	**34**	**0**
Domestic Administrative Management	1	1	1	0
Domestic Financial Services	9	9	9	0
Domestic Personnel Services	2	2	2	0
Domestic General Services	22	22	22	0
Supply, Transportation, and Acquisition	4	4	4	0
Other Domestic General Services	18	18	18	0
Total	111	111	111	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of the Medical Director	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$772**	**$863**	**$872**	**$9**
Bureau Direction	$772	$863	$872	$9
Information Resource Management	**$981**	**$1,617**	**$1,629**	**$12**
Office Automation	$981	$1,617	$1,629	$12
Other Office Automation	$981	$1,617	$1,629	$12
Medical Services	**$11,698**	**$15,655**	**$15,783**	**$128**
Domestic Health Units	$500	$515	$527	$12
Medical Evacuation	$3,365	$3,382	$3,381	($1)
Medical Examinations and Clearances	$6,674	$8,569	$8,658	$89
Mental Health Programs	$1,040	$1,082	$1,108	$26
Environmental Health	$119	$2,107	$2,109	$2
Domestic Administrative Support	**$6,331**	**$6,566**	**$6,642**	**$76**
Domestic Administrative Management	$961	$996	$998	$2
Domestic Financial Services	$552	$574	$593	$19
Domestic Personnel Services	$950	$984	$989	$5
Domestic General Services	$3,868	$4,012	$4,062	$50
Supply, Transportation, and Acquisition	$1,802	$1,868	$1,880	$12
Other Domestic General Services	$2,066	$2,144	$2,182	$38
Total	$19,782	$24,701	$24,926	$225

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Office of the Medical Director	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**3**	**0**	**0**	**3**	**$576**	**$296**	**$872**
Bureau Direction	3	0	0	3	$576	$296	$872
Information Resource Management	**8**	**0**	**0**	**8**	**$1,257**	**$372**	**$1,629**
Office Automation	8	0	0	8	$1,257	$372	$1,629
Other Office Automation	8	0	0	8	$1,257	$372	$1,629
Medical Services	**66**	**0**	**0**	**66**	**$11,145**	**$4,638**	**$15,783**
Domestic Health Units	6	0	0	6	$155	$372	$527
Medical Evacuation	5	0	0	5	$3,085	$296	$3,381
Medical Examinations and Clearances	44	0	0	44	$5,576	$3,082	$8,658
Mental Health Programs	10	0	0	10	$294	$814	$1,108
Environmental Health	1	0	0	1	$2,035	$74	$2,109
Domestic Administrative Support	**34**	**0**	**0**	**34**	**$4,191**	**$2,451**	**$6,642**
Domestic Administrative Management	1	0	0	1	$924	$74	$998
Domestic Financial Services	9	0	0	9	$0	$593	$593
Domestic Personnel Services	2	0	0	2	$841	$148	$989
Domestic General Services	22	0	0	22	$2,426	$1,636	$4,062
Supply, Transportation, and Acquisition	4	0	0	4	$1,501	$379	$1,880
Other Domestic General Services	18	0	0	18	$925	$1,257	$2,182
Total	111	0	0	111	$17,169	$7,757	$24,926

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of the Medical Director	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Medical Director	3	3	3	0
Office of Mental Health Services	10	11	11	0
Office of the Clinical Director	56	55	55	0
Health Systems Administration	42	42	42	0
ICASS	0	0	0	0
Total	111	111	111	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of the Medical Director	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Medical Director	$385	$449	$446	($3)
Office of Mental Health Services	$978	$1,007	$1,033	$26
Office of the Clinical Director	$9,035	$13,120	$13,262	$142
Health Systems Administration	$4,313	$5,047	$5,107	$60
ICASS	$5,071	$5,078	$5,078	$0
Total	$19,782	$24,701	$24,926	$225

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of the Medical Director	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$6,215	$6,753	$6,950	$197
1200	Personnel Benefits	$1,171	$1,309	$1,347	$38
2100	Travel & Trans of Persons	$3,027	$3,819	$3,809	($10)
2200	Transportation of Things	$23	$50	$50	$0
2300	Rents, Comm & Utilities	$74	$84	$84	$0
2400	Printing & Reproduction	$68	$82	$82	$0
2500	Other Services	$8,564	$9,277	$9,277	$0
2600	Supplies and Materials	$470	$1,715	$1,715	$0
3100	Personal Property	$170	$1,612	$1,612	$0
Total		$19,782	$24,701	$24,926	$225

DIPLOMATIC & CONSULAR PROGRAMS

Foreign Service Institute

OVERVIEW STATEMENT

The Foreign Service Institute (M/FSI) trains State employees to fulfill our leadership role in world affairs and to defend U.S. interests. The principal objectives of the Bureau are to help guarantee the diplomatic readiness of the U.S. Government by equipping foreign affairs personnel with first-rate language and area expertise, honing their diplomatic tradecraft, and strengthening the leadership and otherskills they need to manage the people, information and other resources the U.S. Government devotes to foreign affairs.

NATIONAL INTERESTS & GOALS

Goal: Consular personnel are prepared to carry out their statutory duties towards immigrants and foreign visitors traveling to the United States, and towards American citizens abroad.

Progress: FSI offered all of the courses specified for consular officers in the Training Continuum for Foreign Service Generalists and began integrating systems training into the basic consular course (PC 530) in order to better prepare new officers who have no prior experience. Nine FSN workshops were held and also, in cooperation with CA, five very successful regional leadership conferences for FSOs in Singapore, Nicosia, Amsterdam, Lima and Cape Town. The "Consular Management at a Small Post" CD was completed, which will be offered to posts and incorporated into the curriculum of a two-day course at FSI. Correspondence courses were made available and FSN workshops were conducted to address the training needs of FSNs in the field. FSI helped develop a new course on "Assistance to Victims of Crime" which will be offered at FSI and selected overseas posts.

Goal: Provide preparatory training and information services upon entry into, during, and upon transitioning out of a career in the Department of State for employees and their families.

Progress: FSI increased the size of the A-100 Foreign Service Officer Orientation program to accommodate 90-plus Junior Officers in order to meet increased goals under the Diplomatic Readiness Hiring Initiative. FSI has also intensified outreach to spouses of new FS generalists and specialists to bring them into the Foreign Service family, including development of a CD-ROM based orientation program for Locally Employed Staff. In FY 2001, about 95,000 hours of Transition Center training and about 112,000 hours of orientation training was provided. FSI has institutionalized our support for and our working relationship with the U.S. private sector by opening the doors to our Security Overseas Seminar to members of the American corporate community.

Priority: International affairs personnel will be provided orientation and training needed to acquire core and specialized competencies.

Performance Goals: A. Create a curriculum matrix to determine training overlap and areas that require further development based on identified need. B. Expand the basic training program for State FSNs. C. Deliver focused, relevant, and responsive training on key global and regional issues that pose a threat to the United States and to key other nations to ensure that foreign affairs personnel have the knowledge and capabilities to understand, prevent, and manage them, with particular emphasis on science and technology skills and knowledge. D. Continue to expand the post-training evaluation program that assesses the effectiveness of all core courses. E. Continue to expand the number of distance learning courses available for professional studies. F. Provide a comprehensive orientation training program for all new hires. G. Expand training for mid-level overseas administrative officers

from two to three weeks and make this training mandatory for all first-time administrative officers. H. Complete training continuum for Foreign Service Specialists, OMSers and Foreign Service National employees. I. Continue to provide orientation and training for expanded numbers of the Diplomatic Readiness Initiative.

Indicators: A. SPAS curriculum review and redesign. B. Review and/or redesign of 20% of courses completed above FY02 level. C. Provide orientation programs to FS Generalists and Specialists, Civil Service and other employees. D. Successful: Provide 100% of incoming personnel with improved orientation.

Progress: In FY01, FSI successfully provided effective and timely orientation training to 1,413 new foreign affairs professionals, and provided about 587,000 hours of professional/tradecraft and area studies training. Additionally, FSI's School of Professional and Area Studies: (1) Issued a Training Continuum for Foreign Service Generalists which provides guidelines for training in professional skills and leadership and management; (2) Established new economic courses, developed a continuum of energy courses in cooperation with the Departments of Energy and Commerce, merged the Political and Economic tradecraft courses into one POL/ECON course, and worked more closely with the military to better prepare State officers and military officers to work with each other at post and domestically; (3) Focused on the core competencies required by Public Diplomacy officers, including media training, information gathering, use of new technologies and management across cultures; (5) Hosted an FSN assessment and evaluation group to discuss the future of the FSN training program; (6) Began work on a curriculum matrix that will determine training overlap in courses and areas that require further development; (7) Began preparing for the Diplomatic Readiness Initiative's doubling the number of new hires of Foreign Service Generalists and Specialists, and of Civil Service employees.

Priority: FSI will maintain/improve the FY2000-2001 overall success rate of 74% for students having at least the recommended amount of language instruction.

Performance Goals: A. Delivery of service-relevant, cost-effective language training at a variety of levels for a variety of audiences in the classroom setting at FSI and its overseas school venues. B. Improve the delivery of multimedia language training both at FSI and via distance learning. C. With the Near Eastern Affairs bureau and HR explore developing career tracks and rebuild the dwindling cadre of highly proficient (4-level) Arabic and Farsi speakers

Indicators: A. Percent of all language students who are assigned for at least the recommended amount of time and who meet their training goal. B. Maintain/improve current rate. C. Coordinated plan for institutionalizing development of speakers of Arabic and Farsi. D. Expansion of distance learning offerings to at least four more languages.

Progress: FSI's School of Language Studies (SLS) provided about 1,112,000 hours of language training to approximately 2,200 students, including increased training for junior officers. In addition, SLS designed, developed and implemented reading maintenance courses in French, Spanish and Portuguese; delivered three new computer based programs in Chinese, Greek, and Russian; and continued to transform and modernize post language programs under a special Congressionally mandated initiative. This has expanded FSI's reach to catalyze more innovative training programs and to include underserved populations by targeted funding to posts and via distance learning.

Priority: Implement existing policy and expand coverage of mandatory leadership and management training policy, established in conjunction with HR, for civil and foreign service employees.

DIPLOMATIC & CONSULAR PROGRAMS

Performance Goals: A. Deliver a full range of courses associated with the leadership and management continuum. B. Integrate organizational development into the leadership and management portfolio more deliberately to ensure application of training in the workplace. C. Institute new or expand existing strategic planning courses. D. Revise Leadership and Management Training Continuum to include civil and foreign service plus crisis management training continuum. E. Expand organization development work to implement Special Embassy Program post initiative. F. Training support to the 360 Evaluation Pilot Program. G. Institute distance learning programs.

Indicator: A. Number of Students in all categories of L/M training

Progress: With HR, FSI's Leadership and Management School (LMS) piloted mandatory leadership/management training. LMS has continued to expand its curriculum to meet the Secretary's emphasis on preparing future leaders, revised its L/M Training Continuum, designed and introduced new courses, incorporated the Ambassadorial Seminar into the School, and launched a SEP post initiative to provide customized, post-specific training on-site. Overall, LMS provided about 126,000 hours of leadership/management training in FY 2001.

Priority: Increase the readiness level and broaden the base of Department and Mission personnel who are able to implement Emergency Action Plans, manage crises, and protect national interests and Americans abroad.

Performance Goals: A. Conduct crisis management exercises at overseas posts and Operations Center Task Forces. B. Provide domestic training through tradecraft, functional and other NFATC and related agencies' training courses. C. Continue second circuit of crisis management training for all posts. D. Regularize curriculum and start regular crisis management training for FSN domestic and overseas training. E. Implement a distance learning component for crisis management training.

Indicators: A. Number of personnel trained. B. Percentage of persons trained who demonstrate knowledge of 80% of CM Fundamentals

Progress: FSI's Leadership and Management School (LMS) completed the first full cycle of overseas Crisis Management Exercises covering 256 posts, and began development of a new multimedia crisis management training tool.

Priority: Trained end-users manage and use information technology resources to maximize diplomatic readiness. Trained IRM Specialists providing customer support to the end-user and maintaining Department information systems resulting in improved performance and reduced systems downtime.

Performance Goals: A. Provide Microsoft Office product training for end users who support 200 overseas posts. B. Provide CableXpress training domestically and for at least 50 overseas posts in support of the Classified Connectivity Program (CCP). C. Provide technical training in PC desktop systems and LAN administration to 250 IRM Specialists. D. Continue to support IRM and HR to recruit and retain technology specialists through the Skills Incentive Program (SIP). E. Provide a minimum of 130,000 hours of end-user training and 150,000 hours of technical training to IRM Specialists. F. Provide at least 17 weeks of technology training to 150 new hire IRM Specialists. G. Align technical course curricula with national standards testing. H. Implement Microsoft Office User Specialist (MOUS) certification program for employees receiving Microsoft Office product training.

Indicators: A. 2,500 end users and 200 IM specialists receive ALMA, SMS and advanced ALMA training. B. End-users receive 130,000 hours of training and IM specialists receive 150,000 hours of training. C.

DIPLOMATIC & CONSULAR PROGRAMS

Increase the number of Dept. employees who have professional certifications or academic degrees in computer science to 65% of eligible employees. D. Provide 50 posts CableXpress training in support of the CCP program.

Progress: FSI's School of Applied Information Technology (SAIT) opened a second Sylvan Prometric Testing Center located at the NFATC which allows Department IT professionals to take nationally recognized standard certification tests in a wide variety of technical subjects. SAIT has also migrated systems courses to align with standard national certifications awarded in the subject matter. The Skills Incentive Program (SIP) has been extended for a third year, and has so far resulted in about 45% of State's IT professionals receiving a retention/incentive allowance based on their attainment of academic and professional certifications. FSI provided about 53,000 hours of IT training to end-users and about 178,000 to IM Specialists.

Priority: FSI is configured and equipped to provide the full range of FSI distance learning offerings and support via at least two delivery systems to every post/facility worldwide by the end of FY03, and the NFATC facility is adequate to support staff and student needs.

Performance Goals: A. Ensure infrastructure support needed to effect Worldwide Distance Learning. B. Integrate/upgrade existing FSI infrastructure to support distance learning courseware. C. Integrate and upgrade existing FSI corporate applications to support Distance Learning and new HR and OPAP initiatives. D. Conduct capacity study to determine further NFATC space needs. E. Upgrade/expand existing FSI computer network infrastructure. F. Upgrade FSI corporate applications to support new initiatives (Distance Learning, HR, OPAP).

Indicators: A. Implement virtual multimedia laboratory on OpenNet. B.10% progress beyond Distance Learning baseline (courses and facilities) above FY02 implementation. C. Upgrade, acquire, install digital systems, equipment; upgrade network infrastructure and corporate applications. D. Status of capacity review.

Progress: In FY 2001 FSI progressed with its plan to ensure the appropriate infrastructure exists to meet projected demand and exploit distance learning opportunities to expand training beyond the schoolhouse. The two digital lab upgrades were completed with planning to upgrade a third initiated. FSI also began replacing outdated analog equipment in classrooms with digital technology. FSI continued to exploit new training technologies to broaden training opportunities including Internet based distance learning, and the in-house development of new multimedia programs and tools. The planned formal capacity review/study projected for FY 2001 had its timeframe altered with the study moved to FY02 or FY03.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Foreign Service Institute	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	579	42	5	626	$33,293	$53,818	$87,111
FY 2002 Estimate	586	42	5	633	$43,223	$56,902	$100,125
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($28)	$0	($28)
2002 American Cost-of-Living Adjustment	0	0	0	0	$79	$659	$738
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$144	$144
American Cost-of-Living Adjustment	0	0	0	0	$159	$1,122	$1,281
FSN Wage	0	0	0	0	$85	$0	$85
Overseas Price	0	0	0	0	$8	$0	$8
Domestic Price	0	0	0	0	$595	$0	$595
Total Built-in Changes	0	0	0	0	$898	$1,925	$2,823
FY 2003 Current Services	586	42	5	633	$44,121	$58,827	$102,948
FY 2003 Request	586	42	5	633	$44,121	$58,827	$102,948

STAFF BY PROGRAM ACTIVITY
(positions)

Foreign Service Institute	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**6**	**6**	**6**	**0**
Bureau Direction	6	6	6	0
Information Resource Management	**9**	**11**	**11**	**0**
Office Automation	9	11	11	0
Other Office Automation	9	11	11	0
Training Services	**524**	**529**	**529**	**0**
Language Studies	321	321	321	0
Professional Development/Area Studies	160	165	165	0
Security Training	5	5	5	0
Information Management Training	38	38	38	0
Domestic Administrative Support	**87**	**87**	**87**	**0**
Domestic Administrative Management	87	87	87	0
Total	626	633	633	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Foreign Service Institute	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$698**	**$776**	**$799**	**$23**
Bureau Direction	$698	$776	$799	$23
Public Diplomacy	**$531**	**$515**	**$524**	**$9**
Public Diplomacy - Program Costs	$531	$515	$524	$9
Information Resource Management	**$2,391**	**$4,458**	**$4,561**	**$103**
Office Automation	$2,391	$4,458	$4,561	$103
Other Office Automation	$2,391	$4,458	$4,561	$103
Training Services	**$67,921**	**$77,177**	**$79,297**	**$2,120**
Language Studies	$42,315	$47,878	$49,210	$1,332
Professional Development/Area Studies	$18,518	$20,889	$21,477	$588
Security Training	$505	$526	$543	$17
Information Management Training	$6,583	$7,884	$8,067	$183
Domestic Administrative Support	**$15,570**	**$17,199**	**$17,767**	**$568**
Domestic Administrative Management	$15,570	$17,199	$17,767	$568
Total	$87,111	$100,125	$102,948	$2,823

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Foreign Service Institute	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**6**	**0**	**0**	**6**	**$200**	**$599**	**$799**
Bureau Direction	6	0	0	6	$200	$599	$799
Public Diplomacy	**0**	**0**	**0**	**0**	**$524**	**$0**	**$524**
Public Diplomacy - Program Costs	0	0	0	0	$524	$0	$524
Information Resource Management	**11**	**0**	**0**	**11**	**$3,389**	**$1,172**	**$4,561**
Office Automation	11	0	0	11	$3,389	$1,172	$4,561
Other Office Automation	11	0	0	11	$3,389	$1,172	$4,561
Training Services	**482**	**42**	**5**	**529**	**$28,295**	**$51,002**	**$79,297**
Language Studies	274	42	5	321	$16,562	$32,648	$49,210
Professional Development/Area Studies	165	0	0	165	$6,803	$14,674	$21,477
Security Training	5	0	0	5	$59	$484	$543
Information Management Training	38	0	0	38	$4,871	$3,196	$8,067
Domestic Administrative Support	**87**	**0**	**0**	**87**	**$11,713**	**$6,054**	**$17,767**
Domestic Administrative Management	87	0	0	87	$11,713	$6,054	$17,767
Total	586	42	5	633	$44,121	$58,827	$102,948

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Foreign Service Institute	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Director	6	6	6	0
School of Applied Info Tech	38	38	38	0
School of Language Studies	274	274	274	0
School of Prof and Area Studies	109	112	112	0
The Transition Center	11	11	11	0
School of Leadership and Management	45	47	47	0
Office of the Executive Director	96	98	98	0
Total	579	586	586	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Foreign Service Institute	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Director	$698	$776	$799	$23
School of Applied Info Tech	$6,584	$7,884	$8,067	$183
School of Language Studies	$33,089	$36,881	$37,958	$1,077
School of Prof and Area Studies	$12,366	$13,871	$14,258	$387
The Transition Center	$1,186	$1,353	$1,439	$86
School of Leadership and Management	$6,002	$6,705	$6,899	$194
Office of the Executive Director	$17,960	$21,649	$22,280	$631
Total	$77,885	$89,119	$91,700	$2,581

STAFF BY POST
(positions)

Foreign Service Institute Country and Post	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Seoul Regional Language School, Korea	5	0	5	5	0	5	5	0	5	0	0	0
Tunis Regional Language School, Tunisia	12	1	13	12	1	13	12	1	13	0	0	0
Yokohama Regional Language School, Japan	10	4	14	10	4	14	10	4	14	0	0	0
Taipei American Institute In Taiwan	15	0	15	15	0	15	15	0	15	0	0	0
Total	42	5	47	42	5	47	42	5	47	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Foreign Service Institute	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Seoul Regional Language School, Korea	$697	$797	$818	$21
Tunis Regional Language School, Tunisia	$1,772	$2,021	$2,068	$47
Yokohama Regional Language School, Japan	$2,148	$2,490	$2,554	$64
Taipei American Institute In Taiwan	$4,609	$5,698	$5,808	$110
Total	$9,226	$11,006	$11,248	$242

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Foreign Service Institute	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$40,510	$48,721	$50,320	$1,599
1200	Personnel Benefits	$16,806	$12,732	$13,152	$420
2100	Travel & Trans of Persons	$1,313	$1,617	$1,619	$2
2300	Rents, Comm & Utilities	$770	$1,013	$1,034	$21
2400	Printing & Reproduction	$687	$895	$914	$19
2500	Other Services	$19,969	$26,099	$26.676	$577
2600	Supplies and Materials	$2,898	$3,627	$3,699	$72
3100	Personal Property	$4,158	$5,421	$5,534	$113
Total		$87,111	$100,125	$102,948	$2,823

DIPLOMATIC & CONSULAR PROGRAMS

Democracy, Human Rights and Labor

OVERVIEW STATEMENT

The Bureau of Democracy, Human Rights and Labor (DRL) is the Department's internal and external voice on democracy and human rights issues worldwide. The U.S. engages in democracy promotion and support for human rights both as a reflection of our national values and as a foundation for our broader national interests. National security, economic prosperity, law enforcement and global issues such as health and the environment are all policy areas where human rights concerns are strongly linked to American national interests. DRL leads the Department's formal human rights dialogues with other countries and integrates democracy and human rights concerns into U.S. policy through working groups and informal policy dialogues. In its work, the bureau integrates short-term activities aimed at remedying human rights abuses and long-term projects aimed at building institutional structures for democratic societies. The bureau is best known for the production of the annual *Country Reports on Human Rights*, now in its twenty-fifth year and covering 195 countries. DRL has also produced the annual *Report on International Religious Freedom* since 1999 and released the first ever report on trafficking in persons in 2001. The bureau's activities of monitoring, advocacy, programming, and policy coordination serve the national interest by creating the framework for positive action in support of universally agreed human rights standards.

NATIONAL INTERESTS & GOALS

Priority: Democracy - Consolidation of new democracies and greater liberalization of authoritarian and semi-authoritarian regimes.

Performance Goals: A. Strengthen oversight and coordination of bilateral democracy promotion efforts in priority countries through setting policies, devising strategies and by strengthening and leveraging diplomacy and assistance programs. B. Advance universal democratic norms and democracy assistance and enforcement mechanisms in global and regional fora.

Indicators: A. Democracy promotion strategies for priority countries and regions developed, cleared, and integrated into interagency process. B. Human Rights and Democracy Fund becomes rapid response mechanism to strategically respond to Human Rights/Democracy emergencies and opportunities in priority countries. C. Resolutions that build upon and consolidate the right to democracy continue to be passed in international fora. D. CD initiative strengthens regional mechanisms to promote and protect democracy. E. Democracy clauses strengthened or introduced in regional and multi-lateral organizations.

Progress (as of January, 2002): The recent combination of the former DRL/Bilateral Assistance and DRL/Democracy Promotion offices into the new Promotion of Human Rights and Democracy Office (PHD) has given the bureau a combined pool of regional expertise on human rights and democracy promotion issues. PHD has identified a range of priority countries worldwide and has been developing strategies for them clearly stating DRL objectives. These countries include China, Pakistan, Zimbabwe, Indonesia, Colombia, and Venezuela. New criteria for the Human Rights and Democracy Fund (HRDF) have been implemented with a central focus on innovative, cutting-edge human rights and democracy programs that other U.S. Government entities may be unable or reluctant to fund principally in countries and regions that are of strategic importance to the U.S. These funds also support regional initiatives that have transnational implications. Since October 2001, 12 projects have been approved by DRL's HRDF committee including countries in Central Asia, East Asia and South America. In recent months, PHD regional experts have traveled to Central Asia, Latin America, South Asia, Africa, Europe and East Asia.

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As a result of information gathered during these trips, PHD regional experts are in the process of developing projects for HRDF funding. Examples include democracy building in Uzbekistan, Kyrgyzstan and Colombia.

Priority: Human Rights -- Greater respect for human rights around the world.

Performance Goals: A. Promote respect for human rights in bilateral and international fora. B. Deter human rights violations and spotlight serious violations. C. Work closely with regional bureaus, posts and federal agencies to integrate human rights into policy formulation.

Indicators: A. Human rights dialogues with key countries. B. Country-specific resolutions at the United Nations Commission on Human Rights, if the U.S. rejoins the commission. C. Improvement in country chapters in annual Country Reports on Human Rights Practices. D. Use evaluations done by key NGOs (Freedom House) to determine whether or not a country is fully democratic. E. U.S. compliance with international human rights conventions. F. Leahy amendment limits on security assistance implemented in bureau. G. Annual dialogue between DRL, regional bureaus, and posts on drafting and use of Country Reports on Human Rights Practices.

Progress (as of January, 2002): DRL officers monitor the spectrum of USG bilateral relations closely and work with regional and functional bureaus and a variety of NGOs to identify current or potential human rights problems and to increase public and government awareness of good governance and democratic practices. DRL/ PHD and DRL/International Religious Freedom officers have contributed significantly to the development of "dialogues" with countries such as China, Vietnam, Uzbekistan, and most recently Sri Lanka. DRL/PHD and DRL/International Labor Affairs officers contributed to the success of annual African Growth Opportunities Act negotiations with several African countries. DRL/PHD officers maintain close contacts with a range of domestic, regional and international NGOs and have hosted a series of NGO Roundtables on Zimbabwe, Colombia, Bolivia, and China, among others. DRL/PHD and DRL/SEA officers conduct field studies often and extensively meet with grass-roots NGOs and human rights workers, traveling to over 20 countries in Latin America, Central Asia, Africa, South Asia, and Europe. DRL/PHD officers monitored elections in countries such as Peru and in the Balkans.

Priority: Religious Freedom -- Greater international respect for and acceptance of freedom of religion and conscience around the world.

Performance Goals: A. Mainstream Religious Freedom within U.S. foreign policy establishment. B. Promote religious freedom abroad. C. Promote enabling rights such as freedom of speech and assembly. D. Implement Congressional mandates from International Religious Freedom Act (IRFA).

Indicators: A. Develop guidelines for Political and Consular IRF portfolios plus establish new IRF positions at key U.S. missions abroad. B. IRF Ambassador hosts round table for foreign ambassadors in Washington to explain U.S. religious freedom policy. C. International Visitor Programs for target countries. D. Carry out reconciliation projects. E. Improve access to cables for IRF commissioners and staff. F. Develop guidelines to permit access by religious groups to U.S. embassy and consular facilities abroad. G. Meet with NGOs. H. Negotiate with foreign governments, both bilaterally and in multilateral forums, to advance religious freedom. I. Oversee the Countries of Peculiar Concern process. J. Oversee the annual report to Congress. K. Cooperate with FSI in providing training on religious freedom for State Department employees. L. Cooperate with Justice and INS to ensure appropriate training for immigration, refugee and asylum personnel. M. Run outreach programs to religious groups.

Progress (as of January, 2002): The office of International Religious Freedom (DRL/IRF) has progressed in mainstreaming religious freedom within the U.S. foreign policy establishment by successful briefings of

outgoing U.S. Ambassadors (with follow-up), maintaining the high-level of bipartisan support for the Office in Congress (through briefings and hearings), and initiating outreach programs to American Buddhists and Hindus. The Office has engaged in an aggressive program of advocacy with foreign governments (e.g., China, Vietnam, Laos, Saudi Arabia and Egypt) and met with the victims of religious persecution. It continued to implement Congressional mandates by issuing its third Annual Report - generally recognized as the standard reference on the subject - and maintaining a fruitful relationship with the independent IRF commission. Improved training for Foreign Service Officers on religious freedom concerns. Integrated IRF issues into multilateral forum such as the UN and OSCE. Established outreach to Hindus and Buddhists.

Priority: Trafficking -- An end to trafficking in persons worldwide.

Performance Goals: A. Promote understanding in domestic, bilateral, and international fora that trafficking is a violation of human rights. B. Continue to strengthen USG reporting on trafficking. C Contribute through the new trafficking office to the coordination, oversight, and implementation of USG anti-trafficking program.

Indicators: A. Participate in Conference on Trafficking to share best practices and develops international cooperative strategies. B. Participate in Congressional and NGO briefings related to trafficking. C. Many DRL staffers have worked on trafficking. D. Institutionalization of reporting on trafficking. E. Significant DRL contributions to the new office on trafficking.

Progress (as of January, 2002): The Department took an active role in combating trafficking. DRL worked to increase NGO attention to the trafficking issue. DRL worked to enhance reporting in the Country Reports. DRL personnel actively worked at an anti-trafficking resolution we co-sponsored at the Commission on Human Rights. DRL contributed extensively to the first Trafficking in Persons Report issued in July 2001. DRL actively participated in the establishment of the new trafficking office that will consolidate the Department's anti-trafficking policy and programs, and we will continue to work closely with that office.

Priority: International Labor Rights -- Expanded observance of worker rights, improved working conditions and increased participation by workers through their elected representatives will promote stable economic development and therefore democratic development.

Performance Goals: A. Promote labor and other rights of workers through bilateral contacts and in multilateral fora. B. Promote right of workers to have a role in democratic development and economic transformation. C. Strengthen U.S. international labor diplomacy. D. Encourage an end to corruption and also democratic governments because they offer a clear path to economic growth and prosperity. E. Work to extend benefits of globalization to those who have been disadvantaged by their inability to participate.

Indicators: A. Active application of rights criteria of U.S. unilateral programs. B. Partnership to Eliminate Sweatshops produces USG-civil society cooperation in innovative strategies to end sweatshop labor. C. Workers fully engaged in national level decision making about economic and democratic reform and development. D. Democratically elected worker representatives capably represent workers in dialogue with governments and employers. E. Significant reduction in poverty and its consequences with economic growth and development. F. International Organization plans to transform economies systematically contain provision for displaced workers. G. Democratic trade unions ensure just benefits for workers. H. Labor officers in the field increasingly integrate labor reporting with other field reporting and increase labor dialogue with host governments. I. DRL/IL facilitates greater interagency, consensus-based policy recommendation and formulation regarding labor.

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Progress (as of January, 2002): The International Labor Affairs Office (DRL/IL) participated in the successful renewal negotiations for the U.S.-Cambodia Textile Agreement which aims to provide trade benefits as an incentive to fostering better labor standards and working conditions. Also, the Partnership Against Sweatshops Program has made notable progress with NGOs, governments, and private enterprise to eliminate sweatshop conditions in Central America, Asia, and elsewhere. During a December workshop for grant recipients, participants provided an exchange of information on best practices for monitoring and on strategies for inducing better observances of labor laws. DRL/IL provided suggestions to Russia and Thailand on labor law reform. In the Ivory Coast, we obtained substantial commitments to join the International Program for the Elimination of Child Labor (IPEC) and engaged in projects to eliminate child labor, trafficking in persons, and slave labor.

Priority: Public Outreach -- Educate foreign and domestic public and special interest groups on the work of the bureau.

Perfromance Goals: A. Explain and promote bureau policies to Members of Congress, their staffs, and Congressional Committees. B. Explain and promote bureau policies to oversees public, media, and NGOs. C. Expand outreach to foreign and domestic public. D. Expand internet and intranet capabilities. E. Incorporate emerging issues into the work of the bureau.

Indicators: A. Timely response to Congressional correspondence and casework on DRL issues. B. Effective Congressional briefings and hearings by DRL principals. C. Timely and effective development of position papers and Statements of Administration Policy on legislation affecting the range of human rights and democracy issues. D. Number of domestic and international NGO's on DRL contact list. E. Foreign press center and NGO briefings. F. Hits on DRL web pages. G. Creation of URL's directly linked to DRL. H. Improvement and updating of DRL web sites on ClassNet and OpenNet. I. Integration and implementation of Voluntary Principles. J. Implementation of Action Plan for Nigeria. K. Develop guidelines on democracy and human rights for Internet companies. L. Develop new corporate responsibility initiatives in other sectors.

Progress (as of January, 2002): In 2001, SEA functioned well despite significant staffing gaps. DRL/SEA significantly improved response time on Congressional correspondence, worked closely with the Hill on casework and CHR issues of particular interest to the Hill, effectively coordinated numerous briefings/hearings by bureau principals, and successfully integrated DRL position papers into the legislative process. SEA developed effective working relationships with the public diplomacy bureaus within the Department and organized several innovative joint programs. DRL and the Foreign Press Center developed a study tour for European journalists to improve foreign understanding of criminal justice and death penalty issues in the United States. DRL and ECA organized a study tour for foreign NGO leaders and educators to review tolerance and anti-racism education projects. DRL officials regularly spoke in videoconferences organized by IIP. As a result, U.S. human rights and democracy policy was better communicated to important foreign publics. The office also managed the bureau's corporate social responsibility initiative, completing the negotiations of the U.S. - U.K. Voluntary Principles on Corporate Security and Human Rights in January 2001. The office co-chaired plenary sessions of the corporate, government, and NGO participants and convened information sessions for parties interested in joining the process.

Priority: Diplomatic Readiness -- A well-run and responsibly staffed bureau with sufficient resources to carry out the work.

Performance Goals: A. Provide a stable, permanent workforce to better meet bureau requirements. B. Enable IT capabilities and resources to support bureau's work. C. Provide sufficient infrastructure and operational resources to meet program requirements and personnel.

DIPLOMATIC & CONSULAR PROGRAMS

Indicators: A. Number of FTE in DRL. B. A fully trained, diplomatically ready work force. C. Attract FSO's and civil service officers to work in DRL.

Progress (as of January, 2002): The bureau consolidated two offices (Democracy Promotion and Bilateral Affairs) into one called Promotion of Human Rights and Democracy (PHD). This decision has allowed DRL to effectively treat democracy and human rights as equal partners because a democracy cannot exist without a system of basic human rights. The consolidation also assisted the Assistant Secretary in his quest to streamline and improve the Human Rights and Democracy Fund (HRDF). We received an additional FTE in FY2002 to help coordinate programs which will be critical in the amelioration of HRDF. B. We have successfully completed the second year of our 3-year computer replacement cycle. This allowed DRL to store more information and access information more quickly, both of which are critical during the busy human rights reporting season. C. DRL renovated 100 percent of its office spaces to accommodate growing needs. Currently all DRL employees have decent, workable, safe places to work.

FY 2003 Request
SUMMARY STATEMENT

Bureau of Democracy, Human Rights, and Labor	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	95	0	0	95	$3,273	$7,374	$10,647
FY 2002 Estimate	97	0	0	97	$3,357	$7,925	$11,282
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($5)	$0	($5)
2002 American Cost-of-Living Adjustment	0	0	0	0	$7	$91	$98
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$24	$24
American Cost-of-Living Adjustment	0	0	0	0	$12	$157	$169
Domestic Price	0	0	0	0	$50	$0	$50
Total Built-in Changes	0	0	0	0	$64	$272	$336
FY 2003 Current Services	97	0	0	97	$3,421	$8,197	$11,618
FY 2003 Request	97	0	0	97	$3,421	$8,197	$11,618

DIPLOMATIC & CONSULAR PROGRAMSDIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Democracy, Human Rights, and Labor	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**14**	**7**	**13**	**6**
Department Direction	14	7	13	6
Conduct of Diplomatic Relations	**77**	**86**	**80**	**(6)**
Political Affairs	77	86	80	(6)
Political Diplomacy	77	86	80	(6)
Public Diplomacy	**4**	**4**	**4**	**0**
Public Diplomacy - Program Costs	4	4	4	0
Total	95	97	97	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Democracy, Human Rights, and Labor	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,486**	**$814**	**$1,558**	**$744**
Department Direction	$1,486	$814	$1,558	$744
Conduct of Diplomatic Relations	**$7,959**	**$9,416**	**$8,995**	**($421)**
Political Affairs	$7,959	$9,416	$8,995	($421)
Political Diplomacy	$7,959	$9,416	$8,995	($421)
Public Diplomacy	**$458**	**$459**	**$472**	**$13**
Public Diplomacy - Program Costs	$458	$459	$472	$13
Information Resource Management	**$744**	**$593**	**$593**	**$0**
Infrastructure Systems	$744	$593	$593	$0
Information Management Security Implementation	$744	$593	$593	$0
Total	$10,647	$11,282	$11,618	$336

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Democracy, Human Rights, and Labor	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**13**	**0**	**0**	**13**	**$468**	**$1,090**	**$1,558**
Department Direction	13	0	0	13	$468	$1,090	$1,558
Conduct of Diplomatic Relations	**80**	**0**	**0**	**80**	**$2,286**	**$6,709**	**$8,995**
Political Affairs	80	0	0	80	$2,286	$6,709	$8,995
Political Diplomacy	80	0	0	80	$2,286	$6,709	$8,995
Public Diplomacy	**4**	**0**	**0**	**4**	**$74**	**$398**	**$472**
Public Diplomacy - Program Costs	4	0	0	4	$74	$398	$472
Information Resource Management	**0**	**0**	**0**	**0**	**$593**	**$0**	**$593**
Infrastructure Systems	0	0	0	0	$593	$0	$593
Information Management Security Implementation	0	0	0	0	$593	$0	$593
Total	97	0	0	97	$3,421	$8,197	$11,618

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Democracy, Human Rights, and Labor	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	7	8	8	0
Office of International Religious Freedom	8	8	8	0
Principal Deputy Assistant Secretary	2	2	2	0
Office of Country Reports and Asylum Affairs	19	19	19	0
Office of Multilateral Affairs	10	10	10	0
Office of Strategic and External Affairs	17	17	17	0
Senior Coordinator for Democracy Promotion	2	2	2	0
Office of Human Rights and Democracy	5	20	20	0
Deputy Assistant Secretary	2	2	2	0
Office of Bilateral Affairs	14	0	0	0
Office of International Labor Affairs	9	9	9	0
Total	95	97	97	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Democracy, Human Rights, and Labor	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$784	$931	$959	$28
Office of International Religious Freedom	$896	$931	$959	$28
Principal Deputy Assistant Secretary	$224	$233	$240	$7
Office of Country Reports and Asylum Affairs	$2,126	$2,211	$2,276	$65
Office of Multilateral Affairs	$1,120	$1,164	$1,199	$35
Office of Strategic and External Affairs	$1,913	$1,971	$2,030	$59
Senior Coordinator for Democracy Promotion	$224	$233	$240	$7
Office of Human Rights and Democracy	$560	$2,327	$2,396	$69
Deputy Assistant Secretary	$224	$233	$240	$7
Office of Bilateral Affairs	$1,568	$0	$0	$0
Office of International Labor Affairs	$1,008	$1,048	$1,079	$31
Total	$10,647	$11,282	$11,618	$336

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Democracy, Human Rights, and Labor	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$5,470	$5,952	$6,118	$166
1200	Personnel Benefits	$2,492	$2,893	$2,999	$106
2100	Travel & Trans of Persons	$813	$664	$703	$39
2300	Rents, Comm & Utilities	$285	$290	$290	$0
2400	Printing & Reproduction	$190	$345	$370	$25
2500	Other Services	$695	$440	$440	$0
2600	Supplies and Materials	$350	$250	$250	$0
3100	Personal Property	$352	$448	$448	$0
Total		$10,647	$11,282	$11,618	$336

DIPLOMATIC & CONSULAR PROGRAMS

Administration

OVERVIEW STATEMENT

The Bureau of Administration (A) provides essential diplomatic readiness programs and support to the Department of State, other Federal agencies and U.S. missions worldwide, as well as certain services for the public at large. The array of programs and services include: innovations in administrative services; diplomatic contingency programs; logistics, acquisitions, the Procurement Executive, small and disadvantaged business utilization functions; diplomatic pouch and mail delivery; domestic real property management; general services including the authentication of documents for use abroad, the employee services center, management of the diplomatic reception rooms, video production and the domestic motor vehicle fleet; records and publishing services; overseas schools assistance; the administration of U.S. Government civilian allowance rates for locations abroad; language services; Presidential/Vice Presidential foreign travel support; domestic Working Capital Fund management; and oversight of and assistance to commissary and recreation associations located at Posts abroad.

Priorities in the first decade of the 21st century include projects that will reap long-term benefits in terms of organizational and employee effectiveness, and are consistent with the Secretary's vision of an exemplary Department of State. Real property priorities include: the consolidation of key Department of State offices in Foggy Bottom, construction of a new building to replace the 41-year old building housing the U.S. Mission to the United Nations on United Nations Plaza, implementation of a Capital Improvement plan for properties owned by the State Department, and collaboration with the Bureau of Diplomatic Security for the consolidation of their staff in Northern Virginia. Administrative program delivery priorities include: implementation of an integrated worldwide logistics management system, compliance with records access mandates and modernization of information collection and management, electronic commerce and electronic government. The Assistant Secretary, the staff of the new Center for Administrative Innovation and bureau offices are working closely within the Department, and with other Federal agencies and public and private sector change agents toward the goal of improving and de-mystifying the delivery of administrative services.

NATIONAL INTERESTS & GOALS

Priority: Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.

Performance Goal: The Department of State's domestic facilities are cost-effective and energy efficient and enable employees to perform their duties.

The Department of State, through the Bureau of Administration, is implementing a comprehensive domestic facilities program that contributes to greater productivity, employee retention and operational effectiveness. The cornerstone of this effort is the multi-year consolidation and renovation of office space in Foggy Bottom. In addition, there is heightened emphasis on the professional management of facilities owned or leased by the Department both in metropolitan Washington, D.C. and other parts of the United States.

Indicators: Status of the following: A. Master Real Estate Plan for Foggy Bottom based on approved milestones; B. the physical consolidation of the foreign affairs functions; C. the construction of a new building for the U.S. Mission to the United Nations; D. the implementation of a Capital Improvement Plan for Department of State owned and leased facilities; E. successful support for the building consolidation of

the Bureau of Diplomatic Security; and F. success in meeting the mandatory MegaBTU reduction rates in applicable buildings.

Progress (FY 2001): Significant progress was made during FY 2001 in partnership with GSA in the initial phase of the renovation of the Harry S Truman headquarters building. This included starting demolition work and completing the design of the infrastructure in the "Old State" wing of the building. Construction starts in February 2002. The building's air conditioning equipment has already been replaced, and the new Foggy Bottom basement-level concourse opened in August 2001 with such services as the U.S. Post Office, credit union, bank, the medical health unit and numerous other services. In turn, the space occupied by these activities elsewhere in the building was made available for renovation. The full occupancy of the Columbia Plaza complex in Foggy Bottom and extensive reorganization renovations/moves have allowed for the first phase of the headquarters building renovation, including blast resistant windows that will eventually be installed throughout the building. In a parallel effort, an additional 63 renovation projects were completed toward the co-location in Foggy Bottom of Department of State and former USIA and ACDA offices by the end of FY 2004. To date, 88 of the 122 planned projects have been completed. In addition, Department of State space on Navy Hill (across 23rd Street from the Truman building) was renovated and work is complete in all three of the buildings.

The joint GSA/State project to construct a 21st century building for the U.S. Mission to the United Nations on United Nations Plaza achieved partial progress in meeting the target set for FY 2001. The architectural design for a modern, secure, energy-efficient building was completed, and the Bureau of Administration provided resubmission design comments to GSA in October 2001. The design is now undergoing revisions to meet security and other requirements. The GSA has demolition funding in FY 2002. The State Department's request to fund the Interim Office Building and State staff support, and GSA's separate request for the new construction, are both included in the President's FY 2003 budget request.

We are finishing the design and construction at our Charleston Regional Center, which will consolidate the majority of the Department's domestic and worldwide financial services. We also recently leased a building in Northern Virginia to consolidate staff of the Bureau of Diplomatic Security (DS). When DS moves into the new space, the vacated offices will be used to accommodate new employees and as renovation swing space.

Beyond these consolidation, renovation and construction projects, the Department of State has made a commitment to energy efficiency in all State-owned and operated facilities. The Florida Regional Center and the National Foreign Affairs Training Center are both Federal Energy Solar Showcase facilities. The proposed new USUN building is designed for energy efficiency, and many other energy efficiency and alternative energy efforts are under way.

Priority: The Department of State's domestic facilities are cost-effective and energy efficient, and enable employees to perform their duties.

Performance Goal: Domestic and overseas Department of State employees, other U.S. Government employees, and public customers receive goods and services when needed.

Indicators: Enhance administrative programs improve the quality of work and life, build a stronger corps and strengthen our Federal records program through, among other things: A. a reduction in the information access statutory backlog, B. enhancing logistics management by efficiently meeting customer needs, strengthening human resources professionalism, and deploying a web-enabled, modern logistics system, C. increasing the number of offices and Posts using the State buy Interactive Platform for E-Commerce D. providing access to web-based Federal Procurement Data System and Geographic Information System, E.

meeting or exceeding SBA goals for the various categories of small and disadvantaged businesses, and F. attainment of the mandatory 75% acquisition of alternative fuel vehicles from the applicable inventory of domestic motor pool vehicles and shuttle buses.

Progress (FY 2001): In August, 2001, the Department established the Center for Administrative Innovation, reporting to the Assistant Secretary for Administration, to seek better ways of delivering administrative support to our people on the front lines overseas. We are implementing recommendations in three areas: E-Government, Quality of Life and Professionalism. We are also reaching out to other government agencies and private sector organizations for practices to emulate.

Significant effort in FY 2001 was focussed on E-Government initiatives including the State buy interactive Platform (SIP) for eCommerce and the development of the Integrated Logistics Management System (ILMS) for worldwide use by Department of State offices in the areas of supply, inventory, transportation and acquisition management. Since the inception of SIP in May 1996, the system has generated global cost avoidance of over $3.73 million and a return on investment of approximately 19 to 1. The number of solicitations and related documents posted on SIP in FY 2001 for overseas and domestic offices exceeded 150, representing a 50 percent increase over the previous fiscal year. The development of the Integrated Logistics Management System included selection of commercial off-the-shelf products, the implementation of pilots, and 50 percent completion of the ILMS design.

The Department of State became the first U.S. Government agency to transfer, electronically, permanent government records to the National Archives and Records Administration, sending over 10,000 unclassified telegrams from the "State Archiving System". The Department receives approximately 2,000 Freedom of Information Act (FOIA) requests annually, without commensurate staffing increases over the years to address a consistent backlog of about 3,400 FOIA requests. Given the importance of meeting our statutory obligations and of responding to the public in a timely manner, the Department provided 23 additional FTEs to the Bureau of Administration in the third quarter of FY 2001 to eliminate the backlog during FY 2002 and FY 2003. Shortly after FY 2001, candidates requiring security clearances were selected for a number of these positions, placing the Department in a better position to meet the goal of eliminating the backlog. This is a first step in our effort to match the workforce level to the level of work.

The Department has embraced the use of alternative fuel and natural gas vehicles for the domestic motor pool by procuring natural gas shuttle buses and alternative fuel sedans. We have exceeded our goal for energy efficient vehicles, in that they now comprise 84 percent of the applicable inventory. We will continue to procure these types of vehicles.

In summary, the Bureau of Administration is a full partner through its worldwide and domestic programs, in supporting the needs of the Department and the Secretary of State to address the very challenging work that lies ahead in conducting the nation's foreign policy.

PROGRAM CHANGE JUSTIFICATION

United States United Nations (USUN) Mission Building: $18,329,000

The new USUN Mission building will provide appropriate workspace that is currently lacking in the present inadequate facility. The construction of a new USUN mission building on the site of the current building at 799 United Nations Plaza was recommended by the General Services Administration (GSA) in 1995 to address the serious space requirements of the USUN mission. In 1997, State accepted a GSA proposal to construct a new building. The new facility will provide 141,600 gross square feet of office and meeting space and will serve current and future requirements. The facility will be state-of-the-art as well as

a secure environment for employees. The project has been designed as a "showcase" for energy efficiency. Congress approved the design funding for GSA in FY 1999, and GSA is funding the demolition and standard construction costs of the new building on the same site. State must fund above-standard design and construction costs. GSA and State are planning for occupancy of the new building after fit out of the interim building, the demolition of the existing building and construction of the new Mission, totaling approximately four years. The FY 2003 funding increase includes the costs of relocating and housing USUN staff in temporary space and working with GSA on over standard construction and construction oversight. State will require funding in FY 2004 for the new building.

FY 2003 Request

SUMMARY STATEMENT

Bureau of Administration	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	700	1	0	701	$223,778	$57,601	$281,379
FY 2002 Estimate	711	1	0	712	$236,720	$62,157	$298,877
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($19)	$0	($19)
ICASS Transfer - Diplomatic Mail and Pouch Program	0	0	0	0	($4,164)	($985)	($5,149)
2002 American Cost-of-Living Adjustment	0	0	0	0	$119	$720	$839
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$96	$96
American Cost-of-Living Adjustment	0	0	0	0	$208	$1,226	$1,434
Domestic Price	0	0	0	0	$2,432	$0	$2,432
GSA Rent	0	0	0	0	$24,155	$0	$24,155
Total Built-in Changes	0	0	0	0	$22,731	$1,057	$23,788
FY 2003 Current Services	711	1	0	712	$259,451	$63,214	$322,665
FY 2003 Program Changes							
New USUN Building	0	0	0	0	$18,329	$0	$18,329
Total Program Changes	0	0	0	0	$18,329	$0	$18,329
FY 2003 Request	711	1	0	712	$277,780	$63,214	$340,994

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Administration	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**57**	**57**	**57**	**0**
Bureau Direction	57	57	57	0
Information Resource Management	**284**	**284**	**284**	**0**
Infrastructure Systems	60	60	60	0
Diplomatic Pouch and Mail	50	50	50	0
Special Communications Support	10	10	10	0
Corporate Information Systems and Services	221	221	221	0
Administrative Systems	12	12	12	0
Information Services	209	209	209	0
Office Automation	3	3	3	0
Other Office Automation	3	3	3	0
Domestic Work Space	**47**	**52**	**52**	**0**
Domestic Investment in Current Assets	24	26	26	0
Colombia Plaza/Main State Renovations, Other Investments	24	26	26	0
Domestic Operations and Maintenance	23	26	26	0
Overseas Administrative Support	**1**	**1**	**1**	**0**
Overseas General Services	1	1	1	0
Domestic Administrative Support	**312**	**318**	**318**	**0**
Domestic Financial Services	7	7	7	0
Domestic Personnel Services	49	49	49	0
Domestic General Services	256	262	262	0
Supply, Transportation, and Acquisition	188	189	189	0
Language Services	20	20	20	0
White House Travel	6	6	6	0
Other Domestic General Services	42	47	47	0
Total	701	712	712	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Administration	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$7,898**	**$8,538**	**$8,792**	**$254**
Bureau Direction	$7,898	$8,538	$8,792	$254
Public Diplomacy	**$788**	**$200**	**$204**	**$4**
Public Diplomacy - Program Costs	$788	$200	$204	$4
Information Resource Management	**$69,806**	**$83,401**	**$80,202**	**($3,199)**
Infrastructure Systems	$31,190	$32,557	$28,021	($4,536)
Voice Communications Programs	$2,464	$2,525	$2,577	$52
Diplomatic Pouch and Mail	$24,315	$24,992	$20,289	($4,703)
Special Communications Support	$4,411	$5,040	$5,155	$115
Corporate Information Systems and Services	$37,946	$50,148	$51,467	$1,319
Administrative Systems	$3,411	$4,298	$4,401	$103
Information Services	$34,535	$45,850	$47,066	$1,216
Office Automation	$670	$696	$714	$18
Other Office Automation	$670	$696	$714	$18
Domestic Work Space	**$143,228**	**$141,403**	**$184,707**	**$43,304**
Domestic Investment in Current Assets	$5,774	$3,868	$22,323	$18,455
Colombia Plaza/Main State Renovations, Other Investments	$5,774	$3,868	$22,323	$18,455
Domestic Leases	$93,048	$94,048	$118,203	$24,155
GSA Rent	$92,630	$93,630	$117,785	$24,155
Domestic Leases	$418	$418	$418	$0
Domestic Operations and Maintenance	$44,406	$43,487	$44,181	$694
Overseas Administrative Support	**$5,190**	**$5,302**	**$5,414**	**$112**
Overseas General Services	$5,190	$5,302	$5,414	$112
Domestic Administrative Support	**$54,469**	**$60,033**	**$61,675**	**$1,642**
Domestic Financial Services	$773	$815	$838	$23
Domestic Personnel Services	$9,907	$10,431	$10,706	$275
Domestic General Services	$43,789	$48,787	$50,131	$1,344
Supply, Transportation, and Acquisition	$29,706	$31,198	$32,044	$846
Language Services	$2,500	$2,589	$2,668	$79
White House Travel	$3,496	$6,385	$6,528	$143
Other Domestic General Services	$8,087	$8,615	$8,891	$276
Total	$281,379	$298,877	$340,994	$42,117

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Administration	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**57**	**0**	**0**	**57**	**$1,795**	**$6,997**	**$8,792**
Bureau Direction	57	0	0	57	$1,795	$6,997	$8,792
Public Diplomacy	**0**	**0**	**0**	**0**	**$204**	**$0**	**$204**
Public Diplomacy - Program Costs	0	0	0	0	$204	$0	$204
Information Resource Management	**284**	**0**	**0**	**284**	**$58,072**	**$22,130**	**$80,202**
Infrastructure Systems	60	0	0	60	$24,092	$3,929	$28,021
Voice Communications Programs	0	0	0	0	$2,577	$0	$2,577
Diplomatic Pouch and Mail	50	0	0	50	$17,259	$3,030	$20,289
Special Communications Support	10	0	0	10	$4,256	$899	$5,155
Corporate Information Systems and Services	221	0	0	221	$33,563	$17,904	$51,467
Administrative Systems	12	0	0	12	$3,213	$1,188	$4,401
Information Services	209	0	0	209	$30,350	$16,716	$47,066
Office Automation	3	0	0	3	$417	$297	$714
Other Office Automation	3	0	0	3	$417	$297	$714
Domestic Work Space	**52**	**0**	**0**	**52**	**$179,883**	**$4,824**	**$184,707**
Domestic Investment in Current Assets	26	0	0	26	$19,773	$2,550	$22,323
Colombia Plaza/Main State Renovations, Other Investments	26	0	0	26	$19,773	$2,550	$22,323
Domestic Leases	0	0	0	0	$118,203	$0	$118,203
GSA Rent	0	0	0	0	$117,785	$0	$117,785
Domestic Leases	0	0	0	0	$418	$0	$418
Domestic Operations and Maintenance	26	0	0	26	$41,907	$2,274	$44,181
Overseas Administrative Support	**0**	**1**	**0**	**1**	**$5,324**	**$90**	**$5,414**
Overseas General Services	0	1	0	1	$5,324	$90	$5,414
Domestic Administrative Support	**318**	**0**	**0**	**318**	**$32,502**	**$29,173**	**$61,675**
Domestic Financial Services	7	0	0	7	$209	$629	$838
Domestic Personnel Services	49	0	0	49	$5,895	$4,811	$10,706
Domestic General Services	262	0	0	262	$26,398	$23,733	$50,131
Supply, Transportation, and Acquisition	189	0	0	189	$15,384	$16,660	$32,044
Language Services	20	0	0	20	$419	$2,249	$2,668
White House Travel	6	0	0	6	$5,853	$675	$6,528
Other Domestic General Services	47	0	0	47	$4,742	$4,149	$8,891
Total	711	1	0	712	$277,780	$63,214	$340,994

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Administration	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary for Administration	11	11	11	0
Executive Office	46	46	46	0
Presidential-Vice Presidential Travel Support	6	6	6	0
International Events Staff	0	0	0	0
Office of Small and Disadvantaged Business Utilization	6	6	6	0
Center for Administrative Innovation	1	6	6	0
Diplomatic Contingency Program	10	10	10	0
Office of the Procurement Executive	19	19	19	0
Deputy Assistant Secretary for Logistics Management	6	6	6	0
Customer Advocate Staff	12	12	12	0
Acquisitions Management	126	127	127	0
Operations Management	39	39	39	0
Policy and Program Management	70	70	70	0
Deputy Assistant Secretary for Operations	6	6	6	0
Office of Allowances	15	15	15	0
Office of Facilities Management Services	23	26	26	0
Office of Real Property Management	24	26	26	0
Office of Support Planning	9	9	9	0
Office of Overseas Schools	15	15	15	0
Office of Language Services	20	20	20	0
General Services Management	24	24	24	0
GSA & Other Rents Management	0	0	0	0
Deputy Assistant Secretary for Records and Publishing Services	4	4	4	0
IRM Programs and Services	169	169	169	0
Multi-Media Services	31	31	31	0
Directives	9	9	9	0
Total	701	712	712	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Administration	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Assistant Secretary for Administration	$1,507	$1,863	$1,917	$54
Executive Office	$7,948	$9,131	$9,373	$242
Presidential-Vice Presidential Travel Support	$4,216	$6,515	$6,660	$145
International Events Staff	$68	$70	$72	$2
Office of Small and Disadvantaged Business Utilization	$624	$660	$680	$20
Center for Administrative Innovation	$319	$970	$1,042	$72
Diplomatic Contingency Program	$4,411	$5,040	$5,155	$115
Office of the Procurement Executive	$2,780	$2,841	$2,923	$82
Deputy Assistant Secretary for Logistics Management	$2,918	$3,024	$3,096	$72
Customer Advocate Staff	$1,828	$1,933	$1,991	$58
Acquisitions Management	$13,800	$14,705	$15,148	$443
Operations Management	$11,911	$12,293	$12,584	$291
Policy and Program Management	$31,970	$32,916	$28,399	($4,517)
Deputy Assistant Secretary for Operations	$707	$750	$773	$23
Office of Allowances	$1,441	$1,537	$1,584	$47
Office of Facilities Management Services	$44,179	$43,255	$43,944	$689
Office of Real Property Management	$6,085	$4,186	$22,648	$18,462
Office of Support Planning	$1,168	$978	$1,007	$29
Office of Overseas Schools	$6,146	$6,464	$6,623	$159
Office of Language Services	$2,500	$2,589	$2,668	$79
General Services Management	$5,834	$5,771	$5,913	$142
GSA & Other Rents Management	$93,048	$94,048	$118,203	$24,155
Deputy Assistant Secretary for Records and Publishing Services	$509	$542	$559	$17
IRM Programs and Services	$30,222	$41,772	$42,868	$1,096
Multi-Media Services	$2,201	$3,010	$3,097	$87
Directives	$3,039	$2,014	$2,067	$53
Total	$281,379	$298,877	$340,994	$42,117

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Administration	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$54,687	$62,591	$63,749	$1,158
1200	Personnel Benefits	$10,911	$12,166	$12,381	$215
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$5,822	$8,187	$8,377	$190
2200	Transportation of Things	$14,888	$15,242	$13,681	($1,561)
2300	Rents, Comm & Utilities	$101,239	$109,300	$133,574	$24,274
2400	Printing & Reproduction	$2,120	$2,180	$2,220	$40
2500	Other Services	$76,980	$73,594	$91,103	$17,509
2600	Supplies and Materials	$3,056	$3,138	$3,181	$43
3100	Personal Property	$7,456	$7,601	$7,754	$153
4100	Grants, Subsidies & Contrb	$3,990	$4,643	$4,734	$91
4200	INS Claims & Indemnities	$230	$235	$240	$5
Total		$281,379	$298,877	$340,994	$42,117

DIPLOMATIC & CONSULAR PROGRAMS

Diplomatic Security

OVERVIEW STATEMENT

The Bureau of Diplomatic Security (DS) is responsible for providing a secure environment for the conduct of American diplomacy worldwide. DS manages a broad range of programs to create and maintain the highest appropriate levels of security possible for more than 50,000 U.S. Government personnel, staff, and dependents who work and live at 260 embassies, consulates, missions, and other posts overseas. The Bureau is also responsible for the security of facilities and personnel at more than 100 locations in the United States which make up the critical base of operations supporting diplomacy around the world and for the enforcement of a number of laws enacted to protect U.S. citizens and interests.

Pursuant to the Diplomatic Security Act of 1986, as amended, section 37 of the State Department Basic Authorities Act, and other statutes, DS has a number of critical responsibilities, including:

- Protection of all American personnel assigned to U.S. diplomatic missions domestically and abroad;
- Protection of the Secretary of State and designated foreign dignitaries working in or visiting the U.S.;
- Physical protection for Department of State office and residential facilities, communications, and information systems;
- Prevention of the technical penetration of U.S. diplomatic facilities by foreign intelligence efforts;
- Management of the Diplomatic Courier Service;
- Management of the Diplomatic Security construction certification program;
- Professional security training;
- Protection of sensitive information and systems through suitability verification as determined through personnel background investigations; and
- Investigation of visa and passport fraud.

The Bureau is also responsible for establishing policies and procedures for handling classified information and information systems security; and for producing semi-annual security environment assessments that detail the threats directed against our diplomatic personnel and facilities by terrorism, political violence, crime, human intelligence, and technical intelligence. Finally, DS has primary responsibility for execution of the programs and projects implemented and maintained through the funds appropriated for Worldwide Security Upgrades.

Major Activities

Overseas Local Guards – This program augments the resources provided by host governments for protecting diplomatic and consular overseas office facilities and residences of U.S. government employees and dependents of all agencies. It is administered locally by the Regional Security Officer who coordinates protection with host government officials. A new surveillance detection program has been initiated with Worldwide Security Upgrade funding, which also supports the expansion of the vehicle inspection program to all appropriate posts.

Residential Security – This program provides for security upgrades to the residences of U.S. employees assigned to overseas diplomatic and consular posts. Prior to occupancy, all newly acquired residential facilities are equipped with appropriate security features such as locks, alarms, shatter-resistant window film, and doors based on the nature of the threats to be addressed. This program also oversees the maintenance of improvements already installed around the world.

DIPLOMATIC & CONSULAR PROGRAMS

Physical Security – This program touches the life of every employee and dependent. It is designed to provide a physically secure environment for all United States Government personnel under the jurisdiction of the Chief of Mission. DS, through the physical security program, strengthens building exteriors, lobby entrances, and the walls and fences around embassy and consulate perimeters. Inside an embassy or consulate, closed-circuit television monitors, explosive detection devices, walk-through metal detectors and hard-line walls and security doors provide protection. The protective equipment and logistics program supplies DS field elements with ammunition, firearms, and other support equipment for defending our embassies, protecting dignitaries and conducting criminal investigations.

Dignitary Protection – DS is charged with protecting the Secretary of State and other government officials, resident and visiting foreign dignitaries, and foreign mission and diplomatic personnel in the United States. In addition, there is a large cooperative effort with New York City police, led by the DS Protection of Foreign Missions and Officials Program, which protects foreign officials attending the UN General Assembly. There are over 200 domestic protective details for foreign dignitaries each year. DS faces significant demands on its domestic agent staffing to support protective and overseas operations. Events such as the 2002 Winter Olympics, the World Economic Forum, the September 11th Attack on America and the dispatching of DS teams to threatened overseas posts can require 450 or more domestic DS agents at any one time to meet these mandated responsibilities.

Marine Security Guards (MSG) – Currently MSGs are deployed to 130 missions overseas. Marine Security Guard detachments are primarily responsible for preventing the compromise of classified material and equipment.

Protecting Information – National security information is discussed at meetings in secure conference rooms or on secure telephones, processed and stored on computers, and preserved and communicated on paper documents.. A comprehensive information protection program includes many elements: personnel investigations for security clearances; courier protection for diplomatic pouches; construction security and access control equipment; Marine security guards controlling access to embassies; locks for containers holding classified material; secure conference rooms; detecting and containing emanation from processing equipment; counterintelligence investigations and briefings; and computer security which is quickly escalating in priority, visibility and magnitude.

Passport and Visa Fraud – The investigation and prosecution of individuals suspected of passport and visa fraud are essential to United States border security. Passport fraud is usually a means or tool used for other criminal acts such as illegal immigrants seeking prima facie evidence of U.S. citizenship, narcotics trafficking, terrorism, and fugitives changing their identities to avoid arrest. Investigating suspect cases maintains the integrity of the U.S. passport as an internationally respected travel document. Investigating visa fraud and cooperating closely with the international law enforcement community also puts DS in a unique position for combating international crime. The Bureau also provides assistance in response to over 3,000 requests from other law enforcement agencies each year, thus further supporting USG efforts to combat illegal immigration and transnational crime.

Review of Standards and Risk Management – Security standards are developed, evaluated, and applied to a broad range of categories such as: physical protection for office and residential buildings; access to communication equipment; intrusion detection devices; secure conference rooms; and armored vehicles. In practice, these standards allow DS to identify and address threats posed by crime, terrorism, political violence, human intelligence, and technical intelligence penetration of facilities. They are a key element in Bureau decisions regarding resource allocation and help ensure that allocations are commensurate with identified threats at each post or location. Standards serve as a starting point in decisions to provide additional funding, as in the case of Emergency Security Supplemental and Worldwide Security Upgrades funds. Working with the other agencies that have interests overseas, DS continually reviews the

applicability of existing standards in a changing world. DS programs are continually assessed to ensure resources are used effectively and efficiently to meet the most pressing security needs.

Overseas Security Advisory Council (OSAC) – Supporting U.S. businesses and private sector organizations worldwide is a high DS priority. OSAC, a joint effort between the Department of State and the private sector, fosters the exchange of security and threat information and implementation of security programs, and provides a forum to address security concerns. The primary objective of the program is to increase support to American companies and organizations investing, traveling and residing abroad.

NATIONAL INTERESTS & GOALS

Priority: All USG personnel on official duty perform their jobs in support of diplomatic operations in safety from serious injury due to terrorism, political violence or crime.

Performance Goals: A. Implement and sustain security countermeasures that heighten security at primarily lower threat posts to meet standards formerly only required at high and critical threat posts, as provided under the 1999 Emergency Security Budget Amendment. B. Ensure that all posts have upgraded technical security equipment. C. Assess threat reports and provide timely, relevant threat information to posts abroad, the Secretary and designated others. D. Detect new terrorist trends, tactics, and targeting patterns to determine DS resource requirements and protective security needs. E. Establish a capital replacement cycle for vehicles and equipment. F. Maintain effective liaison relationships with appropriate officials of the Intelligence Community.

Indicators: A. Assess needs, design post specific plans, and install upgraded technical security equipment at 174 posts over a 5-year period. B. Complete all 50 other Emergency Security Amendment projects. C. Publish the following annually: Significant Incidents of Political Violence Against Americans; Terrorist Tactics and Security Practices: Lessons Learned; and Issues in Global Crime. D. Publish Daily Security Brief for distribution to the Department and Bureau officials. E. Notify posts and domestic offices of threat information quickly. F. Implement a budgeting mechanism to accommodate fluctuations in capital equipment needs within level funding.

Progress (as of January 2002):

- 100% of embassies and consulates have been supplied with updated walk-through metal detectors and bomb detection equipment is in place and operational.
- 100% of lightly armored vehicles have been armored; 97% of the total vehicle requirement have been delivered; and 98% of posts have received at least one lightly armored vehicle.
- 100% of the Chief of Mission vehicles have been ordered and are in the armoring phase with 94% delivered to post.
- 90% of the 50 Emergency Security Amendment projects completed.
- All embassies and consulates that did not require physical modifications (71%) have new x-ray machines.
- No accountability Review Board has found any serious injury, loss of life or destruction of a U.S. mission was due to inadequate security management or countermeasures.

Priority: All classified and sensitive information abroad and in domestic facilities is safeguarded from physical and technical compromise.

Performance Goals: A. Train all employees in computer security awareness. B. Conduct employee security briefings. C. Deploy network intrusion detection units at all facilities, both domestically and

abroad. D. Conduct evaluations of domestic and overseas facilities for compliance with Department and national computer security policies. E. Perform technical security surveys and inspections of U.S. missions and other Department facilities. F. Perform Technical Surveillance Countermeasures inspections. G. Support the classified pouch needs of the Department and all other U.S. government agencies. H. Conduct periodic reinvestigations of All State employees every five years. I. Achieve certification to meet the Director of Central Intelligence Directive 121 on Physical and Technical Security for all Department Sensitive Compartmented Information Facilities. J. Modernize IT security infrastructure on the Department's most sensitive computer systems. K. Maintain and update 12 Foreign Affairs Handbook #6 security standards. L. Reinvigorate the counterintelligence programs.

Indicators: A. Provide computer security awareness training for all levels of Department employees both domestically and abroad. B. Review Department's contracts and develop procedures for assuring appropriate clearances for work. C. Ensure that all newly cleared personnel in positions with need-to-know access receives an introduction to national security information briefing. D. Provide all cleared employees with a security refresher briefing on an annual basis. E. Install a network intrusion detection system for OpenNet and ClassNet at all domestic and overseas facilities. F. Monitor all OpenNet network activity centrally on a 24x7 basis to identify anomalies. G. Maintain the Department's computer incident response team to characterize events and identify incidents. H. Test software used on Department networks to ensure it offers minimal risk to network operations. I. Conduct facility evaluations worldwide for compliance with Department and national computer security policies. J. Complete technical security assessments at all posts. K. Develop a plan to deploy a system to detect electronic attack against the Harry S Truman building. L. Certifications are received to ensure that Sensitive Compartmented Information Facilities meet Director of Central Intelligence Directive 121 requirements. M. Attain an average rate of approximately 300 periodic reinvestigation per month to achieve the five-year requirement under Executive Order 12968. N. Train newly assigned information systems security officers (ISSOs) to ensure that every post has at least one trained ISSO. O. Identify and revise policies and standards to meet the changing environment in information security.

Progress (as of January 2002):

- 100% of the congressionally mandated Sensitive Compartmented Information Facilities are certified to meet DCID 121.
- 99% of newly cleared personnel received an introductory security briefing.
- 89% of network intrusion detection systems for OpenNet are in place.
- Funding and position resources have been received in order to bring reinvestigations of all Department employees into compliance with E.O. 12968.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Diplomatic Security	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	799	86	0	885	$160,522	$54,596	$215,118
FY 2002 Estimate	799	94	0	893	$166,019	$58,892	$224,911
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($893)	$0	($893)
2002 American Cost-of-Living Adjustment	0	0	0	0	$144	$682	$826
American Cost-of-Living Adjustment	0	0	0	0	$250	$1,162	$1,412
Overseas Price	0	0	0	0	$291	$0	$291
Domestic Price	0	0	0	0	$1,019	$0	$1,019
Global Inflation including Local Guard Program	0	0	0	0	$2,442	$0	$2,442
Total Built-in Changes	0	0	0	0	$3,253	$1,844	$5,097
FY 2003 Current Services	799	94	0	893	$169,272	$60,736	$230,008
FY 2003 Request	799	94	0	893	$169,272	$60,736	$230,008

DIPLOMATIC & CONSULAR PROGRAMSDIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Diplomatic Security	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**35**	**38**	**38**	**0**
Bureau Direction	35	38	38	0
Law Enforcement Cooperation	**220**	**220**	**220**	**0**
Diplomatic Security	**540**	**545**	**545**	**0**
Investigations and Counterintelligence	91	91	91	0
Domestic Protection of Life	68	68	68	0
Secretary's Detail	46	46	46	0
Foreign Dignitary Protection	22	22	22	0
Overseas Protection of Life	93	93	93	0
Local Guard Services	3	3	3	0
Physical Security Protection of Life	38	38	38	0
Overseas Protective Vehicles	2	2	2	0
Other Overseas Security Support	50	50	50	0
Domestic Protection of Information	26	23	26	3
Domestic Guards	8	5	8	3
Physical Security Protection of Information	18	18	18	0
Overseas Protection of Information	243	251	248	(3)
Technical and Procedural Protection of Information	86	86	86	0
Information Systems Security Policy	62	62	62	0
Diplomatic Courier and Transit Security	77	85	82	(3)
Marine Security Guard Support	9	9	9	0
Construction Security	9	9	9	0
Mission Security Operations	19	19	19	0
Information Resource Management	**12**	**12**	**12**	**0**
Office Automation	12	12	12	0
Other Office Automation	12	12	12	0
Training Services	**34**	**34**	**34**	**0**
Security Training	34	34	34	0
Domestic Administrative Support	**44**	**44**	**44**	**0**
Domestic Administrative Management	8	8	8	0
Domestic Financial Services	9	9	9	0
Domestic Personnel Services	11	11	11	0
Domestic General Services	16	16	16	0
Other Domestic General Services	16	16	16	0
Total	885	893	893	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Diplomatic Security	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$2,567**	**$2,693**	**$2,771**	**$78**
Bureau Direction	$2,567	$2,693	$2,771	$78
Law Enforcement Cooperation	**$15,452**	**$15,753**	**$16,341**	**$588**
Diplomatic Security	**$162,826**	**$169,991**	**$175,908**	**$5,917**
Investigations and Counterintelligence	$11,170	$11,951	$12,171	$220
Domestic Protection of Life	$15,066	$17,592	$17,006	($586)
Secretary's Detail	$8,840	$8,791	$10,670	$1,879
Foreign Dignitary Protection	$6,226	$8,801	$6,336	($2,465)
Overseas Protection of Life	$70,938	$71,970	$73,915	$1,945
Local Guard Services	$59,506	$60,028	$61,770	$1,742
Physical Security Protection of Life	$6,041	$6,586	$6,642	$56
Overseas Protective Vehicles	$570	$580	$591	$11
Other Overseas Security Support	$4,821	$4,776	$4,912	$136
Domestic Protection of Information	$20,439	$19,986	$23,011	$3,025
Domestic Guards	$14,558	$13,960	$16,936	$2,976
Physical Security Protection of Information	$5,881	$6,026	$6,075	$49
Overseas Protection of Information	$43,042	$46,264	$47,542	$1,278
Technical and Procedural Protection of Information	$19,101	$19,673	$19,964	$291
Information Systems Security Policy	$7,543	$9,334	$9,172	($162)
Diplomatic Courier and Transit Security	$13,850	$14,930	$15,678	$748
Marine Security Guard Support	$767	$594	$877	$283
Construction Security	$1,781	$1,733	$1,851	$118
Mission Security Operations	$2,171	$2,228	$2,263	$35
Information Resource Management	**$8,879**	**$10,566**	**$10,239**	**($327)**
Office Automation	$8,879	$10,566	$10,239	($327)
Other Office Automation	$8,879	$10,566	$10,239	($327)
Training Services	**$4,964**	**$4,981**	**$4,650**	**($331)**
Security Training	$4,964	$4,981	$4,650	($331)
Domestic Administrative Support	**$20,430**	**$20,927**	**$20,099**	**($828)**
Domestic Administrative Management	$14,878	$15,352	$14,448	($904)
Domestic Financial Services	$1,149	$1,082	$1,075	($7)
Domestic Personnel Services	$1,297	$1,252	$1,352	$100
Domestic General Services	$3,106	$3,241	$3,224	($17)
Other Domestic General Services	$3,106	$3,241	$3,224	($17)
Total	$215,118	$224,911	$230,008	$5,097

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Diplomatic Security	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**38**	**0**	**0**	**38**	**$189**	**$2,582**	**$2,771**
Bureau Direction	38	0	0	38	$189	$2,582	$2,771
Law Enforcement Cooperation	**220**	**0**	**0**	**220**	**$1,244**	**$15,097**	**$16,341**
Diplomatic Security	**451**	**94**	**0**	**545**	**$138,972**	**$36,936**	**$175,908**
Investigations and Counterintelligence	91	0	0	91	$5,982	$6,189	$12,171
Domestic Protection of Life	68	0	0	68	$12,381	$4,625	$17,006
Secretary's Detail	46	0	0	46	$7,541	$3,129	$10,670
Foreign Dignitary Protection	22	0	0	22	$4,840	$1,496	$6,336
Overseas Protection of Life	93	0	0	93	$67,591	$6,324	$73,915
Local Guard Services	3	0	0	3	$61,566	$204	$61,770
Physical Security Protection of Life	38	0	0	38	$4,058	$2,584	$6,642
Overseas Protective Vehicles	2	0	0	2	$455	$136	$591
Other Overseas Security Support	50	0	0	50	$1,512	$3,400	$4,912
Domestic Protection of Information	26	0	0	26	$21,447	$1,564	$23,011
Domestic Guards	8	0	0	8	$16,596	$340	$16,936
Physical Security Protection of Information	18	0	0	18	$4,851	$1,224	$6,075
Overseas Protection of Information	154	94	0	248	$30,600	$16,942	$47,542
Technical and Procedural Protection of Information	45	41	0	86	$14,114	$5,850	$19,964
Information Systems Security Policy	62	0	0	62	$4,955	$4,217	$9,172
Diplomatic Courier and Transit Security	29	53	0	82	$9,896	$5,782	$15,678
Marine Security Guard Support	9	0	0	9	$264	$613	$877
Construction Security	9	0	0	9	$1,371	$480	$1,851
Mission Security Operations	19	0	0	19	$971	$1,292	$2,263
Information Resource Management	**12**	**0**	**0**	**12**	**$9,424**	**$815**	**$10,239**
Office Automation	12	0	0	12	$9,424	$815	$10,239
Other Office Automation	12	0	0	12	$9,424	$815	$10,239
Training Services	**34**	**0**	**0**	**34**	**$2,338**	**$2,312**	**$4,650**
Security Training	34	0	0	34	$2,338	$2,312	$4,650
Domestic Administrative Support	**44**	**0**	**0**	**44**	**$17,105**	**$2,994**	**$20,099**
Domestic Administrative Management	8	0	0	8	$13,903	$545	$14,448
Domestic Financial Services	9	0	0	9	$462	$613	$1,075
Domestic Personnel Services	11	0	0	11	$604	$748	$1,352
Domestic General Services	16	0	0	16	$2,136	$1,088	$3,224
Other Domestic General Services	16	0	0	16	$2,136	$1,088	$3,224
Total	799	94	0	893	$169,272	$60,736	$230,008

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Diplomatic Security	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Diplomatic Security	7	7	7	0
Deputy Assistant Secretary for DS	10	10	10	0
Office of Protection Management	68	68	68	0
Office of Investigations & Counterintelligence	131	91	91	0
Office of Overseas Operations	58	56	56	0
Office of Field Office Management	165	165	165	0
Office of Intell. & Threat Analysis	18	18	18	0
Office of Anti-Terrorism Assistance	15	15	15	0
Deputy Assistant Secretary for Countermeasures and Info. Security	3	3	3	0
Office of Security Technology	34	33	33	0
Office of Countermeasures	21	21	21	0
Office of Analysis and Certification	17	17	17	0
Office of Info. Sec. Programs	12	46	46	0
Office of Dip. Courier Service	76	85	85	0
Office of Physical Sec. Programs	38	38	38	0
Office of Domestic Operations	18	18	18	0
Executive Director	8	8	8	0
Office of Professional Development	34	34	34	0
Office of Policy Planning and Budget	27	27	27	0
Office of Administration	39	39	39	0
Total	799	799	799	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Diplomatic Security	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Assistant Secretary for Diplomatic Security	$460	$502	$504	$2
Deputy Assistant Secretary for DS	$1,017	$699	$701	$2
Office of Protection Management	$16,107	$17,592	$17,592	$0
Office of Investigations & Counterintelligence	$14,162	$11,951	$11,951	$0
Office of Overseas Operations	$3,682	$3,559	$3,559	$0
Office of Field Office Management	$10,546	$11,425	$11,425	$0
Office of Intell. & Threat Analysis	$1,339	$1,378	$1,378	$0
Office of Anti-Terrorism Assistance	$969	$989	$989	$0
Deputy Assistant Secretary for Countermeasures and Info. Security	$264	$208	$208	$0
Office of Security Technology	$9,348	$9,854	$9,854	$0
Office of Countermeasures	$4,506	$4,087	$4,087	$0
Office of Analysis and Certification	$2,940	$2,739	$2,739	$0
Office of Info. Sec. Programs	$4,001	$6,455	$6,455	$0
Office of Dip. Courier Service	$11,072	$14,911	$15,488	$577
Office of Physical Sec. Programs	$70,571	$73,112	$74,932	$1,820
Office of Domestic Operations	$20,438	$21,955	$21,955	$0
Executive Director	$15,280	$15,352	$15,359	$7
Office of Professional Development	$6,882	$4,981	$6,750	$1,769
Office of Policy Planning and Budget	$2,337	$2,360	$2,360	$0
Office of Administration	$13,189	$14,903	$15,487	$584
Total	$209,110	$219,012	$223,773	$4,761

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of Diplomatic Security	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Cuba, Havana	1	0	1	1	0	1	1	0	1	0	0	0
Uruguay, Montevideo	1	0	1	1	0	1	1	0	1	0	0	0
Canada, Ottawa	1	0	1	1	0	1	1	0	1	0	0	0
Belgium, Brussels	1	0	1	1	0	1	1	0	1	0	0	0
Greece, Athens	1	0	1	3	0	3	3	0	3	0	0	0
Bulgaria, Sofia	1	0	1	1	0	1	1	0	1	0	0	0
United Kingdom, London	1	0	1	1	0	1	1	0	1	0	0	0
Finland, Helsinki	1	0	1	1	0	1	1	0	1	0	0	0
France, Paris	1	0	1	1	0	1	1	0	1	0	0	0
Germany, Frankfurt	8	0	8	10	0	10	10	0	10	0	0	0
Italy, Rome	0	0	0	1	0	1	1	0	1	0	0	0
Kazakstan, Almatty	0	0	0	1	0	1	1	0	1	0	0	0
Poland, Warsaw	1	0	1	1	0	1	1	0	1	0	0	0
Romania, Bucharest	1	0	1	1	0	1	1	0	1	0	0	0
Switzerland, Geneva	1	0	1	1	0	1	1	0	1	0	0	0
Russia, Moscow	3	0	3	3	0	3	3	0	3	0	0	0
China, Beijing	1	0	1	1	0	1	1	0	1	0	0	0
Shanghai	1	0	1	0	0	0	0	0	0	0	0	0
Australia, Canberra	3	0	3	3	0	3	3	0	3	0	0	0
Japan, Tokyo	1	0	1	0	0	0	0	0	0	0	0	0
Philippines, Manila	3	0	3	4	0	4	4	0	4	0	0	0
Egypt, Cairo	1	0	1	0	0	0	0	0	0	0	0	0
India, New Delhi	2	0	2	0	0	0	0	0	0	0	0	0
Israel, Tel Aviv	1	0	1	0	0	0	0	0	0	0	0	0
Morocco, Casablanca	1	0	1	1	0	1	1	0	1	0	0	0
United Arab Emirates, Abu Dhabi	1	0	1	1	0	1	1	0	1	0	0	0
Cote d'Ivoire, Abidjan	1	0	1	1	0	1	1	0	1	0	0	0
Kenya, Nairobi	1	0	1	1	0	1	1	0	1	0	0	0
South Africa, Pretoria	3	0	3	0	0	0	0	0	0	0	0	0
Finland, Helsinki Couriers	2	0	2	2	0	2	2	0	2	0	0	0
Germany, Frankfurt Couriers	13	0	13	35	0	35	35	0	35	0	0	0
Korea(South), Seoul Couriers	4	0	4	0	0	0	0	0	0	0	0	0
Thailand, Bangkok Couriers	14	0	14	14	0	14	14	0	14	0	0	0
Bahrain, Manama Couriers	2	0	2	2	0	2	2	0	2	0	0	0
Cote d'Ivoire, Abidjan Couriers	3	0	3	0	0	0	0	0	0	0	0	0
South Africa, Pretoria Couriers	5	0	5	0	0	0	0	0	0	0	0	0
Total	86	0	86	94	0	94	94	0	94	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of Diplomatic Security	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Cuba, Havana	$65	$67	$67	$0
Uruguay, Montevideo	$65	$67	$67	$0
Canada, Ottawa	$65	$67	$67	$0
Belgium, Brussels	$65	$67	$67	$0
Greece, Athens	$194	$200	$200	$0
Bulgaria, Sofia	$65	$67	$67	$0
United Kingdom, London	$65	$67	$67	$0
Finland, Helsinki	$65	$67	$67	$0
France, Paris	$65	$67	$67	$0
Germany, Frankfurt	$646	$668	$668	$0
Italy, Rome	$0	$67	$67	$0
Kazakstan, Almatty	$0	$67	$67	$0
Poland, Warsaw	$65	$67	$67	$0
Romania, Bucharest	$65	$67	$67	$0
Switzerland, Geneva	$65	$67	$67	$0
Russia, Moscow	$258	$267	$267	$0
China, Beijing	$65	$67	$67	$0
Shanghai	$65	$0	$0	$0
Australia, Canberra	$129	$133	$133	$0
Japan, Tokyo	$65	$0	$0	$0
Philippines, Manila	$258	$267	$267	$0
Egypt, Cairo	$129	$0	$0	$0
India, New Delhi	$129	$0	$0	$0
Israel, Tel Aviv	$65	$0	$0	$0
Morocco, Casablanca	$65	$67	$67	$0
United Arab Emirates, Abu Dhabi	$65	$67	$67	$0
Cote d'Ivoire, Abidjan	$65	$67	$67	$0
Kenya, Nairobi	$65	$67	$67	$0
South Africa, Pretoria	$194	$0	$0	$0
Finland, Helsinki Couriers	$129	$133	$133	$0
Germany, Frankfurt Couriers	$1,087	$2,045	$2,381	$336
Korea(South), Seoul Couriers	$260	$0	$0	$0
Thailand, Bangkok Couriers	$646	$846	$846	$0
Bahrain, Manama Couriers	$194	$134	$134	$0
Cote d'Ivoire, Abidjan Couriers	$195	$0	$0	$0
South Africa, Pretoria Couriers	$325	$0	$0	$0
Total	$6,008	$5,899	$6,235	$336

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Diplomatic Security	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$58,332	$60,707	$62,127	$1,420
1200	Personnel Benefits	$14,274	$17,061	$17,485	$424
1300	Benefits Former Personnel	$97	$101	$101	$0
2100	Travel & Trans of Persons	$15,603	$16,353	$16,353	$0
2200	Transportation of Things	$5,538	$5,804	$5,804	$0
2300	Rents, Comm & Utilities	$4,479	$4,694	$4,694	$0
2400	Printing & Reproduction	$546	$572	$572	$0
2500	Other Services	$97,902	$100,389	$103,642	$3,253
2600	Supplies and Materials	$6,662	$6,982	$6,982	$0
3100	Personal Property	$11,413	$11,962	$11,962	$0
4100	Grants, Subsidies & Contrb	$272	$286	$286	$0
4200	INS Claims & Indemnities	$0	$0	$0	$0
Total		$215,118	$224,911	$230,008	$5,097

DIPLOMATIC & CONSULAR PROGRAMS

Amb at Large for Counter-Terrorism

OVERVIEW STATEMENT

The Counterterrorism Research and Development Program is a key element in the U.S. Government's efforts to combat terrorism. The program is jointly funded by the Departments of State and Defense. State also provides leadership, policy guidance and coordination of the overall program through its lead and coordinating role on the Technical Support Working Group(TSWG) – the IWG/CT interagency sub-working group established to oversee this effort.

Following the mass casualty-producing bombings of the mid-1990's (New York World Trade Center, Oklahoma City, Khobar Towers in Saudi Arabia), and the Tokyo subway nerve gas attack), the TSWG (inter alia) stepped up already existing efforts to detect explosives, enhance capabilities for investigating such events, and to counter the use of chemical and biological agents. The bombings of the U.S. embassies in Nairobi and Dar Es Salaam on August 7, 1998, the bombing of the USS Cole in October 2000 in Yemen and the terrorist attacks against the World Trade Center in New York and the Pentagon in Washington in September 2001 reinforced the need for this program.

NATIONAL INTERESTS & GOALS

During FY 2003, R&D work will continue on additional blast mitigation technologies, entry point screening techniques, and cargo/vehicle inspection systems. Work on stand-off detection of explosives and additional countermeasures for bomb squads (including advanced robotic platforms) will continue. Additional technology development for detecting and remediating chemical and biological agents and toxic industrial chemicals will also continue. Finally, work to develop optical and other passive systems for use in tracking and surveillance operations will be implemented.

Progress: During FY 2001, the TSWG program completed a number of projects that were delivered to users. Some of the more notable achievements included: the optical system and its integration into a Long Range Surveillance System for U.S. Special Operations Forces known as "The Predator"; a Russian Name Search algorithm and software capability for use by State (INR) in the TIPOFF Program; a Hazard Assessment Palmtop Tool for use by security mangers to identify chemical or biological agents or "hot zones" in buildings (deployed to US embassies and military commands in the Gulf); the Biological Swab and Sampling Kit (used by first responders at the Hart Senate Office Building during the anthrax investigation); two distinct fingerprint deposition and recovery systems including one for use on chemical/biological agent contaminated surfaces (used in the U.S. anthrax investigations); two portal systems for detecting trace quantities of explosives at entranceways and choke points (deployed to U.S. users in the Gulf); two separate automated long distance learning (ADL) training courses (used by FEMA and the US military for instructing military and civilian first responders and investigators working in chemically or biologically contaminated locations); an interactive ADP database of improvised explosive devices (for use by federal, state and local bomb squads); and a field detection kit for identifying hard to detect, non-ideal explosives (used by the FBI to detect the initiating explosive in the "Shoebomb" case in Boston in December 2001.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Office of the Secretary-CT-INS	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$1,800	$0	$1,800
FY 2002 Estimate	0	0	0	0	$1,800	$0	$1,800
FY 2003 Current Services	0	0	0	0	$1,800	$0	$1,800
FY 2003 Request	0	0	0	0	$1,800	$0	$1,800

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of the Secretary-CT-INS	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Law Enforcement Cooperation	**$1,800**	**$1,800**	**$1,800**	**$0**
Total	$1,800	$1,800	$1,800	$0

FY 2003 Request
PROGRAM ACTIVITIES

Office of the Secretary-CT-INS	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Law Enforcement Cooperation	**0**	**0**	**0**	**0**	**$1,800**	**$0**	**$1,800**
Total	0	0	0	0	$1,800	$0	$1,800

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of the Secretary-CT-INS	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Other Office of the Secretary-CT-INS	$1,800	$1,800	$1,800	$0
Total	$1,800	$1,800	$1,800	$0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

Office of the Secretary-CT-INS	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2500 Other Services	$1,800	$1,800	$1,800	$0
Total	$1,800	$1,800	$1,800	$0

DIPLOMATIC & CONSULAR PROGRAMS

Information Resource Management

OVERVIEW STATEMENT

The mission of the Information Resource Management Bureau is to provide the information infrastructure, telecommunications, and information management services and oversight required to support the Department of State in the execution of its diplomatic, consular and management missions. IRM's role, and that of the CIO in particular, is growing in importance as the Department modernizes the manner in which U.S. foreign policy is conducted to meet the challenges of our increasingly interdependent, rapidly changing, and information-intensive world. IRM is working to improve the following to meet the Secretary's goal of establishing a "state-of-the-art State Department":

Information Technology (IT) Infrastructure - Provide modernized, open IT systems. This IT infrastructure includes mainframes that support numerous corporate applications essential to the efficient administration and operation of Department programs, such as personnel, payroll, financial management, and consular visa look-out as part of the U.S. border security initiative, including critical security checks on aliens seeking visas for entry to the U.S. The Department is working to replace all proprietary IT systems with modern, open IT systems, to upgrade mainframe systems, and to provide secure Internet access on a worldwide basis so as to provide its employees with advanced computerized tools for the conduct and management of U.S. diplomacy.

Telecommunications - In coordination with the Diplomatic Telecommunications Service Program Office (DTS-PO), provide telecommunications between all of Department domestic offices and 250 diplomatic and consular missions overseas. Telecommunications services include official record telegrams, unclassified and classified electronic mail, and voice services via telephone and radio. The Department is working to upgrade its telecommunications, in order to provide more robust and timely transmission of these important diplomatic, consular and management communications.

Information Management Services - Provide a wide-range of support to the Department for all information management activities. Operate the IT infrastructure and telecommunications addressed above. In addition, provide data administration, develop and maintain computer software applications, provide hardware maintenance, provide network management, manage IT projects and human resources, conduct information management planning activities, establish IT architecture standards, and provide other services to the foreign affairs community abroad (e.g., special communication links, and specialist technical training). Develop Department IRM policies and standards, coordinate the establishment of technology priorities through the IT Program Board, and the IRM Strategic and Tactical Plans, manage major technology acquisitions, and negotiate interagency and intergovernmental memoranda of understanding on information technology issues. The Department is currently strengthening these activities to better lead and support information management. Improvements underway include developing new, modern software applications to run on open systems, consolidating network management activities, establishing architecture standards for all IT projects and working jointly with other agencies to pilot new IT tools to enhance interagency knowledge sharing and collaboration. Improved support will help the Department better utilize its IT capabilities in effectively carrying out U.S. diplomacy in the information age.

NATIONAL INTERESTS & GOALS

IRM Bureau goals and objectives support the Department-wide Information Resources Management goals and objectives stated in the Department's IRM Strategic Plan. "Diplomatic Readiness: Information" Goal --

DIPLOMATIC & CONSULAR PROGRAMS

Strengthen the ability of the United States to achieve its International Affairs goals and respond to crises through effective and efficient information resources management and information systems.

Priority: A Secure Global Network and Infrastructure.
A commercial-style global network for classified and unclassified communication; a continually upgraded equipment and software base; robust security services; effective infrastructure management and support services.

Indicators: Commercial networking facilities available for unclassified and classified processing. Percentage of sites complete: OpenNet Plus deployment to domestic and overseas begins in FY02. OpenNet Plus is deployed to 100 percent of existing global OpenNet sites by June, 2003. Classified Connectivity Project sees a significant surge in installations in FY02 and completely deployed to all appropriate overseas post and employees desktops by December, 2003. Percentage of classified and unclassified desktop computers older than four years.

Progress: During FY 2001, an IRM-managed project team and program was established to provide over 30,000 employees worldwide Internet web browsing capabilities at their desktops via the Department's existing Sensitive But Unclassified network. The team created a prototype for this project, known as OpenNet Plus, successfully piloted it and obtained the initial resources to begin to deploy the solution worldwide over the next eighteen months. An IRM-managed project team also developed a plan to extend classified automation including Intranet and e-mail capabilities to all appropriate diplomatic and consular posts within 24 months. When fully funded, this project, known as the Classified Connectivity Program (CCP), will have extended a modernized classified infrastructure, fully capable of supporting foreign affairs functions, to 230 posts. By the end of September 2001, the Department had deployed CCP at 60 posts. Also in FY 2001, the Department made significant strides in continuing to implement the Enterprise Network Management (ENM) project. This multi-year initiative will provide a reliable and secure global telecommunications infrastructure vital to the conduct of diplomacy and international affairs for the Department. ENM developed a series of requirement documents for an Integrated Enterprise Management System (IEMS), worked with the customer offices in the IRM Bureau as well as other Bureaus to ensure that needs are being addressed, developed procedures to manage customer expectations and support levels and implemented enterprise-wide configuration tracking.

IRM quickly prepared and deployed the diplomatic communications and basic systems package needed to reopen the US embassy in Kabul. IRM also outfitted the Department's new, and first ever, Congressional Relations Office in the House of Representatives' Office Building. The IT package provided to this office will enable the Department's representatives to better support and coordinate with Congress.

Having, in previous years, completed the production deployment of a modernized unclassified infrastructure worldwide, known as A Logical Modernization Approach (ALMA), the Department IRM professionals managed the ALMA Technical Refresh phase in FY 2001. This multi-year project, which will refresh at a rate of 75 posts a year, will sustain the $120 million original ALMA investment by lowering the risks of equipment and system obsolescence and outages. In FY 2001, Department IRM professionals also continued to administer two Enterprise software, licensing and maintenance agreements for Microsoft and Oracle COTS products. The key objective of the Enterprise Licensing project is achieved through administrative and operational cost avoidance that include reduced acquisition overhead, leveraged quantity purchase prices, and efficient distribution and upgrade mechanisms, with the overall result of a lower total cost of ownership.

DIPLOMATIC & CONSULAR PROGRAMS

IRM technicians made progress in implementing the multi-year Secure Voice Program, which provides for an orderly transition to the new, NSA-mandated STE technology that will support all of the Department's business processes requiring secure telephonic communications. In FY 2001 the Department began installing the new equipment at the IT Training Center and at selected overseas posts. The IRM management and technical team was also able to achieve significant accomplishments in the Public Diplomacy ALMAtization (PD Alma) project. PD ALMA will bring employees of the Public Affairs sections at overseas posts into the Department's unclassified networks and systems, thus giving the former USIA personnel full access to standard Department administrative and e-mail systems thus fully integrating the Public Diplomacy component into the Department of State's operations. By September 2001, the Department had completed installations and training at 120 of the 205 posts in the project.

The Department made progress in FY 2001 in moving toward commercial style networking by managing and implementing the installation of VPNs between Washington and 12 posts abroad as alternate routes to posts where DTS-PO was unable to provide circuits. This initial success with VPNs indicates they will become a significant network alternative as a back up for our primary service. In FY 2001 the Department made substantial progress on IT security by implementing incident handling and response teams, incident handling units, network monitoring and threat analysis centers, and effective working relationships with other Federal incident response centers. IRM information systems security professionals also contributed to enhancements to the Department's IT security posture and administered an effective ant-virus program.

The Department made significant progress in FY 2001 in preparing the groundwork for elimination of the Department's outmoded, legacy official communications and records "telegram" or "cable" system, which has its origin in the 1940s. The Department developed a methodology for eliminating this obsolete telegram system and completed a high-level requirements analysis for a new modernized official messaging system. We also completed an initial market survey of commercially available (COTS) technologies; prepared high-level process and module diagrams of the future messaging system; and completed a mock-up of the capabilities to be expected in a new messaging system. In addition, the Department enhanced and deployed the "CableXpress" product which enabled electronic send and receive functions for cables from desktop computers in domestic offices and at many overseas posts. This "CableXpress" product enables users to efficiently manage cable traffic, and is an important, albeit interim, step toward integrating the Department's official telegram systems with desktop computer systems and e-mail processes. Significant progress was also made to strengthen the reliability and improve the capabilities of the Department's Global e-mail directory. This enhanced directory ensures robust e-mail services and constitutes another significant building block toward creating a modernized and fully integrated official messaging and record system for the Department.

Priority: Ready Access to International Affairs Applications and Information.
Worldwide access to international affairs information resources; IT support for effective collaboration among all foreign affairs agencies; effective IT for public diplomacy; business quality electronic mail; standard utilities and services for information exchange.

Indicators: Number of employees having Internet web browsing capabilities on their desktops; number of posts having modern classified computer systems and e-mail capabilities installed; progress toward elimination of the current cable system and processes (e.g., ACP-127 and IRM Communications Centers).

Progress: FY2001, IRM continued to supply world-class applications support to Department of State diplomatic and consular officers and operations. As in 2000, systems were installed and operations enhanced to better support various Department-wide mission critical applications e.g., diplomatic communications, and consular visa and passport operations. Significant service included providing formal and secure diplomatic communications support for the transmission and processing of some 28 million official record telegrams. IRM also provided unclassified computer systems, office automation and Intranet

research and browsing capabilities and services to the desktops of approximately 35,000 employees, including the transmission of some 52 million e-mail messages during the year. On the classified side, IRM provided systems and services which included access to the Department of Defense's secret "Internet," i.e., the SIPRNET (Secret Internet Protocol Router Network), to facilitate research and exchange among the national security community. The classified computer networks successfully supported approximately 10,000 users and processed approximately 10 million e-mail messages during FY 2000.

Department IRM professionals also made a significant contribution to progress in FY2001 in the consular area. IRM provided extensive support to the Bureau of Consular Affairs' successful efforts to develop and implement a standalone border crossing card system and implement the Passport Modernization Project TDIS-PD photodigitized passport system that is now over 75 percent complete and has been deployed at all domestic passport agencies. In addition, IRM supported the Consular Bureau's efforts to improve name checks on visa systems. The IRM Bureau also updated the Department's 2001 plan to Implement the Government Paperwork Elimination Act, which was recently submitted to OMB and laid out for the first time the overall E-Government vision and strategy for the Department, which included implementation of the Foreign Affairs System Integration (FASI) project and several high priority e-Government initiatives.

Priority: Leveraging IT to Streamline Operations.
User-empowered administrative systems; consolidation of information technology facilities.

Indicators: Number of employees having Internet web browsing capabilities on their desktops; consolidation of servers – reduction of overseas servers by 25 percent each year.

Progress: In FY 2001, IRM continued to supply world-class applications support to Department of State management officials. As in 2000, systems were installed and operations enhanced to better support some 59 Department-wide mission critical systems and approximately 240 business applications, e.g., consular, financial, payroll and personnel management programs. The Department continued to strengthen data administration initiatives by expanding data dictionary and data repository. Intranet policies and standardized operating procedures were improved; central Intranet sites were established and maintained, thereby providing significantly enhanced Internet protocol interoperability and integration across the Department's computer network. The Department revised and improved protocols for the US/Russia hotlines supporting White House direct communications links, the Foreign Affairs Link, and the Nuclear Risk Reduction Link. This progress set the stage for more extensive voice and data modernization programs pending for these hotlines.

The Department also made substantial progress on several major projects that support its e*diplomacy* mission, i.e. the application of electronic government and business concepts and technologies to support the conduct of international affairs and global diplomatic operations. FY 2001 progress included establishment of a functional Help Desk and the installation of additional firewalls for enhanced security. Upgrades to the interfaces with other Department administrative systems were begun, including the enhanced, web-based logistics management and financial management systems now under development. In FY 2001, IRM professionals also launched a project, known as Enterprise Server Consolidation, which encompasses consolidation and standardization of the Department's enterprise server operations. During FY2001, this project focused on developing a plan for a comprehensive server farm concept, establishing the infrastructure for the "server farms" and initiating enhancements of facilities in FY 2002. The project is projected to continue through FY 2005.

Priority: Sustaining a Trained and Productive Workforce.
A rewarding workplace for IT specialists; an effective distance learning program.

Indicators: Vacancy level; percentage of personnel having appropriate skill levels for approved activities.

DIPLOMATIC & CONSULAR PROGRAMS

Progress: The IRM Bureau continued to successfully lead the Department's efforts to sustain a trained and productive IT workforce. This was accomplished by continuing the Department's aggressive IT recruitment and retention strategies. These strategies are necessary given the highly competitive nature of the IT employment field and the general shortage of skilled IT workers. Successfully IT human resource initiatives employed by IRM during FY 2001 included the use of extensive advertising and recruitment campaigns, recruitment bonuses of up to 25 percent of base salary for new hires with urgently needed IT skills, and expedited hiring procedures. As a result, hiring of new IT employees significantly increased during the past several years and the Department has been able to reduce its IT job vacancy rate from over 30 percent to under 10 percent. In addition to these effective recruitment strategies, IRM also instituted a retention and skills incentive program for current employees. Over 700 employees participated in this program. Since the inception of this retention bonus for skills incentive program, the Department increased the number of IT specialists possessing critically needed Microsoft Certified Engineer skills by over 300 percent – from only 49 in 1999 to over 200 at the end of FY 2001. The Department's IT recruitment and retention efforts have been repeatedly cited by the Federal CIO Council, GAO and by numerous IT trade publications as being examples of "best practices" in IT human resources management. As these increasing skill levels also indicate, the Department significantly increased the IT training services available to its IT specialist via both formal seminars and extensive on-line training via our Intranet and the Internet.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau of Information Resource Management	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	530	7	0	537	$67,573	$39,008	$106,581
FY 2002 Estimate	522	7	0	529	$119,369	$42,261	$161,630
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($14)	$0	($14)
2002 American Cost-of-Living Adjustment	0	0	0	0	$32	$501	$533
Annualization of 2002 Hiring Increases	0	0	0	0	$0	$72	$72
American Cost-of-Living Adjustment	0	0	0	0	$56	$853	$909
Domestic Price	0	0	0	0	$2,157	$0	$2,157
Total Built-in Changes	0	0	0	0	$2,231	$1,426	$3,657
FY 2003 Current Services	522	7	0	529	$121,600	$43,687	$165,287
FY 2003 Request	522	7	0	529	$121,600	$43,687	$165,287

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Information Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Information Resource Management	**537**	**529**	**529**	**0**
Infrastructure Systems	396	388	388	0
Central Management Functions	65	65	65	0
Information Management Security Implementation	48	48	48	0
ADP Communications and Message Centers	172	172	172	0
Voice Communications Programs	57	57	57	0
Special Communications Support	54	46	46	0
Office Automation	141	141	141	0
Foreign Affairs Information System	26	26	26	0
Other Office Automation	115	115	115	0
Total	537	529	529	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Information Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Public Diplomacy	**$547**	**$558**	**$568**	**$10**
Public Diplomacy - Program Costs	$547	$558	$568	$10
Information Resource Management	**$106,034**	**$161,072**	**$164,719**	**$3,647**
Infrastructure Systems	$75,732	$115,995	$118,611	$2,616
Central Management Functions	$8,939	$12,853	$13,168	$315
Infrastructure Maintenance	$16,880	$32,317	$32,921	$604
Information Management Security Implementation	$7,900	$14,660	$14,983	$323
ADP Communications and Message Centers	$25,460	$31,993	$32,800	$807
Voice Communications Programs	$9,271	$13,687	$14,011	$324
Special Communications Support	$7,282	$10,485	$10,728	$243
Office Automation	$30,302	$45,077	$46,108	$1,031
Foreign Affairs Information System	$8,628	$21,362	$21,793	$431
Other Office Automation	$21,674	$23,715	$24,315	$600
Total	$106,581	$161,630	$165,287	$3,657

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Bureau of Information Resource Management	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Public Diplomacy	**0**	**0**	**0**	**0**	**$568**	**$0**	**$568**
Public Diplomacy - Program Costs	0	0	0	0	$568	$0	$568
Information Resource Management	**522**	**7**	**0**	**529**	**$121,032**	**$43,687**	**$164,719**
Infrastructure Systems	381	7	0	388	$87,869	$30,742	$118,611
Central Management Functions	65	0	0	65	$7,988	$5,180	$13,168
Infrastructure Maintenance	0	0	0	0	$32,921	$0	$32,921
Information Management Security Implementation	41	7	0	48	$11,619	$3,364	$14,983
ADP Communications and Message Centers	172	0	0	172	$18,518	$14,282	$32,800
Voice Communications Programs	57	0	0	57	$9,319	$4,692	$14,011
Special Communications Support	46	0	0	46	$7,504	$3,224	$10,728
Office Automation	141	0	0	141	$33,163	$12,945	$46,108
Foreign Affairs Information System	26	0	0	26	$19,607	$2,186	$21,793
Other Office Automation	115	0	0	115	$13,556	$10,759	$24,315
Total	522	7	0	529	$121,600	$43,687	$165,287

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Information Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Chief Information Officer	6	6	6	0
Deputy CIO for Management	50	50	50	0
Deputy CIO for Architecture and Planning	35	35	35	0
Deputy CIO for Customer Center	63	63	63	0
Deputy CIO for Operations	3	3	3	0
Systems Integration	77	77	77	0
Messaging Systems	187	179	179	0
Information Technology Infrastructure	84	84	84	0
Enterprise Network Management	25	25	25	0
Total	530	522	522	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Information Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Chief Information Officer	$1,376	$2,137	$2,184	$47
Deputy CIO for Management	$10,063	$15,149	$15,511	$362
Deputy CIO for Architecture and Planning	$4,611	$6,373	$6,534	$161
Deputy CIO for Customer Center	$7,293	$9,606	$9,859	$253
Deputy CIO for Operations	$505	$746	$763	$17
Systems Integration	$18,958	$29,697	$30,346	$649
Messaging Systems	$35,886	$53,897	$55,109	$1,212
Information Technology Infrastructure	$23,125	$37,086	$37,879	$793
Enterprise Network Management	$4,400	$6,555	$6,708	$153
Total	$106,217	$161,246	$164,893	$3,647

STAFF BY POST
(positions)

Bureau of Information Resource Management	FY 2001 Actual			FY 2002 Estimate			FY 2003 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Germany, Frankfurt	2	0	2	2	0	2	2	0	2	0	0	0
Philippines, Manila	1	0	1	1	0	1	1	0	1	0	0	0
Thailand, Bangkok	1	0	1	1	0	1	1	0	1	0	0	0
Egypt, Cairo	1	0	1	1	0	1	1	0	1	0	0	0
Zimbabwe, Harare	2	0	2	2	0	2	2	0	2	0	0	0
Total	7	0	7	7	0	7	7	0	7	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of Information Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Germany, Frankfurt	$130	$132	$134	$2
Philippines, Manila	$36	$40	$42	$2
Thailand, Bangkok	$34	$40	$42	$2
Egypt, Cairo	$34	$40	$42	$2
Zimbabwe, Harare	$130	$132	$134	$2
Total	$364	$384	$394	$10

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Information Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$35,516	$44,104	$45,436	$1,332
1200	Personnel Benefits	$8,225	$9,354	$9,657	$303
2100	Travel & Trans of Persons	$2,891	$7,040	$7,168	$128
2200	Transportation of Things	$286	$439	$454	$15
2300	Rents, Comm & Utilities	$4,169	$9,863	$10,048	$185
2400	Printing & Reproduction	$1,230	$2,909	$2,963	$54
2500	Other Services	$38,299	$76,238	$77,660	$1,422
2600	Supplies and Materials	$13,402	$5,619	$5,724	$105
3100	Personal Property	$2,563	$6,064	$6,177	$113
Total		$106,581	$161,630	$165,287	$3,657

DIPLOMATIC & CONSULAR PROGRAMS

Diplomatic Telecommunications Service Program Office

OVERVIEW STATEMENT

Telecommunications is a vital function supporting the U.S. presence abroad.Recognition of the critical nature of this support resulted in the creation of the Diplomatic Telecommunications Service Program Office (DTS-PO), in response to Congressional concerns with foreign affairs agencies implementing separate telecommunications networks to serve their individual needs. DTS-PO is charged with the management and implementation of a cost-effective, reliable, secure, and fully integrated global network for its customers. The customer base includes base includes 47 different U.S. government departments and agencies at some 270 locations worldwide.

NATIONAL INTERESTS & GOALS

Priority: Cost-Effective Customer Service

Performance Goal: DTS-PO provides management and resources for worldwide telecommunications links, including leased lines and satellite service, used by State and other agencies to support the conduct of U.S. Government Foreign Affairs activities overseas.

To continue to achieve effective customer service, DTS-PO will: 1) continue to be responsive to satisfy customer requirements; 2) ensure that cost-effectiveness becomes pervasive throughout the planning process; 3) ensure network services meet industry standards for quality, reliability, and timeliness; and 4) recognize the geography, technology, and specific applications of our varied customers requirements, that consideration be given to these differences; collect customer strategic requirements, monitor network utilization, and include this information in network infrastructure and capacity planning

Indicator(s): Assess progress based on:

- Feedback from customers
- Measuring and reporting cost savings
- Migrating to an efficient business model
- The ability to provide efficient communications service
- Ensuring that network services meet industry standards

Progress (FY 2001): A continuing goal of the Diplomatic Telecommunications Service Program Office is to achieve effective customer service. Since taking a pro-active role in meeting new customer requirements and in upgrading existing customer requirements, the DTS-PO has completed 35 major communication upgrades identified by the Integrated Post Priority List (IPPL). DTS-PO continues to pursue cost effective measures to reduce bandwidth costs. Through this effort the installation of 13 Western European Network (WEN) European Posts and two Regional Relay Facilities are active. The WEN was a major initiative to provide fiber connectivity to thirteen posts in Western Europe as well as to expand this service to other regional locations. Also included are the satisfactory completion of installations, activation, test and acceptance of 8 Very Small Aperture Terminals (VSAT) which will permit DTS-PO to offer sufficient bandwidth to posts that are unable to reach or connect to a viable terrestrial system of adequate bandwidth. The results of these initiatives have produced significant reduction in the overall bandwidth costs. To enhance customer service and reduce costs the DTS-PO has embarked on a technology refresh program as stated in the DTS-PO Strategic Plan. The program's major goal is to support increasing customer demands in a timely and cost effective manner. This program addresses the issue of DTS aging infrastructure, specifically the replacement of 1980s era systems. These systems are reaching end of life and do not

support the new high speed requirement of the customers. DTS-PO is "refreshing" the critical national infrastructure with high speed intelligent multiplexers and Asynchronous Transfer Mode (ATM) systems. The customer outreach program has been very productive in FY 2001 due to the expansion of the customer base through speaking engagements at customer conferences and through the education of the existing customer base on new offerings.

Priority: Network Integration and Consolidation

Performance Goal: DTS-PO will attempt to provide a seamless and integrated network supporting customer requirements at overseas posts by: 1) eliminating any duplication in capabilities in the network except those required for reliability; 2) evolving toward the use of standard open systems requiring a minimum number of unique protocols while retaining the flexibility to support new requirements; 3) providing the user community with a cost-effective bundle of network and infrastructure basic services; 4) accelerating the rate and schedule to upgrade posts and bring new services on line; and 5) providing a totally integrated network supporting customer requirements at all overseas posts.

Indicator(s): Assess progress based on:

- The number of consolidated transmission facilities
- The capabilities of the network supporting customer requirements
- The number of upgraded posts and new services
- The number of posts utilizing standard network support
- The number of posts with centralized operational and technical oversight

Progress (FY 2001): The Black Router Network (BRN) is the follow-on to the Network Transition Demonstration Project (NTDP) for a routed architecture. The DTS-PO has completed the installation of Black Routers at 197 post, with 21remaining. The program is maintaining its aggressive installation schedule of router installations at 10 posts per month. Upon completion, this will fulfill this goal as stated in the Strategic Plan. To further enhance the consolidation of the DTS network and increase service while reducing costs the DTS-PO is implementing a technology refresh program. The new systems will be integrated with the Black Router Network (BRN) providing further consolidation of customer requirements. This enhanced consolidation will allow the DTS network to provide higher speed services at reduced cost to the Foreign Affairs Community.

Priority: Increased Network Capacity

Performance Goal: The DTS-PO will ensure that the infrastructure is sufficient, or easily expandable, to meet increasing customer requirements in a timely manner. This will be accomplished by: 1) ensuring infrastructure is sufficient to meet expanding customer requirements, including providing additional services beyond planned base services, as requested and funded by all participating customers; 2) satisfying expanding requirements in a timely manner by developing an on-demand strategy for telecommunications services and initiating a consolidated network usage; and 3) initiating a process to incorporate existing, as well as new and emerging technologies that will enhance the DTS communications network.

Indicator(s): Assess progress based on:

- Feedback from customers concerning enhanced network topology
- The overall capacity of the network and its ability to provide bandwidth on-demand to meet peak load conditions
- The results of forecasting network requirements
- Monitoring the availability and reliability of the network

Progress (FY 2001): There are three major initiatives in progress, each designed to address the need for increased customer bandwidth. The first is the Western European Network (WEN), which will provide the first high-speed backbone supporting a meshed network design. The initial backbone speed is 45 Mbps with redundant Trans-Atlantic circuits using a fiber medium. The network structure in Europe will include four self-healing backbone loops giving the network diverse paths around the region. The system was designed with even greater bandwidth capability, should it be requested. The installed equipment will run at a speed of 155 Mbps if required. The second initiative is the Very Small Aperture Terminal (VSAT) satellite project, which will permit the DTS-PO to offer sufficient bandwidth to posts that are to reach or connect to a viable terrestrial system of adequate bandwidth capacity to fulfill the custom!!'s requirements. The third initiative is the incorporation of the Asynchronous Transfer Mode (ATM) switches at the domestic relays and the expansion of ATM to approximately 10 regional sites over the next two years. This ATM capability enhances and allows the DTS-PO to rapidly provide secure bandwidth paths of varying sizes with in hours verses weeks or months. The DTS-PO ATM systems also take advantage of Government owned resources such as the Metropolitan Area Communications (MAC) network. The MAC's ATM infrastructure provides DTS-PO with direct communications paths to many Agency headquarters allowing increase capacity at reduced costs.

Priority: Implement Bandwidth Chargeback

Progress (FY 2001): The FY-01 bills mailed to customers in April 2001, reflected 100 percent of DTS-!!'s bandwidth cost.

FY 2003 Request

SUMMARY STATEMENT

Diplomatic Telecommunication Service Program Office	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	53	0	0	53	$30,187	$3,025	$33,212
FY 2002 Estimate	53	0	0	53	$44,484	$3,173	$47,657
FY 2003 Built-in Changes							
2002 American Cost-of-Living Adjustment	0	0	0	0	$0	$37	$37
American Cost-of-Living Adjustment	0	0	0	0	$0	$63	$63
Domestic Price	0	0	0	0	$8	$0	$8
Total Built-in Changes	0	0	0	0	$8	$100	$108
FY 2003 Current Services	53	0	0	53	$44,492	$3,273	$47,765
FY 2003 Request	53	0	0	53	$44,492	$3,273	$47,765

DIPLOMATIC & CONSULAR PROGRAMSDIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Diplomatic Telecommunication Service Program Office	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Information Resource Management	**53**	**53**	**53**	**0**
Infrastructure Systems	53	53	53	0
DTS Leased Lines	53	53	53	0
Total	53	53	53	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Diplomatic Telecommunication Service Program Office	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Information Resource Management	**$33,212**	**$47,657**	**$47,765**	**$108**
Infrastructure Systems	$33,212	$47,657	$47,765	$108
DTS Leased Lines	$33,212	$47,657	$47,765	$108
Total	$33,212	$47,657	$47,765	$108

FY 2003 Request
PROGRAM ACTIVITIES

Diplomatic Telecommunication Service Program Office	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Information Resource Management	**53**	**0**	**0**	**53**	**$44,492**	**$3,273**	**$47,765**
Infrastructure Systems	53	0	0	53	$44,492	$3,273	$47,765
DTS Leased Lines	53	0	0	53	$44,492	$3,273	$47,765
Total	53	0	0	53	$44,492	$3,273	$47,765

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Diplomatic Telecommunication Service Program Office	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Program Direction	3	3	3	0
Systems Group	7	8	8	0
Field Support Group	8	9	9	0
Counter Narcotics	1	1	1	0
Network Management	6	8	8	0
Requirements	2	2	2	0
Transmission Systems	1	1	1	0
Administration	15	11	11	0
Beltsville Information Management Center	10	10	10	0
Total	53	53	53	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Diplomatic Telecommunication Service Program Office	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Program Direction	$258	$626	$638	$12
Systems Group	$3,594	$3,531	$3,547	$16
Field Support Group	$10,734	$6,917	$6,934	$17
Counter Narcotics	$59	$161	$162	$1
Network Management	$633	$22,986	$23,003	$17
Requirements	$663	$355	$358	$3
Transmission Systems	$3,162	$516	$519	$3
Administration	$9,826	$8,599	$8,619	$20
Beltsville Information Management Center	$4,283	$3,966	$3,985	$19
Total	$33,212	$47,657	$47,765	$108

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

Diplomatic Telecommunication Service Program Office		FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$2,329	$2,443	$2,510	$67
1200	Personnel Benefits	$696	$730	$763	$33
2100	Travel & Trans of Persons	$452	$717	$717	$0
2200	Transportation of Things	$374	$597	$597	$0
2300	Rents, Comm & Utilities	$13,900	$17,795	$17,803	$8
2400	Printing & Reproduction	$78	$25	$25	$0
2500	Other Services	$12,510	$17,000	$17,000	$0
2600	Supplies and Materials	$929	$750	$750	$0
3100	Personal Property	$1,944	$7,600	$7,600	$0
Total		$33,212	$47,657	$47,765	$108

DIPLOMATIC & CONSULAR PROGRAMS

Foreign Missions

OVERVIEW STATEMENT

The Office of Foreign Missions (OFM) was established pursuant to the 1982 Foreign Missions Act. Its primary missions are to: 1) Advocate for U.S. and Foreign diplomats, pressing for better treatment of U.S. personnel abroad, assisting foreign missions in dealing with local officials in the U.S., and applying reciprocity to foreign diplomatic missions. 2) Defend the American public by protecting them from the abuse of diplomatic privileges and immunities and protecting the security interests of the United States. 3) Serve foreign diplomats by operating five specific programs (Diplomatic Motor Vehicles, Tax, Customs, Property, Accreditation and Documentation, and Travel) and insuring appropriate benefits and services to the foreign mission community in the U.S. on a reciprocal basis.

NATIONAL INTERESTS & GOALS

Priority: To protect American citizens from abuses of privileges and immunities by foreign missions and their personnel in the U.S.

Performance goals: Regulate the allocation of benefits and control the grant of privileges accorded to foreign diplomatic missions and personnel in the United States under international law and treaties.

Indicators: A. The percentage of diplomatic vehicles in the United States with valid automobile insurance. B.The percentage of delinquent parking fines collected from foreign missions in the United States C. The number of States which have passed the "State Department Notification Bill" requiring mandatory reporting of motor vehicle incidents to U.S. Department of State. D. Intensify efforts to increase compliance with Department of State regulations, procedures and authorities by foreign missions as well as state and local government organizations. E. Develop comprehensive application of controls on foreign diplomatic and consular personnel in the United States. F. Insure national security interests are considered with regard to OFM's regulation of foreign mission activities described in the Foreign Missions Act. G. Increase compliance with mandatory vehicle insurance coverage and parking fine payment programs H. Expand the recognition of the Department's jurisdiction of motor vehicles by the foreign mission community to include reporting of vehicular incidents.

Progress (as of January, 2002): Part of its ongoing legislative initiative, OFM continues to reach out to state and local elective officials to educate them on the proper treatment of diplomatic staff enjoying privileges and immunities.

OFM ordered the departure from the United States of two mission members for repeat alcohol-related driving offenses. In each of these cases, OFM first asked the sending state to waive immunity. As both declined, the only option was to inform the sending state that the behavior of the diplomat in question was no longer consistent with his diplomatic status.

In other alcohol-related cases, OFM imposed one-year driving suspensions because the foreign governments refused to waive immunity to allow prosecution of an initial DWI charge. In FY2001, OFM continued to operate its "points" system consistent with common practice in the state jurisdictions. This system insures that consistent and repeated minor infractions are tracked and can result in suspension of driving privileges.

DIPLOMATIC & CONSULAR PROGRAMS

OFM pursued negotiations to improve motor vehicle reciprocity policies for U.S. missions and both their diplomatic personnel and administrative and technical staff. These improvements include:

A reduction or elimination of fees, taxes and duties

A reduction in vehicle holding requirements for our U.S. mission to allow the foreign embassy to lease official vehicles with the same holding requirements

Elimination of a time period in which the administrative and technical staff members may acquire their vehicles

OFM also implemented more restrictive motor vehicle reciprocity policies for several missions in order to guarantee reciprocal treatment and in hopes of obtaining more favorable treatment and cost savings for our missions abroad.

OFM completed the merger of the Office of Protocol's Production Unit with OFM's Program Support Unit. With this action, the Protocol functions of notification and termination of status of foreign diplomatic community members were transferred to OFM. This merger enables OFM to provide better service. OFM is also developing "E-Government" and other automated approaches, including remote data entry, which will make it possible for missions to complete and print forms from their own computers.

Priority: Insure that U.S. diplomatic and consular missions and their personnel abroad are treated by their host countries in accordance with the Vienna Convention on Diplomatic and Consular Relations and other international obligations

Performance Goals: A. To work to insure that reciprocal benefits are available to the Department of State and that U.S. national security interests are considered. B. To increase compliance by foreign diplomatic missions and their personnel with the reciprocity and national security interests of the United States with regard to real property, tax arrangements, and customs treatment. C. To improve current outreach activities to foreign missions on the policies and procedures for dealing with foreign embassies and consulates.

Indicators: A. Negotiate "conditions of construction" agreement with the People's Republic of China. B. The percentage of Foreign Mission's real property transactions that are in compliance with OFM's property approval requirements. C. The number of bilateral agreements or actions that improve tax reciprocity. D. The number of agreements or actions that improve customs reciprocity.

Progress (As of January, 2002): A. Peoples Republic of China leases for the new embassies in the United States and in Peking have been negotiated and signed. B. Cote d'Ivoire entered into negotiations to resolve property issues. C. Achieved 99% compliance level by foreign missions with OFM regulations relating to the acquisition and disposition of real property in the United States.

Priority: Strengthen the ability of the United States to achieve its International Affairs goals and respond through effective and efficient information management.

Performance Goals: A. To enhance the performance of the new TOMIS system. B. To maintain the present operating system with due diligence. C. To make sure that all OFM personnel are fully versed in all aspects of the operating system as it relates to their duties. D. Partner with IRM to enhance performance and survivability of mission-critical application systems.

DIPLOMATIC & CONSULAR PROGRAMS

Indicators: A. Web enables mission critical OFM applications. B. Extends the reach of mission critical applications beyond the Department's borders. C. Information is exchanged easily and securely between OFM, State and Federal Government agencies and foreign diplomatic missions in the U.S.

Progress (As of January, 2002): The new TOMIS system has been activated. OFM personnel have been trained to operate this system. Upgraded workstations and servers have been installed at all the OFM Regional Offices. Planning for the modernization of the OFM IT Network has been completed and all network and server systems have been stabilized and normalized in support of overall Department of State IT objectives.

FY 2003 Request
SUMMARY STATEMENT

Office of Foreign Missions	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$4,045	$0	$4,045
FY 2002 Estimate	0	0	0	0	$4,172	$0	$4,172
FY 2003 Built-in Changes							
2002 American Cost-of-Living Adjustment	0	0	0	0	$21	$0	$21
American Cost-of-Living Adjustment	0	0	0	0	$38	$0	$38
Domestic Price	0	0	0	0	$42	$0	$42
Total Built-in Changes	0	0	0	0	$101	$0	$101
FY 2003 Current Services	0	0	0	0	$4,273	$0	$4,273
FY 2003 Request	0	0	0	0	$4,273	$0	$4,273

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of Foreign Missions	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$280**	**$306**	**$313**	**$7**
Bureau Direction	$280	$306	$313	$7
Conduct of Diplomatic Relations	**$2,302**	**$2,274**	**$2,329**	**$55**
Political Affairs	$2,302	$2,274	$2,329	$55
Foreign Mission Activities	$2,302	$2,274	$2,329	$55
Information Resource Management	**$952**	**$1,034**	**$1,059**	**$25**
Office Automation	$952	$1,034	$1,059	$25
Other Office Automation	$952	$1,034	$1,059	$25
Domestic Administrative Support	**$511**	**$558**	**$572**	**$14**
Domestic Administrative Management	$511	$558	$572	$14
Total	$4,045	$4,172	$4,273	$101

FY 2003 Request
PROGRAM ACTIVITIES

Office of Foreign Missions	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**0**	**0**	**0**	**0**	**$313**	**$0**	**$313**
Bureau Direction	0	0	0	0	$313	$0	$313
Conduct of Diplomatic Relations	**0**	**0**	**0**	**0**	**$2,329**	**$0**	**$2,329**
Political Affairs	0	0	0	0	$2,329	$0	$2,329
Foreign Mission Activities	0	0	0	0	$2,329	$0	$2,329
Information Resource Management	**0**	**0**	**0**	**0**	**$1,059**	**$0**	**$1,059**
Office Automation	0	0	0	0	$1,059	$0	$1,059
Other Office Automation	0	0	0	0	$1,059	$0	$1,059
Domestic Administrative Support	**0**	**0**	**0**	**0**	**$572**	**$0**	**$572**
Domestic Administrative Management	0	0	0	0	$572	$0	$572
Total	0	0	0	0	$4,273	$0	$4,273

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of Foreign Missions	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of the Deputy Assistant Secretary	$394	$429	$440	$11
Office of Vehicles, Tax, Customs	$2,538	$2,533	$2,594	$61
Office of Travel, Property, Construction, Goods and Services	$587	$638	$653	$15
Administrative Support Staff	$526	$572	$586	$14
Total	$4,045	$4,172	$4,273	$101

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of Foreign Missions	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$0	$0
1200	Personnel Benefits	$0	$0	$0	$0
2500	Other Services	$4,045	$4,172	$4,273	$101
Total		$4,045	$4,172	$4,273	$101

DIPLOMATIC & CONSULAR PROGRAMS

Post Assignment Travel

OVERVIEW STATEMENT

The Post Assignment Travel function supports the Department's worldwide activities in the areas of transfer travel and training per diem. This function is crucial to staffing overseas missions with competent, trained personnel and ensuring effective management of human resources.

Permanent Change of Station - The majority of Post Assignment Travel funds are used for travel of employees and eligible family members, shipment of household effects and privately-owned vehicles, and placement of household effects into storage and continuing storage of effects. With the exception of such travel funded by separate appropriations, all allowable appointment, transfer, home leave, and separation travel is covered for both Foreign Service and Civil Service. The Department's general tour of duty policy (with some exceptions) is three years at most overseas posts or two years at posts with extreme hardship conditions. The Department's standard tour of duty (with some exceptions) has been three years. Effective summer cycle 2002, however, the Department is increasing the standard tour of duty to four years at posts which do not receive hardship or other special differentials.

Training Per Diem - In connection with Post Assignment Travel, per diem is provided for employees while in extended training at the National Foreign Affairs Training Center (NFATC) and the Warrenton Information Management Training Center. The funding of per diem is in connection with subsequent assignments.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Post Assignment Travel	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$101,318	$0	$101,318
FY 2002 Estimate	0	0	0	0	$136,562	$0	$136,562
FY 2003 Built-in Changes							
One-Time Hiring Plan Costs	0	0	0	0	($12,080)	$0	($12,080)
Domestic Price	0	0	0	0	$2,167	$0	$2,167
Total Built-in Changes	0	0	0	0	($9,913)	$0	($9,913)
FY 2003 Current Services	0	0	0	0	$126,649	$0	$126,649
FY 2003 Request	0	0	0	0	$126,649	$0	$126,649

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Post Assignment Travel	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Post Assignment Travel	**$101,318**	**$136,562**	**$126,649**	**($9,913)**
Total	$101,318	$136,562	$126,649	($9,913)

FY 2003 Request
PROGRAM ACTIVITIES

Post Assignment Travel	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Post Assignment Travel	**0**	**0**	**0**	**0**	**$126,649**	**$0**	**$126,649**
Total	0	0	0	0	$126,649	$0	$126,649

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Post Assignment Travel	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Other Post Assignment Travel	$101,318	$136,562	$126,649	($9,913)
Total	$101,318	$136,562	$126,649	($9,913)

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Post Assignment Travel	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$0	$0
1200	Personnel Benefits	$6,080	$8,194	$7,598	($596)
2100	Travel & Trans of Persons	$40,527	$54,625	$50,660	($3,965)
2200	Transportation of Things	$46,606	$62,819	$58,259	($4,560)
2500	Other Services	$8,105	$10,924	$10,132	($792)
Total		$101,318	$136,562	$126,649	($9,913)

DIPLOMATIC & CONSULAR PROGRAMS

Population

OVERVIEW STATEMENT

The Bureau of Population, Refugees, and Migration provides policy coordination and leadership on international population policies, in close collaboration with the U.S. Agency for International Development (USAID) and other U.S. government agencies. Since the 1994 International Conference on Population and Development (ICPD) and its five-year review in 1999 ("ICPD+5"), the long-term goal of U.S. international population policy has been implementation of the ICPD Program of Action. Supported by broader policy efforts, the U.S. continued to provide bilateral technical and program assistance to approximately 60 countries with their family planning and related reproductive health programs. Included in this assistance were programs to help governments monitor and evaluate the success and consistency of their national population policies in meeting the three quantitative 20-year (2015) ICPD goals: ensuring universal access to a full range of reproductive health care and family planning services; reducing maternal mortality; and providing universal access to education, particularly for girls.

NATIONAL INTERESTS & GOALS

Priority: Achieve a healthy and sustainable world population

Performance Goal(s): Improve reproductive health, including improved access to voluntary family planning, safe motherhood services, sexually transmitted diseases and HIV/AIDS prevention, and girls' education.

Indicators: A. Availability of modern family planning and other reproductive health care for individuals requesting such services. B. Maternal mortality at the national level. C. Secondary school enrollment rates among girls.

Progress (as of January 2002): During 2001, the Bureau continued to focus its policy interventions with governments to increase the use voluntary family planning services; promote improved maternal nutritional status, birth preparedness, management of pregnancy complications, and safe delivery, postpartum and newborn care; and through such forums as UN meetings and conferences and national workshops, promote girls' education and identify and address the major barriers to girls' education. We engaged in more than three dozen bilateral, regional, and multilateral meetings and expert groups to promote programmatic cooperation and coordination on ICPD implementation. By the end of the year, 22 less developed countries increased their modern contraceptive prevalence rate (CPR) by at least two percent. Two less developed countries, where the maternal mortality rate (MMR) is over 500/100,000 live births, increased the number of births assisted by a skilled birth attendant by at least two percent. The Bureau also supported the creation of USAID's "Country Initiatives for Girls' Education" in Egypt, Guatemala, Guinea, Mali, and Morocco. Working in close cooperation with embassies and USAID missions, we monitored and evaluated more than 50 UN Population Fund country programs and their impact on achieving ICPD goals and objectives. The Bureau negotiated an arrangement to second a Centers for Disease Control and Prevention (CDC) expert to the UN High Commissioner for Refugees (UNHCR) to assist UNHCR to develop and initially manage UNHCR's global HIV/AIDS in refugee settings initiative.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Bureau for Population, Refugees & Migration	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$543	$0	$543
FY 2002 Estimate	0	0	0	0	$477	$0	$477
FY 2003 Built-in Changes							
Domestic Price	0	0	0	0	$9	$0	$9
Total Built-in Changes	0	0	0	0	$9	$0	$9
FY 2003 Current Services	0	0	0	0	$486	$0	$486
FY 2003 Request	0	0	0	0	$486	$0	$486

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau for Population, Refugees & Migration	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Domestic Administrative Support	**$543**	**$477**	**$486**	**$9**
Domestic Administrative Management	$543	$477	$486	$9
Total	$543	$477	$486	$9

FY 2003 Request
PROGRAM ACTIVITIES

Bureau for Population, Refugees & Migration	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Domestic Administrative Support	**0**	**0**	**0**	**0**	**$486**	**$0**	**$486**
Domestic Administrative Management	0	0	0	0	$486	$0	$486
Total	0	0	0	0	$486	$0	$486

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau for Population, Refugees & Migration	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$0	$0
1200	Personnel Benefits	$0	$0	$0	$0
2100	Travel & Trans of Persons	$0	$0	$0	$0
2500	Other Services	$543	$477	$486	$9
3300	Investments and Loans	$0	$0	$0	$0
Total		$543	$477	$486	$9

DIPLOMATIC & CONSULAR PROGRAMS

International Criminal Justice

OVERVIEW STATEMENT

This Diplomatic and Consular Programs account funds the salaries and benefits for some of the staff of the Crime Office located within the Bureau of International Narcotics and Law Enforcement Affairs (INL/C). The FY 2003 request of $1,071,000 is an increase of $32,000 from the FY 2002 funding level. The increase funds FY 2003 wage and price increases.

INL/C is mandated by the Secretary of State to coordinate policy and programs to combat international organized crime's involvement in financial crime, illicit drug trafficking, immigrant smuggling, auto theft, weapons smuggling, intellectual property rights, and other transnational crime that affects the United States and its citizens. Programs include providing law enforcement training and procurement of equipment for those countries in which transnational criminal activity arises. Funding for training and equipment is provided through the Foreign Operations Appropriations Act.

FY 2003 Request

SUMMARY STATEMENT

Office of International Criminal Justice	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	10	0	0	10	$0	$1,340	$1,340
FY 2002 Estimate	10	0	0	10	$0	$1,039	$1,039
FY 2003 Built-in Changes							
2002 American Cost-of-Living Adjustment	0	0	0	0	$0	$12	$12
American Cost-of-Living Adjustment	0	0	0	0	$0	$20	$20
Total Built-in Changes	0	0	0	0	$0	$32	$32
FY 2003 Current Services	10	0	0	10	$0	$1,071	$1,071
FY 2003 Request	10	0	0	10	$0	$1,071	$1,071

STAFF BY PROGRAM ACTIVITY
(positions)

Office of International Criminal Justice	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Law Enforcement Cooperation	**10**	**10**	**10**	**0**
Total	10	10	10	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of International Criminal Justice	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Law Enforcement Cooperation	**$1,340**	**$1,039**	**$1,071**	**$32**
Total	$1,340	$1,039	$1,071	$32

FY 2003 Request
PROGRAM ACTIVITIES

Office of International Criminal Justice	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Law Enforcement Cooperation	**10**	**0**	**0**	**10**	**$0**	**$1,071**	**$1,071**
Total	10	0	0	10	$0	$1,071	$1,071

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of International Criminal Justice	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of Europe/NIS/Multilateral	0	0	0	0
Organized Crime Division	10	10	10	0
Programs Division	0	0	0	0
Total	10	10	10	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of International Criminal Justice	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Office of Europe/NIS/Multilateral	$0	$0	$0	$0
Organized Crime Division	$1,340	$1,039	$1,071	$32
Programs Division	$0	$0	$0	$0
Total	$1,340	$1,039	$1,071	$32

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of International Criminal Justice	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$1,072	$831	$857	$26
1200	Personnel Benefits	$268	$208	$214	$6
Total		$1,340	$1,039	$1,071	$32

DIPLOMATIC & CONSULAR PROGRAMS

Trafficking in Persons

OVERVIEW STATEMENT

Trafficking in persons is a grave human rights and transnational crime problem. Trafficking is prevalent worldwide with the U.S. government conservatively estimating over 700,000 women and children trafficked across international borders each year, including some 50,000 trafficked to the United States. The Office to Monitor and Combat Trafficking (G/TIP) was established in October 2001 as a result of the Trafficking Victims Protection Act of 2000. The Office is responsible for implementing the goals and initiatives of the President's Interagency Task Force on Trafficking in Persons. As the focal point for all USG anti-trafficking in persons efforts, G/TIP is responsible for the development, monitoring, and oversight of international and domestic anti-trafficking programs, the compilation of the annual Trafficking in Persons Report, and enhancing public awareness of the trafficking phenomenon. The Office also works to enhance collaboration among government agencies, non-governmental groups, and inter-governmental organizations on the issue.

NATIONAL INTERESTS & GOALS

Priority: ERADICATING TRAFFICKING IN PERSONS. Develop a customized plan of action for each region of the world that will target resources to a country's specific problems, whether in prevention of trafficking, prosecution of traffickers, or protection of victims. Develop plan of action for enhancing public awareness.

Performance Goals: A. To develop and implement anti-trafficking programs globally, with a particular focus on those countries in Tier 3 of the Trafficking in Persons Report who do not meet minimum standards for the elimination of trafficking, and Tier 2 who do not yet fully comply with such standards but are making significant efforts to bring themselves into compliance. B. To develop performance indicators for evaluating all USG funded programs internationally. C. To enhance public awareness, public diplomacy, and outreach both internationally and domestically with foreign governments, the nongovernmental community, U.S. agencies, and the U.S. Congress on the trafficking issue.

Indicators: A. Coordinated assistance and resources to eligible governments in Tiers 3 and 2. B. Embassy action plans for engaging host government officials and non-governmental organizations with respect to trafficking. C. Trafficking included as part of each Embassy's Mission Program Plan.

Progress (as of February 2002): During FY 2001, the Department has funded or implemented approximately 100 different programs in over 40 countries around the world. G/TIP has compiled a comprehensive list of all of the USG's counter-trafficking programs for fiscal year 2001. G/TIP has developed a tracking process to determine how USG funds are currently being spent. This tracking system identifies type of project, funding sources, how funds were awarded, and the funding amount for each Department bureau, region, country, and award recipient. Additionally, the Office is streamlining the process for submitting proposals for posts, the relevant bureaus, and agencies.

G/TIP's public diplomacy efforts include the Senior Advisor, Deputy Senior Advisor, and staff having traveled internationally to Japan, Mexico, Bali, Brazil, Nigeria, Benin, Austria, and Germany to make presentations on trafficking and raise public and government awareness of the issue. The Deputy Senior Advisor attended the second World Congress to Combat Commercial Sexual Exploitation of Children. Domestically, representatives of the Office have traveled to Texas, California, South Carolina, Georgia, and Vermont to engage in outreach and participate in law enforcement training sessions on the topic.

DIPLOMATIC & CONSULAR PROGRAMS

Priority: COORDINATING IMPLEMENTATION OF THE VICTIMS OF TRAFFICKING PROTECTION ACT OF 2000. Serve as secretariat to the President's Interagency Taskforce on Trafficking in Persons by working with all the relevant U.S. government agencies to implement the domestic and international provisions of the Act.

Performance Goals: A. Improve collaboration with and among the relevant agencies. B. Institutionalize the USG's anti-trafficking effort. C. Serve as central repository for information on USG's implementation efforts. D. Serve in an advisory capacity to U.S. government officials.

Indicators: A. More transparency and accountability. B. Appropriate resource (personnel, financial, programmatic) allocation in the various agencies as well as awareness training for all relevant government personnel. C. Agencies and other State Department bureaus regularly provide updates related to anti-trafficking budgets, programs, initiatives, investigations, etc. D. Shift in approaches, policies and procedures of government agencies.

Progress (as of February 2002): Since its establishment three months prior, the Anti-Trafficking Office hosted various meetings with government officials from the relevant agencies to review progress in implementing the provisions of the Act in preparation for the first meeting of the President's Cabinet-level Taskforce to Combat Trafficking in Persons which took place this month. The Taskforce reviewed current and future activities and discussed the need for enhanced interagency cooperation and coordination. The Office participated in awareness training programs for INS adjudicators, victim/witness coordinators and foreign service officers. The Office began compiling information about international and domestic programs, implementing regulations, and proposed initiatives.

Priority: ASSESSING COUNTRIES' PROGRESS IN MEETING MINIMUM STANDARDS FOR ELIMINATION OF TRAFFICKING IN PERSONS. Publish annually a Trafficking in Persons report that identifies countries with a significant trafficking problem and measures the efficacy of their efforts to eradicate this problem.

Performance Goals: A. To gather, compile, and produce the Annual Trafficking in Persons Report. B. To act as a central resource on the trafficking in persons issue, and enhance intelligence analysis and collection. C. To determine what has been accomplished to date to combat trafficking in Tier 2 and Tier 3 countries, and to determine what still needs to be accomplished by the governments of these countries. D. To seek opportunities in public statements by senior USG officials to highlight progress made by governments whose countries are in Tiers 2 and 3.

Indicators: A. The Trafficking in Persons Report is completed and submitted to Congress by the June 1st deadline. B. There is improved intelligence analysis and collection on trafficking trends and governments' anti-trafficking efforts. C. USG's programmatic and diplomatic initiatives are better targeted to assist governments. D. Increased receptivity, willingness, and commitment by governments to make a serious effort to combat trafficking.

Progress (as of February 2002): The first annual Trafficking in Persons Report was rolled out by Secretary of State Powell and submitted to Congress on July 12, 2001. The Office to Monitor and Combat Trafficking and several senior State Department officials have met with several government officials from Tier 3 countries to discuss the TIP Report. This report has also motivated several foreign governments in Tier 3 to take additional anti-trafficking steps. The Office has held several interagency and NGO meetings on trafficking.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Trafficking in Persons	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$0	$0	$0
FY 2002 Estimate	14	0	0	14	$2,459	$1,056	$3,515
FY 2003 Built-in Changes							
2002 American Cost-of-Living Adjustment	0	0	0	0	$0	$12	$12
American Cost-of-Living Adjustment	0	0	0	0	$0	$21	$21
Domestic Price	0	0	0	0	$44	$0	$44
Total Built-in Changes	0	0	0	0	$44	$33	$77
FY 2003 Current Services	14	0	0	14	$2,503	$1,089	$3,592
FY 2003 Request	14	0	0	14	$2,503	$1,089	$3,592

STAFF BY PROGRAM ACTIVITY
(positions)

Trafficking in Persons	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Law Enforcement Cooperation	**0**	**14**	**14**	**0**
Total	0	14	14	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Trafficking in Persons	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Law Enforcement Cooperation	**$0**	**$3,515**	**$3,592**	**$77**
Total	$0	$3,515	$3,592	$77

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
PROGRAM ACTIVITIES

Trafficking in Persons	Positions				Funds ($ in thousands)		
	American Domestic	Overseas	FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
Law Enforcement Cooperation	**14**	**0**	**0**	**14**	**$2,503**	**$1,089**	**$3,592**
Total	14	0	0	14	$2,503	$1,089	$3,592

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Trafficking in Persons	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Trafficking in Persons	0	14	14	0
Total	0	14	14	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Trafficking in Persons	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Trafficking in Persons	$0	$3,515	$3,592	$77
Total	$0	$3,515	$3,592	$77

FUNDS BY OBJECT CLASS
($ in thousands)

	Trafficking in Persons	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$855	$871	$16
1200	Personnel Benefits	$0	$211	$218	$7
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$0	$150	$160	$10
2200	Transportation of Things	$0	$0	$0	$0
2300	Rents, Comm & Utilities	$0	$23	$30	$7
2400	Printing & Reproduction	$0	$10	$15	$5
2500	Other Services	$0	$56	$60	$4
2600	Supplies and Materials	$0	$210	$238	$28
3100	Personal Property	$0	$0	$0	$0
3200	Real Property	$0	$0	$0	$0
3300	Investments and Loans	$0	$0	$0	$0
4100	Grants, Subsidies & Contrb	$0	$2,000	$2,000	$0
4200	INS Claims & Indemnities	$0	$0	$0	$0
5946	Unknown	$0	$0	$0	$0
5947	Unknown	$0	$0	$0	$0
9000	Other	$0	$0	$0	$0
9100	Unvouchered	$0	$0	$0	$0
Total		$0	$3,515	$3,592	$77

DIPLOMATIC & CONSULAR PROGRAMS

FSN Separation Liability Trust Fund Payment

OVERVIEW STATEMENT

The Foreign Service National Separation Liability Trust Fund (FSNSLTF), was established pursuant to section 151 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138) (22 U.S.C. 4012a) to provide separation pay for Foreign National employees of agencies of the U.S. Government, other than the Department of Defense.

The FSNSLTF funds the accrued separation pay of employees who voluntarily resign, retire, or lose their jobs due to a reduction-in-force; it applies only in those countries that, due to local law, require a lump-sum payment for voluntary separation based on years of service. Moreover, for those posts whose separation pay plans permit, eligible local employees can periodically obtain advances on accrued separation balances prior to separation.

Beginning in Fiscal Year 1992, a proportionate share of each successive year's annual accrued liability of the FSNSLTF has been funded by the Diplomatic and Consular Programs appropriation. In FY 2003, the D&CP request for the FSNSLTF is $7,946,000, an increase of $269,000 to cover FSN wage inflation and funding requirement offsets based on the annual evaluation of the Fund.

FY 2003 Request
SUMMARY STATEMENT

FSN Separation Liability Trust Fund Payment	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2001 Actual	0	0	0	0	$7,385	$0	$7,385
FY 2002 Estimate	0	0	0	0	$7,677	$0	$7,677
FY 2003 Built-in Changes							
Global Inflation including Local Guard Program	0	0	0	0	$269	$0	$269
Total Built-in Changes	0	0	0	0	$269	$0	$269
FY 2003 Current Services	0	0	0	0	$7,946	$0	$7,946
FY 2003 Request	0	0	0	0	$7,946	$0	$7,946

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

FSN Separation Liability Trust Fund Payment	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Public Diplomacy	**$1,406**	**$1,460**	**$1,511**	**$51**
Public Diplomacy - Program Costs	$1,406	$1,460	$1,511	$51
Overseas Administrative Support	**$5,979**	**$6,217**	**$6,435**	**$218**
Overseas Administrative Management	$5,979	$6,217	$6,435	$218
Total	$7,385	$7,677	$7,946	$269

FY 2003 Request
PROGRAM ACTIVITIES

FSN Separation Liability Trust Fund Payment	Positions				Funds ($ in thousands)		
	American Domestic	Overseas	FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
Public Diplomacy	**0**	**0**	**0**	**0**	**$1,511**	**$0**	**$1,511**
Public Diplomacy - Program Costs	0	0	0	0	$1,511	$0	$1,511
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$6,435**	**$0**	**$6,435**
Overseas Administrative Management	0	0	0	0	$6,435	$0	$6,435
Total	0	0	0	0	$7,946	$0	$7,946

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

FSN Separation Liability Trust Fund Payment	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2500 Other Services	$7,385	$7,677	$7,946	$269
Total	$7,385	$7,677	$7,946	$269

BORDER SECURITY PROGRAM

Summary Statement

($ in thousands)

Appropriation/Fund	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Border Security Program	$390,938	$465,082	$642,731	$177,649

OVERVIEW

In the aftermath of the tragic events of September 11, the Department continues to implement its comprehensive strategy to strengthen U.S. border security through improvements in consular systems and programs. The Border Security program is fully funded from the Machine-Readable Visa (MRV) application fee paid by persons seeking nonimmigrant visas. This program serves as one of the key elements in the Department's goal to protect American citizens and safeguard the nation's borders. The program's objectives are as follows:

- **Information.** Enhance data sharing initiatives with other agencies and increase the effectiveness and efficiency of namecheck systems by providing consular or passport officials responsible for adjudicating passport or visa applications with any relevant information the U.S. holds or receives from other governments regarding that applicant.

- **Infrastructure.** Strengthen consular and passport services by providing business quality equipment, developing modernized software, implementing an effective equipment replacement program, and instituting a comprehensive program of data replication and data warehousing between overseas posts and the Department of State. Provide American citizens the service they expect and demand by improving facilities and services to meet growing workload and the legitimate demand of our customers. Ensure the redundancy of critical consular systems and infrastructure. Continue to make targeted investments allowing for enhanced support to overseas consular operations from U.S. domestic facilities.

- **Connectivity.** Provide worldwide and redundant connectivity in support of passport and visa issuance, including sufficient bandwidth to support the Consolidated Consular Database and other data sharing and remote systems management initiatives.

- **Human Resources.** Meet the growing demand for overseas and domestic consular and passport services, especially in the aftermath of the events of September 11, address seasonal workload peaks, make systematic and major investments in our consular, passport, and support personnel by providing them training on the systems and processes that will support consular operations, including specialized training on the consular namecheck system.

- **Integrity.** Ensure the integrity of the passport and visa issuance processes and products, through improvements to the documents themselves, enhancements in information storage and retrieval, expanded training of anti-fraud personnel and a comprehensive program to investigate any indications of fraud.

The following chart summarizes the major activities of the Border Security Program.

BORDER SECURITY PROGRAM

Border Security Program

($ in thousands)

Program Activity	FY2001 Actual	FY2002 Estimate	FY2003 Request
CONSULAR PROJECT INITIATIVES			
Overseas Consular Systems Install & Operations	$30,000	$32,000	$33,000
Overseas Consular Systems Modernization & Support	35,725	48,950	55,100
Automated Namecheck Systems: CLASS-E	10,000	19,500	18,000
MRV Support Costs	24,000	35,025	38,275
Public Information Support	5,000	5,000	10,000
Document Integrity/Training/Anti-Fraud Programs	5,282	5,450	9,667
Passport Operations	18,274	29,131	41,237
Passport Facilities	1,912	5,465	17,400
Passport Systems	20,941	22,000	24,500
TIPPOFF-Terrorism and Crime	1,050	4,125	3,360
Visa Processing	9,155	10,729	22,244
American Citizen Services	1,111	2,915	2,000
A Bureau Facilities Management-Processing Center	450	4,456	972
Subtotal, Consular Project Initiatives	**162,900**	**224,746**	**275,755**
Diplomatic Security			
Passport & Visa Fraud Investigative Support/Agency Guards	4,858	7,475	8,994
Technology Backbone - IRM			
Information Resource Management Computer Systems and Operations/Diplomatic Telecommunications Support	17,500	19,910	24,000
TOTAL, PROJECT INITIATIVES	**185,258**	**252,131**	**308,749**
BORDER SECURITY AND STAFF SUPPORT			
Consular Affairs	50,316	55,551	58,767
Information Resource Management	2,657	2,705	2,775
Diplomatic Security	12,615	12,842	13,176
Overseas Staff	72,102	76,733	85,162
Subtotal, Border Security Staff	**137,690**	**147,831**	**159,880**
Consular Affairs	57,783	58,168	67,150
Information Resource Management	4,084	4,084	4,084
Diplomatic Security	868	868	868
Western Hemisphere	5,255	2,000	2,000
MRV Fees: Border Security Staff & Support - D&CP Transfer	–	–	100,000
Subtotal, Border Security Support	**67,990**	**65,120**	**174,102**
TOTAL, BORDER SECURITY STAFF & SUPPORT	**205,680**	**212,951**	**333,982**
TOTAL, BORDER SECURITY PROGRAM	**$390,938**	**$465,082**	**$642,731**

Excludes reimbursement to INS for Border Crossing Card Program ($26.52 million).

BORDER SECURITY PROGRAM

CURRENT PROGRAMS

The Department will pursue the following objectives during FY 2002 and FY 2003 as part of its continuing effort to improve U.S. borders, especially in order to prevent the entry of terrorists or others intending to engage in criminal activity in the United States:

Consular Project Initiatives: $275,755,000

Overseas Consular Systems Installation and Operations - $33,000,000:

In FY 2002 and FY 2003, and in response to the evolving domestic and international security situation, we will continue to make systematic investments in consular systems to ensure that our personnel in the field have the equipment and training that they need to serve effectively as the outermost ring of the U.S. border security system.

We will continue our three-year equipment replacement cycle for consular systems, both domestically and overseas. We will provide regular refresher training visits at all Foreign Service posts and appropriate domestic offices. The purpose of this training is to ensure that all consular personnel are knowledgeable and can work effectively with all our consular modernized systems. Refresher training is conducted on a 12 to 18-month cycle. We will also maintain the overseas support desk to serve as an interface between the field and domestic support offices.

We have several new equipment needs coming up in the next two fiscal years, including: scanning equipment and back-up server/workstations for all posts; new computer workstations for the redesigned automated cash register system (ACRS) and equipment to support the back-up namechecking system. Consistent with our commitment to provide highly secure and sophisticated travel documents, we will procure new ink jet printers, as we convert from laser-printed visa foils to a more secure process that relies on inkjet printer technology. In addition, new electronic cameras will be needed as we deal with industry-driven changes and plans to expand the capture of photos to include all nonimmigrant visa cases. To strengthen further U.S. border security, we will begin during FY 2002 to scan the applications of those aliens who are refused U.S. visas. In addition, we will also scan all backup files of those aliens whose visas were refused on the basis of serious ineligibilities (drug trafficking, health, national security, terrorist activities, fraud, etc.). Integrating this information into the Consolidated Consular Database, and taking advantage of continued developments regarding facial recognition, should result in further enhancements to the effectiveness of the U.S. border security system. Finally, we will begin implementation of a system that will provide Americans abroad with photodigitized passports.

Overseas Consular Systems Modernization and Support - $55,100,000:

This program activity involves providing automation support to all consular systems overseas and domestically, as well as conducting the research and development necessary to keep our systems state-of the-art and to take advantages of the potential border security implications of newly emerging technologies.

In FY 2002 and FY 2003, we plan to aggressively expand the data in the Consular Consolidated Database (CCD) the value of which has been repeatedly demonstrated in the aftermath of September 11. Currently, the CCD contains electronic copies of more than 50 million visas as well as the photographs of some 18 million aliens who received visas. This database is now open for worldwide access and allows for faster exchange of information between Washington and overseas posts. Data from this corporate database is being shared with the Immigration and Naturalization Service (INS).

BORDER SECURITY PROGRAM

In return, we hope to include case materials and other information relevant to visa processing from these agencies. As a result of the September 11 terrorist attacks, we plan to accelerate research into facial recognition programs and develop the capability to compare photographs of suspected terrorists to those of visa applicants. As part of this effort, we will work with other agencies to expand the pool of photographs available for this use. We are initiating this effort in FY 2002.

As required under the Hague Convention on International Adoptions, we will add additional functionality to existing consular systems to monitor all incoming and outgoing international adoption cases. We also plan to re-engineer the systems that provide support to our American Citizen Services activities. To make existing visa systems and underlying business processes more efficient and effective, we plan to integrate overseas and domestic visa systems in a way that will streamline the process of immigrant visa control and statistical reporting. In addition, we plan to replace the existing Automated Cash Register System (ACRS) with a new system that is fully integrated with other modernized consular applications.

We will continue to ensure that all consular systems are in conformance with the Department's security guidelines. We will have sophisticated testing of the security aspects of our software undertaken by internationally recognized experts such as the Sandia National Laboratories. We will continue to ensure the integrity and quality control of our software development efforts through an independent verification and validation process. We will continue to provide quick resolution to problems of various technical complexity through our operational support and maintenance initiative. To provide the controls necessary for organized systems maintenance, we will continue our configuration management activities. In the next two years, we will continue to provide domestic system support in the areas of computer security, asset management, user support, e-mail, domestic systems modernization and maintenance, and application training.

Automated Namecheck Systems (CLASS) - $18,000,000:

The Consular Lookout and Support System (CLASS) is the centerpiece of the consular Border Security program. It includes over 5.8 million visa lookout records and over 3 million passport records. In FY 2002, and consistent with the authorities provided by section 403 of the USA PATRIOT ACT, we are prepared to receive another 3 million additional lookout records from the FBI. We also plan to introduce selected photographs into the CLASS database. As a mission critical system, security regarding the transmission of CLASS data and access to CLASS service is a major consideration. Therefore, we will implement a fully redundant CLASS system at a remote location from Washington that will ensure full disaster recovery and systems availability at all times. In addition, we plan to replace a current field back-up system (the Distributed Namecheck System) with a real-time Back-up Namecheck System (BNS). The BNS will use remote telecommunication management tools and techniques that can provide immediate system support when telecommunication lines are down. We will pilot this system in FY 2002.

The CLASS system provides the Department with the ability to perform namechecks using linguistic algorithms. Arabic and Russo/Slavic algorithms are now in place and in FY 2002 we will complete the worldwide deployment of the Hispanic algorithm. Our next focus is to develop an algorithm based on Asian languages.

MRV Support Costs - $38,275,000:

The Department will continue to use MRV fees to pay for bank charges associated with off-site bank collections and temporary staffing needs (such as temporary duty (TDY) assistance and hiring local personnel) to help posts meet their workload requirements. In FY 2001, the Department funded 33

BORDER SECURITY PROGRAM

work years in TDY assistance. As in previous fiscal years, we will support those posts facing major productivity or infrastructure issues by funding limited procurement and installation of furniture and furnishings. In FY 2002 and FY 2003, this budget will continue to pay for the salaries and benefits of consular associates. We will also continue to support consular agents by paying their salaries and benefits, purchasing consular agent "tool kits" (consisting of a personal computer and office equipment, such as a fax machine and cellular phone) and funding such costs as a portion of their health insurance. In addition, we will provide support to State Department staff in Mexico, which has experienced a major workload increase as a result of the Border Crossing Card Program.

Public Information Support - $10,000,000:

We will strengthen our public information efforts. This initiative will be contractor-operated and will provide improved access to an integrated consular information system that provides information for visas, passports, and assistance in completing affidavit of support forms. It will also provide routine and non-Privacy Act information regarding the safety and welfare of American citizens abroad. This funding will also enhance the operation of the current consular information program by establishing contractor-operated customer contact centers that provide information and respond to public inquiries on various consular matters

Document Integrity, Training and Anti-fraud Programs - $9,667,000:

The Department of State is committed to producing world-class quality travel documents that are based on fraud-resistant consular processes. In response to the increasing sophistication of the international travel document counterfeiting and forgery industry, the Department plans to establish a forensic laboratory to detect and counter fraudulent U.S. and foreign travel documents. This laboratory will provide an organic forensic document capability to the Bureau of Consular Affairs in support of its international responsibilities.
The Department will also provide training to Foreign Service Nationals (FSN) and Foreign Service Officers (FSO) assigned to fraud prevention units overseas. We will continue to conduct workshops, prepare self-instructional guides, and issue publications. In addition, the National Foreign Affairs Training Center conducts training for consular FSN's, FSO's, consular agents, passport personnel and systems personnel who support consular systems. As a new initiative in FY 2002, we will develop an extensive course on the Namecheck system.

Passport Operations - $41,237,000:

The Department remains committed to meeting passport workload demand on a timely basis, providing effective agency management and administration, strengthening internal controls and fraud prevention, and ensuring quality customer service. The demand for U.S. passports is affected by many factors, including the strength of the U.S. economy and the perception of travelers about the international security situation. For FY-2002, the Department of State is anticipating a passport workload of up to 6.9 million domestic applications. In FY 2003, we expect this workload to increase to as many as 8 million applications. To meet these increases, we plan to hire additional contract staff, particularly at the Charleston Passport Agency. We will enhance our anti-fraud capabilities, particularly in the area of lost and stolen passports. We will undertake an aggressive public service campaign to make citizens aware of the need to report these passports.

In addition and in response to heightened concerns over the international terrorism situation, we will take a number of steps to enhance the security of the U.S. passport system. In recognition of the value to law enforcement and other users of scanned passport applications, the Department of State will initiate a project to scan passport applications processed prior to the installation of the

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photodigitization process into our PRISM database. We will also launch a long-term effort to help ensure the security of the documents and processes, including those of acceptance agents, that underpin the adjudication system for U.S. passports. This initiative is designed to strengthen our defenses against the use of fraudulent documents as a basis for obtaining a U.S. passport. Finally, we will explore the potential to shift some overseas passport production back to the United States in order to take full advantage of the security features of the photodigitized U.S. passport.

Passport Facilities - $17,400,000:

At the end of calendar year 2001, the five year initiative to renovate all passport agencies concluded. All agencies now have modern security and an infrastructure capable of supporting photodigitization technology. To protect this investment, we will establish a schedule to repair, replace, and maintain the infrastructure at our facilities on a regular basis. As in prior years, we will continue to fund the utility and facility maintenance expenses of the Charleston and Portsmouth Passport facilities from this budget. In FY 2002, we will also develop plans for a third passport megacenter to meet expected passport demand in the post 2005 period. We expect to locate that facility in the western region of the U.S. We expect to begin construction of this facility in 2003.

Passport Systems -$24,500,000:

In FY 2001, nearly 90 percent of all passports were produced using the photodigitization process. In early FY 2002, we completed the rollout of photodigitizaton to all domestic passport agencies. We plan to maintain this system by introducing a three-year replacement cycle of all passport computer equipment, similar to our current three-year replacement cycle for overseas equipment. In addition, we will install additional equipment at the Charleston Passport Center as part of our overall plan to increase the capacity at that facility.

Modernization efforts in the next two fiscal years will focus on new and emerging technologies in computer, communications, and materials handling environments, including the capture of digital images, and the storing, transporting, and printing of multiple forms of data. Our goals are to maintain our international leadership role in the technologies of producing the most secure travel documents; to exceed security standards in both products and production methodologies; and to meet the production demands of the American public. We plan to improve the image quality of the digitized photo printout, allow for easier retrieval of information from our Consular Lost and Stolen Passport database (CLASP); and make images of passport application records available electronically to overseas posts through the use of the Passport Records Management System (PRISM).

In compliance with electronic and information technology accessibility standards, we plan to introduce new systems capabilities in the photodigitized travel document issuance system that will aid passport employees with disabilities. Using state of the art optical storage technology, we have replaced the antiquated microfilm process that was 20 years old and replaced it with new technology that scans, stores and provides online availability of passport application records, related documentation, and Consular Reports of Birth Abroad. In FY 2002, we intend to make this data available online worldwide through our PRISM system. Finally, we will improve the way we maintain, archive and retrieve all passport lookout files by digitizing the image of all lookout documents. This database would be available throughout the passport files user community.

TIPOFF-Terrorism Crime - $3,360,000:

The TIPOFF-Terrorism and Crime program is a vital counter terrorism/crime tool that enables the use of sensitive intelligence to detect known persons of concern as they apply for U.S., Canadian or

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Australian visas. This information is made available to officials adjudicating visa applications overseas or other personnel who serve at U.S. ports-of-entry. In FY 2002 and FY 2003, we will continue to fund the TIPOFF operation and will establish ties to other agencies through the intelligence community's INTELINK system.

Visa Processing - $22,244,000:

The U.S. visa process has been under intense scrutiny in the aftermath of the terrorist attacks in New York, Washington and Pennsylvania. A key element in strengthening further the visa process is shifting more of the pre-adjudicatory visa process back to the United States where access to corporate databases and other systems can help ensure that our overseas personnel have the best information available as they make decisions on visa applications. For example, making quality decisions on issuing certain employment-related visas may require access to credit databases in the United States or even direct contact with the firm that is sponsoring the immigrant. This access is difficult if the visa is being adjudicated from a location many time zones from the U.S. To help redress this problem, the Department of State plans to shift as much of the administrative work in the visa process as legal and practical limitations will allow to the National Visa Center and Kentucky Consular Center. Specifically, we plan to expand the Kentucky Consular Center and shift work related to the H1-B and student visa programs to that facility. We plan to employ contract staff to help us implement these initiatives and to manage the workload shift. We will also continue to implement the Legal Immigration Family Equity (LIFE) Act passed by Congress on December 15, 2000. This Act created new nonimmigrant V and K visa classifications for which as many as half a million aliens may be eligible.

American Citizen Services - $2,000,000:

During FY 2002 and FY 2003, we will provide effective and consistent American Citizen Services. Among our initiatives are plans to develop a comprehensive global Voting Assistance Outreach program, to improve the facilities we use to operate Task Forces during a crisis, and to upgrade our crisis management equipment (such as the purchase of laptops that are capable of supporting our modernized crisis management software). We will continue to meet our treaty obligations as the U.S. Central Authority for the Hague Convention on Intercountry Adoption through informational assistance to prospective parents and adoption agencies and by working with INS to track international adoption cases. We also plan to continue our efforts to assist parents whose children have been abducted overseas. Finally, in response to any possible terrorist threats, the Bureau of Consular Affairs will help finance the consular response capability that will allow the Department to maintain crisis management operations.

Facilities Management-Processing Center - $972,000:

The Bureau of Administration will use Border Security Program funds for facility maintenance and utility expenses at the Kentucky Consular Center. Increased funding will be needed in FY 2002 as we expand the Kentucky Consular Center to accommodate visa work that is shifted from overseas to the U.S.

Diplomatic Security: $8,994,000

The Bureau of Diplomatic Security (DS) provides the necessary physical security for our passport agencies, the Kentucky Consular Center, and the National Visa Center using Uniformed Protection Officers. As in prior fiscal years, funding will be provided to DS to conduct criminal investigations relating to illegal passport and visa issuance and use, and to continue the Russian Business

BORDER SECURITY PROGRAM

Investigative Initiative (RBII) which targets Russian organized crime and illegal trafficking in women and children. In addition, funding will continue to be provided for the travel of department personnel testifying at criminal trials. As a new initiative, MRV funds will be used to help to design, develop and implement an integrated worldwide investigations database to manage all DS criminal cases electronically and provide two-way datasharing with CA and other U.S. enforcement agencies.

Technology Backbone: $24,000,000

This budget provides the necessary funds for mainframe systems support for the CLASS system. Support includes 24x7 operations and maintenance, enhanced connectivity, redundancy and contingency operations and systems upgrades to meet CLASS-E expansion requirements. It also includes support for redundant CLASS and CCD systems, which we will develop in FY 2002. In addition, this budget includes funds for the continued telecommunications support, including circuitry lease costs and other support costs directly related to the Border Security Program.

Border Security Staff and Support Costs: $333,982,000

Border Security Staff - $159,880,000:

In FY 2002, the Border Security Program will fund the salaries and benefits of 2,157 full time consular, DS and IRM employees, including 98 new consular positions--62 overseas and 36 domestic. Included in the overseas positions are 20 new officer positions to be hired as a result of the September attacks. In addition, we plan to hire 50 new Foreign Service Nationals to support the officer staff. In FY 2003, we propose hiring to fill an additional 98 full-time positions, consisting of 70 overseas positions and 28 domestic positions. To support the overseas officer staff, we will also hire 63 new Foreign Service Nationals.

Border Security Support - $74,102,000:

Direct operating costs associated with passport and visa production are included in this budget. These items include passport books and expendable supplies used in producing a photodigitized passport as well as supplies used in the production of visas. In addition, we provide funds to key bureaus that help us maintain on-going programs that support the Border Security Program. As in prior years, the start-up and recurring costs for new consular positions are included in this program activity, as are direct costs associated with the Border Crossing Card program.

MRV Fees: Border Security Staff and Support - $100,000,000:

In FY 2003, the Department plans to shift $100 million in consular operating expenses, for overseas posts and the Bureau of Consular Affairs, currently funded by the Department's Diplomatic and Consular Programs appropriation to funding by MRV fees within the Border Security Program. This shift will mean that nearly all Consular Relations program activity full-time American positions and Consular Relations program activity costs will be funded by MRV fees.

BCC Reimbursement to INS: $26,520,000

Since FY 1999 we have reimbursed the INS for the cost of producing Border Crossing Cards issued to Mexican nationals. This reimbursement, based on a Memorandum of Understanding between the two agencies, is consistent with the requirements of section 104 of the Illegal Immigration and Immigrant Responsibility Act of 1996. The reimbursement is considered a direct transfer of revenue

BORDER SECURITY PROGRAM

to INS and is not included in relevant tables and charts that summarize the Border Security Program. In FY 2002 and FY 2003 we plan to reimburse the INS $26.52 million annually.

FY 2003 Request
PROGRAM ACTIVITIES

Machine Readable Visa Fees	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Conduct of Diplomatic Relations	**0**	**0**	**0**	**0**	**$3,360**	**$0**	**$3,360**
Intelligence and Research	0	0	0	0	$3,360	$0	$3,360
Conduct of Consular Relations	**1,361**	**968**	**0**	**2,329**	**$409,006**	**$170,301**	**$579,307**
Domestic Passport Services	881	0	0	881	$129,156	$51,170	$180,326
Overseas Visa Services	207	858	0	1,065	$224,089	$86,741	$310,830
Overseas Citizens Services	124	65	0	189	$2,844	$16,390	$19,234
Overseas Consular Management	149	45	0	194	$52,917	$16,000	$68,917
Law Enforcement Cooperation	**122**	**0**	**0**	**122**	**$9,862**	**$13,176**	**$23,038**
Information Resource Management	**37**	**0**	**0**	**37**	**$28,084**	**$2,775**	**$30,859**
Corporate Information Systems and Services	37	0	0	37	$28,084	$2,775	$30,859
Machine Readable Visa Program	37	0	0	37	$28,084	$2,775	$30,859
Training Services	**0**	**0**	**0**	**0**	**$6,167**	**$0**	**$6,167**
Professional Development	0	0	0	0	$6,167	$0	$6,167
Professional Development/Area Studies	0	0	0	0	$6,167	$0	$6,167
Total	1,520	968	0	2,488	$456,479	$186,252	$642,731

DEPARTMENT OF STATE
Multi-Year Summary
($ in thousands)
Diplomatic & Consular Programs - Machine Readable Visas Processing Fees

Bureau	FY 2001 Actual		FY 2002 Estimate		Built-In Changes		Current Services		Program Changes		FY 2003 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Intelligence and Research	0	$1,450	0	$4,125	0	$0	0	$4,125	0	($765)	0	$3,360
Western Hemisphere Affairs	388	$37,312	417	$36,424	0	$0	417	$36,424	15	$5,029	432	$41,453
European Affairs	199	$16,331	208	$17,885	0	$0	208	$17,885	17	$3,636	225	$21,521
East Asian and Pacific Affairs	163	$13,624	171	$15,032	0	$0	171	$15,032	12	$2,407	183	$17,439
Near Eastern Affairs	65	$5,764	67	$6,385	0	$0	67	$6,385	8	$872	75	$7,257
South Asian Affairs	48	$4,509	54	$5,026	0	$0	54	$5,026	11	$1,853	65	$6,879
African Affairs	47	$3,837	55	$4,368	0	$0	55	$4,368	7	$1,992	62	$6,360
Diplomatic Security	122	$18,341	122	$21,185	0	$0	122	$21,185	0	$1,853	122	$23,038
Information Resource Management	37	$23,976	37	$26,699	0	$0	37	$26,699	0	$4,160	37	$30,859
Administration	0	$450	0	$4,456	0	$0	0	$4,456	0	($3,484)	0	$972
Post Assignment Travel	0	$1,411	0	$2,023	0	$0	0	$2,023	0	$1,840	0	$3,863
Foreign Service Institute	0	$1,472	0	$2,950	0	$0	0	$2,950	0	$3,217	0	$6,167
Consular Affairs	990	$262,461	1,026	$318,524	0	$0	1,026	$318,524	28	$55,039	1,054	$373,563
Transfers	0	$0	0	$0	0	$0	0	$0	233	$100,000	233	$100,000
Total	2,059	$390,938	2,157	$465,082	0	$0	2,157	$465,082	331	$177,649	2,488	$642,731

DIPLOMATIC & CONSULAR PROGRAMS

Legislative Proposals/Other Adjustments

OVERVIEW STATEMENT

This budget unit provides documentation of the following budgetary adjustments and legislative proposals for the Diplomatic and Consular Programs (D&CP) appropriation:

FY 2001 Transfers

- **FY 2001 Transfers:** The FY 2001 includes $17,912,037 in funding transferred from the D&CP appropriation including $875,037 transferred to the United States Commission on Holocaust Assets, $3,375,000 transferred to the Buying Power Maintenance Fund, and $13,662,000 transferred to the Capital Investment Fund.

FY 2003 Base Adjustments and Legislative Proposals

- **FY 2003 Transfer - MRV Fees: Border Security Staff and Support: -$100,000,000.** In FY 2003, the Department plans to shift $100,000,000 in consular operating expenses, for overseas posts and the Bureau of Consular Affairs, currently funded by the Department's Diplomatic and Consular Programs appropriation to funding by MRV fees within the Border Security Program. This shift will mean that all Consular Relations program activity full-time American positions and nearly all of the Consular Relations program activity costs will be funded by MRV fees.

- **Full Funding of Federal Employee Retirement Costs: $81,844,000.** The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central Government-wide accounts to affected State Department program accounts, starting in FY 2003.

  - The FY 2003 President's Budget corrects a long-standing understatement of the true cost of literally thousands of government programs. For some time, the accruing charge of the Federal Employee retirement system (FERS) and military retirement system (MRS) costs and a portion of the old Civil Service retirement system (CSRS) costs has been allocated to the affected salary and expense accounts, and the remainder (a portion of CSRS, other small retirement systems, and all civilian and military retiree health benefits) has been charged to central accounts. The full cost of accruing benefits should be allocated to the affected salary and expense accounts, so that budget choices for program managers and budget decision makers are not distorted by inaccurate cost information.

  - The FY 2003 President's Budget presents the amounts associated with shifting this cost from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are shown on a comparable basis for program accounts in FY 2001 and FY 2002. Agencies will also, for the first time, be charged for the accruing cost of retiree health care benefits for all civilian employees. These are also shown on a comparable basis for FY 2001 and FY 2002.

  - The proposal does not increase or lower total federal budget outlays or alter the surplus/deficit since the higher payments will be offset by receipts in the pension and health funds. The shift will reduce reported costs from central mandatory accounts and increase reported costs in the affected discretionary accounts. Consequently, these costs will be properly reported in the budget for the first time and considered as an annual cost of managing these programs, as they should be.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2003 Request
SUMMARY STATEMENT

Legislative Proposals/Other Adjustments	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2001 Actual	0	0	0	0	$17,912	$0	$17,912
FY 2002 Estimate	0	0	0	0	$0	$0	$0
FY 2003 Built-in Changes							
Full Funding for Federal Retiree Costs	0	0	0	0	$0	$81,844	$81,844
MRV Fees: Border Security Staff and Support	(233)	0	0	(233)	($73,628)	($26,372)	($100,000)
Total Built-in Changes	(233)	0	0	(233)	($73,628)	$55,472	($18,156)
FY 2003 Current Services	(233)	0	0	(233)	($73,628)	$55,472	($18,156)
FY 2003 Request	(233)	0	0	(233)	($73,628)	$55,472	($18,156)

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Transfers	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Public Diplomacy	**$1,433**	**$0**	**$0**	**$0**
Public Diplomacy - Support Costs	$1,433	$0	$0	$0
Conduct of Consular Relations	**$0**	**$0**	**($100,000)**	**($100,000)**
Domestic Passport Services	$0	$0	($11,577)	($11,577)
Overseas Visa Services	$0	$0	($67,526)	($67,526)
Overseas Citizens Services	$0	$0	($9,448)	($9,448)
Overseas Consular Management	$0	$0	($11,449)	($11,449)
Transfers	**$16,479**	**$0**	**$81,844**	**$81,844**
Total	$17,912	$0	($18,156)	($18,156)

FY 2003 Request
PROGRAM ACTIVITIES

Transfers	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Conduct of Consular Relations	**(233)**	**0**	**0**	**(233)**	**($73,628)**	**($26,372)**	**($100,000)**
Domestic Passport Services	(70)	0	0	(70)	($3,654)	($7,923)	($11,577)
Overseas Visa Services	(40)	0	0	(40)	($62,999)	($4,527)	($67,526)
Overseas Citizens Services	(65)	0	0	(65)	($2,091)	($7,357)	($9,448)
Overseas Consular Management	(58)	0	0	(58)	($4,884)	($6,565)	($11,449)
Transfers	**0**	**0**	**0**	**0**	**$0**	**$81,844**	**$81,844**
Total	(233)	0	0	(233)	($73,628)	$55,472	($18,156)

OTHER ADMINISTRATION OF FOREIGN AFFAIRS APPROPRIATIONS

Office of Inspector General
Educational and Cultural Exchanges
Representation Allowances
Buying Power Maintenance Fund
Protection of Foreign Missions and Officials
Embassy Security, Construction and Maintenance
Emergencies in the Diplomatic and Consular Service
Repatriation Loans Program Account
Payment to American Institute in Taiwan
Foreign Service Retirement and Disability Fund

OFFICE OF INSPECTOR GENERAL

Proposed Appropriation Language

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, ~~[$29,000,000]~~ $30,791,380, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980, as amended (Public Law 96–465), as it relates to post inspections. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

OFFICE OF INSPECTOR GENERAL

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
314	$29,891	314	$30,503	314	$30,791	0	$288

Note: Figures include Full Cost Adjustment of Pension Health Benefits: $1,527,000 in FY 2003 and, for comparison purposes, $1,503,000 in FY 2002 and $1,464,000 in FY 2001. Without this adjustment the totals would be $29,264,000 in FY 2003, $29,000,000 in FY 2002, and $28,427,000 in FY 2001.

OVERVIEW

This request funds the activities of the Office of Inspector General (OIG) to include audits, inspections, and investigations of worldwide operations and programs of the Department of State and the Broadcasting Board of Governors (BBG). The $264,000 increase requested for FY 2003 will be applied to the OIG's anticipated wage and price increases.

OIG is currently evaluating a number of priority Department and BBG programs and activities. These reviews include projects focused on the security of information technology used in the Department's visa name check processing, BBG broadcasts to the Middle East, the Department's „up and out" policies for the Foreign Service, the travel card program for both the Department and BBG, the Department's efforts to implement e-government and e-diplomacy and selected embassy construction projects. OIG will conduct a review of the management of BBG and its board structure and monitor the Department's progress in improving its financial management systems.

Purpose Of Program

The OIG's mission is to:

- improve the economy, efficiency, and effectiveness of Department of State and BBG operations;
- detect and prevent fraud, waste, abuse, or mismanagement;
- assess the implementation of U.S. foreign policy primarily through inspection of overseas posts and domestic offices to assure that their activities are consistent with the goals established by the Secretary of State; and
- independently evaluate 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.

Program Description

Since September 2001 OIG has redirected its activities and resources to focus on its core functions: audits, inspections, security and intelligence reviews and investigations. With respect to inspections OIG will re-institute evaluations of diplomatic missions and domestic bureaus on a five-year cycle. In FY 2002 this will mean a 25% increase in the number of embassies and offices inspected. OIG will also carry out compliance reviews of 20% of the missions it inspects to determine if its recommendations have been implemented and as an internal quality check of its work. Security of the Department's people, facilities and information continues to be a high priority for OIG. With the Department's anticipated receipt of new funding for security, independent oversight and evaluation by the OIG can play an important role in ensuring that the programs and activities funded with these new monies are properly managed and adequate to meet rapidly

evolving security requirements. OIG has established a new Assistant Inspector General for International Broadcasting and a new Chief Information Officer. Under the AIG/International Broadcasting, additional resources will be directed to oversight of BBG programs and activities. The new CIO is responsible for external reviews of Department and BBG information systems as well as for OIG's own use of information technology.

Benefits

The Office of Inspector General assists the Department and the BBG in improving the economy, efficiency, and effectiveness of their operations. Additionally, the OIG helps detect and prevent fraud, waste, and mismanagement. OIG's independent assessments of management and operations around the world have enhanced the Department's ability to meet its mandate of managing the foreign affairs of the United States.

Current Activities

OIG Audits

OIG audits evaluate program effectiveness, efficiency, and economy. OIG identifies problems in existing and proposed programs, systems, and offices, recommends improvements in management and performance, and monitors compliance with regulations and laws.

During FY 2001 OIG issued 30 audit reports of Department and BBG programs and identified nearly $12.5 million in questioned costs and $522,000 in funds that could be put to better use. These reviews included audits of the Iraqi National Congress, the contract for American police presence in Bosnia, critical infrastructure protection, the overseas wireless program, information technology vulnerability assessments at financial service centers, internal controls at the Miami Passport agency, implementation of the Government Information Security Reform Act, review of the Department's explosive detection equipment, a review of financial management at the Organization for Economic Cooperation and Development, and a survey of the worldwide purchase card program. The OIG completed a review of the U.S. munitions list and the commodity jurisdiction process. In FY 2002 OIG is completing a legislatively required review of the compatibility of information technology of agencies mandated to carry out the export controls program and will begin another legislatively required review of the export licensing process.

In FY 2001, the Department, for the first time, submitted its FY 2000 financial statements to OMB with the required OIG audits by the March 1 deadline. OIG gave the Department an unqualified opinion but, in preparing the audit, identified significant potential vulnerabilities related to information systems security. In the area of international broadcasting, OIG reviewed the BBG's transition to an independent agency as well as conducted a review of the audience research program. In FY 2002 the OIG is reviewing Middle East broadcasting which will be followed by a review of the management structure at BBG.

OIG Inspections

OIG's Office of Inspections (ISP) reviews overseas missions and domestic bureaus to assess whether foreign policy is effectively implemented, resources are used to optimum efficiency, and the Department's "diplomatic readiness" platforms are adequate. Inspection teams also review internal management controls to determine whether they are in place and functioning properly. OIG's Inspections personnel also conduct programmatic and thematic reviews on such issues as consular affairs, public diplomacy, regional support for overseas missions, and programs supporting foreign policy priorities.

During FY 2001 ISP produced 38 post management reports and compliance reviews based on an aggressive inspection program of 34 missions primarily in Africa, Europe, and Latin America. In FY 2002 ISP plans to expand its program some 25% by increasing the number of its teams and focusing its reports primarily on significant issues and problems affecting embassies overseas. To date teams have already conducted or are

in the process of carrying out management inspections in Africa, the Pacific Islands, South Asia, and the New Independent States. This fiscal year, inspection teams will also review operations of the Bureau of Public Affairs and the Bureau of African Affairs.

With respect to thematic and program reviews, OIG examined the Federal Voter Assistance program. OIG also transmitted to the Department a management review regarding the use of the diplomatic pouch. ISP completed a compliance follow-up review of the Bureau of Human Resources and the Foreign Service Institute as well as a review of mission support for counter-narcotics programs in Bolivia and Ecuador. OIG Inspections is completing a review of American citizen services provided by the Bureau of Consular Affairs. It is engaged in a follow-on review of domestic passport operations to be concluded FY 2002.

OIG Security Audits, Inspections, and Intelligence Reviews

OIG has an integrated audit and inspection system to determine whether the Department's security programs and chief of mission oversight of intelligence activities are carried out effectively, economically and efficiently, and in accordance with the law and American foreign policy. OIG security experts review physical security, technical security, counterintelligence programs, and the protection of classified information to determine if missions are doing all they can to protect against terrorist attacks, crime, and other threats. In FY 2001, OIG's Office of Security and Intelligence Oversight (SIO) issued 17 full-scope security inspections and compliance reviews, 13 security reports in conjunction with OIG post management inspections, and a summary report of the security inspections of diplomatic posts in the Bureau of European Affairs. To date in FY 2002 SIO has reviewed security operations in China, Malaysia, and Singapore, as well as conducted limited reviews of embassies in Europe, the New Independent States, and Africa.

In FY 2001 SIO conducted reviews of the Department's background investigations program, the armored car program, and the anti-terrorism assistance program. SIO is completing an evaluation of physical security measures at Main State and a report on the handling of classified information at the Department. In the coming months SIO will conclude a review of the Office of Diplomatic Security's technical security countermeasures program.

OIG Investigations

OIG criminal investigators conduct investigations to follow up on allegations received from a variety of sources including Department and BBG managers and employees, other agencies, Congress, and the public. Investigations look at potential criminal and administrative violations.

OIG investigations during FY 2001 resulted in 18 administrative actions and 111 judicial actions, including 21 convictions and more than $440,000 in recoveries and fines. More than 40 percent of these investigations were related to visa and passport fraud, including several joint investigations conducted with the Immigration and Naturalization Service. These included a large-scale scheme to defraud the EB-5 investor visa program, in which the defendants took in $21 million. A case of student visa fraud at a New England university found that a group operating in New York had issued some 300 fraudulent claims on behalf of Chinese nationals who were not students.

Strategic Goals: FY2002-FY2003

OIG's strategic goals focus on four primary issues: foreign policy implementation; security of people, facilities and information; financial management and services; and the prevention of fraud, waste, mismanagement and abuse. OIG will allocate FY 2002 resources and focus its work and strategic goals to assist the Department and, as appropriate, the BBG in:

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- Effectively, efficiently and economically advancing the foreign policy interests of the United States: **$8.2 million (28%);**
- Adequately protecting the people, information, and facilities under their control in the United States and abroad: **$6.7 million (24%);**
- Having the necessary financial and support systems and controls to meet legal and operational requirements: **$7.3 million (26%);** and
- Being free of fraud, waste, abuse and mismanagement: **$6.1 million (22%).**

Goal: The Department and the BBG effectively, efficiently, and economically advance the foreign policy interests of the United States

In FY 2002 OIG plans to review operations at selected domestic bureaus and no fewer than 50 overseas missions, primarily in Africa, Europe, and the New Independent States. OIG will review relevant visa and passport programs as well as other consular activities in conjunction with OIG post management inspections and other programmatic reviews. OIG will also evaluate Middle Eastern broadcasting operations and review the management structure at BBG.

Goal: The Department and the BBG adequately protect the people, information, and facilities under their control in the United States and abroad

The protection of employees overseas is a significant security challenge for the Department. This requires upgrading the perimeter security of chancery buildings, building new chanceries to replace those that are clearly unsafe, and co-locating all agencies into protected areas, as mandated by the Secure Embassy Construction and Terrorism Act of 1999. Another major security challenge is the protection of classified information both domestically and abroad. A third challenge relates to the fact that the nature of security threats is constantly changing. Diplomatic missions must contend with evolving technologies that may render existing defenses obsolete.

The Department will receive significant new funding for security. Independent oversight and evaluation by the OIG can play a major role in ensuring that the programs and activities funded under these new monies are properly managed to meet rapidly evolving security needs.

In FY 2002 OIG will complete a number of reviews related to the security of people, facilities, and information. Among them are reviews of the following: physical security measures at Main State and other domestic facilities; the technical security countermeasures program; management of classified information at Main State; Department and BBG compliance with the Government Information Security Reform Act; secure shipment of equipment intended for use in embassies' classified areas; and the security of consular information technology systems as it relates to visa processing. OIG will also conduct limited and full security inspections of about 60 overseas missions.

Goal: The Department and the BBG have the necessary financial and support systems and controls to meet legal and operational requirements

The Department is responsible for managing more than $5 billion dollars annually in appropriations and more than $5 billion in assets. OIG reviews will include audits of annual financial statements; management of grants and other forms of federal assistance; property management, procurement, and other support services; and strategic planning and performance evaluation. Financial management continues to be a major challenge facing the Department.

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In recent years, the Department has made significant improvements in financial management, but much more remains to be done. For example, concerns remain regarding the security of the domestic mainframe computers on which the central accounting system resides, financial and accounting system noncompliance with federal regulations, and overseas regional accounting and disbursing systems. In addition, the Department spends more than a billion dollars annually for a variety of programs carried out through assistance instruments such as grants, cooperative agreements, and transfers. However, the Department does not use standardized systems, policies, or procedures to manage these programs, resulting in heightened potential for fraud, waste, and abuse. Contract and property management also presents a challenge, particularly in light of the Department's major overseas construction program and the poor condition of many overseas properties. Finally, the Department has made some progress in implementing the Government Performance and Results Act, but its processes still need much improvement, including more meaningful, outcome-oriented performance goals. During FY 2002 OIG will identify and recommend to the Department corrections to weaknesses and impediments which hamper effective and efficient financial operations in these areas.

Specific issues to be reviewed in FY 2002 include audits of the Department's FY 2002 financial statements, financial systems development, and the consolidation of financial services at the Charleston Financial Services Center. With respect to BBG, OIG will review controls on equipment and human capital management. In addition, OIG plans to verify and validate selected Department and BBG performance data under the Government Performance and Results Act as an integral component of its audits and inspections.

Goal: The Department and the BBG are free of fraud, waste, abuse, and mismanagement

Instances of fraud, waste, abuse, and mismanagement are often identified during the course of OIG program and financial reviews. OIG also receives allegations from Department and BBG employees, other agencies, Congress and the public. It reviews all credible allegations to determine if fraud and mismanagement are issues. OIG will perform specific reviews in FY 2002 on the Department and BBG travel card programs and erroneous domestic payments. OIG will also audit selected contractors. In addition, the OIG will promote awareness, understanding, and adherence to standards of conduct and accountability through various proactive endeavors, including participating in employee training sessions and issuing management implication reports and fraud alert bulletins.

FY 2003 PLANS

The FY 2003 request of 314 positions and $30,791,000 will fund OIG activities including audits, investigations, and inspections of Department of State and BBG worldwide operations and programs. The request represents a $288,000 increase over FY 2002, which will partially fund the cost of anticipated wage and price increases. The request also includes $1,527,000, an increase of $24,000 over the FY 2002 calculation, to fully fund Federal Retirement, Pension, and Accrual costs.

OIG will allocate FY 2003 resources and focus its work and strategic goals to assist the Department and, as appropriate, the BBG.

Detailed information on specific OIG goals, strategies, and measures can be found in the FY 2003 OIG Performance Plan.

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FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of Inspector General	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,887**	**$1,950**	**$1,968**	**$18**
Administration and Staff Activities	**$6,866**	**$6,291**	**$6,348**	**$57**
Inspections, Audits, Investigations	**$19,674**	**$20,759**	**$20,948**	**$189**
Total	$28,427	$29,000	$29,264	$264

Executive Direction and Policy Formulation
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	11	0	$1,968	$18

The Inspector General Act requires OIG to conduct and supervise audits, investigations, and inspections of the programs and operations of the Department of State. The IG Act further requires the OIG to provide leadership and coordination and to recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of Department programs and operations. In carrying out these responsibilities, the Inspector General, Deputy Inspector General, and Assistant Inspectors General provide executive direction to the OIG staff.

Inspections, Audits, Investigations
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	246	0	$20,948	$189

Funds for this activity allow OIG to conduct audits, investigations, and inspections of domestic and overseas operations. OIG will concentrate on those Department and BBG programs and operations that have the greatest potential for savings, recoveries, cost avoidance, management improvements, and criminal convictions.

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Administration and Staff Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	57	0	$6,348	$57

Funds for this activity provide administrative, financial, and personnel management support, and related services including information management, training, procurement, and property management.

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FUNDS BY OBJECT CLASS
($ in thousands)

	Office of Inspector General	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$18,355	$18,999	$19,000	$1
1200	Personnel Benefits	$3,915	$5,044	$5,045	$1
2100	Travel & Trans of Persons	$2,123	$1,132	$1,335	$203
2300	Rents, Comm & Utilities	$472	$480	$539	$59
2400	Printing & Reproduction	$245	$248	$248	$0
2500	Other Services	$2,850	$2,755	$2,755	$0
2600	Supplies and Materials	$242	$242	$242	$0
3100	Personal Property	$225	$100	$100	$0
Total		$28,427	$29,000	$29,264	$264

EDUCATIONAL & CULTURAL EXCHANGE PROGRAMS

Proposed Appropriation Language

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized, ~~[$237,000,000]~~ $247,063,000, to remain available until expended: *Provided*, That not to exceed $2,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, educational advising and counseling programs, and exchange visitor programs as authorized. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
298	$233,242	308	$238,718	308	$247,063	0	$8,345

Note: /a In addition to the direct appropriated amounts shown above, the U.S. Agency for International Development (USAID) provided funds for Support for East European Democracy Act (SEED), Freedom Support Act (FSA), and Economic Support Fund (ESF) activities. In FY 2001, a total of $165,183,345 was available for obligations (including FY 2000 balances of $25,689,526, FY 2001 transfers of $138,679,000 and FY 2001 recoveries of $814,819). A total of $135,474,785 was obligated and $29,708,560 in balances will be available in FY 2002. Additional transfers from USAID for SEED, FSA, and ESF are anticipated in FY 2002 and FY 2003.
/b In FY 2001, the Department allocated $622,941 in fees and other payments received from or in connection with English teaching and overseas educational advising recycling and exchange visitors designation fees. In FY 2002 and FY 2003, the Department anticipates allocating $2,000,000 respectively.
/c Figures include full cost adjustment of Pension/Health Benefits: $1,757,000 in FY 2003 and, forcomparision purposes, $1,718,000 in FY 2002 and $1,666,000 in FY 2001. Without this adjustment the totals wouldbe: $245,306,000 in FY 2003, $237,000,000 in FY 2002, and $231,576,000 in FY 2001.

OVERVIEW

Exchanging students, scholars and future leaders with other countries has been an important part of American diplomacy since the pre-World War II period and is now implemented under the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended.

The mission of educational and cultural exchanges is to promote friendly, sympathetic, and peaceful relations between the United States and other countries by fostering mutual understanding through a wide range of international programs. ECA programs enable about 25,000 exchange participants (10,000 Americans, 15,000 foreign visitors) to go abroad or travel to the United States for the purposes of studying, teaching, conducting research, and professional development.

The global war against terrorism is being waged on several fronts attacking the financial foundations of terrorist operations around the globe, military attacks against terrorist targets, and diplomacy. In the battle of ideas, exchanges are a critical component, constituting a flexible precision capability for our diplomacy abroad, and are directed at preventing the kind of intolerance among the root causes of the current international situation. Exchanges dealing with religious tolerance, democracy, mutual respect, women and children, and the rule of law are foremost in ECA's strategy to support the war on terrorism. In FY 2002, ECA is redirecting five percent ($12 million) of its budget authority to increasing engagement with Muslim societies. This request will maintain that shift in FY 2003.

As a result of the terrorist attacks, the priority of exchanges is to focus on engaging and encouraging voices of moderation among disaffected populations, people who are isolated and reluctant to join the public debate. We need to assist, engage, and nurture these voices so that moderates willing to speak out know they are not alone. Exchanges are part of homeland defense, a long-term antidote to the poison of terrorism. In the words of the President's State of the Union address, "The price of indifference would be catastrophic."

This request emphasizes youth, education, and leadership development. Exchanges offer a fuller picture of how religious, ethnic, and social tolerance are keys to a peaceful and prosperous community of nations, and open access to information that provides alternatives to learning extremism. Rarely has the need for a sustained effort to ensure foreign understanding of our country and society been so clearly evident or as directly related to our long-term national security.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

The FY 2003 request of $247,063,000 provides the minimum resources necessary to maintain the current level of activity. The request reflects a net increase of $8,345,000 over the amount appropriated in FY 2002. These funds will be used for net built-in requirements to maintain current services, including price increases, full-year and anticipated costs of federal pay raises and annualization of the FY 2002 staffing requirement. In addition, this request includes $1,757,000 to fully fund Federal Retirement, Pension, and Accrual costs.

NATIONAL INTERESTS AND GOALS

Exchanges and National Interests

Exchanges are strategic activities that build networks of informed opinion leaders in the national political, economic, and social infrastructures of foreign countries. Exchanges emphasize learning aimed at correcting inaccurate views held by foreign publics and providing them with better understanding of the United States. Exchanges provide Americans better understanding of the world by developing experts in foreign languages, cultures, and world regions less commonly understood in the United States.

Exchanges in National Strategy

The exchange of persons and ideas is fundamental to the foreign, economic, and security policy of the United States. Exchanges establish the trust, confidence and international cooperation with other countries that sustain and advance the full range of American national interests. Exchanges provide foreign audiences a context for understanding American polices that might otherwise be misunderstood. The United States engages the leaders of tomorrow through these exchange programs of today.

Underlying the role of exchanges in national strategy is the belief that mutual understanding is of vital importance in an increasingly interdependent world. Person-to-person exchanges promote better appreciation of the United States abroad and provide greater receptivity for U.S. policies among foreign publics. These programs affect attitudes over lifetimes and from one generation to the next. Their much-discussed potential to address long-term problems of anti-American sentiment is central to the campaign against terrorism.

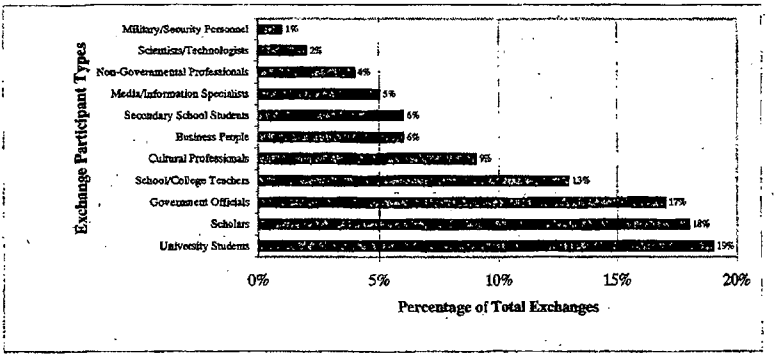
Evaluation shows that foreign alumni, compared to people who have not had a U.S. experience, are more accepting of democratic values, individual and human rights, and the rule of law. They are less suspicious of U.S. motives, more likely to want to become leaders in their societies, and less tolerant of their governments' anti-democratic actions.

Recognition of the role played by such international experience underscores the importance of educational and cultural exchanges, necessary to reach a future generation of overseas opinion molders, agenda setters, and decision makers (Chart 1). Good rapport achieved through exchanges promotes relationships that provide for sustained U.S. access and influence in important sectors of foreign societies, demonstrated by exchanges field-of-study data (Chart 2). Ultimately, this is critical to long-term international security and transitions to democracy.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

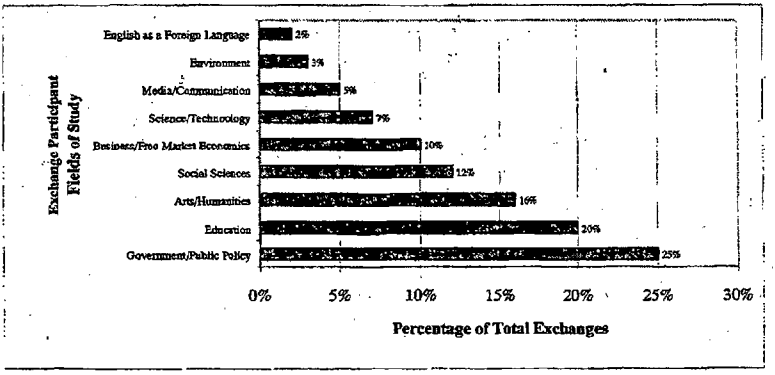
Exchanges Profile

Chart 1: Exchanges Participant Types



Excludes exchanges funded through interagency appropriation measures.

Chart 2: Exchanges Fields of Study



Excludes secondary level studies and exchanges funded through interagency appropriation measures

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Partnerships

Exchanges leverage substantial support from other sources through partnerships with U.S. state and local governments, higher education, business, and non-governmental organizations, U.S. allies, and other USG agencies. Our strategy is to focus these partnerships in ways that support U.S. strategic goals. This gross program support totals over $500 million annually.

The cost sharing derives from private sector and foreign government contributions and other USG interagency appropriation and allocation transfers, reimbursements, trusts, and endowments. In keeping with this paradigm of joint public-private cooperation, the Bureau's role is that of a catalyst and facilitator, as well as a provider of resources.

The ability to obtain partnered resources and indirect support is dependent upon the availability of USG funding. This is especially true in Western Europe and Japan where our allies put far more resources into bilateral exchanges with the United States than we do. As USG support for exchanges is reduced, U.S. allies reduce their support reciprocally. Our ability to generate public-private partnerships is commensurate with the level of resources the Department is able to contribute.

Progress

The Bureau has made much progress to improve and strengthen the international relations of the United States by promoting better mutual respect between the people of the United States and the peoples of the world through educational and cultural exchanges. ECA provided accurate and trust-worthy information to key overseas audiences about the United States, its people and its policies; facilitated the establishment of sustainable relations between people of the United States and people of other countries; and assisted in the building of partnerships between non-governmental organizations in the United States and abroad to advance U.S. national interests.

ECA measures effectiveness several ways. It receives success stories and reports from U.S. diplomatic missions, NGO partners, and program alumni. It conducts evaluations, designed to assess the impact of programs. Finally, it gathers and analyzes statistical data on inputs, processes and outputs.

Research shows exchanges have an impact on individuals, institutions, and societies. The principal assumption behind exchanges is that an exchange experience will provide new information, knowledge and skills to participants, whose changed attitudes, beliefs, and values will affect institutions, leading to societal change. However, these life-changing occurrences are difficult to quantify and measure.

To quantify the benefits, ECA tracks indicators that reflect short, medium, and long-term goals of particular programs. ECA also looks at these measures across programs. Examples include:

- Percent of alumni who report increased knowledge, skills, and abilities in a given thematic area.
- Percent of alumni who report increased understanding of the host country
- Percent of individual and institutional linkages developed and maintained
- Educational developments and accomplishments of program alumni
- Significant institutional or curricular change measured by external evaluators
- Career progression of alumni
- Democratic and market-oriented practices of alumni
- Economic impact within a local American community
- Perceived value of the program

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

CURRENT PROGRAMS

This appropriation supports several major lines of distinguishable activity **Academic Exchanges, Professional and Cultural Exchanges,** and **Exchanges Support.**

Academic Exchanges

Academic Exchanges include exchanges of short- and long-term scholars, students, and teachers, U.S./foreign university partnerships, the study of the English language abroad, and advising foreign students about U.S. educational opportunities. Highlights include:

- PEACE EDUCATION IN TURKEY: An English language institute in southeastern Turkey linked English teaching with peace education through a series of programs. The programs served as a tangible expression of a commitment by the United States to help Turkey rebuild the area torn apart by 15 years of social unrest.

- DEMOCRATIC CHANGE IN YUGOSLAVIA: Yugoslav Fulbright alumni and their students led the democratic opposition who brought down the Milosevic regime. Today, one of these Fulbrighters -- Yugoslav Deputy Prime Minister and Minister for Foreign Economic Relations Miroljub Labus (Fulbright Fellow at Cornell, 1983-84) -- directs his country's reintegration into the world economy. Another Fulbrighter, University of Belgrade law professor Stevan Lilic, a co-founder of the Center for Democracy, Tolerance and Social Justice, helped organize the anti-war and civil rights public protests in Belgrade, and instilled in his students a profound respect for democracy, human rights and the rule of law.

- ARGENTINE EDUCATION REFORM: Twenty Argentine elementary and secondary school administrators came to the United States on an exchange program initiated by the Minister of Education. American administrators who will undertake a similar exchange in Argentina joined them. Argentine participants represented rural and urban regions all over their country that had never been involved in an exchange. The program encompassed many U.S. professional disciplines and geographic areas as well a psychologist, bilingual coordinator, principals, and other staff from large and small school districts.

- HIV/AIDS IN AFRICA: Fulbright alumnus Darrell Ward led a series of workshops on "Methods and Challenges in Writing about AIDS: an American Case Study" as part of the U.S. Mission in Botswana's project to raise public awareness about HIV and AIDS, reduce the stigma associated with the pandemic, and encourage compassionate and respectful treatment of those affected by the virus. The Gaborone Public Affairs Office, in conjunction with the Regional Environmental and Health Office, organized a series of four workshops entitled, "Writing about HIV/AIDS," repeated in three cities of Botswana. Workshop participants received copies of Ward's book, "The AMFAR AIDS Handbook: the Complete Guide to Understanding HIV and AIDS."

Professional and Cultural Exchanges

Professional and Cultural Exchanges include exchanges of current and emerging leaders in professional, youth, and cultural arenas. Highlights include:

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

- AFGHAN PRESIDENT EXCHANGES ALUMNUS: The interim leader of Afghanistan, Hamid Karzai, sat in the guest of honor spot to watch President Bush's State of the Union address on January 29, 2002. In 1987, Karzai was one of nine information officers representing Afghan groups fighting the Soviet Union who came to the United States under the International Visitor Program. Karzai's exchanges experience strengthened his personal links with the United States.

- NEW INDONESIAN GOVERNMENT: The newly elected President of Indonesia, Megawati Sukarnoputri, participated in the International Visitor Program in 1988 and a Voluntary Visitor Program in 1992. The Minister of Defense was a Voluntary Visitor in 2000, and the Minister of National Education was an IV in 1991.

- NIGERIAN SEES U.S. SOCIETY AS MODEL: A Nigerian Citizen Exchange Program participant wrote: "My experience in America . . . helped me to know . . . Americans are ready to welcome and accept anybody that loves to establish peace within and outside his environment. The society proved to me anybody can come and settle, provided he is useful to himself and the general well being of humanity. The individualistic tendency of the state gives room for everyone to work hard in order to make two ends meet. The way the people keep time and promises, this gives me the impression to describe the state as Shariah State without Islam."

- MEXICAN POLICE AND COMMUNITY CRIME FIGHTING: Nine Mexican police and community officials, participants in a "Community Policing and Civil Society" exchange project, learned first hand of the dramatic success New York City has had in combating crime. An overview of the Mayor's Office of the Criminal Justice Coordinator provided an excellent introduction to the city's overall security and safety plan.

- DISABLED YOUTH: Thirteen students with disabilities participated in the Future Leaders Exchange (FLEX) program in Washington, D.C., conducted by Georgetown University's Center for Intercultural Education and Development. The goal of the workshop was three-fold: first to prepare the students to return to the less disability-friendly environments of their home countries, second, to provide them with tools and skills so they can work for disability rights after their return to the NIS, and third, to empower them so they will be better prepared to take on leadership roles.

- JAZZ AMBASSADORS IN AFRICA: The Aaron Thurston Trio continues its eleven country tour of southern and eastern Africa with a repertoire focused on Louis Armstrong, whose music resounds with emotion, both joy and sorrow. The trio is working with embassies to tailor its programs to individual post needs. Reports from Harare, Gaborone, Windhoek and Lilongwe are overwhelmingly enthusiastic, citing local appreciation for the high standard of musicianship demonstrated by the Department of State-Kennedy Center Jazz Ambassadors.

Exchanges Support

Exchanges Support includes employee compensation and benefits, program direction and administration, and USG exchanges coordination.

- USG EXCHANGES COORDINATION: Pursuant to E.O. 13055 and the Mutual Educational and Cultural Exchange Act of 1961, (22 USC 2460 (g)), **the Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training** (IAWG) improves the coordination, efficiency, and effectiveness of over 20 USG agencies that sponsor international exchanges and training. An interagency staff serves as an information clearinghouse, tracking exchanges government-wide and improving coordination and data collection, analysis and reporting.

- PROGRAM ANALYSIS AND EVALUATION: In FY 2001, ECA completed evaluations that demonstrate exchange programs are achieving their goals.

  In an effort to look at the effectiveness of exchanges, ECA tested whether exchanges have an effect on participants and whether the effect is long lasting. The Bureau used this analysis to develop its performance measurement system. ECA devised a set of standardized questions to be addressed in all evaluation projects.

Area of Impact	Average Response
Participants gained new knowledge/skills	88 %
Participants changed their behavior	73 %
A professional benefit to the participant (promotion, change in direction)	68 %
A professional benefit to the institution or wider community	76 %
Continued contact with the host country	76 %
Continued contact with the US Embassy	27 %
Continued interest with the host country	82 %
Returned visitation to the host country	38 %
A better understanding or positive view of the host country	92 %
The perceived value of the program by the participant	97 %
The surveys were based on a participant population of 5,272, out of which, 3,484 responded for an average response rate of 66 percent.	

Many exceptional individuals participate in exchanges. At least 23 Fulbright alumni are Nobel laureates and over 35 are Pulitzer Prize winners. Over 200 current and former heads of state are alumni of the Fulbright and IV programs, including the current leaders of 52 nations (including Afghanistan).

- GRANTS MANAGEMENT: In FY 2001, the Bureau managed, monitored, or executed over 700 ongoing and new grants to U.S. cooperating private institutions (NGOs, universities, associations, community organizations and think tanks). This volume included cooperative agreements and grant actions totaling $221,810,695, including the competitive review of 761 proposals for new grants; the award of 335 new grants ($102,735,608) and 331 amendments to existing grants, 162 of which added $119,075,087 to ongoing partnerships.

FY 2003 PLANS

FY 2003 Net Built-In Changes ($8,345,000)

The FY 2003 request includes the following mandatory requirements:

- $8,306,000 for overseas and domestic price increases and mandatory built-in requirements ($6,992,000); full-year and anticipated costs of FY 2002 and FY 2003 pay ($777,000) and annualization of FY 2002 staffing requirements ($537,000).

- $39,000 increase to fund a total of $1,757,000 for the full cost of Pension/Health Benefits over the illustrative estimate for FY 2002.

FY 2003 Prior year Balances ($7,784,000)

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

- -$7,784,000 for non-recurring FY 2002 one-time program costs and commitments from prior year balances.

JUSTIFICATION OF PROGRAM ACTIVITIES

Innovations are continually being implemented to reduce or contain costs by shedding overhead, functions, and programs no longer sustainable while making more use of new opportunities arising from better technology and program coordination.

Strategies to position the nation for this century emphasize more robust exchange programs that directly engage U.S. and foreign publics in international affairs in ways that support foreign policy. Adequate funding is needed to maintain a resolute, flexible, and coordinated approach to exchanges support of U.S. foreign, economic, and security policy.

This request seeks the resources necessary to affirm the U.S. commitment to exchanges so that our world leadership role and commitment to international cooperation over conflict are recognized. The Department seeks to maintain basic program infrastructure and revitalize exchanges.

The request will improve international understanding consistent with ensuring American primacy and advancing essential national interests. The need is great. The international challenges the United States faces are unprecedented in their complexity. Ethnic conflict and outlaw states threaten regional stability; terrorism, drugs, organized crime, and proliferation of weapons of mass destruction transcend national borders; population growth undermines stability in many countries; and economic prosperity is constrained by conditions abroad that limit trade and commerce.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary of Net Requirements
($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
A. Academic Exchanges				
1. Fulbright Programs				
a. Students, Long-and Short-term Scholars, Teachers /a	115,005	119,719	121,257	1,538
b. Hubert H. Humphrey Fellowship Program	6,410	6,000	6,108	108
c. Regional Scholars Program	2,000	-	-	-
Subtotal, Fulbright Program	123,415	125,719	127,365	1,646
2. Global Academic Exchanges				
a. Educational Advising and Student Services	3,502	3,500	3,615	115
b. English Language Programs	2,540	3,164	3,223	59
Subtotal, Global Academic Exchanges	6,042	6,664	6,838	174
3. Special Academic Exchanges				
a. Edmund S. Muskie Fellowship Program	3,000	250	250	-
b. American Overseas Research Centers	2,280	2,320	2,415	95
c. South Pacific Exchanges	536	500	500	-
d. Ngwang Choephel Fellows (Tibet)	645	500	500	-
e. East Timor Exchanges	305	695	500	(195)
f. Benjamin A. Gilman International Scholarship Program	1,500	1,500	1,562	62
g. Disability Exchange Clearinghouse	500	500	500	-
h. North-South Center	1,397	1,203	1,025	(178)
Subtotal, Special Academic Exchanges	10,163	7,468	7,252	(216)
Total, Academic Exchanges	139,620	139,851	141,455	1,604
B. Professional and Cultural Exchanges				
1. International Visitor Program	45,925	49,791	50,355	564
2. Citizen Exchange Program	15,362	18,602	16,572	(2,030)
3. Special Professional and Cultural Exchanges				
a. Congress-Bundestag Youth Exchange Program	2,853	2,918	2,994	76
b. Claude & Mildred Pepper Scholarship Program	-	250	-	(250)
c. Mike Mansfield Fellowship Program	2,200	2,200	2,290	90
d. Institute for Representative Government	239	-	-	-
e. Irish Institute	750	500	250	(250)
f. Atlantic Corridor	250	500	250	(250)
g. Special Olympics	500	-	-	-
h. Interparliamentary Exchanges with Asia	124	150	150	-
i. Youth Science Leadership Institute of the Americas	100	100	100	-
j. Paralympic Exchanges	1,500	-	-	-
k. Montana Technical Foreign Exchange Program	-	100	-	(100)

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

l. University of Akron Global Business Exchange	100	-	-	-
m. Africa Workforce Development	-	300	-	(300)
n. U.S. Foreign Music Linkages	-	400	-	(400)
o. Joiner Fellowship in War and Peace	-	100	-	(100)
p. University of Northern Iowa-Cedar Falls/Russia Exch.	-	100	-	(100)
q. University of Nevada-Las Vegas Global Business Exch.	-	100	-	(100)
r. University of Nevada-Reno Int'l Business Exch.	-	100	-	(100)
s. Grand Valley State University (Mich.) Pados Int'l Cen.	-	100	-	(100)
Subtotal, Special Professional and Cultural Exchanges	8,616	7,918	6,034	(1,884)
Total, Professional and Cultural Exchanges	69,903	76,311	72,961	(3,350)
Total, All Exchanges	209,523	216,162	214,416	(1,746)
C. Exchanges Support				
1. Employee Compensation and Benefits	22,922	25,071	26,385	1,314
2. Program Direction and Administration	2,154	3,551	4,505	954
Total, Exchanges Support	25,076	28,622	30,890	2,268
Total, Direct Obligations	234,599	244,784	245,306	522
Reconciliation to Appropriation	-	-	-	-
Deduct Balances In	(7,881)	(7,784)	-	7,784
Deduct Recoveries	(2,926)	-	-	-
Add Unobligated Balances Lapsing	-	-	-	-
Add Balances Out /b	7,784	-	-	-
Subtotal, Reconciliation to Appropriation	(3,023)	(7,784)	-	7,784
Subtotal, Direct Appropriation	231,576	237,000	245,306	8,306
Pension/Health Benefits Full Cost Adj. /c	1,666	1,718	1,757	39
Total, Direct Appropriation	233,242	238,718	247,063	8,345

Note: /a Includes College and University Affiliations, now executed as Fulbright Educational Partnerships.
/b FY 2001 carry forward balance excludes $2,711,510 received in FY 2001 for reimbursement from USAID for the Educational for Development and Democracy Initiative (EDDI) funded through ESF. These funds will be obligated in FY 2002 under the Professional and Cultural Exchanges ($2,429,068) and Exchanges Support ($282,442).
/c The Pension/Health Benefits full cost adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Academic Exchanges	139,620	139,851	141,455	1,604

Academic exchanges broaden cooperation between Americans and U.S. institutions and their counterparts overseas by establishing partnerships and relationships between individuals and institutions; developing cadres of emerging foreign leaders and publics whose knowledge, skills, and abilities have been informed by exposure to American values, ideas, models, and traditions, and who will have a multiplier effect on their societies; and increasing American understanding of foreign viewpoints and international issues important to U.S. interests.

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Fulbright Program	123,415	125,719	127,365	1,646

In partnership with the Presidentially appointed **J. William Fulbright Foreign Scholarship Board**, the Bureau plans and administers the Fulbright program in cooperation with bilateral Fulbright commissions and foundations in some 50 countries, the U.S. education community, NGOs, and foreign governments and educational institutions. Cooperating private institutions play a critical role in the administration of the program; among other things they secure private sector collaboration and financial support.

The Fulbright program, established in 1946 in the aftermath of World War II, has become an integral part of U.S. bilateral relations with some 140 foreign countries. Over the past five decades, some 250,000 evolving leaders in their professional fields have participated in the Fulbright program. It remains our country's premier vehicle for intellectual engagement with the rest of the world.

Countries critically important to U.S. security and economic interests strongly support the Fulbright program and take a role in shaping its goals and activities. Their support often exceeds the U.S. financial contribution. Consequently, the Fulbright program generates over half its gross support through private sector and NGO partnerships and cost sharing by foreign governments. The Bureau has adopted a long-term goal of parity in financial support from foreign governments.

The Fulbright program annually awards about 6,000 fellowships and scholarships to American and foreign university professors, secondary teachers, and graduate students to study, teach, lecture, or conduct scholarly research abroad and in the United States. Mid-career professionals from developing countries conduct U.S. study and internships as Humphrey fellows. Fulbright American Studies institutes improve understanding of U.S. history, culture, and values. The program also supports exchanges of university partnerships and exchanges of special Congressional interest that focus on Vietnam and Tibetan refugees.

The Fulbright program net increase of $1,646,000 results from a price increase of $3,365,000 offset, in part, by non-recurring prior year balances of $1,719,000.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Global Academic Exchanges	6,042	6,664	6,838	174

Educational Advising and Student Services promote U.S. higher education by advising prospective foreign students, scholars, ministry officials, and others on U.S. study opportunities. A network of 450 advising centers worldwide responds to 2.5 million inquiries annually, providing information to 60 percent of newly arriving foreign students. The 450,000 foreign students in the United States make a major contribution to the U.S. economy, resulting in over 100,000 U.S. jobs and an export services industry worth $13 billion.

English Language Programs improve English language usage by target audiences abroad. The application of proceeds from direct teaching and sales of English teaching materials are fundamental to these activities.

The Global Academic Exchanges net increase of $174,000 results from a price increase and built-in requirements of $338,000 offset, in part, by non-recurring prior year balances of $164,000.

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Special Academic Exchanges	10,163	7,468	7,252	(216)

Special Academic Exchanges support international study and research by U.S. and foreign scholars and students through American overseas research centers and discrete programs focusing on a single country or world region (e.g., South Pacific, East Timor, and Tibet). **The Benjamin A. Gilman International Scholarship Program** provides scholarships for overseas study by financially disadvantaged American university students. **The North-South Center** advances long-term U.S. interest and addresses multilateral needs in the Western Hemisphere. In collaboration with the National Clearinghouse on Disability and Exchange (NCDE) of Mobility International USA, the Department assists people with disabilities in exchange programs.

The Special Academic Exchanges net decrease of $216,000 results from a price increase of $182,000 offset by non-recurring prior year balances of $398,000.

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Professional and Cultural Exchanges	69,903	76,311	72,961	(3,350)

Professional and Cultural Exchanges aim primarily to increase understanding and acceptance of U.S. strategic goals by foreign decision makers, opinion leaders, and publics. These exchanges develop cadres of foreign leaders and publics whose knowledge, skills, and abilities have been informed by exposure to American values, ideas, models, and traditions, and who, in turn, have a multiplier effect within their own societies; and provide accurate and authoritative information to target audiences.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
International Visitor Program	45,925	49,791	50,355	564

The International Visitor Program enables American embassies to invite current and emerging foreign leaders in government, business, trade, media, education, science, and other fields to meet with U.S. counterparts and obtain firsthand knowledge about the United States, its people, politics, and culture. Simultaneously, the program provides Americans opportunities to network and develop contacts with their professional counterparts overseas.

The program was officially established in 1948 to build and sustain a corps of well-informed foreign intellectuals and opinion leaders in the political and social infrastructures of foreign countries. The program is critical to advancing U.S. foreign policy, security, trade, and investment interests abroad. Each international visitor project emphasizes both professional and cultural learning experiences that deal with substantive topics of mutual concern and improve the perceptions of U.S. society held by foreign decision-makers and opinion-shapers.

The program benefits from a nationwide network of local "councils for international visitors" (CIV's). These community-based organizations assist arriving visitors and plan their local professional and cultural activities. CIV's operate in 43 U.S. states and are supported by a corps of 80,000 local volunteers who ensure that visitors serve local U.S. communities as valuable economic and educational resources. The network galvanizes all sectors of local communities -- businesses, universities, chambers of commerce, world affairs councils, governors and mayors' offices, and individual citizens -- raising individual, corporate, and state and local government support for the program. The program leverages over half its gross support from such sources.

The International Visitor Program net increase of $564,000 results from a price increase of $1,355,000 offset, in part, by non-recurring prior year balances of $791,000.

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Citizen Exchange Program	15,362	18,602	16,572	(2,030)

Citizen exchanges deal flexibly with contentious foreign policy issues (e.g., Middle East peace). They bolster U.S. strategic goals and alliances through merit-based grants to non-profit institutions, including local community organizations, professional associations, and universities. The grants involve a wide variety of U.S. and foreign citizens -- from judges to scientists to grass-roots volunteers, from artists to business leaders to high school students. Citizen exchanges leverage over half their support from non-USG sources.

In 1994, comparable Citizen Exchange Program funding was approximately 50 percent higher. This line of activity bore the brunt of the large cuts to the ECE appropriation in the 1990s. The request will permit continuation of open competition, the main thrust of the Citizen Exchange Program that is aimed at assisting U.S. organizations in playing a constructive role internationally in support of policy.

Professional exchanges expose citizens of other countries to American policy, values, and systems and allow Americans to share their expertise and to broaden U.S. society's participation in global issues and events. These exchanges provide fertile ground for public-private partnerships, such as creative joint efforts

with Partners of the Americas, the American Council for Young Political Leaders, and Sister Cities International.

Cultural exchanges support the U.S. overseas presence in visual arts, performing arts, film, and literature. Programs include performances made possible through private sector funding; U.S. participation in international arts festivals and exhibitions; partnerships with the film industry to provide American feature films for international festivals and ambassadorial screenings; and artist exchanges.

Youth exchanges, primarily secondary-level students, largely consist of an academic year in the United States for young people from the former Soviet Union, Germany, China, and in 2002 the Islamic world. Living with American host families opens the door to understanding our country, its people, and political system. Foreign youth return to their homes speaking English and with an intense sense of the United States, democracy, and American life. Young Americans also study and live abroad.

The Citizen Exchange Program net decrease of $2,030,000 results from a price increase of $572,000 offset by non-recurring prior year balances of $2,602,000.

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Special Professional and Cultural Exchanges	8,616	7,918	6,034	(1,884)

Special Professional and Cultural Exchanges of specific interest to the Congress include the **Congress-Bundestag Youth Exchange Program**, an official exchange program of the governments of the United States and Germany. Other activities include, for example, the **Mike Mansfield Fellowship Program** for U.S. government employees to study the Japanese language and political economy and to intern with a Japanese government institution or NGO.

The Special Professional and Cultural Exchanges net decrease of $1,884,000 results from a price increase of $176,000 offset, in part, by non-recurring one time program costs from prior year balances of $1,700,000 and non-recurring prior year balances of $360,000.

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Exchanges Support	25,076	28,622	30,890	2,268

The Exchanges Support net increase of $2,268,000 results from the provision of $777,000 for full-year costs of the FY 2002 Federal pay raise and the anticipated Federal pay raise in FY 2003, $537,000 for annualization of the FY 2002 staffing requirements and $1,004,000 for administrative support price increases and mandatory built-in requirements offset, in part, by non-recurring prior year balances of $50,000.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Employee Compensation and Benefits	22,922	25,071	26,385	1,314

These costs include Bureau domestic staff and Regional English Language Officers (RELO's) abroad.

($ in Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Program Direction and Administration	2,154	3,551	4,505	954

These costs include Bureau operational, organizational, and administrative management support for exchanges, including technology, travel, communications, supplies, procurement, metrocheck benefits for employees, printing and shipping. Costs related to implementing USG exchanges coordination and the Convention on Cultural Property Implementation Act to help other countries preserve national cultural heritage are also included.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary of Gross Requirements
($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
A. Academic Exchanges				
1. Fulbright Programs				
a. Students, Long-and Short-term Scholars, Teachers /a	180,294	183,699	186,054	2,355
b. Hubert H. Humphrey Fellowship Program	7,757	7,004	7,130	126
c. Regional Scholars Program	2,534	-	-	-
Subtotal, Fulbright Program	190,585	190,703	193,184	2,481
2. Global Academic Exchanges				
a. Educational Advising and Student Services	3,538	3,574	3,665	91
b. English Language Programs	3,051	3,928	3,986	58
Subtotal, Global Academic Exchanges	6,589	7,502	7,651	149
3. Special Academic Exchanges				
a. Edmund S. Muskie Fellowship Program	3,884	324	324	-
b. American Overseas Research Centers	5,481	5,577	5,806	229
c. South Pacific Exchanges	536	500	500	-
d. Ngwang Choephel Fellows (Tibet)	645	500	500	-
e. East Timor Exchanges	305	695	500	(195)
f. Benjamin A. Gilman International Scholarship Program	1,686	1,686	1,756	70
g. Disability Exchange Clearinghouse	550	550	550	-
h. North-South Center	1,887	1,625	1,386	(239)
Subtotal, Special Academic Exchanges	14,974	11,457	11,322	(135)
Total, Academic Exchanges	212,148	209,662	212,157	2,495
B. Professional and Cultural Exchanges				
1. International Visitor Program	105,114	113,863	115,116	1,253
2. Citizen Exchange Program	37,316	43,390	36,463	(6,927)
3. Special Professional and Cultural Exchanges				
a. Congress-Bundestag Youth Exchange Program	5,853	5,986	6,142	156
b. Claude & Mildred Pepper Scholarship Program	-	250	-	(250)
c. Mike Mansfield Fellowship Program	2,557	2,557	2,662	105
d. Institute for Representative Government	439	-	-	-
e. Irish Institute	824	549	275	(274)
f. Atlantic Corridor	250	500	250	(250)
g. Special Olympics	500	-	-	-
h. Interparliamentary Exchanges with Asia	248	300	300	-
i. Youth Science Leadership Institute of the Americas	112	112	112	-
j. Paralympic Exchanges	1,500	-	-	-
k. Montana Technical Foreign Exchange Program	-	100	-	(100)

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

l. University of Akron Global Business Exchange	100	-	-	-
m. Aftica Workforce Development	-	300	-	(300)
n. U.S. Foreign Music Linkages	-	400	-	(400)
o. Joiner Fellowship in War and Peace	-	100	-	(100)
p. University of Northern Iowa-Cedar Falls/Russia Exch.	-	100	-	(100)
q. University of Nevada-Las Vegas Global Business Exch.	-	100	-	(100)
r. University of Navada-Reno Int'l Business Exch.	-	100	-	(100)
s. Grand Valley State University (Mich.) Pados Int'l Cen.	-	100	-	(100)
Subtotal, Special Professional and Cultural Exchanges	12,383	11,554	9,741	(1,813)
Total, Professional and Cultural Exchanges	154,813	168,807	161,320	(7,487)
Total, All Exchanges	366,961	378,469	373,477	(4,992)
C. Exchanges Support				
1. Employee Compensation and Benefits	23,334	25,071	26,385	1,314
2. Program Direction and Administration	4,167	4,032	4,755	723
Total, Exchanges Support	27,501	29,103	31,140	2,037
D.Interagency Appropriation Transfers and Related Costs	149,244	174,221	-	(174,221)
Total, Gross Costs	543,706	581,793	404,617	(177,176)
Reconciliation to Appropriation	-	-	-	-
Deduct ECE Balances In	(33,571)	(37,493)	-	37,493
Deduct Recoveries	(6,453)	-	-	-
Deduct Funds Transferred from AID	(138,679)	(128,437)	-	128,437
Deduct Other USG Cost-Sharing	(18,028)	(19,417)	(19,519)	(102)
Deduct Trusts	(277)	(97)	-	97
Deduct Foreign Government Cost-Sharing	(36,861)	(38,577)	(39,032)	(455)
Deduct International Organizations	(1,280)	(1,425)	(423)	1,002
Deduct Private Sector Cost-Sharing	(106,933)	(116,013)	(99,671)	16,342
Deduct Reimbursements	(9,969)	(2,712)	-	2,712
Deduct Collections	(284)	(622)	(666)	(44)
Add Balances Out	40,205	-	-	-
Subtotal, Reconciliation to Appropriation	(312,130)	(344,793)	(159,311)	185,482
Subtotal, Direct Appropriation	231,576	237,000	245,306	8,306
Pension/Health Benefits Full Cost Adj. /a	1,666	1,718	1,757	39
Total, Direct Appropriation	233,242	238,718	247,063	8,345

Note: /a The Pension/Health Benefits full cost adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Educational & Cultural Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase, (Decrease)
1100	Personnel Compensation	$19,143	$20,577	$21,655	$1,078
1200	Personnel Benefits	$5,961	$6,212	$6,487	$275
2100	Travel & Trans of Persons	$1,972	$2,008	$2,074	$66
2200	Transportation of Things	$275	$280	$289	$9
2300	Rents, Comm & Utilities	$317	$323	$333	$10
2400	Printing & Reproduction	$449	$457	$472	$15
2500	Other Services	$3,972	$4,044	$4,178	$134
2600	Supplies and Materials	$733	$746	$771	$25
3100	Personal Property	$293	$298	$308	$10
4100	Grants, Subsidies & Contrb	$200,127	$203,773	$210,496	$6,723
Total		$233,242	$238,718	$247,063	$8,345

REPRESENTATION ALLOWANCES

Proposed Appropriation Language

REPRESENTATION ALLOWANCES

For representation allowances as authorized, [~~$6,485,000~~] $9,000,000. *(Department of State and Related Agency Appropriations Act, 2002.)*

REPRESENTATION ALLOWANCES

Summary Statement
($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$6,485	0	$6,485	0	$9,000	0	$2,515

OVERVIEW

Pursuant to Section 905 of the Foreign Service Act of 1980, as amended, Representation Allowances permit Ambassadors, Principal Officers at constituent posts, and other Foreign Service Officers with vital contacts in the host country, to obtain partial reimbursement of costs incurred for official representation overseas. These official contacts help establish and maintain close personal ties with local government officials and influential private citizens who have expertise in the fields of politics, economics, business, journalism, labor, and science. Representational functions are vehicles to convey U.S. foreign policy goals and objectives and to gather information central to the formulation of U.S. bilateral and multilateral policies.

Representation is vital to our foreign policy goals and objectives of advancing our economic interests, and of maintaining our national security interests. In addition to our normal bilateral events, the Department concentrates on representational activities that support US positions on trade issues associated with the European Union (EU), Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), and the North American Free Trade Agreement (NAFTA).

CURRENT PROGRAMS

The central feature of representational activities continues to be the promotion of American interests through the establishment and maintenance of solid working relationships with, and the gathering of information from, foreign officials and representatives. Funding is also used to promote economic activities through strengthening relationships among individuals (e.g., business and labor leaders) who perform duties of an economic nature, such as trade promotion; protection of American business interests; economic, commercial, and labor reporting; and negotiations. Representation funding is required as well for adherence to certain protocols or traditions that must be observed, such as the installation or inauguration of national leaders, recognition of deaths or marriages of prominent citizens, and presentation of credentials to heads of state.

FY 2003 PLANS

The FY 2003 request includes an increase of $2,515,000 above FY 2002 enacted levels, to support activities that are directly related to the official duties of diplomatic officials overseas. After adjusting for the impact of USIA integration and the effect of high rates of overseas inflation, the Representation Allowances appropriation lost nearly 44% of its buying power from 1989 through 2001. During this same period, the Department opened more than 32 new posts in Eastern Europe, Vietnam, Afghanistan, Canada, France, Africa and Latin America. Because of this lost buying power, U.S. diplomats have paid for events out of their own pockets. Other posts have had to cancel or downsize planned events due to insufficient funds. By restoring the Representation Allowances appropriation to sufficient funding levels, the Department will be able to stage appropriate representational events and better apply this vital diplomatic tool to enhance the effectiveness of U.S. national and foreign policy interests.

REPRESENTATION ALLOWANCES

JUSTIFICATION OF PROGRAM ACTIVITIES

Representation allowances permit staff overseas to engage in activities that serve to enhance U.S. posture worldwide. Issues requiring special emphasis on representation activities include political issues, economic issues such as those associated with GATT, APEC, and NAFTA, and security issues such as those associated with the Middle East peace process.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Promotion of U.S. National Interests	**$4,294**	**$4,295**	**$6,053**	**$1,758**
Promotion of U.S. Citizens' Interests	**$105**	**$105**	**$159**	**$54**
Promotion of Economic Activities	**$278**	**$278**	**$646**	**$368**
Commemorative and Ceremonial Requirements	**$245**	**$245**	**$342**	**$97**
Public Diplomacy	**$1,563**	**$1,562**	**$1,800**	**$238**
Public Diplomacy - Program Costs	$1,563	$1,562	$1,800	$238
Total	$6,485	$6,485	$9,000	$2,515

Promotion of U.S. National Interests
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$6,053	$1,758

Promotion of U.S. national interests allows Foreign Service Officers to strengthen their contacts with foreign officials, prominent citizens, and long-term residents who are knowledgeable in various fields. The majority of official representational expenditures are for receptions, small working luncheons, and informal dinners that help to establish and maintain personal relationships, and to reciprocate courtesies previously extended. These relationships enable officers to gather information used to report trends, policies and opinions abroad, to conduct negotiations, and to present or further the acceptance of American policies or viewpoints.

REPRESENTATION ALLOWANCES

Promotion of U.S. Citizens' Interests

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$159	$54

Foreign Service Officers use personal relationships with foreign officials in the country of their assignment. This enables them to provide requisite citizen services such as visa and immigration assistance, police and prison liaison, solve citizenship and related problems, arrange transportation of effects in the case of death, and arrange transportation and subsistence for destitute Americans overseas. Personal relationships are also important to the planning for and testing of emergency action plans in the event of a catastrophic natural disaster or act of terrorism.

Promotion of Economic Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$646	$368

Foreign Service Officers meet with foreign and American officials, business representatives, labor leaders, academics, and other individuals involved in production and trade investment in the country or district of their assignment. These contacts help them to perform duties of an economic nature (such as trade promotion, protection of American business interests, and economic, commercial and labor reporting) and to conduct negotiations related to these activities.

Commemorative and Ceremonial Requirements

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$342	$97

Ambassadors, Charges d'Affaires, and their representatives are frequently called upon to participate in ceremonial or commemorative occasions such as national days, installations or inaugurations of national leaders, deaths or marriages of prominent citizens, and presentation of credentials to heads of state. On these occasions certain protocols or traditions (such as the presentation of a wreath, flowers, or other articles) must be observed. Foreign Service Officers assigned overseas are also responsible for the presentation to local leaders of visiting noted personages and personnel of visiting U.S. naval vessels and special U.S. Government aircraft.

REPRESENTATION ALLOWANCES

Public Diplomacy

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$1,800	$238

The reorganization of the Department has resulted in the incorporation of Public Diplomacy functions. Activities under this function have aimed to garner understanding and support for U.S. policies and values through interactions with influential individuals and organizations. Functions that include the local media, key political elites, academics and members of non-governmental organizations are designed to assess the overseas public affairs climate and convey and reinforce acceptance of U.S. policies and values. These activities promote peaceful relations between the U.S. and other countries by fostering mutual understanding through academic, professional, and cultural activities.

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2500 Other Services	$6,485	$6,485	$9,000	$2,515
Total	$6,485	$6,485	$9,000	$2,515

BUYING POWER MAINTENANCE FUND

569-570

BUYING POWER MAINTENANCE FUND

OVERVIEW

The Buying Power Maintenance (BPM) Fund is authorized under section 24 of the State Department Basic Authorities Act of 1956, as amended. The BPM Fund is intended to sustain approved levels of activities under rapidly changing economic conditions abroad. Situations that can have a direct, adverse impact on the Department of State's overseas budget include inflation on goods and services, local employee wage increases, and exchange rate fluctuations. To the extent that adverse exchange rate fluctuations are experienced, the Department's buying power deteriorates, causing potentially large operating deficits. Decisions to withdraw funds from this account to meet exchange rate losses are made after first determining that such losses reduce activities below the approved level of operations, evaluating the ability to absorb losses within the current year financial plan, analyzing any offsetting gains in other parts of the world, and considering the balances available versus projections of exchange rate fluctuations in the current and the budget year based on recognized econometric models. Decisions to deposit exchange rate gains are made generally late in the fiscal year after determining that such gains increase activities above the approved level of operations, analyzing any offsetting losses in other parts of the world, and considering the balances available versus projections of exchange rate fluctuations in the current and budget year based on recognized econometric models. The BPM Fund is currently limited by practice to the following countries, where available economic data are most accurate and the impact on the Department's appropriation is likely to be the greatest: Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2001 balance reflects the transfer of $3.375 million in exchange rate gains realized during the fiscal year from the Diplomatic and Consular Programs appropriation. Consequently, the Department is not seeking additional FY 2003 appropriations for the Buying Power Maintenance Fund.

While this account had been capitalized at a level of over $20 million in the mid-1980s, balances were depleted in subsequent years due to the decline in the value of the dollar against the currencies of virtually every major industrialized country. During FY 1995, the Department completely depleted the BPM Fund by using the $10 million in funding remaining at that time to partially offset: (1) the annualized effects of the dramatic decline in the dollar which occurred in the latter part of FY1994 ($5 million); and (2) the continued decline in the dollar during the first half of FY 1995 ($5 million). Since FY 1997, the Department has been able to build the fund back to its current level through exchange rate gains and the transfer of balances from the former USIA Buying Power Maintenance Account.

FUNDING SUMMARY STATEMENT
($ in thousands)

Fiscal Year	Opening Balance	Appropriation	Transfers In/(Out)	Net Cum. Balance
2001	$13,011	$0	$3,375	$16,386
2002	$16,386	$0	$0	$16,386
2003	$16,386	$0	$0	$16,386

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

Proposed Appropriation Language

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services, as authorized, [~~$9,400,000~~]$11,000,000, to remain available until September 30, [~~2003~~]2004. *(Department of State and Related Agency Appropriations Act, 2002.)*

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$15,433	0	$9,400	0	$11,000	0	$1,600

OVERVIEW

Under the authority of the Foreign Missions Act of 1982, and 3 USC 202(8), 202(10), and 208, the Bureau of Diplomatic Security (DS) administers the Department's two programs for the extraordinary protection of international organizations, foreign missions and officials, and foreign dignitaries under certain circumstances throughout the United States. These programs are: (1) the Extraordinary Protection of International Organizations, Foreign Missions and Officials in New York, and (2) the Extraordinary Protection of International Organizations, Foreign Missions and Officials Elsewhere in the United States.

These programs fulfill our obligations under the Vienna Conventions and other international treaties to ensure reasonable security for foreign missions and officials in the United States. Where the required level of protection exceeds that which local law enforcement authorities can reasonably be expected to provide to foreign missions and officials, international organizations, or certain visiting dignitaries, the two programs allow the State Department to reimburse other Federal agencies, or state or local authorities for extraordinary protective services provided, or to contract with private security firms to provide such services.

CURRENT PROGRAMS

The first program funds extraordinary protection for foreign missions and officials in New York (including those accredited to the United Nations and other international organizations), and visiting foreign dignitaries under certain circumstances. The FY 2002 budget for this program is $8,100,000.

The second program funds the rest of the United States – providing extraordinary protection of international organizations, foreign missions and officials, and visiting foreign dignitaries under certain circumstances. The FY 2002 budget for this program is $1,300,000.

FY 2003 PLANS

The Department's FY 2003 budget request of $11,000,000 (to remain available for two fiscal years) funds the anticipated requirements for the extraordinary protection of international organizations and foreign missions and officials in the United States. The increase of $1,600,000 from the FY 2002 estimate reflects the addition of protection requirements across the country following the terrorist attacks of September 11. Additional fixed guard posts with staffing requirements ranging from one guard during working hours to several assigned on a 24/7 basis, will be needed. The number of posts in New York City alone has increased by 12 since the attacks. Additional posts are likely in Chicago and Los Angeles and increased motorcade, demonstration, and protective detail costs are anticipated, particularly in Los Angeles and New York. Examples of ongoing protective activities 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 OF FOREIGN MISSIONS & OFFICIALS

- Protection for foreign officials and certain other distinguished foreign visitors during the annual United Nations General Assembly; and
- Protection of foreign government officials while visiting metropolitan areas where there are twenty or more full-time consular or diplomatic missions, when these officials are in the United States to conduct official business with the United States Government.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Diplomatic Security	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Extraordinary Protection of Foreign Missions/Officials New York	**$9,147**	**$8,100**	**$8,700**	**$600**
Extraordinary Protection of Foreign Missions/Officials Rest of U.S.	**$1,297**	**$1,300**	**$2,300**	**$1,000**
Reimbursement to Seattle, Washington	**$4,989**	**$0**	**$0**	**$0**
Total	$15,433	$9,400	$11,000	$1,600

Under international law, the United States is obligated to ensure reasonable security for foreign missions and officials in the United States. Because of reciprocity, the degree of protection we provide to foreign officials in the United States has a direct impact on our ability to obtain adequate security for our diplomats and facilities abroad.

To fulfill its responsibilities as a signatory to the Vienna Conventions on Diplomatic (1961) and Consular (1963) Relations, the Department administers two programs. The first provides reimbursement for extraordinary protection of international organizations and foreign missions and officials in New York. The second provides reimbursement for extraordinary protection of international organizations and foreign missions and officials elsewhere in the United States. These programs do not establish any entitlements for any state or local recipient. A description of each program follows.

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

Extraordinary Protection of International Organizations, Foreign Missions & Officials in New York

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$8,700	$600

Extraordinary protection of foreign missions and officials (including those accredited to the UN 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, or at the initiative of the Department of State or of 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), to contract for the services of private security firms, or to reimburse state or local authorities for extraordinary protective services.

Extraordinary Protection of International Organizations, Foreign Missions & Officials Elsewhere in the United States

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$2,300	$1,000

Throughout the rest of the United States, extraordinary protection of international organizations, foreign missions and officials, 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, or at the initiative of the Department of State or of 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), to contract for the services of private security firms, or to reimburse state or local authorities for extraordinary protective services.

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Diplomatic Security	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2100 Travel & Trans of Persons	$45	$45	$45	$0
2500 Other Services	$15,388	$9,355	$10,955	$1,600
Total	$15,433	$9,400	$11,000	$1,600

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Proposed Appropriation Language

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292–300), preserving, maintaining, repairing, and planning for buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Harry S Truman Building, and carrying out the Diplomatic Security Construction Program as authorized, ~~[$458,000,000]~~ $553,011,000, to remain available until expended as authorized, of which not to exceed $25,000 may be used for domestic and overseas representation as authorized: *Provided*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture, furnishings, or generators for other departments and agencies. In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, ~~[$815,960,000]~~ $755,000,000, to remain available until expended. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required***)

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
SUMMARY STATEMENT
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds*	Positions	Funds*	Positions	Funds	Positions	Funds
787	$1,080,464	787	$1,276,904	787	$1,308,011	0	$31,107

*Figures include full cost adjustment for Pension/Health Benefits: $3,011,000 in FY 2003 and, for comparison purposes, $2,944,000 in FY 2002 and $2,864,000 in FY 2001. Without the Pension/Health Benefits Full Cost Adjustment the totals would be: $1,305,000,000 in FY 2003; $1,273,960,000 in FY 2002; and $1,077,600,000 in FY 2001.

Program Summary – The New Overseas Buildings Operations

Even before recent world events highlighted the importance of secure, safe, and functional facilities, the Secretary of State emphasized embassy construction and security as a top priority. With this in mind, the Secretary appointed an experienced and innovative manager to transform the former Foreign Buildings Operations into the "high performance," fully-accountable Overseas Buildings Operations (OBO).

The OBO mission is to manage the Department of State's (DOS) real property assets while providing employees at U.S. diplomatic missions with secure, safe, and functional facilities. The challenge facing OBO is completing construction projects on time, at or under cost, and using the most efficient delivery method. As the DOS overseas real property manager, OBO manages and leads all overseas facility actions, works with key DOS staff and tenants to find practical solutions, and increases internal organizational accountability.

Structural changes were made to transform the organization into a result-based operation. OBO has moved from the Bureau of Administration to a stand-alone entity reporting directly to the Undersecretary for Management in recognition of the importance of this mission. To provide safeguards against voids, conflicts in responsibilities, and to fix accountability, management responsibilities have been assigned to five major offices within the organization: Planning & Development, Real Estate & Property Management, Project Execution, Operations & Maintenance, Resource Management, along with a central support element – Information Management and Support.

Cultural changes are also taking place with a new, significant emphasis on planning. The Long Range Overseas Buildings Plan exemplifies this cultural shift and is the pivotal planning tool that breaks the long standing mindset of "funding drives planning" to a new process where "planning drives funding." In addition, each project is supported by a sound "business case" analysis, meets acceptable cost parameters, and is linked to the U.S. Government presence in the region.

Due to the organizational changes and new accountability requirements, the budget structure has been modified and includes four major programs:

- Worldwide Security – resources set aside to execute OBO's commitment to improving the security and safety of U.S. Government personnel and facilities overseas,
- Non-Security ("Regular Capital") Construction – the regular building program for overseas facilities,
- Operations – the five major offices and the central support element charged with planning, executing, and supporting the OBO program, and
- Headquarters – providing executive direction and resource management support.

FY 2003 Request

The FY 2003 budget request of $1,308,011,000 for Embassy Security, Construction, and Maintenance (ESCM) is an increase of $34,051,000 or 2.7% over the FY 2002 level. These funds will support the DOS diplomatic activities by providing for the acquisition, construction, maintenance and repair, and disposal of property and facilities in the OBO inventory, with no increase in staffing levels. Of this increase, $12,914,000 is to maintain operations at a current services level. In addition, this request includes $3,011,000 for a *Pension/Health Benefits Adjustment* associated with shifting the costs of accruing pension and health benefits from central Government-wide account to affected program accounts.

Worldwide Security Upgrades - $755,000,000

The request includes $608,550,000 to support the next tranche of urgent, security-driven projects as delineated in the Long-Range Overseas Buildings Plan, including the construction of New Office Buildings (NOB) in Astana, Kazakhstan; Bamako, Mali; and Panama City, Panama; fitout of newly acquired buildings in Bridgetown, Barbados and Kingston, Jamacia; design or construction of new annexes in Athens, Greece; Moscow, Russia; and Tirana, Albania; plus the acquisition of sites for future NOB projects. The Department is also considering an additional project in Frankfurt, Germany. This request does not include $82,000,000 that the U.S. Agency for International Development is requesting in FY 2003 for collocated overseas facilities.

In addition, funding is also requested to continue the Department's program of worldwide perimeter and compound security upgrades. The FY 2003 request includes $146,450,000 to complete the construction of critical perimeter security projects and initiate projects to install, service, and replace forced entry/ballistic resistant roof hatches, vault doors and implement safeguards against chemical and biological attack.

The Department also intends to implement a virtual capital rent-surcharge pilot program in FY 2003. This pilot will test the feasibility of establishing a program that will levy a rent-surcharge on all departments and agencies occupying overseas facilities for the purpose of financing the future construction of new safe and secure office buildings and encourage rightsizing the U.S. Government's overseas presence.

Non-Security ("Regular Capital") Construction - $50,000,000

The Non-Security Construction request of $50,000,000 will provide funding to continue design and pre-construction activities for the new office building project in Beijing.

Operations - $493,500,000

The Operations request provides funding for four of the major offices and central support element within the Overseas Buildings Operations, all aspects of computer support, centralized administrative services, and renovations at Main State & other domestic facilities. This request streamlines a patchwork of line items submitted in prior budgets while enhancing financial accountability of OBO managers and employees.

Planning and Development - $6,200,000

A major theme of the OBO reorganization was an emphasis on planning and development. The new Planning and Development Office provides the central focus for major overseas facility planning efforts. It produces the Long-Range Overseas Buildings Plan and provides the detailed space requirements, planning, master planning, and cost engineering necessary to design and construct new facilities or renovate existing ones.

The FY 2003 request will fund the salaries and supports costs of 49 positions in the newly created office and support the annual revision and update of the Long-Range Overseas Buildings Plan.

Real Estate and Property Management - $6,000,000
Site selection and acquisition is a critical step in the success of any new construction project, but it can be the most difficult to negotiate and complete. With the increased emphasis on efficiently completing projects on time and at, or under, cost, the OBO reorganization created a separate, stand-alone entity responsible for this critical first step.

The funds for this office have been realigned from the leasehold program and will provide for staff salaries and contract support to carry out this vital function.

Project Execution - $91,000,000
The focus of the OBO reorganization was to increase accountability while eliminating voids or conflicts in responsibility. The Project Execution (PE) request consolidates several line items, providing a single point of responsibility and accountability for PE issues while capitalizing on operational synergies. The PE request is comprised of several different programs responsible for different aspects of execution.

- Construction Management - $21,000,000. This request funds expenses for the domestic and on-site construction management staff that oversees the work of the general contractors building and renovating DOS's overseas facilities. The request reflects the cost of providing required oversight support to projects planned in FY 2003, including an anticipated increase in International Cooperative Administrative Support Services (ICASS) costs associated with on-site OBO personnel. Construction Management has been merged with portions of Program Management to for the new Construction and Commissioning Division. Realignment of resources will be reflected in the FY 2003 financial plan and FY 2004 budget.

- Security Management - $31,000,000. This program provides security measures that safeguard overseas construction sites and materials from potentially hostile intelligence efforts for functional and non-security construction. The requested funds will be used to support cleared American guards, construction surveillance technicians, and site security managers required for the functional projects planned in FY 2003 and to procure temporary technical security equipment and contractor support for the over 30 capital projects planned for FY 2003. Included in this request is $737,000 to cover wage and price inflation.

- Design and Engineering - $14,700,000. Design and Engineering provides assistance in soliciting and negotiating architectural and engineering services contracts and reviewing project drawings, specifications, and associated documents. 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 cost engineering support), staff assist the Facility Management Division in determining criteria and standards governing operations, maintenance and repair requirements.

  This request includes an increase of $2,037,000 to establish an applied engineering and technology program to develop practical and cost effective design solutions and fund 20 new value engineering studies for NOB projects planned in FY 2003. Also included in this request is $461,000 to cover wage and price inflation.

- Energy Conservation - $3,900,000. Improving energy efficiency and reducing operating costs at DOS facilities overseas is the mission of the Energy Conservation Program and reflects our commitment to become a model of energy efficiency at every facility. The program is pursuing a worldwide plan to increase efficiency by setting ambitious conservation goals for all new major construction projects, implementing projects previously identified by surveys, continuing to

survey overseas facilities to identify energy conservation measures for future implementation, and training facility managers to improve operating energy efficiency. The FY 2003 budget reflects $100,000 for inflationary price increases.

- Interiors and Furnishings - $11,700,000. This program provides interior planning and design for new office and support buildings, existing office facilities under rehabilitation, and new lease build-outs. In addition, it formulates policy, standards, and procedural guidance for interiors of office facilities and representational residences. It provides for the maintenance and replacement of furniture, furnishings and equipment only in representational residences. The current cycle for refurbishing representational facilities is 16 years, far longer than the 7-year business standard used by the hotel and hospitality industry. This request will provide an increase of $1,499,000 to accelerate the number of representational residence renovations bringing the refurbishment cycle closer to industry practice ($1,231,000) and to cover necessary wage and price increases ($268,000).

- Program Management - $7,500,000. The Program Management staff provides overall project management during the design, construction, and commissioning phases of capital and non-capital projects, including the development and implementation of project execution plans. Also, this program is the primary source of non-project specific funding to obtain from the private sector unusual, specialized, infrequently required skills or services that cannot be performed by the Department. The FY 2003 budget provides increases of $195,000 for these activities and $243,000 for inflationary wage and price increases.

  Program Management has been disbanded and the component functions merged into Planning and Development, Design and Engineering, and Construction and Commissioning. Realignment of these resources will be reflected in the FY 2003 financial plan and FY 2004 budget.

- Seismic Program - $1,200,000. This program identifies properties occupied by the US Government that are vulnerable to seismic activity and develops solutions to minimize that risk as required by the National Earthquake Hazards Reduction Act of 1977 (P.L. 103-374). The Seismic Program, in conjunction with funds provided though the Maintenance of Buildings and Facility Rehabilitation Programs, facilitates the construction associated with strengthening buildings at risk. In addition, the program assists with development of short-term and long-term mitigation options and alternatives.

  A $503,000 increase is requested to fund initial research establishing a methodology for determining earthquake ground motion as specified in the International Building Code ($485,000), as well as funds to cover wage and price inflation ($18,000).

Operations and Maintenance - $336,300,000

This office was created to provide a single point of responsibility and accountability for operations and maintenance issues, for U.S. Government-owned or leased structures. This office includes the following program areas responsible for these issues.

- Facility Management - $58,000,000. Facility Management provides technical assistance and support to overseas posts in maintaining major building systems. This includes performing maintenance inspections, developing preventive maintenance programs specific to post requirements, and offering hands-on technical support and materials necessary to accomplish maintenance and repair at posts where technical assistance is otherwise not available. Support is provided by the Washington Maintenance Assistance Center (WASHMAC), the Facility Maintenance Specialist (FMS) Program, the Global Condition Survey (GCS) and the Facilities

Evaluation and Assistance (FEAP) Programs. The WASHMAC provides hands-on technical support by supplying cleared American personnel to perform repairs, renovations, and systems rehabilitation at overseas posts where no local expertise exists or where security clearances are required for entry. The FMS program provides a cadre of professionally trained and experienced on-site building managers for newly constructed or rehabilitated embassy facilities. These managers are required to meet more complicated needs that exceed the technical abilities of personnel at post. The GCS Program provides survey teams to examine the entire inventory of U.S. Government-owned and long-term leased facilities and develop an assessment of building conditions and a prioritization of the facilities maintenance and rehabilitation workload. The FEAP Program assists posts in developing more effective maintenance management programs.

The increase of $7,142,000 includes funding to expand WASHMAC contract to include preventative maintenance on Post Communications Centers (PCCs) and Information Processing Centers—IPCs ($4,000,000), cover the expense of hazardous material and contamination remediation projects planned for FY 2003 ($1,546,000), provide support costs for facility maintenance positions ($200,000), and meet inflationary wage and price increases ($1396,000).

- Facilities Rehabilitation and Support System Replacement - $40,000,000. 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 safe and secure environment for U.S. Government employees, and capitalize on efficiencies from new technologies.

  This request includes an increase of $14,36,000 for planning and site surveys for four new projects, master planning for one project, designs for seven projects, and construction of ten projects as outlined in the Long Range Overseas Buildings Plan.

- Fire Protection - $8,500,000. This program performs a variety of services to the Department's overseas posts, including conducting fire inspections, promoting and presenting training programs, installing fire alarm detection systems, and supplying posts with critical fire and life safety equipment. The FY 2003 request provides an increase of $1,729,000 to complete the installation of fire alarm detection systems in all principal office buildings and continue to replace fire systems that have reached the end of their life cycle. In addition, the request includes $168,000 for inflationary wage and price increases.

- Leaseholds - $150,000,000. Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease and lease-purchase agreements. The decision to lease or purchase a property is based on an 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 policy direction of the Chief of Mission on a non-reimbursable basis. 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 request includes an increase of $5,200,000 for new lease costs associated with the Almaty Annex, Astana IOB, Rio de Janeiro COB, and possibly Paris OECD; and $3,883,000 for worldwide inflationary increases in lease costs.

- Maintenance and Repair of Buildings - $68,400,000. 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 aging inventory requires a continuing investment in maintenance and repair to retain asset value, retard deterioration, and ensure facilities are an adequate platform 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 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 2003 requests an increase of $3,230,000 to cover inflationary wage and price increases.

  In addition, the request reflects $1,400,000, an increase of $147,000 over the FY 2002 level, for the Arts in Embassies Program that 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.

- Post Communications - $8,000,000. The Post Communications Program provides for the life-cycle replacement of all telephone systems located in U.S. Government-owned and long term leased non-residential facilities. Currently, 45% of the 260 overseas missions have old, obsolete systems that are no longer supported by their manufacturers. The goal of this program is to replace obsolete telephone systems with modern, reliable, digital systems capable of delivering a full range of services. The FY 2003 request, an increase of $2,075,000 over the FY 2002 level, includes funding for ten system replacements and survey/design of an additional ten.

- Safety, Health and Environmental Management - $3,400,000. The SHEM program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize environmental impact of Department activities, and to provide occupational health and environmental services to Department of State facilities. This is done primarily by providing technical expertise and support to overseas managers in order to help them avoid mishaps, eliminate workplace hazards and environmental contaminants, and comply with Occupational Safety and Health Administration and Environmental Protection Agency requirements. The Department carries out this mission by training and educating managers and employees about hazard identification and abatement, providing on-site technical support and training, performing program evaluations, and administering information systems to identify hazards/risks and provide overall program direction. The vital role of this program has been highlighted recently as the SHEM staff has played a key role in the Department's efforts to protect its facilities against chemical-biological attack by reducing vulnerabilities and developing emergency clean-up, environmental testing, and decontamination plans.

This request will provide a greater level of on-site technical support as well as SHEM involvement in building design and review processes. This request provides an increase of $617,000 to assist posts in implementing previous on-site visit recommendations to eliminate hazards and reduce the risk of safety and health deficiencies. In addition, it includes the implementation of an integrated pest management program and funds inflationary wage and price increases ($83,000).

Information Management and Support - $31,000,000

The Information Management and Support Office provides all information technology and administrative services to OBO program offices. Prior to the reorganization, these functions were included in the Administration budget line. This budget has been practically frozen, with resources increasing by only $94 thousand or 0.4% over the last seven years, not even keeping pace with basic inflation.

At the same time, OBO has seen explosive growth in the program this office must support. The addition of the Worldwide Security Upgrade Program doubled the program activity the aging infrastructure must support. The lack of funds severely limits IT professional's ability to plan and implement network infrastructure and desktop upgrades, creating operational difficulties as technologies are applied inconsistently across OBO classified and unclassified systems.

The FY 2003 request represents a minimum requirement to implement proper planning, institute policy and procedures, and support immediate IT infrastructure requirements, including expanding the number of classified workstations available to handle building design documentation and drawings. The increase is comprised of $4,000,000 for business solution support and process reengineering; $5,061,000 to acquire, maintain, and support specialized applications; $1,700,000 for increases in the seat management contract; $2,940,000 for basic administrative services (printing, supplies, etc.); and $406,000 for wage and price increases.

Main State and Other Domestic Facilities - $23,000,000

The FY 2003 request of $23,000,000 includes $19,225,000 for the continuation of phase I of the Harry S Truman Building renovation, specifically the renovation of the "Old State" portion of the building. The remainder of this request is $3,775,000 for maintenance and repair projects at domestic facilities, including generator replacement and entrance renovations at the Harry S Truman Building, roof replacement at the Portsmouth Consular Center, converting the Kentucky Consular Center from septic to city sewer, irrigation and historical renovations at the National Foreign Affairs Training Center, and paving and drainage projects at several facilities maintained by the State Department.

Headquarters - $6,500,000

This request provides for the salaries and support of executive direction, resources management, and developmental training for the entire OBO staff. Of the request, $5,212,000 or 80.2% is for personnel compensation and benefits, including three positions realigned into the base from the Worldwide Security Upgrades Program. The request provides adequate funding to establish an enhanced internal review/audit function, meet planned division training requirements, and cover inflationary wage and price increases.

Performance Plan

Seven goals have been established to broadly define the activities of the five offices and central support element within OBO. These goals guide the OBO stewardship of over five million gross square meters of facility space in support of diplomatic and consular missions abroad. Each office and program has objectives and performance measures that support the goals of OBO and its overall mission. These overarching goals are:

- Acquire, in a cost-effective and timely manner, overseas diplomatic mission facilities (through lease, purchase, or construction) that are appropriate for the operational and quality of life requirements of our customers.
- Maintain, rehabilitate, and otherwise improve overseas facilities under DOS control in a manner that is cost effective, timely, and most appropriate to extend their useful lives, enhance their functionality, and meet quality of life requirements of their users.
- Protect overseas personnel and facilities from fire, asbestos, earthquakes, and other life and occupational safety/health hazards.
- Provide facilities that support required secure communications and meet appropriate physical and technical security requirements.
- Support reducing the burden of facilities on post operating expenses, such as by reducing utility consumption while maintaining usage levels appropriate to the operational needs of the building occupants.
- Utilize excess overseas real property in a manner that produces the greatest benefit to the U.S. Government.
- Provide professional, effective technical and administrative support for the OBO mission in an environment that promotes excellence, emphasizes the valuable contributions of each member of the OBO team, and encourages continual improvement through implementation of sound management techniques.

FY 2001 Progress Report

From these seven goals, OBO identified five priority areas of concentration. Progress in FY 2001 addressing these priority areas is as follows:

Priority: – Security: Provide facilities that meet post-specific Department physical security standards and technical security requirements.

Target:

- Initiate construction of perimeter security upgrade projects at 21 posts.
- Complete construction of 22 security upgrade projects.
- Monitor the completion of the remaining shatter-resistant window film project installations for office buildings.

Progress:

- Initiated construction of perimeter security upgrade projects at 35 posts.
- Completed construction of 21 security upgrade projects.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Priority:– New Construction: Expeditiously locate U.S. Government staff into safe, secure, and functional facilities.

Target:

- Complete construction on Beijing, China OBC/OBX; Kampala, Uganda NOB; and Kuwait City, Kuwait SDA.
- Begin construction on the Abuja, Nigeria NOB; Dar Es Salaam, Tanzania USAID facility; Kampala, Uganda USAID facility; Luanda, Angola NOB; and Nairobi, Kenya USAID facility.
- Award design/build contract for Abidjan, Côte d'Ivoire NOB; Belgrade, Yugoslavia OBC/OBX; Berlin, Germany SDA; Sofia, Bulgaria NOB; and Yerevan, Armenia NOB.
- Complete design for Berlin, Germany SDA; Dar Es Salaam, Tanzania NOB and USAID facility; Istanbul, Turkey NOB; Lima, Peru USAID facility; Nairobi, Kenya NOB; Tunis Tunisia NOB; and Zagreb, Croatia NOB.
- Initiate design for the Beijing, China NOB; Bogota, Columbia OBX; Kathmandu, Nepal OBX and Sao Paulo Brazil NOB.
- Acquire sites for the Athens, Greece OBX; Beijing, China NOB; Cape Town, South Africa NOB; Conakry, Guinea NOB; Damascus, Syria NOB; Guangzhou, China CMP; Harare, Zimbabwe NOB; Sao Paulo, Brazil NOB; Sofia, Bulgaria NOB; Tashkent, Uzbekistan NOB; Tbilisi, Georgia NOB; Yerevan, Armenia NOB.
- Complete master planning for the Seoul, Korea CMP.

Progress:

- Completed construction of three projects: Beijing, China OBC/OBX; Kampala, Uganda NOB; and Kuwait City, Kuwait SDA.
- Began design/construction on six capital projects: Abuja, Nigeria NOB; Berlin, Germany SDA; Dar es Salaam, Tanzania USAID facility; Luanda, Angola NOB; Sofia, Bulgaria NOB; and Yerevan, Armenia NOB.
- Completed design for Berlin, Germany SDA; Dar Es Salaam, Tanzania NOB and USAID facility; Istanbul Turkey NOB; Lima Peru USAID facility; Nairobi, Kenya NOB; Tunis Tunisia NOB; and Zagreb, Croatia NOB.
- Acquired sites at the following six posts: Conakry, Guinea; Kingston, Jamaica; Phnom Penh, Cambodia; Sofia, Bulgaria; Sao Paulo, Brazil; and Yerevan, Armenia.
- Completed master planning for the Seoul, Korea CMP.

Priority: – Maintenance of Assets: Provide overseas facilities that enable State Department and other U.S. Government agencies' employees to perform their duties in a safe and appropriate environment.

Target:

- Complete Global Condition Surveys on 2.2 million square feet of overseas posts.
- Complete 8 and initiate surveys and/or designs for 29 major rehabilitation projects.
- Provided fire alarm system protection to an additional 250,000 square feet of principal office buildings.
- Reduce energy consumption in U.S. Government-owned and long-term leased properties by three percent from FY 2000.

Progress:

- Completed Global Condition Surveys on 2.13 million square feet of overseas posts.
- Completed 6 major rehab projects and initiated surveys and/or designs for 15 projects.

- Provide fire alarm system protection to an additional 53,400 square feet of principal office building chanceries.
- Reduced energy consumption in U.S. Government-owned and long-term leased properties by 1.75 percent from FY 2000.

Priority: – Asset Management: Maximize the economic benefits from the Department's real properties overseas through an aggressive asset management program.

Target:
- Market 50-75 excess properties worldwide, complete sales of 20-30 properties.
- Invest sales in the highest priority projects and exercise opportunity purchases as they arise.

Progress:
- Marketed 54 and completed sales of 20 underused properties.
- Obligated $68.9 million to acquire overseas real property and collected $39.8 million in proceeds of sales.

Priority: – Information Management: Provide state-of-the-art information management capabilities that satisfy critical information management requirements of OBO programs and activities.

Target:
- Implement an Executive Information System (EIS) for 100% of office directors.
- Develop content web pages for 25% of all divisions.
- Migrate 10% of OBO applications to a web-enabled platform.
- Complete knowledge management pilot project.
- Provide digital media management (DMM) to 20 posts and 25% of OBO on-line users.
- Complete Administrative Software Suite (PASS) pilot and install the Real Estate Management System (REMS) at 25% of posts.
- Install 100 megabytes of bandwidth to 20% of OBO users.

Progress:
- Implemented an Executive Information System for 100% of office directors.
- Developed content web pages for 90% of all divisions.
- Migrated 10% of OBO applications to a web-enabled platform.
- Completed knowledge management pilot project.
- Provided digital media management (DMM) to 20 posts and 100% of OBO on-line users.
- Completed Administrative Software Suite (PASS) pilot and installed the Real Estate Management System (REMS) at 91% of posts.
- Installed 100 megabytes of bandwidth to 40% of OBO users.

FY 2002-03 Performance Plan

The five priority goals addressed in FY 2001 will be carried forward through FY 2003, but many of the performance metrics will change to enhance the quality of measuring OBO performance. These new metrics mirror the changes made to transform OBO into a performance based, results oriented organization.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Priority: – Security: Provide facilities that meet post-specific Department physical security standards and technical security requirements.

Strategies

- Retool the organization internally to make it more responsive in providing security upgrades to Posts.
- Continue to install physical security upgrades in and around overseas facilities.
- Negotiate with host governments to close adjacent streets, reroute traffic, and improve security around U.S. Government facilities.
- Relocate overseas personnel when the facilities in which they work cannot effectively be made secure.

Tactics

- Employ Implementation Contractors to survey, design, and construct security upgrade projects when the requirement exceeds the resources of the OBO staff.
- Work closely with Bureau of Diplomatic Security, posts, and bureaus to ensure that security enhancement projects are performed effectively.
- Use performance measures to ensure accountability for performance.
- Complete surveys, initiate designs, complete construction of security upgrades at all identified vulnerable posts.
- Increase staff and size of Engineering Support Facility to provide increased facility security support to posts.
- Exercise tighter control over outside contractors.

Performance Targets		
Indicator	FY 2002 Target	FY 2003 Target
Percent completed of FE/BR and SWRF projects	89%	100%
Percent of posts that have received required perimeter security projects, FE/BR, and SWRF upgrade projects	77%	100%

Priority: – New Construction: Expeditiously locate U.S. Government staff into safe, secure, and functional facilities.

Strategies

- Convert the organization into a results-based organization.
- Implement a new long-range plan.
- Retool the organization internally to make it more responsive to customers and stakeholders.
- Appoint an Industry Advisory Panel to ensure that latest innovative technologies are employed.
- Place every construction project on the "fast track."
- Employ performance targets to control the program.
- Acquire sites for planned new construction starts where current sites are inadequate to provide security.
- Develop "business case studies" for each plan and action.
- Use best industry practices, such as consolidated CADD drawings with an Integrated Design Review Process.
- Work to attract the best U.S. vertical construction contractors.

Tactics

- Brief Congress, other stakeholders, and customers on plans for expanded capital construction program.
- Work closely with customers and stakeholders to satisfy program priorities.
- Acquire NOB sites at posts subject to funding.
- Work with posts and tenant agencies to identify space requirements for posts.
- Closely monitor the construction of NOBs to ensure that they are on schedule and within budget.
- Maintain continuous contact with posts undergoing new construction projects.
- Seek opportunities to speed construction and/or reduce costs of new construction.
- Reduce design and review cycle.
- Be flexible with project delivery methods.
- Write tighter and more specific contracts and more clarity in specifications and requirements.
- Provide formal contracting officer training to all project directors.
- Implement a Value Engineering Program to ensure cost considerations are fully integrated in design to receive best value in construction projects.
- Ensure that cost considerations are fully integrated in the design process to ensure best value for the money.
- Exercise tight management monitoring and evaluation of all consultants and contractors.
- Identify new requirements that may require consideration in planning.

Performance Targets		
Indicator	FY 2002 Target	FY 2003 Target
Acquire new sites for construction projects IAW LROBP	10-15	8-15
Initiate design/construction of capital projects IAW LROBP	10	10
Cost/Benefit ratio ($) of Value Engineering Program	1-20	1-20

Priority: – Maintenance of Assets: Provide overseas facilities that enable State Department and other U.S. Government agencies' employees to perform their duties in a safe and appropriate environment.

Strategies

- Convert the organization to a results-based organization.
- Implement a new long-range plan that includes major rehabilitation projects.
- Retool the organization internally to make it more responsive to its customers at overseas posts.
- Use professional technical and engineering staff, augmented with outside contractors, to conduct effective maintenance and repair operations worldwide.
- Assign a cadre of highly skilled Facility Maintenance Managers to oversee maintenance and repair efforts at posts.
- Ensure that major rehabilitation projects comply with security standards to the greatest extent possible.
- Seek opportunities to reduce energy consumption in overseas buildings.

Tactics

- Conduct Global Condition Surveys at posts and enter these and other surveys (e.g., asbestos) in the Facilities Project System Database for prioritizing, funding, and scheduling work.
- Utilize the Washington Maintenance Center (WASHMAC) and internal maintenance staff to assist posts in conducting maintenance and repair work that requires cleared American workers and/or is above post capabilities to perform.
- Work with posts and bureaus to identify major rehabilitation projects to be included in the LROBP.
- Ensure that new construction projects meet "Energy Star Building" criteria.
- Implement energy conservation projects early.

Performance Targets		
Indicator	FY 2002 Target	FY 2003 Target
Number of major rehabilitation projects funded (design or construction) in accordance with the LROBP	28 design 31 construction	7 design 10 construction
Number of square feet of overseas buildings property receiving annual global condition surveys	2.2 million square feet	2.2 million square feet
Percent of remediation actions completed on environmental hazard projects within one year of identification	85%	85%
Percent of posts visited by Area Manager to support full range of facility issues at the post	95%	95%
Number of additional square feet of principal office buildings covered by fire protection systems	250,000	250,000
Percent of overseas representational residences receiving survey, design and furnishings during the fiscal year	6%	6%
Percent of energy reduction, from 1994 baseline, at posts	1.75%	1.75%
Percent of posts surveyed for safety, health, and environmental hazards	40%	40%

Priority: – Asset Management: Maximize the economic benefits from the Department's real properties overseas through an aggressive asset management program.

Strategies

- Convert the Overseas Buildings Operations into a performance and results-based organization.
- Implement new long-range plan to identify opportunities for use of proceeds of sales.
- Use performance measures to determine success of real estate sales and purchasing initiatives.

- Use proceeds to buy down leases in high-lease cost locations or invest in new facilities where urgently required.
- Switch priority for proceeds of sale from capital to non-capital (housing) purchases to reduce vulnerability of Department's unfunded liabilities in the leasehold account.

Tactics

- Work with posts, regional bureaus, and U.S. Government agencies to identify properties worldwide that are excess or underutilized and identify suitable targets for housing purchases.
- Target potential investments in residential properties in cities where lease costs are escalating, the percent of U.S. Government-owned housing is low, and purchase opportunities exist at attractive prices.
- Place highly qualified global real estate firms under contract to provide international real estate services to market excess and/or underutilized properties faster.

Performance Targets		
Indicator	FY 2002 Target	FY 2003 Target
Percent of excess properties placed on market that were planned/approved for disposal in the fiscal year	75%	75%
Percent of real property sales that meet or exceed the estimated market value where viable appraisals are obtainable	80%	80%
Percent of non-security related real properties purchased that meet or exceed the threshold IRR	85%	85%

Priority: – Information Management: Provide state-of-the-art information management capabilities that satisfy critical information management requirements of OBO programs and activities.

Strategies

- Convert the organization into a performance and results-based organization.
- Develop an OBO strategic IT plan closely aligned to the Department of State's (DOS's) IT strategic plan.
- Leverage information technology to streamline the organization.
- Establish performance measures to measure the IM organization and individuals against defined customer standards.
- Identify user requirements and compare against current planned IT initiatives.
- Improve capacity to retrieve and report on data stored in OBO corporate information system databases.
- Implement the DOS IT Training Plan to provide appropriate technical and managerial training for IM personnel.
- Establish a framework for evaluating emerging technologies and expose OBO staff to the technologies and concepts.
- Identify and capture all resource requirements and life-cycle costs and review IT investments for cost effectiveness.
- Define the financial, personnel, procurement, performance management, and other processes for OBO to operate as an RBO.

Tactics

- Reorganize the IM Division to address added roles and responsibilities in the areas of resources management.
- OBO IM staff will stay abreast of IT capabilities and offerings in the marketplace and use commercial off-the-shelf products and services to the maximum extent practical.
- Require IT projects and systems to conform to the OBO IT architecture and standards.
- Develop customer service standards.
- Continue analysis/migration of the Post Administrative Software Suite (PASS) system to a single technology solution.
- Increase the number of OBO staff having access to Classified LAN (CLAN).
- Add new and upgrade existing Computer-Aided Design and Drafting (CADD) workstations.
- Implement configuration management and procedures to control changes to IM software and databases.
- Established performance-based criteria for managing contractor support in seat management and software development.
- Develop in-house training programs to assist OBO users to become more familiar with corporate applications, etc.
- Document OBO's software inventory, laptop inventory, and IT assets.
- Develop and implement an OBO-wide capital planning framework for IT investments to align investments and projects with OBO IT strategic plan and to guide decisions for identifying, selecting and evaluating technology investments.

Performance Targets		
Indicator	FY 2002 Target	FY 2003 Target
Number of upgraded overseas systems	PASS at 50% of Posts with REMS	PASS at 75% of Posts with REMS
Percent of upgraded IT infrastructure points	100MB of bandwidth on 50% of desktops	100MB of bandwidth on 100% of desktops
Percent of replacement of desktop computers	33%	33%
Number of hours of continuing professional education in IT	80	80

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
SUMMARY STATEMENT OF BUDGET AUTHORITY
($ in thousands)

Program	2001 Enacted	2002 Enacted /b	2003 Request	Increase Decrease
Worldwide Security Upgrades				
Capital Projects	513,867	665,000	608,550 /c	(56,450)
Compound Security	133,705	136,680	146,450	9,770
Other Security Upgrades/Support Costs	13,969	14,280	--	(14,280)
Subtotal, Security Upgrades	**661,541**	**815,960**	**755,000**	**(60,960)**
Non-Security Construction	--	**15,000**	**50,000**	**35,000**
Operations:				
Planning and Development	--	2,814	6,200	3,386
Real Estate and Property Management	--	3,772	6,000	2,228
Project Execution	90,367	79,515	91,000	11,485
Operations and Maintenance	297,859	310,429	336,300	25,871
Information Management and Support	--	16,893	31,000	14,107
Main State/Domestic Renovations	7,544	24,000	23,000	(1,000)
Subtotal, Operations	**395,770**	**437,423**	**493,500**	**56,077**
Headquarters	**20,289**	**5,577**	**6,500**	**923**
Pension/Health Benefits Full Cost Adj /a	2,864	2,944	3,011	67
Subtotal	**1,080,464**	**1,276,904**	**1,308,011**	**31,107**
Pension/Health Benefits Full Cost Adj /a	(2,864)	(-2,944)	(3,011)	(67)
APPROPRIATION TOTAL	**$1,077,600**	**$1,273,960**	**$1,305,000**	**$31,040**

/a Pension/Health Benefits Full Cost Adjustment amounts for fiscal years 2001 and 2002 are shown for comparison purposes only.
/b The FY 2002 enacted amount does not include $52.85 million received in Emergency Response Supplemental Funding.
/c FY 2003 Worldwide Security Upgrades, Capital Projects does not include $82.0 million for collocated U.S. AID facilities which is requested in the FY 2003 Foreign Operations Appropriations request.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
SUMMARY STATEMENT OF POSITIONS

Program	2001 Enacted	2002 Enacted	2003 Request	Increase Decrease
Worldwide Security Upgrades				
Capital Projects	-	-	-	-
Compound Security	-	-	-	-
Other Security Upgrades/Support Costs	40	40	-	(40)
Subtotal, Security Upgrades	**40**	**40**	**-**	**(40)**
Non-Security Construction	**-**	**-**	**-**	**-**
Operations:				
Planning and Development	-	45	49	4
Real Estate and Property Management	-	32	37	5
Project Execution	288	319	346	27
Operations and Maintenance	337	263	263	-
Information Management and Support	-	36	37	1
Main State/Domestic Renovations	-	-	-	-
Subtotal, Operations	**625**	**695**	**732**	**37**
Headquarters	**122**	**52**	**55**	**3**
GRAND TOTAL	**787**	**787**	**787**	**-**

OBO GLOSSARY

ACQ	Site Acquisition
CAC	Compound Access Control
CGR	Consul General Residence
CM	Construction Management Program
CMP	Compound
CMR	Chief of Mission Residence
COB	Consulate Office Building
DCR	Deputy Chief of Mission Residence
ECM	Energy Conservation Measures
EMR	Embassy Residence
EOB	Existing Office Building
ESCM	Embassy Security, Construction, and Maintenance
FEAP	Facilities Evaluation and Assistance Program
FE/BR	Forced Entry/Ballistic Resistant
FMS	Facility Maintenance Specialist
GCS	Global Condition Survey
GEN	Generator Program
GSM	Gross Square Meters
GSO	General Services Office
HVAC	Heating, Ventilation and Air Conditioning
IOB	Interim Office Building
LTL	Long-Term Lease
LROBP	Long-Range Overseas Buildings Plan
M&I	Maintenance and Improvement
MSGR	Marine Security Guard Residence
NAB	Newly Acquired Building
NOB	New Office Building
NSOB	New Secure Office Building
OBC	Office Building Chancery
OBO	Bureau of Overseas Buildings Operations
OBX	Office Building Annex
PAC	Public Access Control
REHAB	Rehabilitation of Buildings
SDA	Staff Apartments
SHEM	Safety, Health, and Environmental Management
SM	Construction Security Management Program
STL	Short-Term Lease
UPS	Uninterruptible Power Supply

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
WORLDWIDE SECURITY UPGRADES
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
40	$661,541	40	$815,960	-	$755,000	(40)	($60,960)

The Department of State has determined that approximately 80% of its overseas facilities do not fully meet security standards and should be replaced. It has developed a long-range plan that acts as a planning guide to the replacement of these buildings. The plan outlines capital and major rehabilitation requirements covering a six-year budget and planning window. Capital projects in the plan that are driven primarily by security factors are included in the Worldwide Security Upgrade Program, which builds upon the program of relocating the highest risk posts that was begun with the FY 1999 emergency security supplemental appropriation.

Capital Projects

In FY 2001, OBO began design/construction on five capital security projects: Abuja, Nigeria NOB; Dar es Salaam, Tanzania USAID facility; Luanda, Angola NOB; Sofia, Bulgaria NOB; and Yerevan, Armenia NOB. In addition, OBO acquired sites at the following six posts: Conakry, Guinea; Kingston, Jamaica; Phnom Penh, Cambodia; Sofia, Bulgaria; Sao Paulo, Brazil; and Yerevan, Armenia.

FY 2002 funds will be used to design and construct new facilities in Cape Town, South Africa; Conakry, Guinea; Harare, Zimbabwe; Jerusalem; Phnom Penh, Cambodia; Tashkent, Uzbekistan; Tbilisi, Georgia; and Yaounde, Cameroon. Funds may also be used to acquire a compound in Frankfurt, Germany. In addition, $62.1 million will be used for site acquisitions and further project definition at posts for which NOB construction is planned in the current or future years. Also, $13.2 million will be used to construct Marine Security Guard residences at six posts with NOBs recently completed or currently under construction (Dar es Salaam, Tanzania; Doha, Qatar; Istanbul, Turkey; Kampala, Uganda; Nairobi, Kenya; and Zagreb, Croatia).

The FY 2003 request for Worldwide Security Upgrades supports the Department's commitment to improving the security and safety of U.S. Government personnel and facilities overseas. The urgency of this requirement was underscored by the tragic terrorist attacks on September 11, and the bombings of the U.S. embassies in Dar es Salaam and Nairobi and elsewhere. The request includes $608,550,000 to support the next tranche of urgent, security-driven projects, including the construction of New Office Buildings (NOBs) in Astana, Kazakhstan; Bamako, Mali; and Panama City, Panama; fitout of newly acquired buildings in Bridgetown, and Kingston; design or construction of new annexes in Athens, Moscow, and Tirana; plus the acquisition of sites for future NOB projects. The Department is also considering an additional project in Frankfurt. This request does not include $82,000,000 for collocated facilities that will be requested by the U.S. Agency for International Development is requesting for overseas facilities. Detailed descriptions of these capital projects are provided in Appendix B.

Compound Security

In addition, FY 2003 funding is also requested to continue the Department's program of worldwide perimeter and compound security upgrades. The FY 2003 request includes $146,450,000 to complete the construction of critical, perimeter security projects and initiate projects to install, service, and replace forced entry/ballistic resistant roof hatches, vault doors and implement safeguards against chemical and biological attack.

Other Security Upgrades/Support Costs

These funds provide for the recurring costs associated with the emergency supplemental, including physical security equipment installation, maintenance, and replacement; salaries for newly hired security and support personnel; and lease costs for new overseas personnel. For FY 2003, these recurring costs have been requested

under the OBO Operations and Headquarters budgets and will become part of the yearly OBO base operating costs. Along with the funding, the 40 support positions have also been transferred.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
WORLDWIDE SECURITY UPGRADES
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	276,042	569,950	569,950
Budget Authority	**661,541**	**815,960**	**755,000**
Recoveries	14,100	0	0
Reimbursements	10,300	0	0
Reprogramming	0	0	0
Obligations	**-392,033**	**-815,960**	**-755,000**
Unobligated Balance, EOY	569,950	569,950	569,950
Program			
Capital Projects	225,641	665,000	608,550
Compound Security	160,438	136,680	146,450
Other Security Upgrades/Support Costs	5,954	14,280	0
Total Program	**392,033**	**815,960**	**755,000**
Positions	**40**	**40**	**0**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
NON-SECURITY CONSTRUCTION
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
--	--	--	$15,000	--	$50,000	--	$35,000

OBO's mission is to ensure that U.S. Diplomatic and Consular Missions abroad are provided secure, safe, and functional facilities that will assist them in achieving the foreign policy objectives of the United States. An active capital program for the construction of new facilities is vital to this mission.

The Department of State constructs four types of facilities to support Diplomatic Readiness:

- Chanceries/consulates,
- Office annex buildings,
- Support facilities (GSO, warehouses, commissaries, recreation facilities, motor pools), and
- Housing (staff housing (SDA), chief of mission residence (CMR), and Marine Security Guard Quarters (MSGQ)).

As part of the Department's on-going long-range planning process, all posts have been evaluated against life-safety, operational adequacy and security/vulnerability criteria. The results of this analysis have been used to develop the Department's long-range plan.

The Department seeks appropriations for construction of new overseas facilities under two accounts. If the requirement for new construction is driven primarily by security concerns, the funding is requested under the Worldwide Security Upgrades program (see page 20). If the requirement for new construction is primarily for other than security reasons, funding is included in the Non-Security Construction request. Examples of non-security construction include:

- The host country has relocated its capital city (Bonn to Berlin, Germany),
- The United States has established, re-established, or expanded representation with a country (Belgrade, Yugoslavia; Pristina, Kosovo),
- The post needs significantly exceed the existing facility (Beijing and Guangzhou, China; Tijuana, Mexico),
- The cost of renovating, rehabilitating or expanding an existing facility is so great that it cannot be accommodated in the functional programs (London, United Kingdom and Athens, Greece), and
- Construction of new housing is more cost effective than continuing to lease or maintain current residences or relocation is necessary for operational reasons, such as to improve react time for marine guards.

In FY 2001, the Department completed construction on the Kuwait City, Kuwait SDA and design was completed for the Lima, Peru USAID facility.

In FY 2002, OBO will complete construction on the Lima, Peru USAID facility and begin design activities for the new embassy compound in Beijing, China.

The FY 2003 request will provide funding to continue design and pre-construction activities for the new office building project in Beijing.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
NON-SECURITY CONSTRUCTION
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	51,448	66,098	66,098
Budget Authority	**0**	**15,000**	**50,000**
Recoveries	11,300	0	0
Reimbursements	4,679	0	0
Reprogramming	0	0	0
Obligations	**-1,329**	**-15,000**	**-50,000**
Unobligated Balance, EOY	66,098	66,098	66,098
Program			
Non-Security Construction	1,329	15,000	50,000
Total Program	**1,329**	**15,000**	**50,000**
Positions	**0**	**0**	**0**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
PLANNING AND DEVELOPMENT
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
–	–	45	$2,814	49	$6,200	4	$3,386

A major theme of the OBO reorganization was an emphasis on planning and development. These activities are critical to meeting the Department of State's diplomatic readiness goals and are pivotal to ensuring the overseas building program successfully meets its goal of providing safe, secure, and functional facilities.

The Planning and Development Office provides the central focus for major overseas facility planning efforts. It produces the long-range plan and provides the detailed space requirements, planning, master planning, and cost engineering necessary to design and construct new facilities or renovate existing ones. The long-range plan encompasses the following:

- covers a six-year planning horizon,
- provides the details related to replacing and renovating diplomatic and consular missions around the world,
- will eventually address all overseas facility requirements.

The FY 2002 funds provide partial-year funding for this office to improve current planning activities and implement new tools.

The FY 2003 request will provide full-year funding for the salaries and support costs of 49 positions in the newly created office and support the annual revision and update of the LROBP.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
PLANNING AND DEVELOPMENT
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	0	0	0
Budget Authority	**0**	**2,814**	**6,200**
Recoveries	0	0	0
Reimbursements	0	0	0
Reprogramming	0	0	0
Obligations	**0**	**-2,814**	**-6,200**
Unobligated Balance, EOY	0	0	0
Program			
Planning and Development	0	2,814	6,200
Total Program	**0**	**2,814**	**6,200**
Positions	**0**	**45**	**49**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
REAL ESTATE AND PROPERTY MANAGEMENT
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
-	-	32	$3,772	37	$6,000	5	$2,228

In addition to the emphasis on planning, the OBO reorganization aligned offices, personnel, and funds with how the Department conducts business to improve accountability. The newly created Real Estate and Property Management office is responsible of all aspects of real property management, acquisition, and disposal.

The FY 2002 funds, which provide partial-year funding for this office, consolidate OBO real property management functions and develop a robust acquisition and disposal program.

The FY 2003 request will provide full-year funding for the salaries and support costs of 37 positions and the necessary program resources to manage Department real property, acquire new properties when market conditions are favorable, and dispose of underutilized inventory.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
REAL ESTATE AND PROPERTY MANAGEMENT
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	0	0	0
Budget Authority	**0**	**3,772**	**6,000**
Recoveries	0	0	0
Reimbursements	0	0	0
Reprogramming	0	0	0
Obligations	**0**	**-3,772**	**-6,000**
Unobligated Balance, EOY	0	0	0
Program			
Real Estate & Property Management	0	3,772	6,000
Total Program	**0**	**3,772**	**6,000**
Positions	**0**	**32**	**37**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
PROJECT EXECUTION
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
288	$90,367	319	$79,515	346	$91,000	27	$11,485

The Project Execution (PE) request consolidates a number of budget items: Security Management, Energy Conservation and Investment, Program Execution, and the Seismic Program. The new organization structure provides a single point of responsibility and accountability for PE issues while capitalizing on operational synergies and assuring full coverage while eliminating redundancies.

The PE budget request is $91,000,000 and 346 positions, an increase of $11,485,000 or 14.4% and 27 positions realigned from the Worldwide Security Upgrades program. This request consists of the following components:

- Construction Management ($21,000,000)
- Security Management ($31,000,000)
- Design and Engineering ($14,700,000)
- Energy Conservation ($3,900,000)
- Interiors and Furnishings ($11,700,000)
- Program Management ($7,500,000)
- Seismic Program ($1,200,000)

The request for *Construction Management* funds expenses for the domestic and on-site construction management staff who oversee the work of the general contractors building and renovating the Department's overseas facilities.

Washington support costs include salaries and benefits for construction management headquarters staff, Foreign Service assignment transfer costs for overseas assignment of personnel, travel related costs for domestic staff project site visits, costs for Architectural & Engineering "Title II Services" and other project support contracts, and ICASS costs.

Overseas project construction management costs include post of assignment allowances for American Foreign Service and Personal Service Contract staff, housing related expenses, salaries and benefits for locally hired personnel to include Foreign Service Nationals, project office support costs, and locally procured technical consultant contracts that may be required.

Construction Management has been merged with portions of Program Management to for the new Construction and Commissioning Division. Realignment of resources will be reflected in the FY 2003 financial plan and FY 2004 budget.

The largest component of this request is for *Security Management*. This program ensures that overseas non-residential construction projects result in secure facilities in a cost effective and timely manner as required by the Omnibus Diplomatic Security and Anti-Terrorism Act of 1986. This program provides security measures that safeguard overseas construction sites and materials from potentially hostile intelligence efforts.

The Department establishes security procedures and incorporates security components throughout the planning, design, and construction phases of projects to provide secure facilities for the protection of classified information and national security related activities. To provide control of personnel and materials, the program employs cleared American personnel (site security managers, cleared American guards, construction

surveillance technicians and cleared American escorts) and local guards. In addition, this program includes the procurement and installation of technical security equipment to protect against technical penetration. Resource requirements are determined by a post-specific assessment of established threat levels, project complexity, and project duration.

In FY 2001, the Security Management program provided support for three capital construction projects and 27 functional projects. The FY 2002 plan provides for two capital projects and 32 functional projects. The FY 2003 request includes funding for two capital projects and 22 functional projects.

The *Design and Engineering* request for FY 2003 will provide assistance in soliciting and negotiating architectural and engineering contracts and reviewing project drawings, specifications, and associated documents. The staff resolve design problems and changes during the construction process, and assists with procurement of U.S. Government furnished equipment. The staff also participates in project planning and programming phases (including project definition and cost engineering support), and assists the Facility Management Division in determining criteria and standards governing operations and maintenance and repair requirements. This request establishes an applied engineering and technology program to develop practical and cost effective design solutions and will fund 20 new value engineering studies for NOB projects planned in FY 2003.

Energy Conservation identifies and implements projects that improve energy efficiency and reduce operating costs at the Department's overseas facilities. The Department is committed to becoming a model of energy efficiency at all government owned or long-term leased facilities. This is accomplished by setting ambitious goals for energy efficiency in all new major construction projects, implementing projects previously identified by surveys, carrying out on-site surveys at posts to identify energy conservation measures (ECMs) for future implementation, and training facility managers to improve operating energy efficiency.

All new NOB projects must now be 20% more efficient than required by the mandatory energy performance standards established in 10 CFR 434. Several projects in design and construction are on a path to meet this goal.

The Department estimates that 54% of posts account for 80% of its total overseas energy costs. To date, the Department has completed 75 surveys at high energy consuming posts. The ECMs identified through these surveys are prioritized using criteria that consider the life-cycle cost, savings to investment ratio, and the ability of the post to implement the project. To date, the Embassy Security, Construction, and Maintenance appropriation has funded over $15 million in ECMs, which the Department expects to yield $3.5 million annually in energy savings to posts. Savings generated by this program accrue to the Diplomatic and Consular Programs appropriation and other foreign affairs agencies.

The results of the Department's energy efficiency efforts since establishing its overseas energy baseline in 1991 are due largely to the Energy Conservation Program funded, conventional, technology based approaches. Some of the alternative financing tools, such as utility rebates and performance contracting, are not feasible in utility markets overseas. In FY 2001, the Department obligated $4 million in ECM implementations for 50 posts saving in excess of $700,000 per year.

In FY 2003, the Department will continue its efforts to reduce energy consumption at its overseas posts. The resources will be used to for post energy surveys, ECM implementation, and program support. This request reflects the reorganization and consolidation of energy program activities into the Project Execution program.

The *Interiors and Furnishings* request provides interior planning and design for new office/support buildings, existing office facilities under rehabilitation, and new lease build-outs. In FY 2001, the Department's office facilities designers managed and performed in-house design services, using computer aided design and imaging, for 24 capital projects and 34 functional projects, participated in 20 special projects, and responded to 37 post

requests for assistance. The demand for space planning and design support services has increased in support of chancery replacement projects funded under the Worldwide Security program.

In addition, the Department provides for the maintenance and replacement of furniture and furnishings for residences of ambassadors, deputy chiefs of mission, and consuls general (when they serve as principal officer) and formulates policies and procedures for furnishings of representational residences. Program funds are also used to inventory and conserve high value antiques and art works owned and maintained in the Department's overseas facilities. The staff dedicated to this program plans, designs, and furnishes newly constructed residences, evaluates the condition of existing furnishings, and recommends replacements where needed.

During FY 2001, the Department provided representational equipment and maintenance to 226 residences, including 36 major refurbishments. Design was accomplished for staff residences at four posts. The Department responded to 311 post requests for representational china, silver, glassware, and kitchen equipment.

In FY 2002, the Department plans to continue the level of maintenance support to representational residences comparable to FY 2001. Included in the FY 2003 budget request are funds to refurbish twenty residences and necessary inflationary wage and price increases.

Program Management provides overall program management responsibility during the design, construction, and commissioning phases of capital and non-capital projects. The staff develops and implements project execution plans and status reporting requirements. In addition, this request funds technical and private sector support for specialized services that cannot be performed by in-house staff, such as engineering and facility planning services, and will acquire specialized services that cannot be performed by the Department.

The FY 2003 funds will be used to apply advanced program and project management technologies, develop automated tools to improve the accuracy and consistency of project execution and reporting. These resources will also be used to evaluate the effectiveness of the Department's design and construction program through customer feedback and support construction management in the area of claims analysis. In addition, the FY 2003 request will support project management efforts in project coordination, budgeting, cost tracking, scheduling, and configuration management to meet the increase in capital and functional programs for new facilities and security enhancements.

Program Management has been disbanded and the component functions merged into Planning and Development, Design and Engineering, and Construction and Commissioning. Realignment of these resources will be reflected in the FY 2003 financial plan and FY 2004 budget.

The final component of Project Execution is the *Seismic* program. This program identifies properties occupied by the U.S. Government that are vulnerable to seismic activity and develops solutions to minimize that risk. The Seismic program funds activities that are required by the National Earthquake Hazards Reduction Act of 1977 (P.L. 103-374).

The Department uses a four-phased approach to address and minimize seismic life safety risk to U.S. Government personnel in facilities overseas: detailed assessments of the office occupancies (phase I); feasibility studies (phase II); construction/design drawings (phase III); and construction (phase IV). Maintenance and Repair of Buildings or Facility Rehabilitation, depending on the nature and extent of all required repairs, funds the construction associated with the strengthening of buildings.

In FY 2001, the Department awarded contracts for phase I assessments of buildings in Almaty, Kazakhstan; Nicosia, Cyprus; Ponta Delgada, Portugal; and a residential assessment of Wellington, New Zealand. OBO undertook phase II feasibility studies of chancery buildings in Kathmandu, Nepal; and Wellington, New Zealand. As a result of damaging earthquake activity, phase III strengthening design contracts were awarded

for structures in San Jose, Costa Rica and San Salvador, El Salvador. Post earthquake assistance and damage inspections were rendered as a result of earthquakes near San Salvador, El Salvador and Baku, Azerbaijan. With recent major earthquake activity worldwide, program efforts also included education and outreach activities regarding earthquake preparedness.

In FY 2002, the Department will fund phase I residential assessments in Guatemala, Guatemala; and Ashgabat, Turkmenistan; as well as phase II feasibility studies of chancery buildings in Tegucigalpa, Honduras; and New Delhi, India. The seismic program will continue education and outreach efforts regarding earthquake preparedness and seismic risk reduction. The Department will also continue to assess the seismic adequacy of proposed major office and residential acquisitions in high seismic zones, as well as provide guidance to reduce the seismic risk in the multi-unit and single family detached short term leased housing inventory.

The FY 2003 request will fund phase I residential assessments in Yerevan, Armenia and Santiago, Chile; phase II feasibility studies for deficient chancery buildings determined to be potential candidates for seismic strengthening at Jakarta, Indonesia and Athens, Greece. Additionally, the request will fund phase III construction drawings for one building as determined by phase II studies or previous damage. The Department will continue phase I assessments for proposed major office and residential acquisitions and provide guidance to reduce the seismic risk in the multi-unit and single family detached short-term leased housing inventory.

In addition, the Department will fund efforts to follow recent recommendations from experts in the earthquake engineering community, Federal Emergency Management Agency, U.S. Geological Survey and other Federal agencies who have signaled a new era and need for new methodologies for determination of the earthquake ground motion characterization. The new methodology is focused around the large but infrequent seismic event known as the Maximum Credible Event (MCE). This new methodology is embedded in the International Building Code (IBC) and development of the MCE information is critical to OBO adoption of the IBC. MCE information will be developed from a limited scientific investigation and research to characterize regional and site specific or post specific tectonic settings – thus initiating an update of the seismic hazard listing of the Foreign Service posts worldwide.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
PROJECT EXECUTION
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	29,972	40,946	40,946
Budget Authority	**90,367**	**79,515**	**91,000**
Recoveries	5,478	0	0
Reimbursements	2,334	0	0
Reprogramming	0	0	0
Obligations	**-87,205**	**-79,515**	**-91,000**
Unobligated Balance, EOY	40,946	40,946	40,946
Program			
Construction Management	14,589	16,854	21,000
Security Management	36,086	28,698	31,000
Design & Engineering	13,283	12,202	14,700
Energy Conservation	5,185	3,800	3,900
Interiors & Furnishings	10,280	10,201	11,700
Program Management	6,933	7,063	7,500
Seismic Program	849	697	1,200
Total Program	**87,205**	**79,515**	**91,000**
Positions	**288**	**319**	**346**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
OPERATIONS AND MAINTENANCE
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds*	Positions	Funds*	Positions	Funds	Positions	Funds
337	$297,859	263	$310,429	263	$336,300	0	$25,871

The Operations and Maintenance (OM) request replaces a patchwork of individual budget items: Leasehold Program, Safety and Fire Programs, Post Communications Support, Maintenance of Buildings, Facilities Rehabilitation and Support Systems Replacement, and the Facility Maintenance Assistance Program.

This new program is charged with the operations and maintenance of the Department's portfolio of properties, whether U.S. Government-owned or leased. The new organizational structure provides a single point of responsibility and accountability for O&M issues while capitalizing on operational synergies, assuring full coverage, and eliminating redundancies.

The OM budget request is $336,300,000 and 263 positions, a funding increase of $25,871,000 or 8.3% and no increase in positions. This request consists of the following components:

- Facility Management ($58,000,000)
- Facility Rehabilitation ($40,000,000)
- Fire Protection ($8,500,000)
- Leaseholds ($150,000,000)
- Maintenance and Repairs of Buildings ($68,400,000)
- Post Communications ($8,000,000)
- Safety, Health and Environmental Management ($3,400,000)

The *Facility Management* request (formerly Facility Maintenance Assistance) provides technical assistance and support to overseas posts concerning the maintenance of U.S. Government-owned and long-term leased facilities. The program provides maintenance inspections, develops preventive maintenance programs specific to post requirements, and offers hands-on technical support and materials necessary to accomplish maintenance and repair tasks at posts where such technical assistance is not available locally and where cleared American personnel are required for systems maintenance. Program work is carried out via the following eight related activities:

- Washington Maintenance Assistance Center (WASHMAC): WASHMAC was established in FY 1989 to provide cleared personnel to perform repairs, renovations, and systems rehabilitations; to prevent post and Department disruption due to inoperative systems; and to replace prematurely failed systems. WASHMAC provides services worldwide, focusing its efforts on areas where no local expertise exists or where security clearances are required for entry. In FY 2001, support visits were made to 103 posts and the Department intends to maintain this level of effort in FY 2002. The FY 2003 request includes plans for 85 maintenance and repair visits, 120 elevator safety inspections, 25 condition monitoring visits, and support for 50 projects.

- Global Condition Survey Program (GCS): GCS was initiated in FY 1989 to examine the entire inventory of U.S. Government-owned and long-term leased facilities and to develop an assessment of building conditions and a prioritization of the facilities maintenance and rehabilitation workload. All initial surveys were completed in FY 1994. Beginning in FY 1992, OBO survey teams began reassessing post needs. Using a seven year +/- cycle, the teams established a prioritized list of post maintenance requirements, special maintenance and repair project scopes of work, and estimated project costs. Funding supports salaries, benefits, and travel costs for six positions. In FY 2001, 11

global condition surveys were completed on 2.13 million square feet. The Department intends to survey 2.2 million square feet of overseas buildings properties in FY 2002 and FY 2003.

- Building Commissioning Program: The Building Commissioning Program activities include developing the following: comprehensive building maintenance plans which determine the requirements for maintenance staffing; building operations and maintenance procedures, preventative maintenance systems and schedules; requirements for initial spare parts; systems acceptance testing requirements; and requirements for and acquisition of the initial inventory of space parts, tools, and equipment necessary for the maintenance of new facilities. In FY 2001, comprehensive maintenance plans were delivered to Dhaka, Bangladesh; Ho Chi Minh City, Vietnam; Jeddah, Saudi Arabia; Kampala, Uganda; New Delhi, India; Paris, France; and Vienna, Austria in conjunction with major rehabilitation projects or new buildings at post. Logistical support was provided to seven other posts. In FY 2002, OBO plans to provide similar support to the planned NOB and major rehabilitation projects. In FY 2003, the request will provide support to 8 posts for major rehabilitation projects.

- Washington-Based Support: This activity provides domestic support for program activities. Services provided include engineering, project management, repair, maintenance, modification, and emergency facility technical support worldwide. Funding is used for salaries, benefits, and travel costs to support 58 personnel. In FY 2001, five facilities evaluation and assistance program (FEAP) visits were conducted at Riga, Latvia; Tallinn, Estonia; Vilnius, Lithuania; Belgrade, Serbia; and Accra, Ghana. Three special assistance visits were made to Kingston, Jamaica; Manila, Philippines; and Moscow, Russia. FEAP staff performed 12 maintenance feasibility reviews in support of the NOB program and assisted in conducting four NOB staffing estimates and space reviews. In FY 2002 and FY 2003, we plan to do 10 full FEAP visits. The FEAP program evaluates the post's maintenance operations and staffing for developing and refining an effective and efficient maintenance management program. The areas of concentration include maintenance staffing, workload and planning analysis, workload accomplishment, and record and report assistance.

- Overseas Facility Manager Program: This program provides a cadre of professionally trained and experienced on-site building maintenance managers for newly constructed or rehabilitated embassy facilities. These managers are required to meet the more complicated needs identified by OBO surveys, which often exceed the technical abilities of personnel at post. Security considerations complicate the maintenance effort even when adequate, but uncleared, technical assistance is available locally. The Department established the facility maintenance specialist (FMS) skill group in the Foreign Service in FY 1992. In FY 2001, total FMS staffing was 138, of which 130 are currently assigned overseas. In FY 2002, OBO plans to increase the number of FMS staff to 149. These five additional positions will be offset by a corresponding reduction of vacant positions from elsewhere in the OM budget.

- Other Maintenance Assistance: This activity provides contractor support for specialized maintenance engineering services needed for roof, elevator, and utilities management, and for a maintenance training program for facility managers. In FY 2001, OBO inspected, repaired, or replaced 61 roofs, conducted 2 full energy surveys and 2 rate and metering surveys, provided utility project implementation support to 7 posts, and are in the process of installing/upgrading 89 elevators at 40 posts. We plan to continue this program at the same level of effort in FY 2002 and FY 2003.

- Hazardous Material Containment Program: This program addresses health-related issues including asbestos, environmental site assessments, radon, lead-in-paint, heating, ventilation and air conditioning (HVAC), indoor air quality, leaking underground storage tanks, and water quality (to ensure that water supply is suitable to maintain operation of HVAC and domestic distribution systems) at U.S. Government-

owned and long-term leased buildings overseas. The Department continues to identify environmental and health-related problems within the overseas real property inventory and to implement a comprehensive program to resolve or minimize these problems. Due to funding constraints, the Department conducts radon and lead-in-paint surveys on a post-specific basis. Survey schedules are coordinated within OBO to ensure that environmental site assessments are conducted at properties identified for acquisition and to update post abatement management plans. There are currently asbestos management plans in place for 242 posts. In FY 2001, the Department completed asbestos inspections at 13 posts; implemented abatement or remedial projects at 20 posts; conducted training at 1 post; and carried out water quality studies at 13 posts. In FY 2002, the Department plans to conduct asbestos inspections at 23 posts and implement environmental remedial or abatement projects for asbestos, CFC recovery training, HVAC, and water quality projects at 65 posts. Plans for FY 2003 include 22 asbestos surveys and 12 abatements, 25 underground storage tank inspections, 32 water quality studies, and 48 CFC recovery training sessions. The OBO performance goal is to complete any required remediation actions within one year of identification.

- Power Support Program: This program addresses the need to improve the reliability, availability, stability and quality of electrical power sources, including those of mission critical communications and functional spaces in Department facilities worldwide. Program funding supports power systems assessment, analytical support for operations, security, and effective facilities management. Also, the plans, procurement, installation and start-up for backup generators, power conditioning equipment and switch gear fall under the program. The FY 2003 request will fund plans for these services at 25 posts.

The *Facility Rehabilitation* program rehabilitates, upgrades, or replaces worn out building systems that can no longer be physically or economically maintained by routine, preventive, and unscheduled maintenance and repair activities. The Department is responsible for more than 3,000 U.S. Government-owned and long-term leased properties worldwide. Their average age is 40 years. The useful life of a building and its systems vary, but generally major rehabilitation work is required every 15 to 20 years. Because buildings and their support systems have finite life spans, facility rehabilitation work is ongoing by nature. For every building that is rehabilitated, another reaches the point where major rehabilitation work is needed.

This program rehabilitates, replaces, and upgrades systems in order to extend the life of the building and ensure continued serviceability, provide a safe and secure environment, and allow for the efficiencies of new technologies, changing workloads, and meeting the objectives of the U.S. foreign affairs community.

The budget request only provides funding for a small part of the identified requirements, and more are added each year. The projects included in this request are listed in Appendix A. In FY 2001 alone, 149 candidate buildings were identified. The greatest number of major rehabilitation projects completed in a single year was 17 in FY 1997. Six projects were completed in FY 2001: the MSG expansion in Bratislava, Slovak Republic; one unit of the SDA renovation in Frankfurt, Germany; the CMP chiller pipes in Manila, Philippines; the electrical upgrade in Moscow, Russia; the OBC East rehabilitation in New Delhi, India; and a roof project in Tokyo, Japan. The Department plans to initiate designs on 26 major rehabilitation projects and initiate construction on 29 others in FY 2002. In FY 2003 we plan to complete one master plan, perform 4 surveys, initiate designs on seven major rehabilitation projects, and start construction on 10 other projects.

The inability to address major rehabilitation requirements in a timely manner places a great deal of pressure on other maintenance and repair budgets. It causes upkeep of facilities to be more expensive over the long-term. It is more disruptive to the foreign mission and employee quality-of-life, leading to lower productivity, morale, and retention rates. It impairs the Department's ability to maximize the life span of its buildings, and diminishes economies-of-scale gains.

Replacing the support systems within a building is expensive and disruptive to the building occupants. Often, offices must be moved into swing space for extended periods of time. Other special challenges that add considerable costs to major rehabilitation projects include: installation of new systems to meet modern fire and life safety codes (i.e., sprinkler systems), special security standards, hazardous materials abatements in older buildings, seismic upgrades, historical preservation issues, and accessibility improvements to meet American Disability Act requirements. The program allows for projects to improve, fitout, and upgrade newly acquired office spaces to make them suitable for use as diplomatic facilities. Major rehabilitation projects may also include the construction of annexes or additions to meet the functional requirements of the post. Every effort is made to combine all work at post to gain economies-of-scale and to minimize the intrusion on post operations. To maximize this effort, physical security upgrades are also factored in where appropriate.

The schedules and cost estimates for projects included in this program are subject to change resulting from unforeseen conditions, political developments, and operational considerations. Cost estimating major rehabilitation projects is particularly difficult, especially during the early planning and budgeting stage. Unlike estimating the cost of constructing a new building, existing buildings, especially those with exceptional age, are fraught with unknowns. Even with the extensive site studies and surveys, followed by a well-planned project design, unforeseen conditions and opportunities will arise during the construction phase. These can add considerable cost to a project. Given this peril, considerable effort is made to execute project construction within the cost estimate determined at the end of the project design.

New rehabilitation projects take into consideration all applicable security standards and the long-range plan for replacing its high-risk posts. OBO integrates to the greatest extent possible all project planning and execution requirements at each post. Cost estimates for major rehabilitation projects still exclude construction management and construction security costs that are included in other functional program budget line items.

The mission of the *Fire Protection* program is to ensure that the Department provides safe and hazard-free facilities for U.S. Government staff stationed overseas. The program provides a variety of services to overseas posts, including conducting fire inspections, conducting and promoting training and educational programs, installing fire alarm detection systems, and supplying posts with critical fire and life safety equipment such as fire extinguishers, exit signs, emergency lighting units, residential smoke detectors and batteries. The Department has reduced the number of incidents at overseas posts from 69 in FY 1997 to 59 in FY 2001.

In FY 2001, the Department installed fire alarm detection systems for approximately 50,383 square feet of facility space in Lome, Togo; Nuevo Laredo, Mexico; Ouagadougou, Burkina Faso; and Bujumbura, Burundi. Fire prevention inspections and fire prevention seminars were completed at 127 posts. In addition, fire and life safety training sessions were presented at all Overseas Security Seminars at the Department's Foreign Service Institute.

The FY 2002 and FY 2003 funds will continue the installation/replacement of fire alarm detection systems in principal buildings overseas safeguarding an additional 250,000 square feet each year, continue support for on-site inspections and training, and continue to supply the minimum fire safety equipment to posts. Also included are the salaries, travel, logistical support, and other necessary administrative expenses.

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

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

The Leaseholds Program funds long-term (i.e., lease terms of ten years or longer) leased residential and non-residential properties overseas which support all foreign affairs agencies under the policy direction of the Chief of Mission. Such support is provided on a non-reimbursable basis. 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 system. Under a memorandum of agreement with the Department of Defense, the Department of State is reimbursed for the cost of housing marine security guards that are deployed overseas.

This increase will be used to fund the leasehold costs associated with the Almaty Annex and Astana IOB in Kazakstan; newly acquired facilities in Rio de Janeiro, Brazil; the cost of leases for new security positions and setback leases; mandatory wage and price inflation; and possibly the mission to Paris OECD, France. This request, in addition to $50 million in anticipated reimbursements from other federal agencies, will finance the cost of operating leases for approximately 1,100 office and functional facilities and nearly 8,000 residential units, as well as LQA payments to Department employees, staff salaries and support costs.

The *Maintenance of Buildings* program allocates funding by two major activities: Routine Maintenance and Repair and Special Maintenance and Improvement Projects. In addition, this request includes staff salary and support costs for the Area Management personnel.

Routine Maintenance and Repair funds each mission to provide the staff with the appropriate resources to perform routine maintenance tasks. Routine maintenance includes preventive maintenance of building systems, as well as recurring activities such as painting, weather-stripping, termite control, minor repairs, replacement of fixtures, and the acquisition of building supplies used for recurring maintenance requirements.

The Department allocates Special Maintenance and Improvement funds to posts to restore, alter and modernize existing facilities. Projects financed by Special Maintenance and Improvement funds constitute a significant portion of the outstanding maintenance and repair requirements confronting the Department.

The Department and each overseas mission review facility needs to determine, on an annual basis, which Special Maintenance and Improvement projects can and should be implemented. Because the available funding is insufficient to support all proposed projects, Maintenance of Buildings funds are applied to the most critical needs. In determining priorities and allocating available funds, the Department emphasizes fire and life safety, security requirements, and maintenance of the structural integrity of buildings. Other considerations include the importance of the project to post operations and the feasibility of executing the project. The FY 2003 request will provide for wage and price inflation while continuing the current level of support for this program.

Included under the Maintenance of Buildings request is the *Art in Embassies* program function. The mission of Art in Embassies is to communicate American values and cultural diversity by providing exhibitions of American art at overseas posts. Funding for this program is used to administer loans and donations of American works of art from museums, institutions, corporations, galleries, and individual artists and collectors. The FY 2003 request insurance premiums, the printing of exhibition catalogs, and wage and support costs for program staff.

The *Post Communications* program provides funding for life cycle replacement of all telephone systems located in U.S. Government-owned and long-term leased chanceries, consulates, and other non-residential facilities. Currently, 45% of the 260 overseas missions have old obsolete telephone systems that are no longer supported by their manufacturers. The goal of this program is to replace obsolete telephone systems with modern, reliable digital systems capable of delivering a full range of services. These systems also provide management tools; security and productivity enhancements, such as direct inward dialing, call accounting, voice mail, automated voice attendant (multiple language); and a threat call recorder.

In FY 2001, installations of new telephone systems were completed at following 8 posts: Buenos Aires, Argentina; Cairo, Egypt; Chisinau, Moldova; Dubai, United Arab Emirates; Mexico City, Mexico; Vilnius, Lithuania; Wellington, New Zealand and Yekaterinburg, Russia. FY 2001 funds were also used to complete a number of telephone projects initiated in FY 1999.

In FY 2002, the Department will complete telephone system replacements at following 9 posts; Brasilia, Brazil; Cotonou, Benin; N'Djamena, Chad; Nassau, The Bahamas; Nouakchott, Mauritania; Rangoon, Burma; Seoul, Korea; Tijuana, Mexico, Vladivostok, Russia and possibly Addis Ababa, Ethiopia.

The FY 2003 request of $8 million will enable the Department to complete system replacements and survey/design of an additional ten. This increased funding level will accelerate the replacement of obsolete telephone systems and enable the Department to improve the current life cycle replacement cycle for the installed base of overseas telephone systems.

The *Safety, Health and Environmental Management* program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize environmental impact of Department activities, and to provide occupational health and environmental services to Department of State facilities. This is done primarily by providing technical expertise and support to overseas managers in order to help them avoid mishaps, eliminate workplace hazards and environmental contaminants, and comply with Occupational Safety and Health Administration and Environmental Protection Agency requirements. The Department carries out this mission by training and educating managers and employees about hazard identification and abatement, providing on-site technical support and training, performing program evaluations, and administering information systems to identify hazards/risks and provide overall program direction.

In FY 2001, the Department implemented the second phase of its expanded field implementation program by providing comprehensive on-site support to 80 higher risk posts. These visits are designed to provide the assistance necessary to ensure that effective SHEM programs have been established and appropriate follow-up needs identified. In addition, the Department initiated measures to implement a program to ensure compliance with all applicable environmental standards, regulations and orders as mandated in Executive Order 13148. The Department doubled its ongoing training programs and conducted three regional seminars for post occupational and safety officers (POSHOs).

In FY 2002, the Department will be implementing the final phase of its expanded field implementation program by visiting 120 posts as well as providing for critical safety and health items, such as carbon monoxide alarm systems for those posts who need them. The Department will also significantly expand its capabilities to positively influence posts to implement Integrated Pest Management Programs, by providing on-site expert assistance to address more complex pest control problems. The Department will conduct two regional seminars for post occupational safety and health officers.

The FY 2003 request of $3.4 million will allow the Department to continue its varied activities to minimize mishaps and operational disruptions and, in particular, will allow for more frequent visits to those posts that require comprehensive support, thus achieving a higher overall rate of compliance with critical SHEM requirements. It will enable us to supplement our regional seminar program for POSHOs with focused classes for supervisory FSN employees in identified high risk areas.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
OPERATIONS AND MAINTENANCE
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	62,292	51,366	51,366
Budget Authority	**297,859**	**310,429**	**336,300**
Recoveries	6,522	0	0
Reimbursements	53,666	0	0
Reprogramming	0	0	0
Obligations	**-368,973**	**-310,429**	**-336,300**
Unobligated Balance, EOY	51,366	51,366	51,366
Program			
Facility Management	53,455	50,858	58,000
Facility Rehabilitation	26,928	38,564	40,000
Fire Protection	7,532	6,603	8,500
Leaseholds	197,223	140,917	150,000
Maintenance & Repairs of Buildings	72,253	64,862	68,400
Post Communications	8,824	5,925	8,000
Safety, Health & Environmental Mgt	2,758	2,700	3,400
Total Program	**368,973**	**310,429**	**336,300**
Positions	**337**	**263**	**263**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
INFORMATION MANAGEMENT AND SUPPORT
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
–	–	36	$16,893	37	$31,000	1	$14,107

The Information Management and Support Office provides all information technology and administrative services to OBO program offices. Prior to the reorganization, these functions were included in the Administration budget line. This budget has remained relatively consistent with an increase of $94 thousand or 0.4% over the last seven years.

OBO has seen much growth in the programs this office must support. The addition of the Worldwide Security Upgrade Program doubled the program activity.

The FY 2003 request reflects a commitment to improve program support and build a sound infrastructure for programmatic activity. This is the minimum requirement to implement proper planning, institute policy and procedures, and support immediate IT infrastructure requirements, including expanding the number of classified workstations available to handle building design documentation and drawings. The increase is comprised of $4,000,000 for business solution support and process reengineering; $5,061,000 to acquire, maintain, and support specialized applications; $1,700,000 for increases in the seat management contract; $2,940,000 for basic administrative services (printing, supplies, etc.); and $406,000 for wage and price increases.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
INFORMATION MANAGEMENT AND SUPPORT
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	0	0	0
Budget Authority	**0**	**16,893**	**31,000**
Recoveries	0	0	0
Reimbursements	0	0	0
Reprogramming	0	0	0
Obligations	**0**	**-16,893**	**-31,000**
Unobligated Balance, EOY	0	0	0
Program			
Information Management & Support	0	16,893	31,000
Total Program	**0**	**16,893**	**31,000**
Positions	**0**	**36**	**37**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
MAIN STATE RENOVATIONS
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
--	$7,544	--	$24,000	--	$23,000	--	($1,000)

The Department of State owns or operates and maintains numerous facilities in metropolitan Washington, D.C. and in other U.S. locales. To protect the real property investment and to ensure adequate working conditions for employees, the Department developed a Capital Improvement Program to upgrade building systems and to correct deficiencies in these facilities.

Within the U.S., the Department operates and maintains the Harry S Truman building; Blair House; the Beltsville Information Management Center; annexes in the Washington metropolitan area; the National Visa Center and National Passport Center in Portsmouth, New Hampshire; the Charleston Regional Center in Charleston, South Carolina; the Miami Regional Center in Ft. Lauderdale, Florida; and the Kentucky Consular Center.

These funds enable the Department to provide safe, secure, cost-effective and energy efficient workspace for employees to perform their duties. In FY 2002, the Department will complete renovation of the Harry S Truman basement and begin renovation of the "Old State" portion of the building. The Department plans to complete projects at the Blair House for the air handler replacement, Beltsville Information Management Center for the chiller replacement and other improvements, Columbia Plaza boiler and pump replacement, correction of building deficiencies in the Florida Regional Center, Portsmouth parking lot repair/replacement and the completion of several rehabilitation projects at the National Foreign Affairs Training Center.

The FY 2003 request of $23,000,000 will provide $19,225,000 for the continuation of phase I renovations, the work on the "Old State" portion of the Harry S Truman Building. The remaining $3,775,000 is for maintenance and repair projects at domestic facilities, including generator replacement and entrance renovations at the Harry S Truman Building, roof replacement at the Portsmouth Consular Center, converting the Kentucky Consular Center from septic to city sewer, irrigation and historical renovations at the National Foreign Affairs Training Center, and paving and drainage projects at several facilities maintained by the Department.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
MAIN STATE RENOVATIONS
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	2,089	208	208
Budget Authority	**7,544**	**24,000**	**23,000**
Recoveries	0	0	0
Reimbursements	0	0	0
Reprogramming	0	0	0
Obligations	**-9,425**	**-24,000**	**-23,000**
Unobligated Balance, EOY	208	208	208
Program			
Main State/Domestic Renovations	9,425	24,000	23,000
Total Program	**9,425**	**24,000**	**23,000**
Positions	**0**	**0**	**0**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
HEADQUARTERS
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
122	$30,276	52	$5,577	55	$6,500	3	$923

This request provides for the salaries and support of executive direction, resources management, and developmental training for the entire OBO staff. Of the request, $5,212,000 or 80.2% is for personnel compensation and benefits, including three positions realigned into the base from the Worldwide Security Upgrades Program.

The FY 2003 request, an increase of $923,000 over the FY 2002 level, provides adequate funding to establish an enhanced internal review/audit function ($350,000), meet planned division training requirements ($372,000), and cover inflationary wage and price increases ($201,000).

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
HEADQUARTERS
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	5,959	500	500
Budget Authority	**20,289**	**5,577**	**6,500**
Recoveries	3,700	0	0
Reimbursements	828	0	0
Reprogramming	0	0	0
Obligations	**-30,276**	**-5,577**	**-6,500**
Unobligated Balance, EOY	500	500	500
Program			
Headquarters	30,276	5,577	6,500
Total Program	**30,276**	**5,577**	**6,500**
Positions	**122**	**52**	**55**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
PENSION/HEALTH BENEFITS FULL COST ADJUSTMENT
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
-	$2,864	-	$2,944	-	$3,011	-	$3,011

Note: Figures for FY 2001 and 2002 are for comparison purposes only.

This request of $3,011,000 is for a *Pension/Health Benefits Adjustment* associated with shifting the costs of accruing pension and health benefits from central Government-wide account to affected program accounts. The amount requested reflects the estimated cost for the Embassy Security Construction and Maintenance account.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
HEADQUARTERS
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	0	0	0
Budget Authority	**0**	**0**	**3,011**
Recoveries	0	0	0
Reimbursements	0	0	0
Reprogramming	0	0	0
Obligations	**0**	**0**	**-3,011**
Unobligated Balance, EOY	0	0	0
Program			
Pension/Health Benefits Adjustment	0	0	3,011
Total Program	**0**	**0**	**3,011**
Positions	**0**	**0**	**0**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
ASSET MANAGEMENT
($ in thousands)

FY 2001 Enacted		FY 2002 Estimate		FY 2003 Request		Inc/Dec	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
-	-	-	-	-	-	-	-

The Department established a separate program activity for real property acquisition to segregate these sales proceeds from direct appropriations and reimbursements to the Embassy Security, Construction, and Maintenance account. These funds will be used exclusively for the purchase or construction of overseas properties.

In FY 2001, the Department collected real property sales of $39.8 million and obligated $68.9 million to acquire real property worldwide. A complete list of sales and acquisitions for FY 2001 is attached.

Over the FY 2002-2003 period, the Department expects to realize more than $95.8 million in proceeds from the sale of real property overseas with which to execute critical capital improvement projects and make cost-effective real property acquisitions.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
ASSET MANAGEMENT
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	156,536	127,901	127,901
Budget Authority	**0**	**0**	**0**
Recoveries	500	0	0
Reimbursements	39,803	67,000	80,000
Reprogramming	0	0	0
Obligations	**-68,938**	**67,000**	**80,000**
Unobligated Balance, EOY	127,901	127,901	127,901
Program			
Asset Management	68,938	67,000	80,000
Total Program	**68,938**	**67,000**	**80,000**
Positions	**0**	**0**	**0**

ASSET MANAGEMENT
OBLIGATIONS
($ in thousands)

Properties	Amount
Capital Projects:	
Abuja NOB	120
Beijing OBC/OBX	297
Berlin SDA	12,840
Luanda NOB	35,807
Seoul NOB	15,899
Other Acquisitions:	
Baku EMR	950
Nairobi Housing	500
Rabat DCR	550
Windhoek Housing	189
Miscellaneous Expenses	1,786
FY 2001 Obligations	**$68,938**

ASSET MANAGEMENT
COLLECTIONS
($ in thousands)

Properties	Amount
Guatemala – Residential Lots	1,265
New Delhi – Staff Housing	368
London – Staff Housing	385
Berlin – Staff Housing	7,785
Seoul – Installment Payment	30,000
FY 2001 Collections	**$39,803**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

PRIORITIES FOR ASSET MANAGEMENT FUNDING
FISCAL YEARS 2002-2003

Abuja, Nigeria [New Office Building]
The Nigerian government's move from Lagos to Abuja has resulted in a need for the construction of a permanent chancery office building in the newly established capital. The Department is constructing a new permanent, secure and functional 7,966 gsm facility on a long-term leased site in the diplomatic enclave. This project will replace the interim office facilities currently occupied by the mission. Design was completed and construction awarded in FY 2001. FY 2002 asset management funds will be used to support construction.

Beijing, China [New Compound Site]
The Embassy in Beijing occupies three separate leased sites in the diplomatic corridor in downtown Beijing. The chancery compound is 2.4 acres. The buildings are old, overcrowded, expensive to lease and maintain, and fail to meet seismic, fire and life safety standards. In addition, the chancery fails to meet minimum setback requirements. Staff requirements, already increased by 15% in the past several years, are expected to increase significantly during the next 10 years.

In FY 2000, the Department signed an MOU with the People's Republic of China to purchase the 10-acre Liang Ma He site in Beijing. Upon negotiation and signing of the Conditions of Construction, payments will be made in seven installments, with occupancy upon final payment in April 2002. Design of the new office building is planned for FY 2002, to be funded from capital appropriations.

Berlin, Germany [GSO Facility Rehab]
The Department intends to renovate and expand the existing GSO facility in Berlin. A construction contract was awarded in FY 2001. FY 2002 funding will be used to support construction contract.

Luanda, Angola [New Office Building]
The compound is comprised of temporary buildings that are structurally deficient and do not meet security and life safety standards. In addition, leased space off compound for consular, administrative, and Public Diplomacy (formerly USIS) is expensive, and does not fully meet security standards. The design was funded from proceeds of sale in FY 1999 and completed in FY 2000. In FY 2001 the Department signed a contract to construct a new chancery on an U.S. Government-owned, 1.6-acre site. FY 2002 funds will be used to continue construction.

New Delhi, India [SDA Rehab]
There are ten one-bedroom residences on the Embassy housing compound that are outdated and in need of modernization. The Department proposes to expand these ten one-bedroom units on the Embassy compound into six four bedroom and four three bedroom units. This will provide larger units for USG families assigned to Embassy New Delhi. Design was awarded in FY 2000 and completed in FY 2001. FY 2002 funds will be used for construction.

Seoul, Korea [Compound]
The Department signed a sales agreement with Samsung Corporation in February 2000 for the 8.6-acre USG-owned housing Compound II site in Seoul for $154.5 million. The Department received a $30 million payment in August 1997, $6 million in March 2000, $30 million in September 2000, and $30 million in September 2001.

An additional payment of $30 million is due on September 2002, with a final payment of $28.5 million due on May 1, 2003.

Compound II was sold to Samsung to generate funds to construct a new chancery complex in Seoul. This construction is planned on a 10.8-acre parcel of U.S. Government-owned land and will include the chancery and Marine Security Guard quarters. The Department also intends to replace the housing units lost in the Compound II sale. In FY 2000, the Department conducted surveys and planning studies. The compound master plan and concept design was funded in FY 2001. In FY 2002 a contract will be awarded for the design and construction of the replacement staff housing, the MSGQ, and the CMR.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

FY 2003
OVERSEAS BUILDINGS OPERATIONS
($ in thousands)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request
Financing			
Unobligated Balance, SOY	614,208	879,801	879,801
Budget Authority	**1,077,600**	**1,273,960**	**1,308,011**
Recoveries	41,600	0	0
Reimbursements	111,610	67,000	80,000
Reprogramming	0	0	0
Obligations	**-965,217**	**-1,340,960**	**-1,388,011**
Unobligated Balance, EOY	879,801	879,801	879,801
Program			
Capital Projects	225,641	665,000	608,550
Compound Security	160,438	136,680	146,450
Other Security Upgrades/Support Costs	5,954	14,280	0
Non-Security Capital	1,329	15,000	50,000
Planning & Development	0	2,814	6,200
Real Estate & Property Management	0	3,772	6,000
Construction Management	14,589	16,854	21,000
Security Management	36,086	28,698	31,000
Design & Engineering	13,283	12,202	14,700
Energy Conservation	5,185	3,800	3,900
Interiors & Furnishings	10,280	10,201	11,700
Program Management	6,933	7,063	7,500
Seismic Program	849	697	1,200
Facility Management	53,455	50,858	58,000
Facility Rehabilitation	24,310	38,564	40,000
Fire Protection	7,532	6,603	8,500
Leaseholds	199,841	140,917	150,000
Maintenance & Repairs of Buildings	72,253	64,862	68,400
Post Communications	8,824	5,925	8,000
Safety, Health & Environmental Mgt	2,758	2,700	3,400
Information Management & Support	0	16,893	31,000
Main State/Domestic Renovations	9,425	24,000	23,000
Headquarters	30,276	5,577	6,500
Pension/Health Benefits Adjustment	0	0	3,011
Asset Management	68,938	67,000	80,000
Kosovo Supplemental	7,038	0	0
Total Program	**965,217**	**1,340,960**	**1,388,011**

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

APPENDIX A
FACILITY REHABILITATION

Post	Project	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Accra	OBC Elec Rehab		82	800
Accra	Master Plan OBC		165	
Addis Ababa	Construct Secure Offices		3,000	
Algiers	Compound Elec Rehab		225	
Ashgabat	Master Plan Housing		165	
Asmara	Construct PCC		2,400	
Bangkok	Replace Whse, GSO, Shops/Offices		800	
Beirut	Consular Expansion	123	1,296	
Beirut	Compound Rehab		500	
Beirut	Master Plan		165	
Bern	Staff Housing Rehab	81	150	
Bishkek	Master Plan Housing		165	
Bissau	Master Plan Addition			165
Brasilia	OBC Rehab		875	
Bratislava	MSG Expansion	202		
Brazzaville	OBC Rehab		300	500
Bridgetown	NAB Fitout	38		
Brussels	OBC Rehab & Phys Sec Upgrade	100	457	
Budapest	OBC Rehab	4,384	500	
Budapest	OBC Structural/Vault Removal		500	
Cairo	OBC Cooling Tower Upgrade	300	250	
Canberra	CMP HVAC		6,740	300
Casablanca	OBC Rehab		350	
Chengdu	Staff Housing Rehab	120	380	5,500
Chennai	COB Rehab/Expansion	1,486	609	
Chisinau	OBC Addition		350	
Colombo	OBC Roof Replacement		1,000	
Copenhagen	OBC Rehab & Phys Sec Upgrade		300	
Dhahran	CMP Infrastructure	208	55	
Frankfurt	Siedlung Staff Housing Rehab	1,779	917	1,474
Freetown	OBC Rehab		350	400
Guatemala	OBC Rehab & Phys Sec Upgrade		300	350
Hanoi	Windows/Façade Repairs		400	4,000
Helsinki	OBC Rehab	157	400	
Hong Kong	Staff Housing Rehab		275	
Islamabad	OBC Upgrade HVAC		350	200
Istanbul	COB Restore Frescoes		500	
Jakarta	OBC/GSO-Phase I	565	50	1,436
Jakarta	OBC Phase II			300
Kabul	OBC/CMP Rehab		3,000	
Kingston	Staff Housing Fitout		3,100	
Kuala Lumpur	OBC Fire Alarm Replacement		121	
Post	Project	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Kuala Lumpur	Implement MP/Cons Rec & Whse		330	
Lagos	OBC Rehab & Phys Sec Upgrade			275

APPENDIX A
FACILITY REHABILITATION

La Paz	OBC HVAC Rehab		800	100
Lilongwe	OBC/CMP Rehab		350	400
London	OBC Rehab	361		
Lusaka	Master Plan New Annex		165	
Madrid	OBC Rehab & Phys Sec Upgrade	300	350	
Manila	COB Rehab	279	771	
Minsk	OBC Rehab		500	
Monrovia	OBC Rehab & Phys Sec Upgrade		350	500
Montevideo	OBC Rehab	262	1,300	
Moscow	CMP Rehab	4,488	3,032	
Moscow	Electrical Power Upgrade	119		
Moscow	CMP Interior Retaining/Planter Walls	1,137	1,383	
Moscow	Electrical Power Stabilization	124	1,476	
Moscow	Spoede Fitout		300	2,000
Mumbai	Annex Chiller Upgrade	1,933	67	
Munich	COB Façade Repair	256	2,644	
New Delhi	OBX West Building Rehab	161	439	
New Delhi	OBC East Building Rehab	345		
New Delhi	Rehab OBX (former USIS building)		350	
Niamey	OBC CMP Rehab & Phys Sec Upgrd	300	500	
Nouakchott	OBC/CMP Rehab			350
Oslo	OBC Rehab & Phys Sec Upgrade	72	300	
Paris	A&B Buildings HVAC Upgrade		300	
Paris	Housing MSGQ Rehab Boulonge	302	2,878	
Paris	Construct Garage		4,000	
Paris	Talleyrand Fitout		1,100	18,500
Port Au Prince	OBC Rehab	1,288	502	
Prague	OBC Roof Repairs	2	1,750	
Rabat	OBC Rehab	19	1,600	
Rangoon	Claim	1,170		
Rome	OBC CMP Electrical/HVAC	2,350	2,050	200
Seoul	Staff Housing Rehab		200	
Shanghai	Consular Fitout		1,700	
Shanghai	EOB Structural Upgrade		100	2,100
Stockholm	OBC Rehab	2	400	
Suva	OBC Rehab	341	84	
Tegucigalpa	OBC Rehab & Phys Sec Upgrade		300	
Tel Aviv	OBC Roof Replacement		1,000	
Tokyo	OBC Roof Replacement	344		
Ulaanbaatar	OBC Rehab			350
Post	Project	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Vienna	UNVIE OBX Acq and Fitout	700	700	
Vienna	Rathaus Apts Façade Rehab		150	350
Vienna	Obersteinergasse Rehab		300	
Vilnius	OBC/CONS Annex Rehab	189	700	
Warsaw	OBC Rehab	541	56	
Total Planned Obligations		26,928	66,819	40,550

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

FUNDS BY OBJECT CLASS
($ in thousands)

	Overseas Building Operations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$74,754	$72,473	$67,112	($5,361)
1200	Personnel Benefits	$29,533	$26,376	$21,144	($5,232)
1300	Benefits Former Personnel	$42	$0	$5	$5
2100	Travel & Trans of Persons	$32,602	$13,340	$12,631	($709)
2200	Transportation of Things	$7,485	$7,170	$3,111	($4,059)
2300	Rents, Comm & Utilities	$393,905	$163,477	$115,621	($47,856)
2400	Printing & Reproduction	$1,082	$664	$1,003	$339
2500	Other Services	$463,168	$533,609	$216,073	($317,536)
2600	Supplies and Materials	$17,210	$23,740	$3,366	($20,374)
3100	Personal Property	$56,145	$35,700	$40,915	$5,215
3200	Real Property	$666	$399,355	$827,030	$427,675
3300	Investments and Loans	$0	$0	$0	$0
4100	Grants, Subsidies & Contrb	$3,872	$1,000	$0	($1,000)
4200	INS Claims & Indemnities	$0	$0	$0	$0
Total		$1,080,464	$1,276,904	$1,308,011	$31,107

Astana, Kazakstan -- New Office Building

Current Situation: Over 200 USG employees are currently housed in the former capital city of Almaty in poorly constructed Soviet-era buildings in a zone of extremely high seismic risk. The buildings are overcrowded and do not meet setback standards. The Government of Kasakstan moved from Almay to Astana in 1998. The Department maintains interim offices in Astana and now plans to construct a new embassy there. Only those functions necessary to support US mission goals in Almaty will remain in that city.

Proposed Project: The Department proposes to acquire property and construct a new chancery, as well as a MSGQ and a GSO warehouse facility. The new compound will meet all Department security and life safety standards. FY 2003 funds will be used to award a design/build contract.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete	Total by Program
Site Acquisition			$3,000			$3,000
Design/Build				$78,400		$78,400
VAT				$11,500		$11,500
					Total	**$92,900**

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

Athens, Greece – New Office Annex Building

Current Situation: The existing chancery in Athens, Greece is not large enough to meet post space requirements nor does it meet current Department security and life-safety standards. The embassy leases the Illisia compound across the street from the chancery for GSO, motorpool, shops and other functions. In addition, some USG employees work in leased facilities in other parts of the city. The Department is finalizing the acquisition of the Illisia compound.

Proposed Project: With the acquisition of the Illisia compound, security at the embassy will be greatly enhanced. In addition, constructing an annex on the compound will allow for total collocation of USG employees. The new annex will meet all Department security and life-safety standards. The FY 2003 funds will be used to award a design/build contract.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete		Total by Program
Site Acquisition		$24,000					$24,000
Design/Build				$37,300			$37,600
VAT				$6,800			$6,800
						Total	**$68,400**

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

Bamako, Mali -- New Office Building

Current Situation: The current three-story Chancery, a former bank building, suffers from a number of security deficiencies. In addition, it is much too small to adequately accommodate staff. Many functions, including USAID, GSO, and Public Diplomacy are located off compound in other parts of the city.

Proposed Project: The Department is finalizing negotiations for a new site upon which it will construct Chancery, GSO and warehouse support facilities, and a MSGQ. The site will also accommodate an unclassified USAID building. The compound will meet all Department security and life-safety standards. FY 2003 funds will be used to award a design/build contract.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete	Total by Program
Site Acquisition			$2,000			$2,000
Design/Build				$69,900		$69,900
VAT						
					Total	**$71,900**

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

Beijing, China -- New Office Building

Current Situation: The Embassy in Beijing occupies three separate leased sites in the diplomatic corridor in downtown Beijing. The chancery compound is 2.4 acres. The buildings are old, overcrowded, expensive to lease and maintain, and fail to meet seismic, fire, and life safety standards. In addition, the chancery fails to meet minimum setback requirements. Current bilateral relations with the Peoples Republic of China are strained, and continue to evolve. Staff requirements, already increased by 15% over the past few years, are expected to increase significantly over the next ten years.

Proposed Project: The Department has acquired the 10-acre Liang Ma He site in Beijing and proposes to construct two new buildings on the site, one classified and one unclassified, along with an MSGQ and support facilities. The buildings will meet all Department security and life safety standards. FY 2003 funds will be used to begin construction.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete	Total by Program
Site Acquisition	$16,000					$16,000
Design			$15,000			$15,000
Construction			$33,700	$50,000	$290,800	$374,500
VAT					$33,000	$33,000
					Total	**$438,500**

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

Bridgetown, Barbados-- Newly Acquired Building

Current Situation: U.S. Embassy operations in Barbados are divided among three buildings in downtown Bridgetown. None can be modified to fully meet security standards. The layout of the chancery building is like a rabbit warren. Entry into and egress from the building is problematic. The same is true for the two annexes.

Proposed Project: The Department has acquired an unfinished building through a lease that will allow all offices to consolidate into a single structure meeting current security standards and collocation requirements. The Department plans to have the landlord fit out most of the building and hire cleared Americans to renovate the classified sections. FY 2003 funds will be used to fitout the building.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete	Total by Program
Fitout				$31,900		$31,900
					Total	**$31,900**

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

Frankfurt, Germany -- Newly Acquired Building

Current Situation: The Consulate in Frankfurt operates from six different locations, none of which meet security requirements. The consulate itself, an historic landmark, requires considerable investment to restore it to an efficient, functional building. Replacing the curtain wall will cost over $6 million and it still would not provide adequate blast protection. In addition, over the years, USG-owned housing units have been converted to office use.

Proposed Project: The Department is in negotiations to acquire the former 469th Contingency Hospital. This site, referred to as Creekbed, and its existing structures has enough room for the development of a new diplomatic compound and will permit the collocation of all USG functions in Frankfurt. Acquiring this property and renovating it will negate the need to construct a new Consulate. FY 2003 funds will be used to renovate and fitout the existing structures.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete		Total by Program
Site Acquisition			$20,000				$20,000
Design/fitout				$42,900			$42,900
VAT				$6,900			$6,900
						Total	**$69,800**

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

Kingston, Jamaica – Newly Acquired Building

Current Situation: Embassy operations are divided among three buildings in Kingston, none of which meet current Department security standards. In addition to security problems, this disjointed arrangement leads to inefficiencies. Given the scattered and non-secure nature of present embassy facilities, relocation is the best solution.

Proposed Project: The Department recently purchased the 10-story Crown Plaza Hotel. The upper floors are being converted into apartments. The lower floors will renovated to accommodate all other USG personnel. The completed project will meet all Department security and life-safety standards. FY 2003 funds will be used to award a contract to fitout the lower floors.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete	Total by Program
Site Acquisition	$8,000					$8,000
Design/fitout				$39,300		$39,300
VAT				$4,500		$4,500
					Total	$51,800

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE
Appendix B

Moscow, Russia -- New Office Annex

Current Situation: The recently completed chancery in Moscow houses the classified functions. Many of the unclassified functions remain in the Old Embassy Building (OEB) and a temporary building on the compound. The OEB does not meet setback requirements and in the recent past has been frequently and violently attacked. In addition, some USG functions are located off-site.

Proposed Project: To meet the current and growing need for office space, the Department proposes to construct an unclassified annex on the embassy compound. The annex will house, among others, Consular, NIS, and Public Diplomacy. FY 2003 funds will be used to design the new annex.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete	Total by Program
Design				$4,300		$4,300
Construct					$64,700	$64,700
VAT					$12,900	$12,900
					Total	**$81,900**

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE
Appendix B

Panama City, Panama – New Office Building

Current Situation: The Embassy office buildings are scattered around Panama City and do not meet the current Department security standards. The overcrowded and dysfunctional facilities result in inefficient utilization of fiscal and human resources. The current chancery is over 60 years old and requires continuos investment to maintain its functionality. The administrative annex is a leased facility that no longer meets embassy needs.

Proposed Project: The Department is in the process of acquiring a new site upon which it will build a embassy compound to house USG functions. The compound will include a Chancery, GSO and warehouse support facilities, and a Marine Security Guard Quarters. The compound will meet all Department security and life-safety standards. The FY 2003 funds will be used to award a contract to design/build the facility.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete	Total by Program
Site Acquisition			$10,000			$10,000
Design/Build				$128,700		$128,700
VAT				$6,300		$6,300
					Total	$145,000

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE
Appendix B

Tirana, Albania – New Office Annex

Current Situation: The present chancery was constructed for the Department's use in 1927. It is totally inadequately for current and future needs. Offices are cramped with various functions carried out in trailers and shipping containers on the compound. These insecure arrangements require correction, especially in light of the fact that the compound has been evacuated twice in the last two years.

Proposed Project: There is sufficient land on the compound to construct an annex to house unclassified functions. The annex will be designed to incorporate the existing historical character of the chancery. It will also meet all Department security and life-safety standards. FY 2003 funds will be used to award a design/build contract.

Funding ($000)

Program	Prior Years	FY 2001	FY 2002	FY 2003	To Complete	Total by Program
Design/Build				$21,700		$21,700
VAT				$2,700		$2,700
					Total	$24,400

Notes: The estimated cost may be revised based on the Space Requirements Program, the project's implementation schedule, and other project specific factors such as local materials and labor, and taxes.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Proposed Appropriation Language

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, [~~$6,500,000~~]$15,000,000, to remain available until expended as authorized, of which not to exceed $1,000,000 may be transferred to and merged with the Repatriation Loans Program Account, subject to the same terms and conditions. *(Department of State and Related Agency Appropriations Act, 2002.)*

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$5,465	0	$6,500	0	$15,000	0	$8,500

OVERVIEW

As authorized by Section 4 of the State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2671), the Emergencies in the Diplomatic and Consular Service (EDCS) account is used to meet unforeseen emergency requirements in the conduct of foreign affairs, including evacuations of personnel and their families; to assist private U.S. citizens overseas; to fund travel and representational expenses; and to meet other authorized activities that further the realization of foreign policy objectives. The EDCS account also is used for the payment of rewards related to international terrorism, narcotics related activities, and war crimes in the former Yugoslavia and Rwanda, as authorized by Section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C 2708) as amended, and by Section 102 of Public Law 105-323, as amended by Public Law 106-277. Funds appropriated for these purposes are authorized to remain available until expended.

CURRENT PROGRAMS

The September 11, 2001, World Trade Center/Pentagon terrorist attacks, and the bombings of the USS Cole and of the U.S. embassies in Nairobi and Dar Es Salaam underscore the continuing need for a funding source from which extraordinary expenditures can be made on a timely basis to further and protect United States interests abroad. Funds are available under the EDCS appropriation for evacuations and other activities, and for rewards related to international terrorism, narcotics related activities, and war crimes.

In FY 2001, obligations totaled approximately $9.3 million, including $3,150,000 provided through the Emergency Response Fund (P.L. 107-38) in the immediate aftermath of the September 11, 2001 terrorist attacks.

Balances from supplemental funding provided in FY 1999 are committed to the continued medical rehabilitation of our injured Foreign Service National employees, reward payments, and other high priority activities of the account.

The Department has implemented several recommendations included in the 1998 Report of the President's Commission on Aviation Security and Terrorism, and other security oversight panel reports such as the January 1999 Accountability Review Board's Report on Nairobi and Dar es Salaam, which have increased the resource requirements for this account. The Department funds a toll-free telephone line for use by families of victims of emergency disaster incidents.

The Department established crisis response teams that are familiar with local language, laws, customs, and personalities, to work with embassy staff in handling all aspects of a major terrorist-related disaster. The teams are trained in crisis management and bereavement techniques, and include personnel well versed in all aspects of Department of State operations (e.g., the Citizens Emergency Center in the Bureau of Consular Affairs). The cost to dispatch these emergency "fly-away" teams and personnel equipped with satellite phones, laptop computers, facsimiles, and portable two-way radios is borne by the EDCS appropriation.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Evacuations and Other Activities

In FY 2001, the Department obligated approximately $7 million from the evacuations and other activities component of the EDCS appropriation, including $3,150,000 from the Emergency Response Fund. Evacuations occurred in Abidjan, Cote d'Ivoire; Monrovia, Liberia; Port-au-Prince, Haiti; San Salvador, El Salvador; Kinshasa, Congo; Baku, Azerbaijan; Sanaa, Yemen, and Skopje, Macedonia. Also funds provided from the Emergency Response Fund supported evacuations from Islamabad, Peshawar, Lahore, and Karachi, Pakistan; Jakarta and Surabaya, Indonesia; Ashgabat, Turkmenistan; and Bishkek, Kyrgyzstan.

After the entire EDCS account was exhausted in FY 1990 (due in part to evacuations related to the Monrovian civil war and the Persian Gulf crisis), FY 1991 saw an unprecedented increase in the level of evacuation activity worldwide. The high level of evacuations persisted between FY1991 and FY 1999, and continued through FY 2000, as evidenced by the obligation of approximately $1.2 million in FY 2000 for evacuations at the following posts: Chisinau, Moldova; Kiev, Ukraine; Minsk, Belarus; 4 posts in Russia (Moscow, St. Petersburg, Vladivostok, and Yekaterinburg); Freetown, Sierra Leone; Asmara, Eritrea; Suva, Fiji; and Monrovia, Liberia. Evacuation-related demands faced by the State Department have dramatically emphasized the unpredictability and the potential scope of this component of the EDCS appropriation. The bombings in East Africa, the NATO action in Kosovo, and the subsequent evacuations illustrate the importance of this account and the need for adequate funding.

In addition, the EDCS appropriation funds representation activities relating to the conduct of foreign affairs by senior Administration officials as well as activities formerly funded by the International Conferences and Contingencies appropriation. These activities generally take place in connection with visits by foreign dignitaries or official overseas travel by high-level members of the U.S. Government, including Members of Congress and by prominent public sector delegates. In FY 2001, the Department's representation activities included unanticipated expenses associated with the Afghan War and impromptu overseas summits.

Terrorism, Narcotics, and War Crimes Rewards Program

Between FY 1989 and FY 2000, the Department expended $13,538,000 in the rewards program. In FY 2001, the Department expended $1,827,000 in the rewards program as follows:

- $113,000 for cases concerning terrorist acts;
- $1,700,000 for cases concerning narcotics traffickers; and
- $14,000 for cases concerning war crimes.

A massive publicity campaign has been launched targeting Osama Bin Laden and other Al Qaeda terrorists. There is a general standing reward offer that covers numerous terrorist incidents, such as the Bwindi murder in Uganda; the UTP murders in Karachi and U.S. Consulate murders in Karachi; the Islamabad rocket attack; the bombings of the USS Cole, Pan Am Flight 103, the World Trade Center (1993), and the embassies in Nairobi and Dar Es Salaam; the truck bombing of the U.S. Marine Barracks in Beirut; the targeting of major international drug lords operating internationally; and the arrest of war criminals in the FRY and Rwanda. The Department's aggressive publicity campaign for information on acts of terrorism includes public service announcements in print, telecommunications and on the Internet. The success of this terrorism media campaign has led to a similar effort for informationon narcotics-related matters and war criminals in the Former Yugoslavia and Rwanda.

FY 2002 Plans

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

The FY 2001 carryover balance into FY 2002 is approximately $44.1 million (includes $37.8 million from the Emergency Response Fund). The estimated unobligated balances are $20.4 million for evacuations and other activities (includes 17.1 million provided immediately after the September 11 attacks through the Emergency Response Fund (P.L. 107-38) and $3.3 million from the 1999 security supplemental); and $23.7 million for rewards (includes $20.7 million from the Emergency Response Fund and $3 million from the 1999 security supplemental). In addition another 10 million was provided through the Emergency Response Fund for reimbursements to DoD for airlift support during hostage rescue operations.

For FY 2002, $3.5 million is available in new budget authority for expenses such as a higher level of State visits associated with the conclusion of an outgoing Administration and the first year of the next Administration.

For FY 2002, $3 million is available in new budget authority for rewards activities. The Department's aggressive publicity campaign has produced substantial information for U.S. authorities concerning acts of terrorism and narcotics related activities. With the enactment of legislation increasing the ceiling on individual rewards to $5 million, and in significant cases up to $25 million, these funds could be significantly depleted upon payment of one major reward, such as those for the bombings of Pan Am 103 or the U.S. embassies in Nairobi and Dar Es Salaam.

FY 2003 Plans

The FY 2003 request of $15 million will allow for reimbursements for hostage rescue contingencies. This activity includes funding the transportation of special equipment, personnel and other material to assist in the location of abducted American citizens.

JUSTIFICATION OF PROGRAM ACTIVITIES

The principal purposes of this appropriation are to provide the Department with the means to respond immediately to emergencies that arise in the conduct of foreign relations and to fund a rewards program to combat terrorism, narcotics and war crimes. Worldwide events have demonstrated the importance of having an emergency reserve upon which to draw to protect American lives overseas in times of strife, terrorism, and natural disaster.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Emergency Evacuations & Other Activities	**$2,465**	**$3,500**	**$15,000**	**$11,500**
International Terrorism, Narcotics & War Crimes Rewards	**$3,000**	**$3,000**	**$0**	**($3,000)**
Total	$5,465	$6,500	$15,000	$8,500

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Emergency Evacuations & Other Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$15,000	$11,500

The FY 2003 budget request for evacuations and other activities of $15 million provides a $11.5 million increase above the FY 2002 level.

One of the primary responsibilities of the EDCS account is to meet expenses relating to the evacuation of U.S. Government employees, their dependents, and non-Government American civilians from Department of State posts abroad because of terrorism, civil strife, natural disasters (earthquakes, hurricanes, etc.), and individual threats. Because this account is designed to meet expenses arising from emerging crises, even in "more routine" years, it is difficult to predict precisely how funds will be allocated. The EDCS appropriation must be prepared to bear the costs associated with evacuations in order to ensure the security of all Americans overseas.

Expenses for evacuations and related emergency situations include:

- transportation and transit costs for U.S. Government employees and their dependents from their countries of assignment to a safehaven post overseas or the United States;
- subsistence expense allowance (SEA) payments for evacuated employees and their dependents to defray the cost of maintaining temporary residence at the safehaven location and other daily living expenses until such time as they are authorized to return to their regular post of assignment or are transferred to the United States or a new post for permanent assignment;
- travel and transit costs of American non-Government civilians from the countries in which they are residing to a safehaven location (for which the Department seeks reimbursement);
- administrative costs at the evacuated or interim stopover posts arising from processing, care, and support of the evacuees, including food and lodging;
- operation of a toll-free line which provides information concerning the welfare and whereabouts of American citizens abroad during times of crisis; and
- emergency "fly-away" crisis teams that respond immediately to disasters involving American citizens abroad.

Evacuation costs are difficult to project due to their uncontrollable and urgent nature. The expenses incurred by the appropriation for each evacuation vary depending upon the number of evacuees, type of air travel required (commercial, charter, or military flight), air freight allowed, type of accommodations, and the duration of subsistence expense allowance (SEA) payments.

As listed above, several other activities are authorized in Section 4 of the State Department Basic Authorities Act and funded by this appropriation. These include the conduct of confidential investigations to counteract passport and visa fraud, as well as representation functions conducted by senior administration officials for events such as visits by foreign dignitaries or official overseas travel. The levels of these disparate activities vary from year-to-year, but are vital to the successful execution of U.S. foreign policy goals.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

International Terrorism, Narcotics & War Crimes Rewards

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$0	($3,000)

The projected FY 2002 carryover of reward funds will be used to meet the Department's responsibilities for the payment of rewards in relation to international terrorism, narcotics trafficking and war criminals. The amounts of reward payouts are difficult to predict as payments are based on several factors, such as the importance of the information provided, and the risk to the individual providing it.

A series of amendments to section 36 of the State Department Basic Authorities Act, as amended (22 U.S.C 2708) have been enacted in recent years. Certain amendments permitted rewards for information leading to the arrest or conviction of persons inducted by the International Criminal Tribunals for the former Yugoslavia and Rwanda. Another amendment increased the ceiling on individual rewards from $2 million to $5 million . Most recently, the USA Patriot Act of 2001(Public Law 107-56) authorized rewards greater than 5 million if the Secretary of State determines that offer or payment of a larger amount is necessary to to combat terrorism or defend the nation against terrorist attacks. The Secretary has authorized a reward offer of up to $25 million for information leading to the capture of Osama Bin Laden and other key Al Qaeda leaders.

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
9100 Unvouchered	$5,465	$6,500	$15,000	$8,500
Total	$5,465	$6,500	$15,000	$8,500

REPATRIATION LOANS PROGRAM ACCOUNT

Proposed Appropriation Language

REPATRIATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, $612,000, as authorized: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses necessary to carry out the direct loan program, $607,000, which may be transferred to and merged with the Diplomatic and Consular Programs account under Administration of Foreign Affairs. *(Department of State and Related Agency Appropriations Act, 2002.)*

REPATRIATION LOANS PROGRAM ACCOUNT

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$1,192	0	$1,219	0	$1,219	0	$0

OVERVIEW

The FY 2003 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.

CURRENT PROGRAMS

As authorized by section 4 of the State Department Basic Authorities Act, the Department of State's Repatriation Loans program provides emergency loans to assist destitute Americans abroad who have no other source of funds to return to the United States. 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 destitution. Repatriation loans are provided for temporary subsistence and transportation to the nearest U.S. port of entry.

JUSTIFICATION OF PROGRAM ACTIVITIES

When U.S. citizens abroad become destitute and are unable to fund their return home, they may enlist the assistance of the U.S. Embassy or Consulate in the country in which they are stranded. Consular officers first attempt to obtain funds for the person in need from family members 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. 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.

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. During FY 2001 737 repatriation loan cases were processed abroad in the following regions: Africa, 86 cases; the Americas 269 cases; Asia (including Near East, South Asia and Pacific), 206 cases; and Europe 176 cases.

REPATRIATION LOANS PROGRAM ACCOUNT

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Consular Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase (Decreas
Administration	**$603**	**$607**	**$607**	**$0**
Subsidy	**$589**	**$612**	**$612**	**$0**
Total	$1,192	$1,219	$1,219	$0

Subsidy
($ in thousands)

	Positions American	FSN	Total Funds	Increase/(Decrease)
FY 2003 Request	0	0	$612	$0

FY 2003 subsidy request of $612,000 will provide a loan level of $765,000. The subsidy appropriation represents the estimated costs to the U.S. Government of loans that are unlikely to be repaid. For FY 2002, the Department is requesting continuation of authority within the Emergencies in the Diplomatic and Consular Programs account to allow the transfer of up to $1 million into this account if loan requirements exceed the requested level..

Administration
($ in thousands)

	Positions American	FSN	Total Funds	Increase/(Decrease
FY 2003 Request	0	0	$607	$0

The FY 2003 administration request of $607,000 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.

REPATRIATION LOANS PROGRAM ACCOUNT

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Consular Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2500 Other Services	$589	$607	$607	$0
3300 Investments and Loans	$603	$612	$612	$0
Total	$1,192	$1,219	$1,219	$0

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Proposed Appropriation Language

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96–8, [~~$17,044,000~~]$18,817,000. *(Department of State and Related Agency Appropriations Act, 2002.)*

AMERICAN INSTITUTE IN TAIWAN

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$16,309	0	$17,044	0	$18,817	0	$1,773

Note: AIT has 73 permanent positions for both 2001 and 2002. AIT is requesting one additional position for 2003 for a total of 74 positions. These positions are not listed above because they are not considered direct hires for the Department of State.

OVERVIEW

The American Institute in Taiwan (AIT), a non-profit corporation incorporated in the District of Columbia, was established by Congress in 1979 under the Taiwan Relations Act (Public Law 96-8). The Act authorized the "...continuation of commercial, cultural and other relations between the people of the United States and the people of Taiwan." It also provides that "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 extent directed by the President, be conducted and carried out by or through the American Institute in Taiwan..." AIT performs these functions under a contract with the Department of State which is funded by this appropriation. This contract provides partial funding for salaries, benefits, rents, representation, and other expenses associated with operations in Taiwan and in the United States. Other funding is derived from visa processing fees and payments by other agencies (see below). Through contracts with other U.S. Government agencies, AIT carries out a variety of programs. Under the Act, Congress exercises an oversight role over AIT operations and procedures.

CURRENT PROGRAMS

To support U.S. interests in Taiwan, AIT promotes U.S. exports to Taiwan, serves as the advocate with the Taiwan authorities of U.S. political and security interests, provides consular and travel-related services, participates in cultural, scientific, and information exchange programs, analyzes and reports on political and economic events critical to U.S. interests and facilitates U.S. arms sales to Taiwan. In addition, AIT negotiates agreements on behalf of the United States with the Taipei Economic and Cultural Representative Office in the United States (TECRO).

AIT's Washington headquarters carries out the executive function and negotiations and liaison between various U.S. Government agencies and TECRO. The Washington office provides executive and administrative direction for AIT, financial oversight and contract administration of all agency agreements, 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 Washington office also issues identity cards and tax exemption cards to TECRO employees and their dependents, and serves as the liaison between TECRO and the Department of State and the Immigration and Naturalization Service regarding visas and adjustments of status.

The American Institute in Taiwan receives funds from a variety of U.S. Government agencies to carry out specific programs. This funding is received on an actual cost reimbursable basis and is in addition to the activities funded by the State appropriation and visa processing fees (charged by AIT under DOS authority). Department of Defense organizations represented in Taipei reimburse for full direct and indirect operational costs. Support for Departments of Agriculture and Commerce operations come from three funding sources:

AMERICAN INSTITUTE IN TAIWAN

this Department of State appropriation request, reimbursement by each agency for specific staff positions, and a portion of visa processing fees.

In addition to ongoing efforts with a full cost reimbursement program (OMB A-122), AIT continues to work toward a resolution of property issues. A property survey was performed by State's Office of Building Operations (OBO) in FY 2001 and an offer has been made to the National Property Bureau - Taiwan Authorities for the new office building site. In anticipation of a long term lease agreement (99+ years), AIT continues to work closely with OBO on planning and design of a new office building complex.

JUSTIFICATION OF PROGRAM ACTIVITIES

The additional $1,773,000 requested in FY 2003 includes $988,000 to fund American and Foreign National cost of living adjustments and pay raises, domestic and overseas inflation, and other mandatory cost increases. In addition, the request includes $225,000 to fund an assistant regional security officer, $470,000 for the increased rent and relocation costs of the Public Diplomacy staff (CIS) from an unsafe building, and $90,000 to replace headquarter office furniture.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Program Expenses	**$16,309**	**$17,044**	**$18,817**	**$1,773**
Economic Services	$933	$975	$1,024	$49
Commercial Services	$1,556	$1,627	$1,708	$81
Travel Services	$2,334	$2,442	$2,564	$122
Cultural and Information Services	$2,023	$2,117	$2,693	$576
Other Services	$7,575	$7,925	$8,682	$757
Agriculture Services	$438	$459	$482	$23
Washington Headquarters	$1,450	$1,499	$1,664	$165
Total	$16,309	$17,044	$18,817	$1,773

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Economic Services

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$1,024	$49

Note: AIT has nine permanent American positions assigned to Economic Services in FY 2003. These positions are not listed above because they are not considered direct hires for the Department of State.

Taiwan is the seventh largest trading partner of the United States. The Economic Section reports on economic developments in Taiwan and on Taiwan's economic links with the Peoples Republic of China and other Asian economies. Specific focus issues include efforts to remove trade barriers against U.S. products and services, resolve specific trade disputes, and conduct negotiations on trade and investment policy matters. A growing focus is support for the implementation of science and technology agreements, particularly in the environmental fields, and staff members have active exchanges with the large resident U.S. business community.

This section's projected FY 2003 program includes traditional activities, including facilitating trade negotiations related to Taiwan's accession to the World Trade Organization, intellectual property rights, financial services, textiles, and support of annual bilateral meetings on various economic and science and technology issues - including the annual meeting of the Joint Standing Committee on Nuclear Cooperation.

Justification of FY 2003 Economic Services Increase

The increase represents American Salary adjustments of $16,000, Foreign National Salary adjustments of $14,000 and $19,000 for inflation of support costs, including housing and utilities.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Commercial Services

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$1,708	$81

Note: AIT has five permanent American positions assigned to Commercial Services in FY 2003. These positions are not listed above because they are not considered direct hires for the Department of State.

The Trade Promotion Coordination Committee has designated Taiwan as one of the top ten target markets for US exports worldwide and the Department of Commerce has ranked the AIT Commercial Section as a Class 1 post to receive resources on a priority basis. Over the past several years, the Department of Commerce (DOC) has provided limited financial support for this operation - with the majority of funding for this section coming from State's appropriation.

Taiwan's economic reform program has opened to foreign participation Taiwan's previously closed retail sector and Taiwan authorities have accelerated the privatization of state enterprises and development of large scale infrastructure projects, providing tens of billions of dollars of additional export opportunities for U.S. firms in the coming years. Helped by Taiwan's pro-American policy, resources devoted to U.S. export promotion in Taiwan generate high returns.

The Commercial Section promotes the export of U.S. goods and services through: 1) reports to U.S. business and trade policy makers on business trends, export opportunities, and trade barriers, 2) counseling to U.S. firms with ongoing business in Taiwan, 3) assistance to U.S. companies seeking local agents or distributors, 4) information and advocacy to U.S. firms bidding on major projects, 5) leading Taiwan business persons to U.S. products exhibitions and trade shows, and 6) organizing trade missions for U.S. firms.

Justification of FY 2003 Commercial Services Increase

The increase represents American Salary adjustments of $26,000, Foreign National Salary adjustments of $23,000 and $32,000 for inflation of support costs, including housing and utilities.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Travel Services

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$2,564	$122

Note: AIT has 10 permanent American positions assigned to Travel Services in FY 2003. These positions are not listed above because they are not considered direct hires for the Department of State.

The Travel Services Section provides visa and other consular related services. In FY 2002 this section expects to process approximately 125,000 non-immigrant visa applications (down from 284,000 in FY 2000 and 249,000 in FY 2001) and 6,300 immigrant visa applications. The growing permanent American community is estimated at more than 35,000 and there is also a large transient group of Americans. Services include the issuing of US passports, recording and reporting of American citizen births, assisting American citizens affected by natural and man-made disasters, and performing thousands of notarials each year. In addition, this section has the lead in significantly increased anti-terrorism efforts, as well as carrying out the President's May 1996 directive to fight international organized crime, working with local and host country law enforcement to bar Taiwan members of criminal organizations from traveling to the U.S.

Justification of FY 2003 Travel Services Increase

The increase represents American Salary adjustments of $39,000, Foreign National Salary adjustments of $34,000 and $49,000 for inflation of support costs, including housing and utilities.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Cultural and Information Services

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$2,693	$576

Note: AIT has two permanent American positions assigned to the Cultural and Information Services Section in FY 2003. These positions are not listed above because they are not considered direct hires for the Department of State.

This section provides unique services to promote knowledge and appreciation of U.S. policies and culture. The section supplies information to Taiwan leaders and opinion shapers, handles relations with the Taiwan media, and advises Washington of local media attitudes. It also publishes Chinese language background material on U.S. Government policy issues, conducts personal contact work among media organizations, and recruits and sponsors visits by USG officials, academics, and private sector figures to engage key contacts on issues of bilateral interest. The CIS section represents AIT in cooperation with the bilateral Foundation for Scholarly Exchange under the Fulbright program and coordinates the International Visitors program, which has numerous alumni now occupying influential positions in Taiwan, and facilitates U.S. cultural events.

Justification of FY 2003 Cultural and Information Services Increase

The increase represents American Salary adjustments of $34,000, Foreign National Salary adjustments of $30,000 and $42,000 for inflation of support costs, including housing and utilities. In addition, $270,000 has been identified to cover increased rent costs as a result of moving from a structurally unsound building, as well as $200,000 for staff/office move and facility make-ready.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Other Services
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$8,682	$757

Note: AIT has 37 permanent American positions assigned to Other Services in FY 2003. These positions are not listed above because they are not considered direct hires for the Department of State.

Other Services covers a diverse and vital range of functions performed at AIT, for example, international law enforcement cooperation activities relating to drug trafficking and international crime, and political reporting. The March 1996 missile crisis in the Taiwan Strait underlined the challenges of preserving U.S. interests in peace and stability in the region and carrying out the mandate of the Taiwan Relations Act. AIT has enhanced its ability to analyze Taiwan's evolving democratic system and to promote American interests accordingly.

The AIT office in Kaohsiung, Taiwan's second largest city and the world's third largest container port, is also included in Other Services. Functioning similar to a consulate, the Kaohsiung office offers a full range of commercial, economic, travel, consular, cultural and information activities to southern Taiwan. A major political and commercial center, Kaohsiung is also an important venue for reporting.

Justification of FY 2003 Other Services Increase
The increase represents American Salary adjustments of $127,000, Foreign National Salary adjustments of $147,000 and $258,000 for inflation of support costs, including housing and utilities. In addition, $225,000 is requested for salary and support costs of an Assistant Regional Security Officer. This position was filled in FY 2001 through the Department of State Security Supplemental budget, but for the long term should be included as an AIT core staff position.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Agriculture Services

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$482	$23

Note: AIT has one permanent American position assigned to Agricultural Affairs in FY 2003. These positions are not listed above because they are not considered direct hires for the Department of State.

Taiwan remains the fifth largest overseas market for U.S. agricultural products. The Agricultural Affairs section identifies new trade opportunities, analyzes agriculture trade issues, and assists U.S. agriculture exporters. Similar to the Commercial section, Department of Agriculture (DOA) has provided limited financial support for this operation with the majority of funding for this section coming from State's appropriation.

Justification of FY 2003 Agricultural Affairs Increase

The increase represents American Salary adjustments of $8,000, Foreign National Salary adjustments of $6,000 and $9,000 for inflation of support costs, including housing and utilities.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Washington Headquarters

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$1,664	$165

Note: AIT has 10 permanent American positions assigned to the Washington Headquarters in FY 2003. These positions are not listed above because they are not considered direct hires for the Department of State.

AIT's Washington headquarters carries out the executive, negotiation, and liaison functions on behalf of the Department of State, the Office of the U.S. Trade Representative, and many U.S. government agencies with the Taiwan counterpart organization, the Taipei Economic and Cultural Representative Office in the United States (TECRO).

Agreements between AIT and TECRO represents a variety of U.S. government agencies including, but not limited to, the Departments of Defense, Commerce, Transportation, Agriculture, and Energy as well as the Nuclear Regulatory Commission, the U.S. Trade Representative, and the Environmental Protection Agency.

The Washington office provides executive and administrative direction for AIT, including financial oversight and contract administration of all agreements, 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 Washington office also issues identity cards and tax exemption cards to TECRO employees and their dependents, and serves as liaison between TECRO and the Department of State and the Immigration and Naturalization Service regarding visas and adjustments of status.

Justification of FY 2003 Washington Headquarters Increase

The increase represents American Salary adjustments of $45,000, with the remainder of $30,000 applied to inflation of support costs, including rent, travel, telecommunications and information technology. An additional $90,000 has been requested to replace office furniture with ergonomic workspace and fixtures.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$8,290	$8,606	$9,261	$655
1200	Personnel Benefits	$2,173	$2,256	$2,405	$149
2300	Rents, Comm & Utilities	$2,594	$2,864	$3,277	$413
2500	Other Services	$2,173	$2,217	$2,628	$411
3100	Personal Property	$1,079	$1,101	$1,246	$145
Total		$16,309	$17,044	$18,817	$1,773

FOREIGN SERVICE RETIREMENT & DISABILITY FUND

Proposed Appropriation Language

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, [~~$135,629,000~~]$138,200,000. *(Department of State and Related Agency Appropriations Act, 2002.)*

FOREIGN SERVICE RETIREMENT & DISABILITY FUND

Summary Statement
($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$131,224	0	$135,629	0	$138,200	0	$2,571

OVERVIEW

The purpose of this appropriation is to maintain the Foreign Service Retirement and Disability Fund (FSRDF). This appropriation funds the retirement cost for Foreign Service employees as well as the cost of amortizing previously unfunded liabilities that will continue to be funded by this separate appropriation. The request includes the State Department's portion of these Foreign Service costs. This 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. The U.S. Agency for International Development (USAID) is responsible for requesting it's share of the cost in a separate appropriation.

This separate payment by the State Department into the FSRDF is authorized by Section 805 of the Foreign Service Act of 1980, as amended, which provides for an appropriation to be established to the Fund, to be paid in thirty equal annual installments, of the amount required for the unfunded liability created by new or liberalized benefits, new groups of beneficiaries, or increased salaries on which benefits are computed. In addition, Section 821 of the Act authorizes financing of the balance of the normal cost for each fiscal year, an amount equal to the balance of annual costs to the Fund in excess of current employee and employer contributions.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2003 request funds continuing installments of unfunded liabilities created by federal salary increases, the extension of benefits to new groups of employees, by new or liberalized benefits paid from the Fund, and for normal costs not met by employee and employer contributions. The $2,571,000 increase over the FY 2002 estimate is for the pay raise and the normal cost, i.e., the portion of needed funding not met by employee and employer contributions. The FSRDF funding levels and net requirement result from the annual evaluation of the Fund balance performed by the Government Actuary at the Department of Treasury.

FOREIGN SERVICE RETIREMENT & DISABILITY FUND

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Resource Management	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
9100 Unvouchered	$131,224	$135,629	$138,200	$2,571
Total	$131,224	$135,629	$138,200	$2,571

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Contributions to International Organizations
Contributions for International Peacekeeping Activities

679 - 680

Summary Statement

($ in thousands)

Appropriations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Contributions to International Organizations	$868,917	$850,000	$891,378	$41,378
Contributions for Int'l. Peacekeeping Activities	$844,139	$844,139	$725,981	($118,158)
TOTAL APPROPRIATIONS	$1,713,056	$1,694,139	$1,617,359	($76,780)

FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

Assessments for periods up to December 31, 2000, are calculated at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter.

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CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Proposed Appropriation Language

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, ~~[$850,000,000]~~ $891,378,000, ***of which up to $1,000,000 may be available for a United States government interagency task force to examine, coordinate and oversee U.S. participation in the United Nations headquarters renovation project*** *Provided*, That any payment of 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: ~~[*Provided further*, That, of the funds appropriated in this paragraph, $100,000,000 may be made available only pursuant to a certification by the Secretary of State that the United Nations has taken no action in calendar year 2001 prior to the date of enactment of this Act to increase funding for any United Nations program without identifying an offsetting decrease elsewhere in the United Nations budget and cause the United Nations to exceed the budget for the biennium 2000–2001 of $2,535,700,000: *Provided further*, That if the Secretary of State is unable to make the aforementioned certification, the $100,000,000 is to be applied to paying the current year assessment for other international organizations for which the assessment has not been paid in full or to paying the assessment due in the next fiscal year for such organizations, subject to the reprogramming procedures contained in section 605 of this Act:~~] *Provided further*, That funds appropriated under this paragraph may be obligated and expended to pay the full United States assessment to the civil budget of the North Atlantic Treaty Organization.

1. The first insertion is requested to permit up to $1 million to be made available for a U.S. interagency task force to examine, coordinate, and oversee U.S. participation in the UN headquarters renovation project.

2. The deletion is requested because the Secretary has already made such budget certifications in prior fiscal years and they are no longer necessary.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Summary Statement

($ in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Annual Requirements	$886,365	$865,166	$891,378	$26,212
FY 2001 UN Buydown	($32,614)	$0	$0	$0
FY 2002 UN Buydown	$15,166	($15,166)	$0	$15,166
Appropriation Total	$868,917	$850,000	$891,378	$41,378

Note: September 28, 2001 exchange rates were used for FY 2003 U.S. dollar estimates of foreign currency payments.

OVERVIEW

This appropriation provides U.S. assessed contributions to international organizations in which the United States is a member pursuant to treaties, conventions or specific Acts of Congress and which include the UN and Affiliated Agencies, Inter-American Organizations, Regional Organizations, and Other International Organizations.

International organizations provide venues for:

- international action (e.g., peace and security),
- international coordination (e.g., standards-setting activities),
- international projects (e.g., humanitarian assistance, efforts regarding HIV/AIDS, sustainable development), and
- promotion of values (e.g., human rights and democracy).

This appropriation is critical for U.S. foreign policy initiatives. Our mission and primary goal is to advance U.S. foreign policy interests through multilateral diplomacy, while ensuring that the international organizations through which we work become and remain efficient and effective.

U.S. participation in these organizations allows the U.S. opportunities to:

- shape the priorities and direction of multilateral activities;
- resist initiatives not in the interest of the United States;
- strive to make organizations more effective and efficient through financial discipline and reform (e.g., support reform in the UN system and other international organizations to focus activities on priorities, cut costs, harmonize activities and programs, eliminate outdated mandates, and ensure effective auditing and oversight); and
- pursue many U.S. goals at a lower cost and with greater international cooperation and engagement.

The FY 2003 budget request reflects continuation of the more restrictive budget policy towards international organizations developed in June 1995, which generally calls for no increases in budget levels.

The request is expressed in terms of Total Annual Requirements, and Funds Available:

CURRENT PROGRAMS

The FY 2002 estimate totals $850,000,000 which represents full funding of annual requirements for 43 international organizations and reflects a UN buy-down from FY 2001 of $15,166,000. The request recognizes the United States' international obligations to the UN and other international organizations. The

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

FY 2003 request also includes increases for the U.S. share of estimated costs for the detailed design phase of the UN Capital Master Plan ($8,140,000), for a task force to monitor the UN renovation project (up to $1,000,000) and for the OECD headquarters building renovation ($7,706,000), as part of a multi-year phased funding plan in conjunction with establishing an overall cap on the cost of the project.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2003 request recognizes our international obligations and the President's commitment to maintaining the financial stability of the UN and other international organizations. The FY 2003 request of $891,378,000 represents full funding of annual requirements, consistent with statutory restrictions, of U.S. assessed contributions to 43 international organizations and war crimes activities funded through this appropriation.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

($ in thousands)

Organization	FY 2001 FY-01 Request	FY 2001 Appro-priation Adjustment	FY 2001 Actual Appro-priation	FY 2002 FY-02 Column of FY-02 Bud.	FY 2002 Exch. Rate/ Estimate Adjustment	FY 2002 Revised FY 2002 Estimate	FY 2003 e/ Annual Require-ments	FY 2003 e/ Appro-priation Adjustment	FY 2003 e/ Total FY 2003 Request	Total Increase/Decrease Annual Require-ments	Total Increase/Decrease Appro-priation Adjustment	Total Increase/Decrease Total Inc./ Dec.
UN and AFFILIATED AGENCIES												
FAO	82,388	0	82,388	72,741	0	72,741	72,457	0	72,457	-284	0	-284
IAEA	53,016	-8,280	44,755	49,112	-1,639	47,473	52,230	0	52,230	3,118	1,639	4,757
ICAO	12,446	-275	12,171	12,011	0	12,011	12,464	0	12,464	453	0	453
ILO	69,387	-3,591	65,796	54,873	468	55,361	50,333	0	50,333	-4,540	-468	-5,028
IMO	1,318	-185	1,182	1,168	41	1,209	1,145	0	1,145	-23	-41	-64
ITU	6,606	-644	5,962	5,871	-71	5,800	5,937	0	5,937	66	71	137
UN-Regular	299,606	43	299,651	266,244	-50	266,194	279,327	0	279,327	13,083	50	13,133
UN-War Crimes Tribunals	36,000	-15,896	20,104	32,000	-8,010	23,990	27,213	0	27,213	-4,787	8,010	3,223
Cambodia War Crimes Commission	3,000	-3,000	0	3,000	0	3,000	0	0	0	-3,000	0	-3,000
Iraq War Crimes Commission	4,000	-4,000	0	4,000	0	4,000	4,000	0	4,000	0	0	0
UN - Capital Master Plan Assessment	0	0	0		0	0	8,140		8,140	8,140	0	8,140
UN - Capital Master Plan Task Force	0	0	0		0	0	1,000		1,000	1,000	0	1,000
UPU	1,354	-114	1,240	1,312	-17	1,295	1,325	0	1,325	13	17	30
WHO	108,109	0	108,109	108,109	0	108,109	93,616	0	93,616	-14,493	0	-14,493
WIPO	674	-58	616	817	8	823	825	0	825	8	-6	2
WMO	10,229	-902	9,421	9,259	73	9,332	9,359	0	9,359	100	-73	27
Subtotal	678,326	-36,763	641,565	619,517	-9,179	610,338	618,371	0	618,371	-1,146	9,179	8,033
Inter-American Organizations												
IICA	16,560	0	16,560	16,560	0	16,560	16,560	0	16,560	0	0	0
OAS	54,196	0	54,196	54,196	0	54,196	54,196	0	54,196	0	0	0
PAHO	52,258	0	52,258	52,258	3,082	55,340	56,367	0	56,367	4,109	-3,082	1,027
PAIGH	324	0	324	324	0	324	324	0	324	0	0	0
Subtotal	123,338	0	123,338	123,338	3,082	126,420	127,447	0	127,447	4,109	-3,082	1,027
Regional Organizations												
APEC	601	0	601	601	0	601	601	0	601	0	0	0
CPCTC	14	1	15	15	0	15	15	0	15	0	0	0
NAA	770	-209	561	596	-33	563	582	0	582	-14	33	19
NATO	48,590	-7,604	40,986	43,975	-1,473	42,502	45,310	0	45,310	1,335	1,473	2,808
OECD	56,925	-11,444	45,482	52,143	-2,967	49,176	56,796	0	56,796	6,653	2,967	9,620
SPC	1,214	-159	1,055	1,104	-24	1,080	1,065	0	1,065	-39	24	-15
Subtotal	108,116	-19,415	88,700	98,434	-4,497	93,937	108,369	0	108,369	7,935	4,497	12,432
Other Organizations												
BIE	29	-29	0	0	0	0	0	0	0	0	0	0
CCC	3,252	-391	2,861	2,861	-158	2,703	2,794	0	2,794	-67	158	91

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

($ in thousands)

Organization	FY 2001 FY-01 Request	FY 2001 Appro-priation Adjustment	FY 2001 Actual Appro-priation	FY 2002 FY-02 Column of FY-02 Bud.	FY 2002 Exch. Rate/ Estimate Adjustment	FY 2002 Revised FY 2002 Estimate	FY 2003 a/ Annual Require-ments	FY 2003 a/ Appro-priation Adjustment	FY 2003 a/ Total FY 2003 Request	Total Increase/Decrease Annual Require-ments	Total Increase/Decrease Appro-priation Adjustment	Total Increase/Decrease Total Inc./ Decr.
HCOPIL	110	-9	101	103	-1	102	106	0	106	3	1	4
IARC	1,670	0	1,670	1,670	-21	1,649	1,692	0	1,692	22	21	43
IBPCA	29	-5	19	19	-1	18	19	0	19	0	1	1
IBPCT	101	-12	89	89	-5	84	87	0	87	-2	5	3
IBWM	926	-182	743	810	-46	764	791	0	791	-19	46	27
ICCROM	755	-7	748	748	0	748	748	0	748	0	0	0
ICSG	68	-15	53	55	-1	54	56	0	56	1	1	2
ICAC	238	-16	222	222	4	226	252	0	252	30	-4	26
IGC	490	-46	444	444	-15	429	447	0	447	3	15	18
IHO	93	-10	83	82	-5	77	80	0	80	-2	5	3
IIUPL	111	-14	97	101	-6	95	99	0	99	-2	6	4
ILZSG	62	-8	54	56	-2	54	56	0	56	0	2	2
INRO	193	-193	0	0	0	0	0	0	0	0	0	0
IOE	86	-12	74	75	15	90	93	0	93	18	-15	3
IOLM	110	-24	86	94	-5	89	92	0	92	-2	5	3
IOVW	58	-32	26	0	0	0	0	0	0	0	0	0
IRSG	108	9	117	117	3	120	125	0	125	8	-3	5
ISTA	7	-1	6	7	0	7	7	0	7	0	0	0
ITTO	105	54	159	159	0	159	190	0	190	31	0	31
IUCN	255	-22	233	251	-4	247	259	0	259	8	4	12
IU	500	-500	0	0	0	0	0	0	0	0	0	0
OPCW	13,543	-2,862	10,681	12,763	-1,426	11,337	13,022	0	13,022	259	1,426	1,685
OPCW IV & V	0	2,965	2,965	3,850	-1,418	2,432	4,146	0	4,146	296	1,418	1,714
UPOV	177	-22	155	163	-2	161	165	0	165	2	2	4
WTO(TR)	13,210	-2,133	11,077	12,739	87	12,826	13,885	0	13,885	1,126	-87	1,039
										0		
Subtotal	36,279	-3,617	32,762	37,478	-3,007	34,471	39,191	0	39,191	1,713	3,007	4,720
Subtotal CIO	946,060	-59,695	886,365	878,767	-13,601	865,166	891,378	0	891,378	12,611	13,601	26,212
Budget Amendment	-23,000	23,000	0	0	0	0	0	0	0	0	0	0
FY 2001 UN Buydown b/	0	-32,614	-32,614									
FY 2002 UN Buydown c/	0	15,166	15,166	0	-15,166	-15,166	0	0	0	0	15,166	15,166
Appropriation Total	923,060	-54,143	868,917	878,767	-28,767	850,000	891,378	0	891,378	12,611	28,767	41,378

a/ Estimates are subject to change. U.S. dollar estimates for foreign currency payments reflect 09/28/01 exchange rates.

b/ FY-00 Reprogramming.

c/ FY-01 Reprogramming.

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CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

United Nations and Affiliated Agencies

($ in thousands)

	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Food and Agriculture Organization	72,741	72,457	(284)
International Atomic Energy Agency	47,473	52,230	4,757
International Civil Aviation Organization	12,011	12,464	453
International Labor Organization	55,361	50,333	(5,028)
International Maritime Organization	1,209	1,145	(64)
International Telecommunication Union	5,800	5,937	137
United Nations Regular Budget	266,194	279,327	13,133
United Nations - War Crimes Tribunals	23,990	27,213	3,223
United Nations - War Crimes Commissions	7,000	4,000	(3,000)
United Nations - Capital Master Plan	0	9,140	9,140
Universal Postal Union	1,295	1,325	30
World Health Organization	108,109	93,616	(14,493)
World Intellectual Property Organization	823	825	2
World Meteorological Organization	8,332	8,359	27
Total Annual Requirements	610,338	618,371	8,033

Goals and Objectives:

The Department of State, together with other appropriate USG agencies, will work toward effective and efficient international organizations, programs, and activities that advance U.S. goals regarding:

- threats to peace, especially through the United Nations Security Council and peacekeeping operations;
- arms control and weapons of mass destruction and missile nonproliferation, e.g., through Iraq sanctions and International Atomic Energy Agency;
- International Labor Organization activities concerning respect for fundamental principles and rights at work;
- private sector involvement in Universal Postal Union governing body meetings and policy discussions;
- International Telecommunication Union promotion of solutions that are market-based and that obtain greater private sector engagement;
- acknowledgement of and respect for U.S. interests in World Intellectual Property Organization deliberations on intellectual property topics; and
- an effective, universal, mandatory International Civil Aviation Organization Safety Oversight Program;
- economic development, e.g., through the UN General Assembly, Economic and Social Council, UN Economic Commissions, the Food and Agriculture Organization, UN Development Group, and the UN Conference on Trade and Development;
- human rights and democracy, e.g., war crimes tribunals, UN human rights machinery;
- humanitarian assistance, e.g., through improved coordination, broadened burdensharing, improved information sharing, and use of early warning systems;
- priority health concerns, e.g., HIV/AIDS, polio eradication, TB, malaria through organizations like WHO;
- environmental issues, e.g., through organizations/conferences like the UN, Food and Agriculture Organization, World Meteorological Organization, and International Maritime Organization;

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

- international crime, e.g., entry into force of Convention on Transnational Organized Crime, negotiations for a new international instrument to combat corruption;
- illegal drugs, e.g., UN Drug Control Program technical assistance projects;
- payment of U.S. arrears;
- hiring of U.S. citizens by international organizations to achieve/maintain equitable representation of Americans within overall staffing levels; and
- resolution of certain host country issues, including helping American citizens to recover debts owed by certain New York based diplomats, encouraging that diplomatic community to abide by local U.S. law, and working to prevent inappropriate persons from receiving diplomatic accreditation.

Base Program:

UN system agencies provide the United States with a wide range of opportunities for promoting U.S. interests (listed above) in ways not possible through bilateral diplomacy. A few examples of recent activities include:

- resolutions and conventions concerning terrorism, e.g., UN Security Council Resolution 1373 (September 2001), UN Security Council Resolution 1368 (September 2001), UN General Assembly Resolution 56/1 (September 2001), UN Security Council Resolution 1333 (December 2000), Convention on Suppression of Terrorist Financing (December 1999) and UN Security Council Resolution 1269 (October 1999).;

- sanctions regimes established and maintained regarding e.g., Angola, Iraq, Liberia, Sierra Leone, Somalia, the Taliban in Afghanistan;

- significant steps toward peace in Sierra Leone;

- targets set at the UN General Assembly Special Session regarding HIV/AIDS;

- the Universal Postal Union is on the path to greater openness, transparency, and participation by private-sector express couriers and other postal stakeholders;

- the addressing by the International Civil Aviation Organization of the U.S.-European Union dispute over the EU's hushkit regulation;

- 99 percent of polio eradicated worldwide because of efforts by WHO, UNICEF, CDC and others; and

- strong resolutions passed at the UN Human Rights Commission in regard to Cuba, Iran, Iraq, Burma, Afghanistan, religious freedom, democracy, and torture.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Food and Agriculture Organization (FAO)

Rome, Italy
($ in thousands)

Change in Annual Requirements: -$284

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Assessment Against Members	367,840	367,840	370,073
United States % Share	25	22	22
United States Assessment	91,960	80,925	81,416
Tax Equalization Fund Credit	(9,572)	(8,184)	(8,959)
Net U.S. Assessment	82,388	72,741	72,457
Tax Equalization Fund Reduction	0	0	0
Net Annual Requirements	82,388	72,741	72,457
Interest on External Borrowings	0	0	0
Funds Available and Current FY Request	82,388	72,741	72,457

Explanation of Estimate:

The FY 2003 estimate is intended to provide funding of net annual requirements for calendar year 2002, the first year of FAO's 2002-2003 biennial budget.

Purpose and Benefits to the United States:

FAO is the chief international center for data and expertise in the fields of agriculture, fisheries, and forestry. Data collection and information dissemination in these fieldsrepresent its key strengths, and the areas where it has the clearest comparative advantage. The FAO develops international standards for trade in agricultural products and promotes measures to ensure food safety and safe use of agricultural chemicals. It also sponsors international consultation on agricultural development and food policy, and provides technical assistance and training for developing countries to advance sustainable agriculture and enhance food production.

Among FAO's most important activities are the global information and early warning system (GIEWS); trade standardization program (Codex Alimentarius and the International Plant Protection Convention); programs to contain the spread of desert locusts, the rinderpest, swine fever and tropical bont-tick; and the conservation and management of biodiversity in domestic animals and plants.

As a major player both agricultural and international arenas, the United States places great importance on making sure U.S. policy views and technical expertise are integrated intoFAO's global programs. These programs impact directly on improved trade relations, biodiversity, sound nutrition planning, natural resource management, sustainable agricultural development, and global food security, all of which directly and indirectly affect U.S. agriculture and the U.S. population as a whole.FAO's data gathering and information programs are estimated to save USDA $3 million per year by performing tasks it otherwise would have to undertake unilaterally. Moreover, FAO's global mandate assures it access the United States does not always have.

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The Codex Alimentarius, a trade standardization program jointly sponsored by FAO and WHO, sets international food product safety and quality standards for pesticide and bacterial residues, food additives and food preservation methods which directly impact on U.S. agricultural exports. The CodexAlimentarius and International Plant Protection Convention were designated as two of the three standard setting bodies in the Uruguay Round, thus making these FAO program areas key to dispute resolution by the WTO.

Through its actions on pest eradication, FAO is frequently the only entity with enough political neutrality to accomplish the task at hand. In the case of the outbreak of African Swine Fever in the 1970s in the Dominican Republic, for example, FAO was the organization which slaughtered all the Dominican hogs. This was a necessary task which, politically, the U.S. could not have afforded to undertake itself. Other FAO plant, pest, and animal disease control programs mobilize multilateral response to the desert locust, screwworm and other emergencies in a way that the United States would be unable to accomplish on its own. These control programs protect U.S. agriculture from potential losses of billions of dollars.

The forestry sector accounts for billions of dollars in the U.S. economy, as well as billions in exports of forest products. Through the FAO, particularly its Forestry Department/Committee on Forestry (COFO) the U.S. gains scientific and technical information, forest products statistics, trade information, marketing, and the opportunity to influence international forest policy issues which affect our economic, environmental, and social interests.

FAO's Fisheries Department/Committee on Fisheries (COFI), through its regular and field programs, promotes sustainable food supplies from fisheries and aquaculture and encourages international cooperation and coordination in fisheries with attention to their environmental impacts. Of benefit and importance to the U.S. is the Fisheries Department's work in support of UNCED follow-up initiatives and activities, including the UN Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks, its work in support of implementing UNGA resolutions on fisheries and oceans issues, and its work in preparing an International Code of Conduct for Responsible Fisheries.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Atomic Energy Agency (IAEA)

Vienna, Austria
($ in thousands)

Change in Annual Requirements: $4,757

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Assessment Against Members	36,776	37,414	39,709
United States % Share	25.5737	25.56	25.62
United States Assessment (in Dollars)	9,405	9,563	10,173
Less Prior years' Surplus	(800)	(248)	(248)
Net U.S. Assessment (in Dollars)	8,605	9,315	9,925
Tax Reimbursement Agreement	555	555	555
U.S. Requirement in Dollars	9,160	9,870	10,480
Assessment Against Members (in Austrian Shillings)	2,291,893	0	0
Assessment Against Members (in Euros)	0	169,299	179,696
United States % Share	25.65	25.6309	25.62
United States Assessment (in Austrian Shillings)	587,871	0	0
United States Assessment (in Euros)	0	43,393	46,038
Less Prior years' Surplus (in Austrian Shillings)	(19,021)	0	0
Less Prior years' Surplus (in Euros)	0	(1,729)	(154)
Net U.S. Assessment (in Austrian Shillings)	568,850	0	0
Net U.S. Assessment (in Euros)	0	41,664	45,884
Approx. Exchange Rate Austrian Shillings to $1	15.9812	0	0
Approx. Exchange Rate Euros to $1	0	1.108	1.099
U.S. Requirement in Dollars	35,595	37,603	41,750
Funds Available and Current FY Request	44,755	47,473	52,230

Explanation of Estimate:

The U.S. assessment to the IAEA is paid in U.S. dollars and Euros. The FY 2003 request is intended to provide full funding of U.S. requirements for calendar year 2002.

Purpose and Benefits to the United States:

The International Atomic Energy Agency (IAEA) serves critical U.S. security and non-proliferation interests by providing assurances, through the application of IAEA safeguards, that nuclear material intended for peaceful use is not diverted to nuclear weapons or other nuclear explosive devices. In this way, the IAEA has been a key component of global efforts to prevent the further spread of nuclear weapons, and thereby reduce the risk of nuclear war.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Under the Nuclear Non-Proliferation Treaty (NPT), non-nuclear weapon states party to the Treaty are required to submit, through the negotiation of a "full-scope" safeguards agreement, all nuclear material in peaceful uses to IAEA safeguards inspection. In addition, the IAEA applies safeguards to designated facilities in certain non-NPT countries, and in all five recognized nuclear weapons states which have agreed to accept safeguards on their peaceful nuclear activities (U.S., Russia, UK, France, China).

Each year, the maintenance of an effective safeguards program assumes greater importance to U.S. interests as IAEA safeguards obligations increase and as new and more sophisticated nuclear facilities (e.g., reprocessing and enrichment plants) come on line. The increase in obligations has correspondingly resulted in an increased demand for resources. The USG believes this issue must be addressed in the long term in order not to jeopardize safeguards effectiveness.

In 1997, following an extensive period of study, experimentation and negotiation, the IAEA adopted a Model Protocol to Safeguards Agreement, which, when adopted by individual states will greatly strengthen Agency capabilities to detect undeclared nuclear activities through enhanced access to information and locations.

The United Nations Security Council, in Resolution 687, assigned major responsibilities to the IAEA in the international program to dismantle Iraq's programs relating to weapons of mass destruction, and to monitor Iraq's activities in the future. Work continues at the Security Council to reestablish international inspections of Iraq's programs of weapons of mass destruction. The United Nations Security Council has also assigned the IAEA the role of monitoring the freeze on nuclear activities in the Democratic People's Republic of Korea. The ultimate accomplishment of our national security objectives in both regions depends in substantial part on the success of the IAEA in these efforts.

Looking to our future arms control efforts, we are developing with Russia a new verification regime to cover fissile materials released from the disarmament process. Under the proposed Fissile Material Cutoff Treaty being considered in the Committee on Disarmament in Geneva, we expect the IAEA to have the lead verification role.

In addition to its role in preventing the further spread of nuclear weapons, the IAEA works "to accelerate and enlarge the contribution of atomic energy to peace, health, and prosperity throughout the world." In pursuance of these objectives, the IAEA is involved in a broad range of research, technical assistance, and informational activities, many of which are of special interest to the U.S. Programs such as health and safety standards, environmental aspects of nuclear energy, nuclear waste disposal, physical protection of nuclear material, and studies on storage for spent fuel help to promote the safe development and use of nuclear power in countries around theglobe.

Following the 1986 Chernobyl nuclear reactor accident, the IAEA has taken on a much expanded role in assisting in the coordination of international efforts to strengthen nuclear safety standards and practices. Particular attention has focused on reactors in Eastern Europe and the Newly Independent States of the former Soviet Union, including direct assistance to facility operators and regulatory authorities in the conduct of their responsibilities. The United States has been a principal participant in these efforts to prevent future nuclear accidents and mitigate the consequences of any possible future accident.

The September 11th and subsequent anthrax attacks made clear the enhanced threat that terrorists will seek to use weapons of mass destruction to attack the US and its interests. Agency activities in safeguards, physical protection, nuclear safety, and countering illicit trafficking help prevent nuclear terrorism. The IAEA has responded quickly to the enhanced threat of nuclear terrorism by reviewing its activities and proposing revisions to existing programs and, where necessary, new programs. The

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

United States believes that the enhanced threat requires expanded Agency effort and has provided extensive guidance to the IAEA for use in its assessment.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Civil Aviation Organization (ICAO)

Montreal, Canada
($ in thousands)

Change in Annual Requirements: $453

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	48,580	49,940	49,940
United States % Share	25	25	25
United States Assessment	12,145	12,485	12,485
Tax Reimbursement Agreement	26	26	28
Credit from Surplus	0	(500)	(49)
Funds Available and Current FY Request	12,171	12,011	12,464

Explanation of Estimate:

The FY 2003 estimate is intended to provide partial funding of U.S. assessed requirements for calendar year 2002, the first year of the 2002-2004 ICAO triennial budget and partial funding of assessed requirements for calendar year 2003, the second year of the triennial budget. The funding allocation is based on the action taken by the Federal Aviation Administration (FAA) to provide, on a one-time basis, partial funding of the U.S. assessment for calendar year 2001. The magnitude of the FAA funding was $6 million.

The FY 2003 estimate includes no funding for the U.S. share of Joint Financing costs relating to air navigation facilities and aircraft command networks over the North Atlantic routes. Due to a change in ICAO's calculation of user charges, the U.S. funding requirements in FY 2003 for this activity are expected to be zero.

Purpose and Benefits to the United States:

ICAO's mission is to develop principles and techniques of international air navigation and to foster the planning and development of international air transport, in order to ensure the safe and orderly growth of international civil aviation throughout the world; to encourage the development of airways, airports, and air navigation facilities for international civil aviation; to ensure that the rights of contracting states are fully respected and that every contracting state has a fair opportunity to operate in the field of international commercial aviation; to promote safety of flight in international air navigation; and to develop all aspects of international civil aeronautics. Of major interest to the United States is the role ICAO plays in developing technical measures to prevent hijacking and other terrorist acts of unlawful interference with international civil aviation. Other ICAO activities of interest to the U.S. include the establishment of noise and emissions standards in international air service and the promotion of uniformity in international air navigation services and facilities.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Labor Organization (ILO)

Geneva, Switzerland
($ in thousands)

Change in Annual Requirements: -$5,028

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Assessment Against Members (in Swiss Francs)	357,615	357,615	384,125
United States % Share	25	25	22
United States Assessment	89,404	89,404	84,508
Prior Year Credits	(223)	(223)	(3,719)
Total U.S. Requirements	89,181	89,181	80,789
Approx. Exchange Rate Swiss Franc to $1	1.6126	1.6254	1.621
U.S. Requirement in Dollars	55,302	54,867	49,839
Tax Reimbursement Agreement	494	494	494
Funds Available and Current FY Request	55,796	55,361	50,333

Explanation of Estimate:

The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2002 and represents an increase at 1.07% to cover uncontrollable cost increases. This request represents the first year of ILO's CY 2002-2003 biennial budget, and reflects the revised scale of assessment based on the new UN scale.

Purpose and Benefits to the United States:

The ILO seeks to define common standards of decency applying to workers among nations involved in international trade. American business and workers can compete better in international markets if international labor standards help level the playing field. The ILO is the only international agency in which the private sector participates fully with government. The USG has a permanent seat on the ILO's 56-member Governing Body (GB). In addition, an American worker (from the AFL-CIO) and an American employer (from the U.S. Council for International Business) have each won election to seats on the GB.

The ILO's mandate is to advance humane conditions of labor and social stability around the world by promoting democracy and human rights; employment and the alleviation of poverty; and equality and protection of working people. With the ILO's tripartite system, U.S. business and workers also benefit by participating in the development of international labor standards that affect their operations.

Recent progress toward U.S. objectives included:

- Adoption of the ILO Declaration on "Fundamental Principles and Rights at Work" and its follow-up in June 1998. This was the successful culmination of substantial interagency and private sector effort.
- The Declaration's all-important follow-up mechanism adds an annual review of all non-ratified "core" conventions (i.e., concerning forced labor, child labor, non-discrimination in employment, and freedom of association/collective bargaining) using existing processes. It adds a new "global report"

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that each year covers one of the four categories of fundamental worker rights. In addition, it calls for ILO technical cooperation to assist countries to implement theDeclaration.Adoption of a new ILO Convention on the worst forms of child labor (e.g., bondage, prostitution, drugs, dangerous work).

- The U.S. succeeded in modifying draft language to ensure that it comports fully with U.S. law and practice.
- Based on thorough study, the ILO highlights serious abuses of basic worker rights in specific countries and endorses actions such as a special mission and/or censure.

The U.S. also sees the ILO as a crucial vehicle with which to highlight and remedy problems of child labor, a U.S. priority. For instance, ILO programs in Bangladesh and Pakistan are removing children from industries and placing them in schools and rehabilitation centers. An ILO program in Brazil removes children from shoe factories. In some cases, these actions eliminated unfair competition to American workers from low cost exports produced by children. Other ILO child labor programs will withdraw children from such hazardous work in Latin America as harvesting flowers sprayed with pesticides.

With the continuing Asian financial and political crises, U.S. objectives in the region have been supported by the ILO through its efforts to advise new governments in Korea and Indonesia on modernizing labor legislation and to advise and assist the IMF and World Bank on inclusion of social safety nets and emergency public works and job creation programs. It has also helped Asian states hit by the crisis to establish programs and systems to create jobs, begin to retrain workers who have lost their jobs, and to engage in tripartite consultations on structural adjustment reforms involving labor law.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Maritime Organization (IMO)

London, England
($ in thousands)

Change in Annual Requirements: -$64

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Pounds Sterling)	18,168	18,902	19,429
United States % Share	4.07	3.69	3.69
United States Assessment	739	697	717
Credit Surplus	0	0	0
Net U.S. Assessment	739	697	717
Approx. Exchange Rate Pounds Sterling to $1	0.6932	0.6206	0.68
U.S. Requirement in Dollars	1,066	1,123	1,054
Tax Reimbursement Agreement	86	86	91
Funds Available and Current FY Request	1,152	1,209	1,145

Explanation of Estimate:

The FY 2003 estimate represents the second year of the IMO's 2002-2003 biennial budget and is intended to provide full funding of U.S. requirements for CY 2003.

Purpose and Benefits to the United States:

The IMO is responsible for the establishment of the highest practicable standards for maritime safety and the prevention of marine pollution. It presently has 160 member states. As the world's largest user of international shipping, the U.S. has a strong interest in supporting the IMO's efforts to establish strong maritime-safety and pollution control standards.

IMO activities include the establishment of safety standards for ship design, equipment, and operation and maritime personnel and the adoption of common procedures to enhance safety of life at sea. In addition, IMO's work in marine pollution includes prevention through stringent controls for carriage of hazardous and dangerous goods, oil discharge and control systems, identification of areas of the ocean that are particularly sensitive to pollution, and response through proper preparedness procedures and practices.

The U.S. reaps great benefit from the work of this organization while paying less than five percent of its regular budget. The majority of the cost is borne by those nations with the greatest percentage of the world's gross registered tonnage. Currently of great interest to the U.S. is the global implementation of the revision to the Standards for Training, Certification and Watchkeeping of Seafarers Convention, enhancement of flag state and port state responsibilities, and efforts to improve the prevention of and response to major oil spill events.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Telecommunication Union (ITU)

Geneva, Switzerland
($ in thousands)

Change in Annual Requirements: $137

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Swiss Francs)	112,901	112,672	112,672
United States % Share	8.37	8.387	8.39
United States Assessment	9,450	9,450	9,453
Approx. Exchange Rate Swiss Franc to $1	1.6134	1.6594	1.621
U.S. Requirement in Dollars	5,857	5,695	5,832
Tax Reimbursement Agreement	105	105	105
Funds Available and Current FY Request	5,962	5,800	5,937

Explanation of Estimate:

The U.S. assessment is paid in Swiss Francs. The FY 2003 estimate represents the second year of ITU's 2002-2003 biennial budget. FY 2003 estimates are intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The main purpose of the International Telecommunication Union (ITU) is the promotion of international cooperation for the use of telecommunications. The ITU serves as a forum where member governments and the private sector telecommunications companies coordinate the establishment and operation of telecommunications networks and services.

The ITU provides the following benefits to the United States:

(l) it provides a forum to allocate radio frequencies and geostationary satellite orbits and a mechanism for resolution of interface problems, which is especially important for the U.S. in allocating radio spectrum and satellite orbits for both civilian and military purposes;

(2) it provides a forum for U.S. standards for telecommunications equipment, networks and services to be adopted as international standards, which facilitates operation of the global telecommunications network and marketing of U.S. telecommunications equipment throughout the world; and

(3) it reinforces the leadership of the U.S. telecommunications industry through direct company participation in the interchange of ideas and technology in ITU meetings and study groups. There are increasing demands on the ITU due to the tremendous growth of telecommunications throughout the world.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

United Nations - Regular Budget (UN/RB)

New York, United States
($ in thousands)

Change in Annual Requirements: $28,299

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Assessment Against Members	1,201,274	1,213,382	1,286,711
United States % Share	25	22	22
United States Assessment	300,309	266,944	283,076
Credit from Working Capital Fund	0	0	(3,000)
United States Net Assessment	300,309	266,944	280,076
Sec 144, P.L. 99-93, (PLO)	(658)	(750)	(749)
FY 2001 PLO Adjustment	0	0	0
Sub-Total, Regular Budget	299,651	266,194	279,327
FY 2000 Appropriation Gains	(32,614)	0	0
FY 2001 Appropriation Gains	15,166	(15,166)	0
Funds Available and Current FY Request	282,203	251,028	279,327

Explanation of Estimate:

The FY 2003 estimate provides funding for the U.S. assessed share of the UN regular budget for the first year (calendar year 2002) of the 2002-03 biennium. The U.S. assessment includes a one-time credit of $3 million relating primarily to a reduction in the U.S. share (from 25% to 22%) of the UN's Working Capital Fund.

The initial 2002-03 UN budget amounts to $2,625,178,700. It was adopted by consensus by the UN General Assembly in December 2001. Under UN procedure, the budget will be revised in December 2002 – the mid-point of the biennium – to take account of updated rates of inflation and exchange, as well as other adjustments that may be approved by the General Assembly.

FY 2000 Appropriation Gains (FY 2001 – CY 2000): Reflects reprogrammed funds from the FY 2000 CIO appropriation that were used to pay part of the U.S. assessment for CY 2000. The action reduced (by $32.614 million) the funding requirements for FY 2001.

FY 2001 Appropriation Gains (FY 2002 – CY 2001): Reflects reprogrammed funds from the FY 2001 CIO appropriation that were used to pay part of the U.S. assessment for CY 2001. The action reduced (by $15.166 million) the funding requirements for FY 2002.

Purpose and Benefits to the United States:

The United Nations is important to the conduct of United States foreign policy because it provides both a center for diplomacy and an instrument for international cooperation in a wide range of constructive activities. It is clearly in the interest of the United States to encourage other nations to share, under the

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

auspices of the United Nations, the responsibilities and costs of measures to deal with global problems such as:

A. International Peace and Security. The UN Security Council is the primary international institution responsible for the maintenance of international peace and security and resolving conflicts. As a Permanent Member, the U.S. has a strong interest in seeing the Security Council, whose resolutions are binding on member states, perform as an effective instrument. Over the years, the Council has been effective in establishing useful peacekeeping operations in the Middle East, Africa, Asia and in Central America, and in providing the framework for UN-supervised conciliation and mediation efforts.

In recent years, the UN has been at the forefront in seeking peaceful settlements to conflicts throughout the world. Several peacekeeping operations have gone beyond what has traditionally been regarded as peacekeeping duties, to include supervision of elections, monitoring of human rights and delivery of humanitarian aid. Continuing conflicts are likely to generate further demands on the Security Council to involve the UN in efforts to resolve these conflicts.

B. Disarmament. The UN General Assembly is a major international forum for exchanging views and making recommendations on multilateral disarmament matters. The UN offers a forum for the U.S. to project its views on arms control, including the vital requirement for verification. For the first time, the UN opened an arms transfer register with the purpose of increasing worldwide transparency in armaments.

C. Refugees. The UN High Commissioner for Refugees (UNHCR) provides international protection to refugees and seeks permanent solutions to their problems by assisting government and private organizations to facilitate voluntary repatriation of refugees or their resettlement within other countries. The administrative expenses relating to the function of the UNHCR are borne by the UN regular budget, with all other expenditures financed through voluntary contributions.

D. Narcotics. The U.S. strongly supports UN drug control efforts. The UN International Drug Control Program (UNDCP) is the focal point of the UN effort, operating in 97 countries that focus on demand reduction, law enforcement, alternative development, and strengthening education and political institutions. UNDCP is also targeting issues that are transnational by nature, such as money laundering and control of precursor chemicals. The U.S. plays a leadership role in guiding the agency. The UNDCP is a vital partner for the U.S. in areas where we are limited by access, political constraints or financial resources.

E. Human Rights. The U.S. has sought to place a higher priority on human rights programs in the UN regular budget. The United States Government underscored this theme at the UN World Conference on Human Rights, held in Vienna, June 14-25 1993, including emphasizing the importance of establishing a UN High Commissioner for Human Rights.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

United Nations - War Crimes Tribunals (UN/WCT)

New York, United States
($ in thousands)

Change in Annual Requirements: $3,223

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Int'l. War Crimes Tribunal (FRY)	10,629	13,130	14,051
Int'l. War Crimes Tribunal (Rwanda)	9,475	10,860	13,162
Funds Available and Current FY Request	20,104	23,990	27,213

Explanation of Estimate:

The FY 2003 estimate is intended to provide the U.S. share of funding for calendar year 2003 requirements for the International War Crimes Tribunals for the former Yugoslavia and Rwanda (the Tribunals' budgets will be approved by the General Assembly in Autumn 2002.

Purpose and Benefits to the United States:

The International Tribunals are central to long-term prospects for peace in both the former Yugoslavia and Rwanda. In both instances, atrocities can spark further violence. The Tribunals can identify and remove individuals who would otherwise cause violence; puncture cultures of impunity, which can spark further violence; and offer justice to the victims of atrocities.

The International Tribunal for the former Yugoslavia is intensifying indictments of suspected war criminals. The first trial commenced in May 1996; additional trials are expected. The Tribunal also conducted special hearings confirming the indictments of Radovan Karadzic and Ratko Mladic. In June 2001, Slobodan Milosevic was extracted to the Tribunals. Exhumations of mass graves at several sites in the former Yugoslavia have been undertaken by the Tribunal. The Rwanda Tribunal has indicted several leaders of the 1994 genocide. There have also been mass grave exhumations in Rwanda, and extensive investigative work continues.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

United Nations - War Crimes Commissions (UN/WCC)

New York, United States
($ in thousands)

Change in Annual Requirements: -$3,000

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Cambodia War Crimes Commission (CWCC)	0	3,000	0
Iraqi War Crimes Commission (IWCC)	0	4,000	4,000
Funds Available and Current FY Request	0	7,000	4,000

Explanation of Estimate:

The FY 2003 estimate is intended to provide the U.S. share of funding for potential requirements for a new UN judicial mechanism that may be established to investigate war crimes in Iraq.

The estimate does not include funding for a new judicial mechanism in Cambodia. In view of current uncertainties regarding the operation, it is anticipated that no assessed funding would be required in FY 2003.

Purpose and Benefits to the United States:

The United States is working to establish judicial mechanisms in the UN for crimes committed bySaddam Hussein and his regime in Iraq. It is possible such mechanisms could be in place by FY 2003 or earlier.

Regarding Iraq, the U.S. expects to submit proposals for the establishment of a UN judicial mechanism to investigate war crimes committed by Saddam Hussein and members of his regime. Possibilities for the mechanism - at least initially - include an Iraqi War Crimes Commission of Experts or, if the conditions in the Security Council permit, a tribunal. A Commission of Experts would have staff and a mandate to conduct investigations in Iraq, Kuwait and elsewhere. For both the former Yugoslavia and Rwanda, a Commission of Experts was a precursor to establishing an international tribunal

In 1998 the U.S. tabled a resolution in the UN Security Council to create a Cambodia Tribunal, which although much smaller in scope would be patterned after the ad-hoc tribunals previously created for the former Yugoslavia and Rwanda. Aided by U.S. efforts, the Cambodian government and the UN have worked out an agreement in principle to establish a special chamber to try members of the Former Khmer Rouge government. The matter is subject to enactment of legislation in Cambodia (the "Khmer Rouge, Tribunal Law") that would enable the Cambodian government to sign a formal agreement with the UN to establish the New Tribunal-like mechanism.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

United Nations - Capital Master Plan (UN/CMP)

New York, United States
($ in thousands)

Change in Annual Requirements: $9,140

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
UN Capital Master Plan	0	0	8,140
UN Capital Master Plan Taskforce	0	0	1,000
Funds Available and Current FY Request	0	0	9,140

Explanation of Estimate:

The FY 2003 estimate is intended to provide the U.S. share of funding for potential requirements relating to final design costs for the refurbishment of the UN headquarters complex in New York (the UN Capital Master Plan).

Purpose and Benefits to the United States:

The UN Secretary-General is proposing a comprehensive, multi-year renovation project of the UN headquarters in New York to address an array of structural, safety and spacing difficulties in this 50-year old complex. The buildings comprising the complex, particularly most of the original infrastructure were constructed during the period 1949 to 1952 and have exceeded their economic life expectancy. They are energy inefficient and no longer conform to current safety, fire and building codes or to UN technologic or security requirements. Moreover, the UN headquarters complex was originally designed to accommodate the needs of up to 70 member states. By the year 2001, the UN membership had grown to 189 member states.

It is expected that, beginning in calendar year 2002, the renovation project will be considered in-depth by the UN General Assembly. The General Assembly will need to: (1) decide on the scope of work for the renovation; (2) reach a decision on financing arrangements; and (3) appropriate funds to complete the final design of the project. The UN estimates that the final design costs will be approximately $37 million, which likely would be assessed to UN member states in calendar year 2003 or earlier. The request for up to $1,000,000 for a UN Capital Master Plan Task Force is intended to allow the U.S. to move forward proactively to determine how best to address the UN Capital Construction requirements. This request follows the recommendation of the General Accounting Office in June, 2001 that the U.S. government develop a comprehensive U.S. position on how to proceed.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Universal Postal Union (UPU)

Bern, Switzerland
($ in thousands)

Change in Annual Requirements: $30

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Swiss Francs)	34,339	34,339	34,339
United States % Share	5.696	5.696	5.69
United States Assessment	1,956	1,956	1,954
English Translation Service	70	80	70
Total U.S. Requirements (in Swiss Francs)	2,026	2,036	2,024
Approx. Exchange Rate Swiss Franc to $1	1.74	1.67	1.621
U.S. Requirement in Dollars	1,164	1,219	1,249
Tax Reimbursement Agreement	76	76	76
Funds Available and Current FY Request	1,240	1,295	1,325

Explanation of Estimate:

The UPU contribution is assessed and paid in Swiss francs. The FY 2003 estimate is intended to provide full funding of U.S. contributions for calendar year 2003. FY 2003 represents the first year of the 2003-2004 biennial budget.

Purpose and Benefits to the United States:

The Universal Postal Union (UPU) exists to develop social, cultural and commercial communications among all people by the efficient operation of the postal services. The United States has been a member of the UPU since 1875.

The UPU sets guidelines for international postal rates and establishes uniform rules and procedures for the exchange of international mail. It facilitates the flow of international postal communications and serves the diverse commercial, personal, industrial and governmental interests that create and use a substantial portion of the world's international mail.

Legislation in 1998 assigned to the Secretary of State the primary responsibility for formulation, coordination and oversight of U.S. participation in the UPU, a task previously handled by the U.S. Postal Service. As a result of this assignment, a senior officer of the Department of State headed the U.S. delegation to the 22nd UPU Congress, held in Beijing, China, in 1999, and the United states initiated a series of proposals aimed at bringing reform to the UPU. It is current U.S. policy to make operations of the UPU more open and transparent, in particular to allow private-sector stakeholders to observe UPU meetings and to have a voice in the formulation of key postal policy decisions. Major success was achieved in October 2001, largely due to U.S. initiatives. The United States also seeks to have the UPU recognize and take into account the vast changes in the global postal and delivery market. This includes the impact on postal services of electronic commerce, electronic mail, the growing role of private express couriers, and new alliances that are being formed among traditional postal operators and private postal providers.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

World Health Organization (WHO)

Geneva, Switzerland
($ in thousands)

Change in Annual Requirements: -$14,493

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	460,477	460,477	461,066
United States % Share	25	25	22
United States Assessment	115,119	115,119	101,435
Tax Equalization Fund Credit	(6,987)	(6,987)	(7,799)
Incentive Fund Credit	(23)	(23)	(20)
Total Annual Requirements	108,109	108,109	93,616
Tax Equalization Fund Reduction	0	0	0
Funds Available and Current FY Request	108,109	108,109	93,616

Explanation of Estimate:

The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2002, the first year of the 2002-03 biennial budget. This request reflects a flat expenditure budget (i.e., zero nominal growth). The U.S. will be assessed 22 percent of the WHO budget for the 2002-2003 biennium.

Purpose and Benefits to the United States:

The objective of the World Health Organization (WHO) since its formation in 1948 has been to obtain for all people the highest possible level of health. Its programs conform to and promote United States objectives in the field of international health and provide significant benefits for the United States. The U.S. benefits from WHO programs that set international standards, collect vital health statistics, exchange information, serve to protect U.S. travelers in other countries through knowledge of foreign health conditions, and expand opportunities for important medical research by U.S. health scientists.

Dr. Gro Harlem Brundtland of Norway became the new Director General of WHO in July 1998. She has shown the ability to implement significant reforms and substantially increase the effectiveness of WHO. Dr. Brundtland has eliminated two layers of staff and consolidated 50 programs and reorganized her staff several times. In the process, she has achieved considerable savings and increased efficiency. She has also restructured her biennial budget to make them compatible with the new organization structure. Under Brundtland, WHO also has significantly increased the number of public-private partnerships to tackle specific health issues.

The U.S. Government strongly supports WHO's basic work in the development of primary health care systems that can make preventive techniques and basic health care available to the rural and urban poor. The United States also supports WHO extensive activity in helping governments eradicate or control contagious diseases which threaten human life and which know no national boundaries. WHO's growing emphasis on new and emerging diseases, led by a senior American expert, has the support of the U.S. Government. The WHO smallpox campaign was a dramatic success. WHO's

immunization efforts aim at making available, for all children of the world, protection against the six major child diseases -- diphtheria, whooping cough, measles, tetanus, tuberculosis, and polio. The World Health Assembly has set a goal of eradicating polio and guinea worm. WHO also is placing emphasis on controlling malaria and cholera, and tuberculosis, diseases, which have reasserted themselves in alarming numbers of cases in several areas of the world. Strong attention is also being given to and leading non-communicable diseases, in recognition that developing countries are facing starkly higher rates of incidence of diseases such as cancer, cardio-vascular diseases and chronic respiratory disease.

WHO received prominence for initiating the international attack on AIDS. This included collection of data on the incidence of the disease and of infection with the human immunodeficiency virus (HIV), assistance to countries in blood screening and testing, promotion of public education and other preventive activities, health care for victims, and research into the potential vaccines and cures for the disease. In 1996, WHO's efforts in regard to AIDS were joined by those of other agencies in the new UN Joint Program on HIV/AIDS (UNAIDS). The U.S. Government strongly supports WHO's role in this area and is a strong supporter of its involvement in UNAIDS.

U.S. participation in WHO, in addition to its financial contributions, includes consultations with WHO officials, the exchange of health and scientific data, the loan of health experts, participation in seminars and expert advisory committees, collaboration in research, and other cooperative measures that have substantial benefit for U.S. health programs. American citizens hold senior positions in several key areas.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

World Intellectual Property Organization (WIPO)

Geneva, Switzerland
($ in thousands)

Change in Annual Requirements: $2

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Assessment Against Members (in Swiss Francs)	17,526	17,526	17,295
United States % Share	6.5	6.5	6.59
United States Assessment	1,139	1,139	1,140
Approx. Exchange Rate Swiss Franc to $1	1.642	1.6248	1.621
U.S. Requirement in Dollars	694	701	703
Tax Reimbursement Agreement	122	122	122
Funds Available and Current FY Request	816	823	825

Explanation of Estimate:

The United States assessment to WIPO is paid in Swiss francs. The FY 2003 request is intended to provide full funding of U.S. requirements for calendar year 2002. CY 2002 represents the first year of the 2002-2003 biennial budget.

Purpose and Benefits to the United States:

The World Intellectual Property Organization (WIPO) is responsible for the promotion of the protection of intellectual property rights throughout the world through cooperation among States, and for the administration of various "unions," each founded on a multilateral treaty and dealing with the legal and administrative aspects of a specific field of intellectual property/protection.

Intellectual property comprises two main branches: industrial property, chiefly in inventions, trademarks, designs, and appellations of origin; and copyright, chiefly in literary, musical, artistic, photographic and cinematographic works.

There at present 19 treaties in force administered by WIPO, including the WIPO Convention itself, Paris Convention, Berne Convention, and others. WIPO membership as of Dec. 1997 was 166 contracting states. The U.S. currently participates in six unions. Until calendar year 1994, member states paid individual assessments for each union in which they participated (except those unions that are self-financing through user fees); in October 1993, however, the Governing Bodies of WIPO adopted a unified system of assessments, in which each state pays one assessment for participation in WIPO and any or all of its unions. The United States, as a prime source of intellectual property, is a major beneficiary of the protections offered through the unions worldwide. In the 98-99 biennium WIPO will be mutually involved in assisting WTO Trade Related Intellectual Property Agreement (TRIPS) implementation in developing countries.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

World Meteorological Organization (WMO)

Geneva, Switzerland
($ in thousands)

Change in Annual Requirements: $27

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Assessment Against Members (in Swiss Francs)	62,200	62,200	62,200
United States % Share	24.67	21.54	21.54
United States Assessment	15,345	13,398	13,398
Approx. Exchange Rate Swiss Franc to $1	1.6443	1.6254	1.621
U.S. Requirement in Dollars	9,332	8,243	8,265
Tax Reimbursement Agreement	89	89	94
Funds Available and Current FY Request	9,421	8,332	8,359

Explanation of Estimate:

FY 2003 estimates are intended to provide full funding of U.S. requirements for calendar year 2002, the first year of the WMO's 2002-03 biennial budget.

Purpose and Benefits to the United States:

Through its coordinated network of stations, telecommunication systems and forecasting centers, the WMO supplies essential information to the U.S. National Weather Service for use in the development of weather forecasts and warnings.

These forecasts and warnings are based on weather information obtained by WMO from all areas of the world. Their degree of accuracy is dependent on the quality of the data obtained from around the world, and it is essential that the data meet agreed standards. Every nation has a basic requirement for reliable weather forecasts and timely weather warnings. The United States and other developed nations have additional requirements because of the complexity of their international economic, commercial, and social activities. The development of a cooperative, international effort to obtain, communicate and disseminate essential meteorological information is a basic objective of the WMO and it is vitally important to the United States to help protect lives and mitigate property damage.

Present international weather observation, communications, and data processing facilities are inadequate for the needs of the United States, especially in Africa and the Indian Ocean. The WMO is operating and improving a carefully-designed system, the World Weather Watch, to reduce these inadequacies. The WMO also has major responsibilities for weather modification, long-range climate studies, hydrology and environmental monitoring, and understanding the impact of weather on agriculture and environmental degradation. All these activities are of vital importance to the United States.

The WMO Secretariat will continue to work with members to complete a worldwide network of meteorological observatories, centers, and the communications systems needed to support the international meteorological community. The Intergovernmental Panel on Climate Change (IPCC) will continue its crucial scientific research in monitoring and assessing changes in the earth's

atmosphere as a result of natural and human-induced fluxes of greenhouse gases. The WMO will also provide scientific data to the U.N. Framework Convention on Climate Change.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Inter-American Organizations

($ in thousands)

	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Inter-American Institute for Cooperation on Agriculture	16,560	16,560	0
Organization of American States	54,196	54,196	0
Pan American Health Organization	55,340	56,367	1,027
Pan American Institute of Geography and History	324	324	0
Total Annual Requirements	126,420	127,447	1,027

Goals and Objectives:

The Inter-American Organizations have been effectively serving U.S. interests since the end of the 19th century. The tradition of dealing with hemispheric issues without interference from outside powers or extraneous issues has been effective in bringing the countries together in the areas of law, settlement of disputes, preservation of security, counterterrorism, promotion of human rights and democratic institutions, health, agricultural development, indigenousrights, and the geodetic and cartographic sciences.

Base Program:

The cornerstone of this grouping is the Organization of American States (OAS), the political and economic forum that evolved from the Union of American Republics, established in 1889 to promote trade among members. Today, the OAS, the premier multilateral forum for dealing with political issues in the Hemisphere, is promoting democratic reform and political-economic integration in the Hemisphere. The OAS performs a key role in coordinating multilateral implementation of mandates decided by leaders at the Summits of the Americas (most recently in April 2001 in Quebec City) in such areas of primary concern to the U.S. as democracy promotion, the rule of law, trade promotion, environmental stewardship, and the fight against terrorism, drug trafficking and corruption. Through its Democracy unit, the OAS has raised the standards and enforcement for free and open elections, while strengthening and modernizing election boards, civil registries and legislatures. The OAS challenged flawed 2000 elections in Peru and initiated a process of dialogue and reform that led the way to a democratic transition. In 2001, OAS member states approved the Inter-American Democratic Charter, which establishes representative democracy as the only legitimate form of government in the Hemisphere and outlines procedures to promote and defend democratic institutions. The OAS was the first international organization to express solidarity with and support for the U.S. in the wake of the terrorist bombings of September 11. Member states subsequently moved to revitalize and strengthen the Inter-American Committee Against Terrorism (CICTE), now widely recognized as a model of international cooperation in the area of counterterrorism. The OAS played a critical role in resolving a series of potentially explosive border disputes between member countries in Central America. The balanced reports of the OAS' Inter-American Commission on Human Rights and the judgements of the Inter-American Court on Human Rights have spurred countries to improve observance of human rights. The OAS served as a forum for negotiating the world's first comprehensive anti-corruption treaty, which has been ratified by 23 countries including the U.S. The Pan American Health Organization (PAHO), the regional arm of the World Health Organization (WHO), continues its effective work in eradicating endemic diseases and raising health and sanitary standards in the hemisphere. The Inter-American Institute for Cooperation on Agriculture (IICA) plays a key role in controlling the spread of animal and plant diseases and improving food production, processing and distribution. The Pan American Institute of Geography

and History (PAIGH) plays an important role in standardizing maps and charts, preparing seismic risk assessments, and defining disputed borders in the Hemisphere.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Inter-American Institute for Cooperation on Agriculture (IICA)

San Jose, Costa Rica
($ in thousands)

Change in Annual Requirements: $0

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	27,509	27,509	27,509
United States % Share	59.47	59.47	59.47
United States Assessment	16,360	16,360	16,360
Tax Reimbursement Agreement	200	200	200
U.S. Requirement in Dollars	16,560	16,560	16,560
Calendar year 2000 Deferral	4,090	0	0
Calendar year 2001 Deferral	(4,090)	4,090	0
Calendar year 2002 Deferral	0	(4,090)	4,090
Calendar year 2003 Deferral	0	0	(4,090)
Funds Available and Current FY Request	16,560	16,560	16,560

Explanation of Estimate:

The FY 2003 request is intended to provide full funding of U.S. requirements for U.S. fiscal year 2003 (October 1, 2002 - September 30, 2003). The calendar year requirements for 2003 represent the first year of the 2003-2004 biennial budget.

Purpose and Benefits to the United States:

IICA is the organization in the inter-American system devoted to agriculture. It encourages agricultural development through technical assistance, research and teaching programs aimed at policy reform, technology transfer, increasing agricultural output, and facilitating trade.

Its programs support the regional trade, investment and environment objectives that the Administration made one of the centerpieces of the December 1994 Summit of the Americas and that underlie the Administration's commitment to NAFTA and to establishing a Free Trade Area for the Americas (FTAA). IICA directly supports U.S. interests in the development of market-oriented agricultural policies, investment in agroindustry, and increased international trade in agriculture; support for agricultural research and use of new technologies, including new environmental technologies and techniques that advance the concept of sustainable agricultural development adopted at the December, 1996 Summit of the Americas on Sustainable Development; and work on plant and animal pests and diseases that limit production and impede international trade.

IICA is also strategically placed to contribute to and support the inter-American agenda in those areas relating to the alleviation of poverty. Its programs include rural development, education of the rural poor with emphasis on women and children and promoting income equity through training and modernization. IICA also initiated a hemispheric program of technical cooperation in food safety in 1999. The role of IICA was expanded in the last Summit of the Americas held in April 2001 where the importance of agriculture and rural development was identified as a key component of integrated development in the region and IICA was given the mandate to implement this and other Summit mandates.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Organization of American States (OAS)

Washington, D.C., United States
($ in thousands)

Change in Annual Requirements: $0

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	74,652	74,652	74,652
United States % Share	59.47	59.47	59.47
United States Assessment	44,396	44,396	44,396
Tax Reimbursement Agreement	9,800	9,800	9,800
U.S. Requirement in Dollars	54,196	54,196	54,196
Calendar year 2000 Deferral	11,099	0	0
Calendar year 2001 Deferral	(11,099)	11,099	0
Calendar year 2002 Deferral	0	(11,099)	11,099
Calendar year 2003 Deferral	0	0	(11,099)
Funds Available and Current FY Request	54,196	54,196	54,196

Explanation of Estimate:

The FY 2003 request is intended to provide full funding of U.S. requirements for U.S. fiscal year 2003 (October 1, 2002 - September 30, 2003). The estimates for FY 2003 reflect a no-growth scenario for the overall expenditure budget.

Purpose and Benefits to the United States:

As a frontline organization in the efforts to strengthen democracy and human rights in the Western Hemisphere, the OAS is vital to the implementation of U.S. policy objectives in the region. The OAS role has been greatly facilitated by the approval of the Inter-American Democratic Charter, a political commitment by all member states to promote and defend democracy. The OAS has undertaken a central role in Summit of the Americas management and implementation of key Summit mandates. During 2000, it established a Justice Studies Center, launched the multilateral evaluation mechanism for drug abuse control, began work on an evaluation mechanism for the Inter-American Convention Against Corruption, and implemented new mechanisms for greater civil society involvement in OAS and Summit deliberations. CICTE, the newly-revitalized Inter-American Committee Against Terrorism, is playing a key role in coordinating a hemispheric response to the threat posed by international terrorism. CICTE's success is extremely important to U.S. national interests.

The OAS Inter-American Commission on Human Rights has been an essential factor in consolidating human rights in the hemisphere. The Commission's Rapporteur on Freedom of Expression has pro-actively promoted press freedom in the region and criticized new restrictions on freedom of expression in Peru and Cuba.

The OAS Unit for the Promotion of Democracy (UPD) carries out a wide range of programs to consolidate incipient democracies and respond to democratization crises in the region. The UPD's Electoral Observation Mission in Nicaragua helped ensure free and fair elections in November 2001. The Unit launched the first annual forum for political parties in December 2000, which brought together some 100 representatives of political parties, governments, electoral organizations, parliaments, civil society

organizations, communications media, and academic institutions. TheUPD's demining program has provided cost-effective support in the removal of over 60,000 mines in Central America, and has now been extended to Peru and Ecuador, with Colombia scheduled to be added in 2002. OAS electoral observations addressed potential conflicts in recent elections in Venezuela, Paraguay and the Dominican Republic.

OAS technical cooperation programs, which are funded by voluntary contributions, have a unique discipline that requires member states to contribute in order to benefit. The 1996 Managua Protocol, which reorganized technical cooperation programs in a more efficient manner, provides that all member states can be participants. OAS funds can be used to fund training by U.S. domestic agencies and they can share expertise with counterparts in the hemisphere. For example, the National Institute of Standards andTesting personnel can provide quality control training that directly benefits U.S. commercial interests.

The OAS has repeatedly shown itself a valuable forum for negotiating international agreements of benefit to the U.S. For example, OAS member states adopted the world's first anti-corruption convention designed to fight corruption through cooperation on extradition, mutual legal assistance, and asset forfeiture, which has just been ratified by the U.S.

A treaty aimed at curbing the illicit trafficking of firearms was negotiated in the OAS and opened for signature two years ago. This treaty is aimed at curbing an illegal activity directly related to surging crime, which potentially threatens confidence in democratic institutions throughout the hemisphere.

In 1995 the OAS agreed on a list of security and confidence building measures (CSBMs) for member states to consider adopting. This list was expanded in 1998. These measures are intended to provide greater transparency in military matters, reducing the potential for tension in the hemisphere. The United States succeeded in further supplementing these measures by getting agreement within the OAS on a mechanism, which would provide for notification by members of acquisitions of major weapons systems 90 days after their entry into national inventories.

In a resolution adopted by foreign ministers at the 1997 OAS General Assembly, OAS members committed to work toward a moratorium on the production, use and transfer of anti-personnel landmines. This represents the first time an entire region has agreed to the goal of establishing a zone free of landmines.

Secretary General Gaviria created a Trade Unit to support the Free Trade Area of the Americas (FTAA) initiative launched at the Miami Summit. The Trade Unit has developed into an important player on this issue. He also created the Sustainable Development and Environment Unit which has developed and is implementing the Inter-American Program on Sustainable Development and is coordinating OAS follow-up activities flowing from the 1996 Summit of the Americas on Sustainable Development.

Since 1990, the OAS has cut its staff by a cumulative 60 percent below the high point reached in the 1970s. The OAS has demonstrated it can do more with less, ensuring that the OAS can move into the 21st century as a major force in the hemisphere and an effective arena for promoting the strategic interests of its members states, including the United States.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Pan American Health Organization (PAHO)

Washington, D.C., United States
($ in thousands)

Change in Annual Requirements: $1,027

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	90,523	98,775	98,775
United States % Share	59.445	59.445	59.445
United States Assessment	53,811	58,717	58,717
Tax Equalization Fund Credit	(1,553)	(2,350)	(2,350)
U.S. Requirement in Dollars	52,258	56,367	56,367
Calendar year 2000 Deferral	13,065	0	0
Calendar year 2001 Deferral	(13,065)	13,065	0
Calendar year 2002 Deferral	0	(14,092)	14,092
Calendar year 2003 Deferral	0	0	(14,092)
Funds Available and Current FY Request	52,258	55,340	56,367

Explanation of Estimate:

The FY 2003 request is intended to provide full funding for U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

PAHO serves as the regional office for the Americas of the World Health Organization (WHO). The basic purpose of PAHO is to promote and coordinate efforts of the countries of the Western Hemisphere to combat disease, lengthen life and promote the physical and mental health of the people. U.S. interests in the organization closely parallel our interests in the WHO. Like WHO's other five regional offices, PAHO receives funds from the regular budget of WHO. These funds are combined with PAHO's regular budget resources to provide for one integrated program. There is no duplication of effort. PAHO programs promote the two-way exchange of vital information on health procedures, expand opportunities for research by U.S. scientists, and complement U.S. international health policy.

PAHO promotes primary health care in rural and urban areas, supports efforts to deal with AIDS, provides support for malaria control, fosters childhood immunizations, addresses drug abuse, tobacco and alcoholism problems, and fosters programs to improve maternal and child health. PAHO's work in strengthening and coordinating epidemiological surveillance programs helps combat diseases before they spread.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Pan American Institute of Geography and History (PAIGH)

Mexico City, Mexico
($ in thousands)

Change in Annual Requirements: $0

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	563	563	563
United States % Share	57.59	57.59	57.59
Funds Available and Current FY Request	324	324	324

Explanation of Estimate:

The FY 2003 request is intended to provide full funding of PAIGH's calendar year 2003 requirements.

Purpose and Benefits to the United States:

The Pan American Institute of Geography and History (PAIGH) is a specialized organization of the OAS that carries out research and facilitates information sharing among specialists in member states. The 18 person Secretariat acts as the coordinator and facilitator of the programs, but they are carried out by personnel that are provided by member states at no-cost to the Institute.

Through participation in PAIGH, U.S. domestic agencies such as the National Imagery and Mapping Agency (NIMA), the U.S. Geological Survey, NOAA, and the Census Bureau as well as private and public universities have been able to share information and experiences with these counterparts in other member states. Programs involve constant updating of aeronautical and naval charts and training of personnel to guarantee the quality and standardization of information received from individual member states, tracking of seismic risk data, and remote sensing of natural resources, forest fire hazard assessments, and interpretation of satellite imagery. PAIGH has played a key role in defining disputed borders between member states, most recently between Guatemala and Belize.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Regional Organizations

($ in thousands)

	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Asia-Pacific Economic Cooperation	601	601	0
Colombo Plan Council for Technical Cooperation	15	15	0
NATO Parliamentary Assembly	563	582	19
North Atlantic Treaty Organization	42,502	45,310	2,808
Organization for Economic Cooperation and Development	49,176	58,796	9,620
The Pacific Community	1,080	1,065	(15)
Total Annual Requirements	93,937	106,369	12,432

Goals and Objectives:

The goal of U.S. participation in these organizations is to foster U.S. security and economic interests. U.S. objectives include defense of NATO members, trade and investment liberalization, trade facilitation, and economic and social development cooperation.

Base Program:

The North Atlantic Treaty Organization (NATO), central to our national security, provides a consolidated defense against possible aggression, gives the United States a seat at one of the principal decision-making tables of Europe, projects U.S. military and political influence in Europe, and allows the United States to address crisis situations in a multilateral arena where our allies share the financial, military, and political burden. The North Atlantic Assembly, an adjunct to NATO, enables our legislators to consult with representatives of the national legislative bodies of other NATO states. The Asia Pacific Economic Cooperation forum, the Pacific Community, Colombo Plan Council for Technical Cooperation, and the Organization for Economic Cooperation and Development promote economic health and social development in geographic areas of high interest to the United States. U.S. participation allows us to influence the decision-making process on key defense, economic and social issues. These organizations are important instruments for the preservation of the U.S. alliance system and the protection of vital U.S. interests.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Asia-Pacific Economic Cooperation (APEC)

Singapore
($ in thousands)

Change in Annual Requirements: $0

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	3,338	3,338	3,338
United States % Share	18	18	18
Funds Available and Current FY Request	601	601	601

Explanation of Estimate:

The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

APEC is the most important multilateral institution in the Pacific Rim. This fact was underscored by the 1997-99 economic crisis, which affected many of the economies in East Asia. It is a strong advocate of freetrade, investment, and market-driven policies in the region. APEC's 21 economies account for more than half of total world income and global trade. U.S. trade, communications, travel and cultural exchanges with Asia and the Pacific have surpassed other regions in many important categories. The economic crisis of 1997-99 did not diminish the long-term economic prospects and importance of the Asia/Pacific region to us.

As an achievement-oriented and consensus-based organization, APEC was founded to promote the economic interests of its members, advance regional cooperation, and solve problems resulting from rapidly increasing integration. APEC's progress in reducing trade and investment barriers spurs other organizations, such as the World Trade Organization, to increase their own liberalization efforts. It also contributes to economic recovery in the region.

APEC benefits the U.S. by providing a valuable and unique forum to pursue our economic interests in a very cost-effective way. The forum enables us to address controversial issues, such as intellectual property and customs facilitation, which are not amenable to bilateral solution, and to broaden pressure for opening and deregulating markets of some of our main trading partners. If the U.S. is to maintain political and economic leadership globally, we must maintain our leadership in the Asia-Pacific region. APEC is proving to be an essential mechanism for maintaining our role in the region and accelerating the trend toward regional economic integration.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Colombo Plan Council for Technical Cooperation (CPCTC)

Colombo, Sri Lanka
($ in thousands)

Change in Annual Requirements: $0

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	332	332	332
United States % Share	4.37	4.37	4.37
Funds Available and Current FY Request	15	15	15

Explanation of Estimate:

The FY 2003 request represents the estimated U.S. assessed share of the CPCTC's fiscal year 2003 budget which begins on July 1, 2002 and ends on June 30, 2003.

Purpose and Benefits to the United States:

The Colombo Plan Council assists in the economic development of Asia through: (1) exchange of views on problems of technical assistance in the area; and (2) collection of information on technical assistance programs undertaken by its members on a bilateral basis in Asia and the Pacific. The Council does not formulate or administer technical assistance programs. The United States participates in the Council to represent its interest in the Council's deliberations and recommendations.

On an extra-budgetary basis, the U.S. contributes to the Colombo Plan's Anti-Drug Program (DAP). The small DAP secretariat coordinates anti-narcotics training (demand reduction, supply reduction, intelligence) in the region. It also coordinates activities among the members' drug secretariats as well as with NGOs. The DAP is the only organization in this region that provides this type of service to its members in an effective and coordinated manner.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

NATO Parliamentary Assembly (NATOPA)

Brussels, Belgium
($ in thousands)

Change in Annual Requirements: $19

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Euros)	2,855	2,855	2,855
United States % Share	22.41	22.41	22.41
United States Assessment (in Euros)	640	640	640
Approx. Exchange Rate Euros to $1	1.141	1.137	1.099
Funds Available and Current FY Request	561	563	582

Explanation of Estimate:

The U.S. assessment to the NAA is paid in Euros. The FY 2003 estimate is intended to provide full funding of U.S. requirements for CY 2003.

Purpose and Benefits to the United States:

The North Atlantic Assembly, an inter-parliamentary organization founded in 1955, brings together legislators from NATO and NATO Partner countries to discuss issues of peace and security in the North Atlantic area. The Assembly, renamed the NATO Parliamentary Assembly in 1999, is independent of NATO, but constitutes a link between national legislators and the Alliance. It helps ensure that Alliance concerns are taken into account in developing national legislation, and simultaneously allows legislators to convey their national concerns on key Alliance issues. The Assembly meets twice a year in plenary session, and functions through five committees that report to the plenary. The meetings develop recommendations and resolutions that are forwarded to national governments and to NATO. The Assembly promotes closer contact between individual legislators of NATO countries, and stimulates better understanding and increased public support for NATO. It continues to make a significant contribution to maintaining unity within the Atlantic community.

Reflecting the major political and strategic changes within Europe over the past decade, the Assembly has significantly broadened both its membership and mandate. The development of the Partnership for Peace (PfP) initiative, the creation of the Euro-Atlantic Partnership Council (EAPC), the NATO-Russia Permanent Joint Council, the NATO-Ukraine Charter, and the 1999 decision to open NATO to three new members have broadened NATO's scope and increased the importance of the parliamentary contacts fostered by the Assembly. Fifteen Partner countries of the Alliance have associate delegation status in the NAA, which allows them to participate in its work and debates. The Assembly's role in developing relations with Central and Eastern European (CEE) countries reinforces the work of the EAPC and PfP. In particular, Assembly activities provide the expertise and information to ensure that CEE parliamentarians become more effective in influencing national defense policies and maintaining democratic control of armed forces. The Assembly also remains an important forum to convey U.S. congressional views on Trans-Atlantic security issues, and was one of the first NATO forums where the U.S. outlined its views on NATO in the aftermark of September 11.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

North Atlantic Treaty Organization (NATO)

Brussels, Belgium
($ in thousands)

Change in Annual Requirements: $2,808

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Belgium Francs)	6,244,142	0	0
Assessment Against Members (in Euros)	0	166,965	171,133
United States % Share	22.41	22.41	22.41
United States Assessment	1,399,312	37,417	38,351
Less: Credit for U.S. Gov't Employees on Loan to NATO	(160,393)	(1,661)	(1,661)
Net U.S. Assessment	1,238,919	35,756	36,690
Approx. Exchange Rate Belgium Franc to $1	44.3421	0	0
Approx. Exchange Rate Euros to $1	0	1.2565	1.099
U.S. Requirement	27,940	28,457	33,385
Headquarters	8,000	9,000	9,000
Tax Reimbursement Agreement	60	60	63
Net U.S. Requirements	36,000	37,517	42,448

Direct Cost of U.S.Gov't Employees on Loan to NATO	4,986	4,985	2,862
Funds Available and Current FY Request	40,986	42,502	45,310

Explanation of Estimate:

The U.S. assessment for NATO is paid in Euros. FY 2003 estimates are intended to provide full U.S. requirements for CY 2003 and reflect only that portion of NATO's civil budget for which the U.S. has an assessed share paid out of the CIO appropriation. The Direct Cost of U.S. Goverment Employees on Loan to NATO estimate is based on projected salaries of USG employees assigned to the NATO International Staff.

NATO set a vigorous agenda for itself at the Washington 50th Anniversary Summit in April 1999 and has made significant strides in implementing this agenda. At the summit, Allied heads of state and government issued a declaration setting out the continuing importance of the Alliance into the 21st century for addressing risks to security and enhancing Euro-Atlantic stability. The Summit also adopted a new Strategic Concept setting out new fundamental tasks for the Alliance. These include collective defense as the core function, crisis response operations, improved capabilities to meet new threats including terrorism, and development of Alliance partnerships in the Euro-Atlantic Partnership Council (EAPC), NATO-Russia and NATO-Ukraine forums. Responding to the profound changes in Europe, NATO has helped overcome the adversarial relationship between East and West and led the way to building a new inclusive security relationship.

The Summit Communiqué also reflected agreement on several major initiatives for the Alliance. These include the Defense Capabilities Initiative to ensure that allies develop the means to fulfill the agreed fundamental tasks, including collective defense. Allied leaders agreed that NATO should pay closer attention politically and militarily to the threat from weapons of mass destruction. They also agreed that

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

NATO would support European efforts to carry out military operations when NATO as a whole is not engaged militarily. NATO allies reaffirmed that the door to alliance membership remains open and instituted a Membership Action Plan (MAP) to assist aspirant countries to make themselves better candidates. The Partnership for Peace (PFP) was also enhanced with a political military framework for partner participation in planning for allied operations and an operational capabilities in this regard concept for greater partner interoperability.

In March 1999, the Czech Republic, Hungary, and Poland completed the process of accession and joined the Alliance. This resulted in a slight reduction in the U.S. share of the NATO budget. Allies have agreed to continue the enlargement process at the Prague Summit in 2002. In Kosovo, NATO's objectives were to end the campaign of ethnic cleansing, create the conditions that would allow for the delivery of humanitarian assistance, prevent a wider conflict and achieve a durable peace that prevents further repression and provides for democratic self-government for the Kosovar people. After Serbia met Alliance conditions, NATO constituted an international military presence (KFOR) in Kosovo to ensure continued compliance. The Alliance has also stepped in in Macedonia to collect arms from warring factions and help restore stability.

The resolution of the Kosovo crisis and Russian participation in KFOR lead to a resumption of NATO-Russia consultation and cooperation in the Permanent Joint Council (PJC). Building on this, Allies have agreed to develop a new NATO-Russia Council aimed at enhancing cooperation between NATO and Russia. NATO-Ukraine cooperation remains active and productive.

NATO has carefully managed its budget, funding many new activities through reprogramming and savings. The U.S. and the Allies have agreed that extending these new and expanded activities, based on U.S. initiatives and proposals, will require additional financial resources. A specific line-item is included in this request to meet the U.S. assessment for construction of a new Alliance headquarters which NATO leaders agreed in Washington was required for an enlarged Alliance and expanded partner activities, as well as physical safety and security reasons.

Purpose and Benefits to the United States:

NATO remains at the core of U.S. engagement in Europe and key to the promotion of Trans-Atlantic stability and security. This remains central to U.S. national security. NATO has been remarkably successful in adapting to meet new challenges in the post-Cold War security environment. NATO enlargement and outreach to partners in Central and Eastern Europe, including Russia and Ukraine, have been key to overcoming the division of Europe.

NATO continues to fulfill its core function of collective defense, as evidenced by its invocation of its Article 5 mutual defense clause in the immediate aftermath of September 11 attacks. New fundamental tasks under the strategic concept, including meeting terrorist threats, will require enhanced allied defense capabilities including greater sustainability, deployability, mobility and survivability for Alliance forces as well as effective engagement, command and control and information systems. European allies now contribute approximately 90 percent of the ground forces and 70 percent of the air and naval forces. However, as Kosovo showed, these forces need significant improvements. We will work to ensure that allies continue to bear a proportionate burden.

When European stability and security have been threatened or NATO's core values called into question, NATO has been and will continue to be the instrument of choice for allies, and increasingly, partners, to act together militarily. NATO is actions in Bosnia, Kosovo, and Macedonia have proven its ability to meet Europe's new security challenges. Building on the adaptation process at the Washington Summit, we and

our allies are now preparing for the November 2002 Prague Summit to ensure that NATO will continue to serve U.S. political and security interests well into the next century.

The U.S. government can arrange for its nationals serving on the international staff to be paid directly by the United States. This arrangement was originally necessary because NATO salaries, based on European scales, could not attract nationals of the United States and Canada. It has the further advantage of making available, for temporary assignment to fill specific NATO needs, selected officials from the wide range of talent to be found within the United States Government, and provides U.S. Government employees first hand experience with NATO issues in a multilateral environment. When the United States government nominates a USG employee to a NATO international staff position, the U.S. Government pays the employee according to USG scales and details the employee to NATO, as permitted by P.L. 87-195. The United States receives credit, in Euros, equivalent to the salaries, allowances and travel costs which would have been paid the employee had he/she been hired directly by NATO.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Organization for Economic Cooperation and Development (OECD)

Paris, France
($ in thousands)

Change in Annual Requirements: $9,620

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Assessment Against Members (in French Francs)	984,200	0	0
Assessment Against Members (in Euros)	0	152,980	154,060
United States % Share	25	24.975	24.975
United States Assessment-Part I	246,050	38,207	38,476
United States Assessment-Part II	54,237	8,565	8,836
Fiscal Adjustment	483	74	74
Funding for Pension Capitalization	37,662	6,925	7,302
U.S. Assessment	338,432	53,771	54,688
OECD Building Renovation	0	0	8,468
Net U.S. Assessment	338,432	53,771	63,156
Tax Reimbursement Agreement	9,586	1,463	1,461
U.S. Requirement	348,018	55,234	64,617
Approx. Exchange Rate French Franc to $1	7.6517	0	0
Approx. Exchange Rate Euro to $1	0	1.1232	1.099
Funds Available and Current FY Request	45,482	49,176	58,796

Explanation of Estimate:

The FY 2003 (CY 2002) assessed regular budget estimate reflects a 1.6 percent nominal increase in the overall budget. The request also includes the contribution for the pension fund and the headquarters-building renovation project (to remedy asbestos and fire safety hazards).

Part II Assessment and Funding for Pension Capitalization: The United States Assessment Part II figure reflects only that portion of OECD'S part II assessment budget for which the U.S. has an assessed share paid out of the CIO appropriation. In 2000, OECD members reached agreement on establishing a pension fund. Due to concerns about the high initial costs to capitalize a fund, members decided contributions would be gradually increased between 2000 and 2004.

Building Renovation Project: Asbestos and fire-safety hazards require urgent remediation, principally in one of the OECD'S headquarters buildings (where the U.S. Mission to the OECD is also located). The OECD Council decided in 2000 to redevelop the headquarters site in tandem with the remediation work in order to accommodate current space needs for staff and renovate its conference facilities. Although overall project cost requirements and financing methods are still being developed, the estimated U.S. share of assessments for the total project is approximately $60 million if the project is funded on a "pay as you go" basis (through FY 2008). The U.S. share of costs in FY 2003 are estimated at $7.7 million under the "pay as you go" option. The asbestos remediation/renovation project will take an estimated six years to complete. During this time, costs related to the project will include: asbestos remediation and reconstruction of the six story OECD headquarters and conference

facilities; rental of temporary office space for several hundred staff, possible rental or construction of temporary conference facilities, moving and installation costs; and fees for legal, design and engineering, and other expert advice. During FY2003, the OECD should have completed the move to a temporary rental accommodation and selected a project design for the renovation through a competitive process.

Purpose and Benefits to the United States:

The OECD is comprised of 30 market democracies in Europe, North America and the Pacific Rim. With its unique capacity for analysis across almost all non-defense areas, the OECD is our forum of choice for cutting-edge international economic issues. The OECD has made substantial contributions in the wake of the events of September 11. The Financial Action Task Force (FATF), an independent international body housed at OECD headquarters, has expanded its work on combating money laundering to encompass combating terrorist financing. The OECD is also updating guidelines on protecting network and information systems security, and has begun collaborating with the Department of Education on helping schools improve their security posture and cope with terrorist attacks.

Current U.S priorities include implementation, enforcement and broadening of an international convention to criminalize bribery of foreign public officials; encouraging worldwide adoption of the OECD corporate governance principles; and using the OECD as a forum to reduce excess capacity in global steel production while eliminating subsidies that distort global trade in steel. The OECD helps the U.S. by combating money laundering and tax evasion, assessing the implications of aging societies, developing the conditions to encourage electronic commerce, and by encouraging members to reform their regulatory structures. The U.S. is using the OECD to promote sustainable development through economic growth, and the use of market mechanisms. G-8 Summits routinely call on the OECD to advance consensus on a range of issues, such as environmental guidelines for export credits and untying aid. The OECD often lays the groundwork for negotiations in other fora, for example in the fields of trade and environment. The OECD is also working to strengthen its outreach to civil society organizations.

The OECD has been in the forefront of our effort to break down barriers to financial, service, investment and trade flows. In addition to its codes and agreements, it carries out "outreach" activities with non-members. It provides extensive policy advice to the economies of eastern Europe and the NIS and promotes market liberalization and economic reform around the world. Cooperation with new members – Mexico, Hungary, the Czech Republic, Poland, Korea and Slovakia —has helped to liberalize these economies and integrate eastern Europe. The OECD is also encouraging economic reform in Southeast Europe, Russia and China. Finally, the International Energy Agency, an OECD-affiliated body, advances U.S. and global energy security by coordinating member responses to *significant* actual or potential disruptions in energy markets. The IEA demonstrated its effectiveness during the recent period of tight oil markets and increased security threats. Similarly, the Nuclear Energy Agency, another affiliated body, serves U.S. interests by promoting cooperation among the governments of its participating countries in furthering the development of nuclear power as a safe, environmentally acceptable and economic energy source.

U.S.- led efforts to reform and downsize the OECD have made it a leaner Organization. In 1999, the OECD achieved a three-year goal of reducing its expenditure budget by ten percent, and in 2000 established a pension fund to deal with rising retirement costs. The OECD modernized its financial management becoming the first international organization to adopt newly promulgated accounting standards for public sector organizations. In June, 2001, the OECD adopted a key organizational reform promoted by the U.S. --by adopting biennial budgeting (to begin in 2003-2004).

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

This will improve the OECD's strategic planning and strengthen Member's control over the Organization's budgets. Finally, Secretary General Donald Johnston recently proposed reforms to make the OECD more responsive in moving resources to new priorities in response to demands from capitals. The U.S. supports these goals, and discussion is underway in the OECD Council about the design of reform and its implementation.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

The Pacific Community (PC)

Noumea, New Caledonia
($ in thousands)

Change in Annual Requirements: -$15

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Central Pacific Francs)	764,693	764,693	764,693
United States % Share	17.968	17.97	17.97
United States Assessment	137,400	137,415	137,415
Approx. Exchange Rate Central Pacific Franc to $1	132.12	129.02	130.82
U.S. Requirement	1,040	1,065	1,050
Tax Reimbursement Agreement	15	15	15
Funds Available and Current FY Request	1,055	1,080	1,065

Explanation of Estimate:

The U.S. assessment to The Pacific Community, formerly the South Pacific Commission (SPC), is paid in Central Pacific Francs. The FY 2003 request is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The Pacific Community, the oldest regional institution in the South Pacific, brings together key Western powers – the U.S., Australia, New Zealand, France and the U.K.– with Pacific Island countries and territories. The Pacific Community, with its focus on economic development, provides a forum for the U.S. to forcefully voice its views on development issues. We insist that programs meet rigorous cost/benefit analysis, and the organization's principle of consensus ensures our concerns are not ignored or outvoted. The three U.S. flag territories in the Pacific as well as the three Micronesian Freely Associated States enjoy the benefits of full membership.

The Pacific Community provides direct and significant benefits to U.S. economic, political, strategic, and environmental interests. The Pacific Community makes a vital contribution to the maintenance and monitoring of Pacific fish stocks of which the annual U.S. catch is worth $150-200 million; its Pacific Plant Protection Organization helps control plant diseases, thereby protecting U.S. agriculture, especially in the territories, Hawaii and California; its Maritime Resources Division helps island sailors meet certification requirements of the International Maritime Organization and its Regional Animal Health Service helps set standards to prevent the outbreak of, or contain, animal diseases of economic and/or public health concern. In 2001, for example, experts from the Pacific Community helped Palau (a country in Free Association with the U.S.) deal with an outbreak of leptospirosis. Americans in the territories also benefit from the organization's community health programs. Politically and strategically, the U.S. benefits from the Pacific Community's work in the Islands, which lie astride key Pacific sea lanes and are all friendly towards the United States.

The Islands provide support on multilateral issues, such as key votes on the Nuclear Non-Proliferation Treaty, and solid backing for U.S. positions in the UN (e.g, to keep pariah states off the Security Council). U.S. membership also underscores USG leadership and our commitment to the region,

despite our declining official presence (closure of USAID and USIA regional offices and many Peace Corps programs).

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Other International Organizations

($ in thousands)

	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Customs Cooperation Council	2,703	2,794	91
Hague Conference on Private International Law	102	106	4
International Agency for Research on Cancer	1,649	1,692	43
International Bureau of the Permanent Court of Arbitration	18	19	1
International Bureau for the Publication of Customs Tariffs	84	87	3
International Bureau of Weights and Measures	764	791	27
International Center for the Study of the Preservation and Restoration of Cultural Property	748	748	0
International Copper Study Group	54	56	2
International Cotton Advisory Committee	226	252	26
International Grains Council	429	447	18
International Hydrographic Organization	77	80	3
International Institute for the Unification of Private Law	95	99	4
International Lead and Zinc Study Group	54	56	2
International Office of Epizootics	90	93	3
International Organization for Legal Metrology	89	92	3
International Office of the Vine and Wine	0	0	0
International Rubber Study Group	120	125	5
International Seed Testing Association	7	7	0
International Tropical Timber Organization	159	190	31
International Union for the Conservation of Nature and Natural Resources	247	259	12
Organization for the Prohibition of Chemical Weapons	13,769	17,168	3,399
International Union for the Protection of New Varieties of Plants	161	165	4
World Trade Organization	12,826	13,865	1,039
Total Annual Requirements	34,471	39,191	4,720

Goals and Objectives:

U.S. goals and objectives in these organizations include ensuring focus on cancer research; protecting the interests of U.S. business and industry (expanding trade opportunities, understanding customs procedures, standardizing physical measurements and legal measuring instruments, increasing commodity market transparency, meeting foreign data information needs, price analyses and projections); ensuring international rules for seed testing do not function as non-tariff trade barriers; preserving and restoring cultural property; and supporting safe navigation through hydrographic coordination. In the legal arena, U.S. objectives include ensuring that the U.S. legal approach and interests are given adequate consideration; that law unification work does not result in treaties that may competitively disadvantage U.S. interests; and that mechanisms exist for peaceful settlement of disputes.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Base Program:

The U.S. ability to participate in international trade agreements and decisions on the availability and pricing of commodities is an important U.S. objective. Moreover, as a major global trader, access to the international legal system and its judicial bodies ensures that the United States can achieve fair and equal treatment for its economic and other interests throughout the world.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Customs Cooperation Council (CCC)

Brussels, Belgium
($ in thousands)

Change in Annual Requirements: $91

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Belgium Francs)	482,500	0	0
Assessment Against Members (in Euros)	0	11,961	11,961
United States % Share	25	25	25
United States Assessment	120,625	2,990	2,990
Approx. Exchange Rate Belgium Franc to $1	43.28	0	0
Approx. Exchange Rate Euros to $1	0	1.1373	1.0993
U.S. Requirement	2,787	2,629	2,720
Tax Reimbursement Agreement	74	74	74
Funds Available and Current FY Request	2,861	2,703	2,794

Explanation of Estimate:

The U.S. assessment to the CCC is paid in Euros. FY 2003 estimates are intended to provide full funding of U.S. requirements for CCC's fiscal year 2002/03 budget (July 1, 2002 to June 30, 2003). As in previous years, no change in the level of member assessments is anticipated.

Purpose and Benefits to the United States:

The Customs Cooperation Council (CCC), informally known as the World Customs Organization (WCO), is a 138-member intergovernmental technical organization dedicated to the improvement of customs techniques as a means of increasing cooperation between governments and facilitating law enforcement and international trade. Its purpose is to enhance the harmonization and standardization of customs regulations between members, which it seeks to do through the development of a variety of international instruments. These include the International Convention on the Harmonization and Simplification of Customs Procedures (Kyoto Convention), the Harmonized Commodity Description and Coding System, and the Customs Convention on the ATA Carnet for the Temporary Admission of Goods. The CCC has also been tasked by the World Trade Organization to pursue technical work related to the implementation of the WTO agreements on Customs Valuation and also on Rules of Origin. In regard to the latter, the CCC is coordinating a three-year series of multilateral technical negotiations for the harmonization of non-preferential rules of origin, pursuant to a mandate from the WTO.

The United States has been an active participant in the Council since its accession in 1970 to the Convention establishing the organization. The United States is also a contracting party to the Council Conventions on Temporary Importations, the Kyoto Convention, and the Harmonized System Convention. A former U.S. Customs Service Official currently serves as the Council's Secretary General. Of considerable importance to both the public and private sectors in the United States is the Council's initiative to update and modernize the Kyoto Convention, and enhancing the use of information technology to speed up customs clearance procedures. The private sector in the U.S. is

also very interested in the CCC's work on the Rules of Origin Harmonization project, as well as customs valuation and revisions to the Harmonized System.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Hague Conference on Private International Law (HCOPIL)

The Hague, Netherlands
($ in thousands)

Change in Annual Requirements: $4

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Dutch Guilders)	3,447	0	0
Assessment Against Members (in Euros)	0	1,723	1,723
United States % Share	6.67	6.43	6.43
United States Assessment	230	111	111
Approx. Exchange Rate Dutch Guilder to $1	2.395	0	0
Approx. Exchange Rate Euros to $1	0	1.144	1.099
U.S. Requirement	96	97	101
Tax Reimbursement Agreement	5	5	5
Funds Available and Current FY Request	101	102	106

Explanation of Estimate:

The U.S. assessment to the HCOPIL is paid in Euros. The FY 2003 request is intended to provide full funding of U.S. requirements for HCOPIL's fiscal year 2003 (July 1, 2002 to June 30, 2003).

Purpose and Benefits to the United States:

U.S. membership permits U.S. participation in the preparation, negotiation and review of conventions (multilateral treaties) unifying law in the areas of judicial assistance, securities, international commerce and the protection of children (international parental child abduction; intercountry adoption; custody rights and the recognition of custody decrees). U.S. ratification of such conventions entitles U.S. citizens to benefit from rules providing greater certainty and predictability when these types of transactions or relationships extend across international borders.

Several conventions adopted since the U.S. joined the organization illustrate their importance and utility. The Hague Service Convention sets rules under which American litigants may effect service abroad of judicial and other documents in 33 other countries. The Hague Evidence Convention provides guidelines for obtaining evidence in 24 other countries for use in U.S. court litigation. The Hague Convention on international child abduction requires the prompt return of children wrongfully removed or retained abroad in connection with parental custody disputes and has effected the return hundreds of children to and from the U.S. The Hague Convention that abolishes the requirement of legalization for documents to be used abroad substantially simplifies the certification of documents to be used in over 50 other countries who are parties to the Convention.

Moreover, Congress has provided the advice and consent of the Senate, and the passage of necessary implementing legislation for the Hague Convention on Inter-country Adoption. As the country with the largest number of foreign adoptions in the world, U.S. adoption advocates are strongly behind U.S. accession to this important Convention, which sets uniform standards to protect children and their adoptive and biological parents.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

U.S. participation in the work of the Hague Conference is essential to ensure international private law rules are developed taking full account of U.S. interests.

International Agency for Research on Cancer (IARC)

Lyon, France
($ in thousands)

Change in Annual Requirements: $43

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	18,321	16,694	17,122
United States % Share	9.115	9.88	9.88
Funds Available and Current FY Request	1,670	1,649	1,692

Explanation of Estimate:

FY 2003 estimate represents the second year of IARC's 2002-2003 biennium budget. The FY 2003 request is intended to provide full funding of U.S. requirements for IARC's calendar year 2003.

Purpose and Benefits to the United States:

The work of the 15-member International Agency for Research on Cancer (IARC) affords the United States a valuable opportunity to participate in the study of the causes and incidence of cancer on a worldwide basis. The IARC program emphasizes epidemiological research on human cancer and related studies in environmental carcinogenesis. Membership in the IARC permits the United States, together with other countries, to give cancer research priority in the field of international public health.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Bureau of the Permanent Court of Arbitration (IBPCA)

The Hague, Netherlands
($ in thousands)

Change in Annual Requirements: $1

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Dutch Guilders)	660	0	0
Assessment Against Members (in Euros)	0	299	299
United States % Share	6.82	6.82	6.82
United States Assessment	45	20	20
Approx. Exchange Rate Dutch Guilder to $1	2.5	0	0
Approx. Exchange Rate Euros to $1	0	1.112	1.099
Funds Available and Current FY Request	18	18	19

Explanation of Estimate:

The U.S. assessment to the IBPCA is paid in Euros. The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The International Bureau of the Permanent Court of Arbitration was established under the terms of the Hague Conventions for the Pacific Settlement of International Disputes of 1899 and 1907. The International Bureau conducts the Court's administrative affairs. The Court maintains a worldwide panel of jurists and lawyers available for selection as members of *ad hoc* arbitration tribunals. The use of arbitration to resolve international disputes is an important element in U.S. foreign policy, which is supported at very low cost by our participation in the IBPCA. The Secretary General of the Permanent Court of Arbitration also designates the appointing authority for the Iran-United States Claims Tribunal.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Bureau of the Publication of Customs Tariffs (IBPCT)

Brussels, Belgium
($ in thousands)

Change in Annual Requirements: $3

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Belgium Francs)	59,300	0	0
Assessment Against Members (in Euros)	0	1,470	1,470
United States % Share	6.472	6.472	6.472
United States Assessment	3,838	95	95
Approx. Exchange Rate Belgium Franc to $1	43.28	0	0
Approx. Exchange Rate Euros to $1	0	1.137	1.099
Funds Available and Current FY Request	89	84	87

Explanation of Estimate:

The U.S. assessment to the IBPCT is paid in Euros. FY 2003 estimates are intended to provide full funding of U.S. requirements for IBPCT's fiscal year 2003 budget (April 1, 2002 to March 31, 2003).

Purpose and Benefits to the United States:

The Bureau, with a current membership of 71 countries, translates tariff schedules of member governments printed in a wide range of languages into English, French, German, Italian, and Spanish and publishes them in the International Customs Journal. The Union thus provides an inexpensive and efficient method of disseminating this information. Full information on foreign customs duty rates is vitally necessary to the United States Government and to American businessmen. While foreign tariffs are available in the original language, most of our trade technicians, tariff analysts, and businessmen could not as a practical matter utilize the tariffs economically or effectively except in English.

The Bureau's translation provides a source of basic information needed for responding to questions from businessmen, in particular in connection with our export promotion programs, and for verifying foreign concessions obtained in negotiations. The U.S. Department of Commerce, for instance, distributes the Bureau's Customs Journals to its commercial counselors in district offices in the United States and Puerto Rico.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Bureau of Weights and Measures (IBWM)

Sevres, France
($ in thousands)

Change in Annual Requirements: $27

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Euros)	8,697	8,828	8,828
United States % Share	9.84	9.84	9.84
United States Assessment (in Euros)	856	869	869
Less Credit Adjustments	19	0	0
Net U.S. Assessment (in Euros)	837	869	869
Approx. Exchange Rate Euros to $1	1.1266	1.137	1.099
Funds Available and Current FY Request	743	764	791

Explanation of Estimate:

The U.S. assessment to the IBWM is paid in Euros. The FY 2003 estimate represents the U.S. share for the third year of the 2001-2004 quadrennial budget, and is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

Founded in 1875 by the treaty known as the Convention of the Meter, the IBWM is responsible for establishing and coordination internationally of the physical standards of measurement (meter, kilogram, second, ampere, volt, etc) required for international trade, manufacture of high technology products, scientific research, the protection of the environment, and many aspects of human health and safety. The primary mission of the IBWM is to: (1) establish the basic standards and scales of the principal physical quantities and to maintain international prototypes, (2) carry out comparisons of national and international standards, and (3) ensure coordination of the corresponding techniques of measurement.

The IBWM provides an efficient and cost-effective way of assuring the multiplicity of links necessary to demonstrate the equivalence of measurement standards maintained by national laboratories and to provide international traceability. At the same time, it provides certain unique and essential services such as the calibration of mass standards in terms of the international kilogram and the world's time scale. The increasing requirement for the strict application of performance criteria in the field of quality certification and laboratory accreditation assumes the existence of the worldwide measurement system. For member nations of the Convention, the activities of the IBWM are a highly effective way of assuring this basis for measurement.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Center for the Study of the Preservation and Restoration of Cultural Property (ICCROM)

Rome, Italy
($ in thousands)

Change in Annual Requirements: $0

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	2,992	2,992	2,992
United States % Share	25	25	25
Funds Available and Current FY Request	748	748	748

Explanation of Estimate:

The FY 2003 estimate represents the second year of ICCROM's 2002-2003 biennial budget. FY 2003 estimates are intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The International Center for the study of the Preservation and Restoration of Cultural Property (ICCROM) is an intergovernmental organization established in 1958 to serve as a research and training center and as a unique clearing house for the exchange of information and specialists concerned with the scientific and technical problems of preservation and restoration of cultural property. Examples of ICCROM activities include technical assistance in conservation of ancient paintings in Jerusalem, marble statues in Algeria, murals in Malta and Thailand, the effects of tourism on the Pharonic tombs at Luxor, the mud-brick Spanish missions of the American Southwest, the restoration of the Michelangelo murals in the Sistine Chapel, and the facade of the U.S. Capitol building. The U.S. benefits from participating in training that is available to both students and professors only at ICCROM in architectural, painting and stone conservation, by access to its unique library holdings and by technical consultations on the part of advanced U.S. conservative bodies such as the Smithsonian Institution's Center for Materials Research and Education.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Copper Study Group (ICSG)

Lisbon, Portugal
($ in thousands)

Change in Annual Requirements: $2

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Portuguese Escudos)	136,535	0	0
Assessment Against Members (in Euros)	0	701	701
United States % Share	8.717	8.717	8.717
United States Assessment	11,902	61	61
Approx. Exchange Rate Portuguese Escudos to $1	223	0	0
Approx. Exchange Rate Euros to $1	0	1.137	1.091
Funds Available and Current FY Request	53	54	56

Explanation of Estimate:

The U.S. assessment for the ICSG is paid in Euros. The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The ICSG provides a forum for inter-governmental consultations on the international trade in copper, a strategic material. The Study Group publishes a monthly statistical bulletin covering primary production, consumption, and trade statistics, and prepares a wide variety of spot reports on issues of interest to the trade.

Annual meetings of the organization draw wide support from member country industry representatives who find the exchange of information on the world market and other conditions affecting the industry to be valuable aids leading to more effective industrial forecasting and long term planning. The Study Group is becoming increasingly important as a forum for the balanced discussion of environmental issues facing the copper industry.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Cotton Advisory Committee (ICAC)

Washington, D.C., United States
($ in thousands)

Change in Annual Requirements: $26

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	1,193	1,301	1,301
United States % Share	12.3	11.6	11.6
United States Assessment	147	151	151
Tax Reimbursement Agreement	75	75	101
Funds Available and Current FY Request	222	226	252

Explanation of Estimate:

The FY 2003 estimate is intended to provide full funding of U.S. requirements for ICAC's Fiscal Year 2003 (July 1, 2002, to June 30, 2003).

Purpose and Benefits to the United States:

Cotton is both a major domestic crop and an important export for the United States. The International Cotton Advisory Committee is the recognized intergovernmental cotton producer-consumer group. The ICAC has 43 member governments, representing 90 percent of world production (excluding China), 85 percent of world consumption (excluding China), and 80 percent of world cotton exports. The ICAC provides the U.S. with access to cotton information as well as other governments' views. It is also a useful vehicle for developing international cooperation on cotton problems concerning the U.S. The ICAC collects and disseminates statistical information on cotton stocks, production, consumption, trade and prices. ICAC publishes a bi-monthly review of the world cotton situation and makes regular forecasts of cotton prices. In additional, ICAC convenes an annual Plenary meeting that is well attended by representatives of the U.S. cotton industry who are able to make business contacts with foreign textile mill representatives, government officials and other potential buyers of U.S. cotton ginning equipment.

The United States assessment share is in part a prorata share based on world trade levels of the member countries. The U.S. share of world trade in cotton was slightly higher in the period relevant for FY 2002. "Tax Reimbursement Agreement" line for the FY 2002 is based on the current staffing pattern. The amount under this line would change if existing positions change from tax exempt to tax reimbursable, or vice verse, due to personnel changes.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Grains Counsel (IGC)

London, England
($ in thousands)

Change in Annual Requirements: $18

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Pounds Sterling)	1,280	1,280	1,280
United States % Share	23.75	23.75	23.75
United States Assessment	304	304	304
Approx. Exchange Rate Pounds Sterling to $1	0.684	0.708	0.68
Funds Available and Current FY Request	444	429	447

Explanation of Estimate:

The U.S. assessment to the IGC is paid in Pounds Sterling. FY 2003 estimates are intended to provide full funding of U.S. requirements for the IGC's fiscal year 2003 (July 1, 2002 to June 30, 2003).

Purpose and Benefits to the United States:

The International Grains Council (formerly the International Wheat Council) is the governing body of the International Grains Agreement, which consists of the 1995 Grains Trade Convention and the 1999 Food Aid Convention. The Food Aid Convention provides for member contributions of an annual amount of food aid or money to purchase such aid for developing countries. The Council also collects and distributes information on the world trade in wheat grains market. The current Grains Trade Convention seeks to further international cooperation in connection with world grains problems, to contribute to the stability grains markets, and to promote the expansion of international trade in grains.

It is in the interest of the United States, as the world's leading exporter of grains, to further the objectives of the Council. Decisions in the Council are by a majority vote of importers and exporters voting separately, with a two-thirds majority of each group required for certain major decisions. The United States is the world's leading provider of food aid. We wish to encourage others to donate food to developing nations and believe that the FAC plays an important role in this process.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Hydrographic Organization (IHO)

Monte Carlo, Monaco
($ in thousands)

Change in Annual Requirements: $3

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in French Francs)	13,990	0	0
Assessment Against Members (in Euros)	0	2,085	2,085
United States % Share	4.21	4.21	4.21
United States Assessment	589	88	88
Approx. Exchange Rate French Franc to $1	7.09	0	0
Approx. Exchange Rate Euros to $1	0	1.1399	1.099
Funds Available and Current FY Request	83	77	80

Explanation of Estimate:

The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2003. The U.S. assessment to the IHO is paid in Euros.

Purpose and Benefits to the United States:

The main purpose of the International Hydrographic Organization (IHO) is to achieve among its members uniformity, efficiency, and coordination in hydrographic surveying and charting and in disseminating marine safety information, thus making maritime navigation safer and easier throughout the world. The United States benefits directly in the annual receipt of approximately 1,500 unique charts from IHO members and facsimile reproduction material for approximately 130 charts under bilateral agreements concluded under the aegis of the IHO, and further facsimile material for an increasing number of charts in the International Charts Series under the Convention and Technical Regulations of the IHO. There is additional benefit to the U.S. in our ability to influence the charting practices of other nations through the IHO, to facilitate the transfer of their data to, and its utilization by, our data banks, and to minimize required changes in U.S. procedures in reaching necessary international standards for nautical products.

The savings to the U.S. for these activities are substantial, compared to the costs of unilateral U.S. surveying and chart production or the cost of establishing and maintaining the many bilateral agreements which would be necessary in the absence of the IHO Convention. Safety of navigation of U.S. mariners is also well served.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Institute for the Unification of Private Law (IIUPL)

Rome, Italy
($ in thousands)

Change in Annual Requirements: $4

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Italian Lira)	3,339,966	0	0
Assessment Against Members (in Euros)	0	1,725	1,725
United States % Share	6.29	6.29	6.29
United States Assessment	210,084	109	109
Approx. Exchange Rate Italian Lira to $1	2,165.98	0	0
Approx. Exchange Rate Euros to $1	0	1.147	1.099
Funds Available and Current FY Request	97	95	99

Explanation of Estimate:

The U.S. assessment for the UNIDROIT is paid in Euros. The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The purpose of the Organization is to unify private law at the international level. The principal method is the preparation of draft uniform rules of substantive law incorporated into international conventions, and encouragement of their adoption by as many countries as possible. Because difficulties arising out of conflicting laws are especially likely to arise out of international commercial transactions and international transportation, many of the uniform laws adopted by the Organization have been in those fields.

These uniform laws are of substantial importance to United States interests since they could, in a number of circumstances, constitute the law to be applied to American parties to transactions with parties in other countries. The Organization, with active United States participation, completed work on two such conventions, which were adopted at a Diplomatic Conference in Ottawa. These conventions, on international financial leasing and international factoring, will affect international trade practices and are expected to be submitted to the Senate for its advice and consent to U.S. ratification. They have been endorsed for ratification by the American Bar Association and affected private sector interest groups.

UNIDROIT has undertaken the preparation of a major convention on secured interest financing of large mobile equipment, which is of extremely high importance to the U.S. aircraft industry and could create tens of billion of dollars in new exports. U.S. membership in the Organization provides an important opportunity for U.S. participation in the development of uniform laws. It is essential, to ensure that such laws are compatible with U.S. commercial and other interests, and that American legal concepts and ideas are given appropriate recognition in their formulation.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Lead and Zinc Study Group (ILZSG)

London, England
($ in thousands)

Change in Annual Requirements: $2

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Pounds Sterling)	506	506	506
United States % Share	7.56	7.56	7.56
United States Assessment	38	38	38
Approx. Exchange Rate Pounds Sterling to $1	0.704	0.705	0.68
Funds Available and Current FY Request	54	54	56

Explanation of Estimate:

The U.S. assessment to the ILZSG is paid in Pounds Sterling. The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The International Lead and Zinc Study Group provides a forum for inter-governmental consultations on international trade in the strategic commodities - lead and zinc. The Study Group publishes a monthly statistical bulletin covering primary production, consumption, trade and pricing statistics, and prepares a wide variety of spot reports on issues of interest to the trade.

We believe it is advantageous to maintain our participation in this effective, non-political producer-consumer forum which is considered a model for similar organizations for other basic commodities. U.S. industry supports our participation, finding great value in the pooled information on changes in the world market and on other conditions affecting the industry which leads to more effective industrial forecasting and long term planning. The Study Group is now particularly important as a forum for the balanced discussion of the environmental issues facing the lead and zinc industries such as the ramifications of the Basel Convention for the international trade in scrap metal.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Office of Epizootics (IOE)

Paris, France
($ in thousands)

Change in Annual Requirements: $3

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Euros)	2,830	3,560	3,560
United States % Share	2.87	2.87	2.87
United States Assessment	81	102	102
Approx. Exchange Rate Euro to $1	1.095	1.137	1.099
Funds Available and Current FY Request	74	90	93

Explanation of Estimate:

The U.S. assessment to the IOE is paid in Euros. The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The International Office of Epizootics (IOE) is the only organization that reports on animal diseases worldwide. During the past 20 years the organization has grown from 54 members to 157 and includes all the major developed countries. The IOE reports the existence and movement of animal, poultry and fish diseases on a weekly and monthly basis. As necessary, IOE cables member countries when new disease outbreaks occur. IOE drafts uniform sanitary codes for animal and product movements in international trade in accordance with its mandate to harmonize regulations for trade in animals and animal products within member countries. It meets regularly to review the status of animal diseases of immediate concern to the countries of the world and proposes means to control them. An International Agreement between IOE and the Food and Agriculture Organization (FAO) avoids duplications of functions by separating the related responsibilities of the two organizations in the animal health field. While IOE serves as a global surveillance and reporting service on outbreaks of animal diseases of international concern, FAO acts to assist governments in dealing with the animal disease outbreaks by coordinating control activities and providing training and assistance to improve veterinary services within countries.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Organization for Legal Metrology (IOLM)

Paris, France
($ in thousands)

Change in Annual Requirements: $3

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Euros)	1,136	1,136	1,136
United States % Share	8.33	8.33	8.33
United States Assessment	95	95	95
English Translation Center (in Euros)	5	6	6
Net U.S. Assessment (in Euros)	100	101	101
Approx. Exchange Rate Euros to $1	1.163	1.137	1.099
Funds Available and Current FY Request	86	89	92

Explanation of Estimate:

The U.S. assessment to IOLM is paid in Euros. The FY 2003 budget will be the third of the 2001-2004 quadrennial budget. FY 2003 estimates are intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The International Organization for Legal Metrology (IOLM) was established in 1955 to advise governments on quality and performance standards for scales and other measuring instruments used in public commerce. The IOLM assists governments to draft and implement measurement laws and regulations. IOLM's conformance of these standards for measuring instruments facilitates the global marketing of U.S.-manufactured instruments, which creates confidence for U.S. buyers and sellers in global trade. IOLM also maintains a library and assists in information exchange.

The primary beneficiary of U.S. membership in IOLM is U.S.-based international commerce, especially the medical instruments industry with a 50% export market. Technical cooperation with IOLM is led by the National Institute for Standards and Technology (NIST), with the Department of Agriculture, Department of Transportation, Environmental Protection Agency, Food and Drug Administration and state agencies of weights and measures also working with IOLM and each other to take advantage of IOLM's expertise and experience.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Office of the Vine and Wine (IOVW)

Paris, France
($ in thousands)

Change in Annual Requirements: $0

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in French Francs)	3,571	0	0
United States % Share	5.18	0	0
United States Assessment	185	0	0
Approx. Exchange Rate French Franc to $1	7.05	0	0
Funds Available and Current FY Request	26	0	0

Explanation of Estimate:

The U.S. withdrew from the IOVW effective June 30, 2001.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Rubber Study Group (IRSG)

London, England
($ in thousands)

Change in Annual Requirements: $5

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Pounds Sterling)	606	650	650
United States % Share	13.2	13	13
United States Assessment	80	85	85
Approx. Exchange Rate Pounds Sterling to $1	0.684	0.708	0.68
Funds Available and Current FY Request	117	120	125

Explanation of Estimate:

The U.S. assessment to the IRSG is paid in Pounds Sterling. The FY 2003 request is intended to provide full funding of U.S. requirements for the IRSG's fiscal year 2003 (July 1, 2002 to June 30, 2003).

Purpose and Benefits to the United States:

The International Rubber Study Group, established at the close of World War II, collects, collates and publishes worldwide data on natural and synthetic rubber and consumption. According to the Department of Commerce, the IRSG is the only source of this data, which consumer industries such as tire manufacturers and others believe is crucial to their business. Although governments comprise IRSG membership, IRSG includes private sector participation on panels of experts that study and report on specific problems affecting the industry. The U.S. is both the world's largest producer and consumer of synthetic rubber.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Seed Testing Association (ISTA)

Zurich, Switzerland

($ in thousands)

Change in Annual Requirements: $0

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Swiss Francs)	652	782	806
United States % Share	1.66	1.4	1.4
United States Assessment	11	11	11
Approx. Exchange Rate Swiss Franc to $1	1.833	1.666	1.621
Funds Available and Current FY Request	6	7	7

Explanation of Estimate:

The U.S. assessment to ISTA is paid in Swiss Francs. FY 2003 estimates are intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The primary purpose of the International Seed Testing Association (ISTA) is to develop, adopt and publish standard procedures for sampling and testing seeds and to promote uniform application of these procedures for evaluation of seeds moving in international trade. The latest record (2000/2001) shows the United States exported seeds at an annual value of about $741.2 million and imported seeds at an annual value of about $430.5 million. Therefore, it is important for U.S. interests to be represented in ISTA and for the U.S. to participate fully in the processes leading to the adoption of standard procedures for sampling and testing seeds moving in international trade.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Tropical Timber Organization (ITTO)

Yokohama, Japan
($ in thousands)

Change in Annual Requirements: $31

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members	4,580	4,580	4,580
United States % Share	3.25	3.25	3.92
United States Assessment	149	149	180
Tax Reimbursement Agreement	10	10	10
Funds Available and Current FY Request	159	159	190

Explanation of Estimate:

The FY 2003 estimate is intended to provide full funding of U.S. requirements for calendar year 2003. The U.S. assessment will increase because the percentages assessed are based on a statistical formula regarding import market shares among ITTO members. The U.S. level of imports of timber from tropical countries rose in the year on which the assessment is based, at the same time import levels of other major consumers have declined.

Purpose and Benefits to the United States:

The ITTO's objectives address concerns summarized in P.L. 99-529 (1986), in which Congress expressed its concern over the destruction and loss of tropical forests, and instructed the President to engage in dialogue with developing countries to stress "the importance of conserving andsustainably managing forest resources...." The ITTO provides a key forum for such dialogue; virtually all major producers and consumers of tropical timber are members of the ITTO. Its members represent 95% of world trade in tropical timber and more than 70% of the earth's remaining tropical rainforests. The ITTO is also improving market transparency, an important benefit to both U.S. industry and consumers since the U.S. is a major importer of tropical timber products and a major exporter of competing wood products.

The ITTO was established in 1985 to facilitate cooperation between producers and consumers of tropical timber. Since its inception, the organization has tried to reduce unsustainable logging in the tropics by promoting good forest management and harvesting practices in countries having tropical forest resources and increasing market transparency in the tropical timber market. Through its numerous voluntarily-funded projects, ITTO is a key player in promoting sustainable management of production forests. The ITTO provides economic information on the world tropical timber trade, through improved statistics and analysis, and assists in the development of viable and efficient forest industries.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Union for the Conservation of Nature and natural Resources (IUCN)

Gland, Switzerland
($ in thousands)

Change in Annual Requirements: $12

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Swiss Francs)	8,468	8,755	8,755
United States % Share	4.7	4.7	4.8
United States Assessment	398	411	420
Approx. Exchange Rate Swiss Franc to $1	1.7081	1.666	1.621
Funds Available and Current FY Request	233	247	259

Explanation of Estimate:

The U.S. assessment to the IUCN is paid in Swiss francs. FY 2003 estimates are intended to provide full funding of U.S. requirements for calendar year 2003. IUCN operates on an annual budget cycle. Assessments are set every 3 to 4 years at the World Conservation Congress.

Purpose and Benefits to the United States:

The IUCN, the world's largest conservation organization, provides a unique international scientific forum for the coordination of government-NGO approaches and common policies for environmental conservation and the sustainable use of natural resources. Six U.S. Government agencies and over 100 U.S. organizations are IUCN members. The IUCN has been instrumental in developing and supporting a number of international environmental agreements and initiatives important to the United States, such as theRamsar Convention on Wetlands, for which IUCN also acts as secretariat. The U.S. directly benefits from IUCN programs, including those on marine biodiversity and conservation of global biodiversity (crucial to the U.S. agricultural and pharmaceutical industries), as well as those programs preventing introduction of alien species.

U.S. citizens play an important role in IUCN programs, which employ U.S. scientists and managers. Several members of the IUCN's governing council are U.S. citizens. In addition, 21% of IUCN headquarters staff and 25% of the members of its scientific and technical commissions are U.S. citizens -- the highest percentage of any international organization. Because much of IUCN's work is performed through volunteer commissions, the U.S. Government's relatively small contributions are leveraged into substantial volunteer human resource commitments.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Organization for the Prohibition of Chemical Weapons (OPCW)

The Hague, Netherlands
($ in thousands)

Change in Annual Requirements: $3,399

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Euros)	54,898	58,233	64,056
United States % Share	25	22	22
United States Assessment (in Euros)	13,725	12,811	14,092
Less: Credit Surplus 1998	1,882	0	0
U.S. Assessment Net	11,843	12,811	14,092
Approx. Exchange Rate Euros to $1	1.1161	1.137	1.099
U.S. Assessment	10,611	11,267	12,823
Tax Reimbursement Agreement	70	70	199
Articles IV and V Costs	2,965	2,432	4,146
Funds Available and Current FY Request	13,646	13,769	17,168

Explanation of Estimate:

The U.S. assessment to the OPCW is paid in Euros. The FY 2003 request includes approximately $4.1 million for costs associated with Articles IV and V of the Chemical Weapons Convention for FY 2003. Under these two treaty articles and subsequent Conference of the States Parties decisions (C-I/DEC.74, C-III/DEC.17 and C-III/DEC.8), chemical weapon possessing member states must reimburse certain OPCW inspection and verification expenses such as inspector pro-rata salaries, per diem, and international airfare. FY 2003 estimates are intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The Organization for the Prohibition of Chemical Weapons (OPCW) implements the Chemical Weapons Convention, which entered into force on April 29, 1997. The Chemical Weapons convention is designed to exclude the possibility of the use or threat of chemical weapons. To this end, the Convention prohibits the development, production, acquisition, stockpiling, retention, and direct or indirect transfer of chemical weapons. The Convention also requires all chemical weapons to be declared and internationallyconfirmed, and all chemical weapons to be completely eliminated within ten years after its entry into force, with international monitoring of all storage and destruction.

The OPCW is responsible for verification of CW destruction, and carries out two verification regimes to limit the possibility of future clandestine CW production, storage, and use. The first is a routine monitoring regime of declared CW facilities and routine inspections of civilian chemical industry facilities. The second regime, challenge inspections, permits special inspections of any facility or location in the territory or jurisdiction of a state party to resolve questions of possible non-compliance. Through its verification activities, the OPCW contributes significantly to U.S. non-proliferation and national security objectives.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Union for the Protection of New Varieties of Plants (UPOV)

Geneva, Switzerland
($ in thousands)

Change in Annual Requirements: $4

Computation of Estimate	Actual FY 2001	Estimate FY 2002	Request FY 2003
Assessment Against Members (in Swiss Francs)	2,776	2,776	2,776
United States % Share	9.66	9.66	9.67
United States Assessment	268	268	268
Approx. Exchange Rate Swiss Franc to $1	1.729	1.666	1.628
Funds Available and Current FY Request	155	161	165

Explanation of Estimate:

The U.S. assessment to the UPOV is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The Union, established by the International Convention for the Protection of New Plant Varieties, consists of over 40 member countries and is continuing to grow. Its main aim is to promote the protection of breeder's rights in new plant varieties by requiring explicit and detailed rules on the conditions and arrangements for granting protection. The Convention also provides rules on the scope of protection as well as possible restrictions and exceptions. By establishing the principle of national treatment, plant breeders from member states enjoy the same treatment in other member states as do their own nationals or residents. The UPOV Convention is becoming a world model for the protection of plant varieties, as ever-increasing numbers of countries that are members of the World Trade Organization accede to the UPOV Convention to meet their obligations as WTO members. U.S. breeders of plant varieties and exporters of those varieties are the main beneficiaries of the provisions of the UPOV Convention as they are able to protect their technologies in other countries from infringement and piracy. Given industry estimates of exports of grains and other varieties of around $6 billion annually, the UPOV Convention and its Union serve an important function in fostering U.S. commerce abroad.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

World Trade Organization (WTO)

Geneva, Switzerland
($ in thousands)

Change in Annual Requirements: $1,039

Computation of Estimate	Actual FY 2001 (CY 2000)	Estimate FY 2002 (CY 2001)	Request FY 2003 (CY 2002)
Assessment Against Members (in Swiss Francs)	132,900	132,900	142,100
United States % Share	14.972	15.631	15.723
United States Assessment	19,898	20,774	22,342
Less Incentive scheme Credit	(7)	(3)	(18)
Net U.S. Assessment	19,891	20,771	22,324
Approx. Exchange Rate Swiss Franc to $1	1.8077	1.6288	1.621
U.S. Requirement	11,003	12,752	13,772
Tax Reimbursement Agreement	74	74	93
Funds Available and Current FY Request	11,077	12,826	13,865

Explanation of Estimate:

The U.S. assessment is paid in Swiss francs. The FY 2003 request is intended to provide full funding of U.S. requirements for calendar year 2002. The estimates reflect additional requirements relating to increases in the WTO's program of work, including preparations relating to a new Trade Round and new initiatives in trade capacity building, as agreed to at the Ministerial meeting in Doha.

Purpose and Benefits to the United States:

The WTO was created by the Uruguay Round of trade negotiations conducted under the auspices of the GATT (General Agreement on Tariffs and Trade) which concluded in December 1993. The GATT, which grew out of a 1947 UN-sponsored conference in Havana and a tariff negotiating conference in Geneva, has been the main forum in which the U.S. works with other nations to reduce trade barriers and foster the expansion of world trade. The WTO has assumed the functions of the GATT and continues to apply its basic principles of nondiscrimination and reduction of trade barriers through negotiation. The WTO incorporates the former GATT schedules of tariff concessions and codes of conduct for international trade, as well as the recent concessions -- including those in the new areas of intellectual property, investment, agriculture and services -- and codes of conduct negotiated in the Uruguay Round. The WTO today is the foremost intergovernmental forum for examining trade issues and resolving trade disputes. Its more than 130 members account for over 90 % of world trade. The WTO's dispute settlement mechanism, especially, is important to the U.S. It encourages countries to settle difference through consultation, while providing recourse through a carefully mapped procedure that includes the possibility of a ruling by a panel of experts and the chance to appeal the ruling on legal grounds.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Statutory Authorizations

UNITED NATIONS AND AFFILIATED AGENCIES

FOOD AND AGRICULTURE ORGANIZATION

P.L. 79-197 approved July 31, 1945; as amended by P.L. 81-806 approved September 21, 1950; P.L. 84-726 approved July 18, 1956; P.L. 85-141 approved August 14, 1957; P.L. 87-195 approved September 4, 1961 (22 U.S.C. 279-279d). The United Nations Food and Agriculture Organization Constitution, adopted by the United States effective October 16, 1945 (T.I.A.S. 1554) and composite text, as amended to 1957 (T.I.A.S. 4803).

INTERNATIONAL ATOMIC ENERGY AGENCY

P.L. 85-177 approved August 28, 1957 (22 U.S.C. 2021-2026). The International Atomic Energy Statute, ratification advised by the Senate June 18, 1957 (T.I.A.S. 3873).

INTERNATIONAL CIVIL AVIATION ORGANIZATION

The Convention on International Civil Aviation, Chapter XV, 1944, ratification advised by the Senate July 25, 1946 (T.I.A.S. 1591).

INTERNATIONAL LABOR ORGANIZATION

P.L. 80-843 approved June 30, 1948, as amended by P.L. 81-806 approved June 30, 1958 (22 U.S.C. 271-272a). The International Labor Organization Constitution amendment, acceptance by the United States deposited August 2, 1958 (T.I.A.S. 1868).

INTERNATIONAL MARITIME ORGANIZATION

The Intergovernmental Maritime Consultative Organization Convention, ratification advised by the Senate July 27, 1950 and entered into force for the United States March 17, 1958 (T.I.A.S. 4044).

INTERNATIONAL TELECOMMUNICATION UNION

The International Telecommunication Convention with Annexes and Protocol, Malaga-Torremolinos, 1973 ratification by Senate January 22, 1976 and entered into force with respect to the United States in April 1976 (T.I.A.S. 8572); as amended, Nairobi, 1982, ratification by the President, December 26, 1985 and entered into force with respect to the United States on January 10, 1986.

UNITED NATIONS

P.L. 79-264 approved December 20, 1945; as renumbered and amended by P.L. 81-341 approved October 10, 1949 (22 U.S.C. 287-287e). The United Nations Charter ratification advised by the Senate, July 28, 1945 (T.S. 933).

UNIVERSAL POSTAL UNION

On July 1, 1981, the new Universal Postal Convention, Rio de Janeiro, 1979, entered into force for the United States. (T.I.A.S. 9972).

WORLD HEALTH ORGANIZATION

Public Law 643, 80th Congress, approved June 14, 1948; Public Law 807, 81st Congress, approved September 21, 1950; Public Law 655, 83rd Congress, approved August 26, 1954; Public Law 138, 84th Congress, approved July 8, 1955 (22 U.S.C. 290 - 290e). World Health Organization Constitution entered into force with respect to the United States June21, 1948 (T.I.A.S. 1808).

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

UNITED NATIONS AND AFFILIATED AGENCIES (CONTINUED)

WORLD INTELLECTUAL PROPERTY ORGANIZATION

PARIS UNION
P.L. 86-614 approved July 12, 1960, as amended by P.L. 88-69 approved July 19, 1963, as amended by P.L. 92-511 approved October 20, 1972 (22 U.S.C. 260f), as further amended by P.L. 98-164 approved November 22, 1983. Stockholm revision to the Paris Convention for Protection of Industrial Property, Senate consent to ratification February 28, 1970 (T.I.A.S. 6923), as amended by P.L. 98-164 approved November 22, 1983.

NICE UNION
The U.S. Senate gave its advice and consent of ratification of the Nice Agreement on December 11, 1971 (T.I.A.S. 7418).

STRASBOURG UNION
The U.S. Senate gave its advice and consent to ratification of the Strasbourg Agreement on October 30, 1973 (T.I.A.S. 8140).

BERNE CONVENTION ON THE PROTECTION OF LITERACY AND ARTISTIC WORKS
Implementing legislation became effective March 1, 1989.

WORLD METEOROLOGICAL ORGANIZATION
The World Meteorological Organization Convention, ratification advised by the Senate April 20, 1949 (T.I.A.S. 5947).

INTER-AMERICAN ORGANIZATIONS

INTER-AMERICAN INDIAN INSTITUTE
The Inter-American Indian Institute Convention, ratification advised by the Senate May 26, 1941. (T.S. 978).

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE
The Inter-American Institute of Agricultural Sciences Convention, ratification advised by the Senate June 22, 1944 (T.S. 987): Protocol to the Convention, deposited by the United States November 3, 1959. Revised statutes changing the name of the Institute to Inter-American Institute for Cooperation on Agriculture and incorporating changes in the Institute were adopted by the required two-thirds of member countries, including the United States, on February 18, 1981. The United States deposited its ratification to the revised statutes on October 24, 1980.

ORGANIZATION OF AMERICAN STATES
The Organization of American States Charter, ratification advised by the Senate on August 28, 1950 (T.I.A.S. 2361).

PAN AMERICAN HEALTH ORGANIZATION
The Pan American Sanitary Convention, ratification advised by the Senate, February 23, 1925 (T.S. 714).

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

INTER-AMERICAN ORGANIZATIONS (CONTINUED)

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY
Public Resolution 74-42 approved August 2, 1935 as amended by P.L. 83-736 approved August 31, 1954, as further amended by P.L. 90-645 approved October 13, 1966 (22 U.S.C. 273), P.L. 91-340 approved July 17, 1970 and P.L. 97-241 approved August 24, 1982.

REGIONAL ORGANIZATIONS

ASIA-PACIFIC ECONOMIC COOPERATION
P.L. 103-236 (Section 424), approved April 30, 1994.

COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION
P.L. 86-108 (Section 502), approved July 24, 1959 (22 U.S.C. 1896b).

NORTH ATLANTIC ASSEMBLY
P.L. 84-689 approved July 11, 1956, as amended by P.L. 85-477 approved June 30, 1958, and P.L. 90-137 approved November 14, 1967 (22 U.S.C. 1928A-1928D).

NORTH ATLANTIC TREATY ORGANIZATION
North Atlantic Treaty, ratification advised by the Senate July 21, 1949 (T.I.A.S. 1964) (22U.S.C. 19286), P.L. 87-195 (Section 628, 629 and 630) approved September 4, 1961; as amended by P.L. 89-171, approved September 6, 1965 (22 U.S.C. 2388-2390).

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT
The OECD Convention, ratification advised by the Senate March 16, 1961 (T.I.A.S. 4891). P.L. 87-195 (Sections 628, 629 and 630) approved September 4, 1961 as amended by P.L. 89-171, approved September 5, 1965 (22 U.S.C. 2388-2390).

PACIFIC COMMUNITY
P.L. 80-403, approved January 28, 1948, as amended by P.L. 81-806 approved September 21, 1950, and further amended by P.L. 86-472 approved May 14, 1960; P.L. 88-263 approved January 31, 1964; P.L. 89-91 approved July 27, 1965 (22 U.S.C. 280-280c); P.L. 91-632 approved December 31, 1970; and P.L. 92-490 approved October 13, 1972. The South Pacific Commission Agreement entered into force July 29, 1948 (T.I.A.S. 2317) and amendment to the agreement entered into force July 15, 1965.

OTHER INTERNATIONAL ORGANIZATIONS

INTERNATIONAL BUREAU OF EXPOSITIONS
Convention of International Expositions, ratification advised by the Senate April 30, 1968, (T.I.A.S. 6548).

CUSTOMS COOPERATION COUNCIL
Customs Cooperation Convention, ratification by the Senate October 4, 1968, instruments of accession deposited November 5, 1970 (T.I.A.S 7063).

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

OTHER INTERNATIONAL ORGANIZATIONS (CONTINUED)

HAGUE CONFERENCE ON PRIVATE INTERNATIONAL LAW
P.L. 88-244, as amended by P.L. 92-497 approved October 17, 1972 (22 U.S.C. 269g-1). The Hague Conference on Private International Law Statute entered into force on October 15, 1964 (T.I.A.S. 5710).

INTERNATIONAL AGENCY FOR RESEARCH ON CANCER
P.L. 92-484 approved October 14, 1972.

INTERNATIONAL BUREAU OF THE PERMANENT COURT OF ARBITRATION
The Pacific Settlement of International Disputes Convention, ratification advised by the Senate April 2, 1908 (T.S. 536).

INTERNATIONAL BUREAU FOR THE PUBLICATION OF CUSTOMS TARIFFS
The International Union for the Publication of Customs Tariffs Convention, ratification advised by the Senate December 13, 1890 (T.S. 384), the Protocol modifying the Convention of July 5, 1980, ratification by the Senate January 25, 1956 (T.I.A.S. 3922), Public Law 90-569, approved October 12, 1968 (33 U.S.C. 269th).

INTERNATIONAL BUREAU OF WEIGHTS AND MEASURES
The International Bureau of Weights and Measures Convention; ratification advised by the Senate May 15, 1978, (T.S. 378) and amending convention, ratification advised by the Senate January 5, 1923 (T.S. 673).

INTERNATIONAL CENTER FOR THE STUDY OF THE PRESERVATION AND RESTORATION OF CULTURAL PROPERTY
P.L. 89-665 approved October 15, 1966, amended as follows by P.L. 91-243 approved May 9, 1970; P.L. 93-54 approved July 1, 1973; P.L. 94-422 approved September 28, 1976; and P.L. 96-199 approved March 5, 1980.

INTERNATIONAL COPPER STUDY GROUP
The United States accepted the Terms Of Reference (TOR) of the ICSG on March 15, 1990. The acceptance was signed by the Acting Secretary and deposited with the UN Secretary-General. Legislative authority for U.S. membership was included in the State Department's Authorization Act for the Fiscal Years 1994 and 1995 (P.L. 103-236).

INTERNATIONAL COTTON ADVISORY COMMITTEE
P.L. 94-350 approved July 12, 1976.

INTERNATIONAL GRAINS COUNCIL
Treaty Doc. 105-16 approved June 26, 1998.

INTERNATIONAL HYDROGRAPHIC ORGANIZATION
The International Hydrographic Convention, approval advised by the Senate on May 13, 1968 (T.I.A.S. 6933).

INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
P.L. 84-44 approved December 30, 1963, as amended by P.L. 92-497 approved October 17, 1972 (22 U.S.C. 269g-1). The Charter of the International Institute for the Unification of Private Law entered into force for the United States March 13, 1964 (T.I.A.S. 5743).

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

OTHER INTERNATIONAL ORGANIZATIONS (CONTINUED)

INTERNATIONAL LEAD AND ZINC STUDY GROUP
P.L. 94-350 approved July 12, 1976.

INTERNATIONAL NATURAL RUBBER ORGANIZATION
International Natural Rubber Agreement, resolution of ratification (Treaty Document 100-9) agreed by the Senate on September 7, 1988.

INTERNATIONAL OFFICE OF EPIZOOTICS
International Agreement for the creation at Paris of the International Office of Epizootics, ratification advised by the Senate May 5, 1975. (T.I.A.S. 8141).

INTERNATIONAL ORGANIZATION FOR LEGAL METROLOGY
The Convention on Legal Metrology, as amended; ratified by Senate on August 11, 1972 and entered into force on October 22, 1972. (T.I.A.S. 7533)

INTERNATIONAL OFFICE OF THE VINE AND WINE
Congress passed and the President signed October 25, 1984 legislation (P.L. 98-545) authorizing the U.S. to maintain membership in the IOVW.

INTERNATIONAL RUBBER STUDY GROUP
P.L. 94-350, approved July 12, 1976.

INTERNATIONAL SEABED AUTHORITY
The United States is a member of the ISBA by virtue of its provisional application of the Agreement Relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea, which entered into force on 28 July 1996. U.S. membership in the ISBA will terminate on November 16 1998, unless the U.S. becomes a party to the United Nations Convention on the Law of the Sea by that date.

INTERNATIONAL SEED TESTING ASSOCIATION
P.L. 94-350 approved July 12, 1976.

INTERNATIONAL TRIBUNAL OF THE LAW OF THE SEA
Currently before Congress, ratification pending by the Senate Foreign Relations Committee (1997).

INTERNATIONAL TROPICAL TIMBER ORGANIZATION
Section 401(b) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (P.L. 101-246 of February 16, 1996) authorizes funding for the ITTO out of the Contributions to International Organizations (CIO) account. The International Tropical Timber Agreement, 1994, which replaced ITTA 1983, entered into force on January 1, 1997. The Secretary of State signed an instrument of acceptance for ITTA 1994 on November 7, 1996, which was deposited at the United Nations on November 14, 1996.

INTERNATIONAL UNION FOR THE CONSERVATION OF NATURE AND NATURAL RESOURCES
Language authorizing U.S. membership is included in Title IV, Section 402 of the State Department Authorization Act for the Fiscal Years 1990 and 1991 (P.L. 101-246).

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

OTHER INTERNATIONAL ORGANIZATIONS (CONTINUED)

INTERPARLIAMENTARY UNION

Act of June 28, 1935, as amended by P.L. 80-409 approved February 5, 1948; P.L. 85-477 approved June 20, 1958; P.L. 87-565 approved August 1, 1962; P.L. 88-613 approved October 7, 1964; P.L. 90-137 approved November 14, 1967; P.L. 92-226 approved February 7, 1972; P.L. 93-126 approved October 18, 1973; and P.L. 94-141 approved November 29, 1975 (22 U.S.C. 276-276c-1); P.L. 95-45 approved June 15, 1977 and P.L. 95-426 approved October 7, 1978.

ORGANIZATION FOR THE PREVENTION OF CHEMICAL WEAPONS

The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, ratification advised by the Senate April24, 1997, instrument of ratification deposited April 25. Entered into force on April29, 1997.

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

International Convention for the Protection of New Varieties of Plants of December 6, 1961, as revised. Done at Geneva October 23, 1978; entered into force November 8, 1981; Ratified February 22, 1999 (Treaty Document 104-17).

WORLD TRADE ORGANIZATION/GENERAL AGREEMENT ON TARIFFS AND TRADE

Uruguay Round Agreement Act, P.L. 103-465, enacted December 8, 1994.

FUNDS BY OBJECT CLASS
($ in thousands)

International Organizations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$868,917	$850,000	$891,378	$41,378
Total	$868,917	$850,000	$891,378	$41,378

716

CONTRIBUTIONS TO INTERNATIONAL PEACEKEEPING ACTIVITIES

Proposed Appropriation Language

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, [~~$844,139,000~~] $725,981,000, of which 15 percent shall remain available until September 30, [~~2003~~] 2004: *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, 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 of the House of Representatives and the Senate and other appropriate committees of the Congress are notified of the estimated cost and length of the mission, the vital national interest that will be served, and the planned exit strategy; and (2) a reprogramming of funds pursuant to section 605 of this Act is 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 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, 2002.)*

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Summary Statement

($ in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Appropriation Total	$844,139	$844,139	$725,981	($118,158)

Note: Assessments for periods up to December 31, 2000, are calculated at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter.

OVERVIEW

The Contributions for International Peacekeeping Activities (CIPA) account funds expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security. United Nations (UN) peacekeeping activities promote the peaceful resolution of conflict.

The CIPA appropriation funds U.S. assessments for UN peacekeeping operations, pursuant to Section 8 of the United Nations Participation Act of 1945, as amended, and in accordance with section 404(b) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995. That authorization act capped the payment of U.S. assessed contributions for a UN peacekeeping operation at not more than 25 percent of the total of all assessed contributions for that operation. It is expected that legislation will be enacted in FY 2002 to authorize payments at the new UN peacekeeping assessment rates, beginning January 1, 2001.

CURRENT PROGRAMS

The United States needs the flexibility to respond to different international crises in different ways, including through UN peacekeeping. Acting through the UN allows the United States 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, can advance important U.S. interests.

Peacekeeping can:

- separate adversaries,
- maintain cease-fires,
- facilitate the delivery of humanitarian relief,
- help create conditions where refugees and displaced persons can return home,
- facilitate peace talks,
- constrain the forces of opposing parties, and
- create conditions conducive to political reconciliation and free elections.

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.

FY 2003 PLANS

The FY 2003 request provides $725,981,000 for the United States' projected share of the expenses of the United Nations (UN) peacekeeping operations in FY 2003. The FY 2003 budget reqest reflects lower UN peacekeeping assessment rates, projected termination of operations in Bosnia, anticipated reduction of operations in East Timor and Sierra Leone and also assumes that the statutory 25% peacekeeping cap will be eliminated. The Department request that 15% of these funds be appropriated as "two-year funds" due to

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

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 United States' fiscal year.

JUSTIFICATION OF PROGRAM ACTIVITIES

The following table presents the FY 2003 budget request by activity.

Allocation by Mission

($ in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
U.N. Disengagement Observer Force on the Golan Heights (UNDOF)	$8,029	$10,435	$8,365
U.N. Interim Force in Lebanon (UNIFIL)	$59,938	$24,963	$33,520
U.N. Iraq / Kuwait Observer Mission (UNIKOM)	$4,813	$5,336	$4,479
U.N. Mission for the Referendum in Western Sahara (MINURSO)	$11,506	$13,472	$11,792
U.N. Mission in Bosnia and Herzegovina (UNMIBH)	$48,256	$29,572	$0
U.N. Mission in Kosovo (UNMIK)	$144,523	$122,850	$96,534
U.N. Peacekeeping Force in Cyprus (UNFICYP)	$5,619	$6,709	$5,219
U.N. Observer Mission in Georgia (UNOMIG)	$6,325	$8,203	$6,516
War Crimes Tribunal - Yugoslavia	$12,078	$17,189	$14,656
War Crimes Tribunal - Rwanda	$10,767	$16,176	$12,100
U.N. Mission in Sierra Leone (UNAMSIL)	$96,655	$318,000	$145,803
U.N. Transitional Administration in East Timor (UNTAET)	$151,454	$130,415	$58,177
U.N. Operations in the Democratic Republic of the Congo (MONUC)	$74,129	$83,550	$273,226
U.N. Mission in Ethiopia and Eritrea (UNMEE)	$71,300	$57,269	$55,594
Payment of FY 2000 MONUC Assessment	$12,127	$0	$0
UNAMSIL - Held for later payment	$48,283	$0	$0
Reserve for Rate Cap lift	$78,337	$0	$0
Appropriation Total	$844,139	$844,139	$725,981

Note: Assessments for periods up to December 31, 2000, are calculated at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Disengagement Observer Force on the Golan Heights (UNDOF)

Established	Personnel	FY 2003 Request
May 31, 1974	1,036 (0 U.S.)	$8,365,000

UNDOF was established as a result of the 1974 U.S.-negotiated Israel-Syria Disengagement Agreement, with the mandate of overseeing the disengagement of those countries' forces on the strategic Golan Heights. The mandate also includes maintaining the cease-fire between Israel and Syria and supervising the areas of separation and limitation defined in the agreement.

Peace and stability in the Middle East are clearly in the U.S. interest. UNDOF helps maintain stability between Israel and Syria, a pre-requisite to efforts to achieve a comprehensive Arab-Israeli peace settlement.

Pending the outcome of diplomatic efforts to find a way forward, the United States government is committed to ensuring that UNDOF maintains a level of organizational integrity and personnel that will leave it positioned to carry out its existing functions and/or undertake new roles as appropriate. A peace treaty between Israel and Syria could lead to adjustments to the UNDOF mandate, which would impose increased costs. However, at this time the Department is not considering any specific proposal for changing UNDOF's mission.

U.N. Interim Force in Lebanon (UNIFIL)

Established	Personnel	FY 2003 Request
March 19, 1978	3639 (0 U.S.)	$33,520,000

UNIFIL was established following Israel's operation in southern Lebanon in March 1978 that followed repeated Palestinian commando attacks against Israel. UNIFIL's mandate is to confirm the withdrawal of the Israeli army from southern Lebanon, to restore international peace and security, and to assist the Lebanese Government in ensuring the return of its authority in the area. UNIFIL's mandate also includes humanitarian activities.

UNIFIL has played an integral part in trying to bring stability to the area and in promoting an environment conducive to a comprehensive Arab-Israeli peace settlement. Israel has accepted United Nations Security Council Resolution (UNSCR) 425, and notified the UN that Israel had redeployed in accordance with the resolution. At the end of the year 2001 Lebanon had not fully established authority and presence in the south. As such, UNIFIL remains an important element in the completion of all tasks of UNSCR 425 and 426. In FY 2001, the UN began to downsize its strength, which is reflected in the FY 2003 budget request.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Iraq / Kuwait Observer Mission (UNIKOM)

Established	Personnel	FY 2003 Request
April 9, 1991	1,099 (11 U.S.)	$4,479,000

UNIKOM's primary functions are to monitor the demilitarized zone set up on the Iraq-Kuwait border in the aftermath of the Gulf War and to deter violations of that border through its presence in and surveillance of the demilitarized zone. UNIKOM's presence is a demonstration of the international community's resolve to ensure Kuwait's sovereignty and territorial integrity. Additionally, UNIKOM helps deter any future hostile action that might be mounted across the demilitarized zone. Kuwait pays two-thirds of UNIKOM's cost with the remainder assessed to UN member states.

U.N. Mission for the Referendum in Western Sahara (MINURSO)

Established	Personnel	FY 2003 Request
April 29, 1991	253 (15 U.S.)	$11,792,000

MINURSO was established pursuant to a 1988 agreement between Morocco and the Polisario to resolve their conflict over the Western Sahara through a referendum on the territory's future. In 1996, continued delays in preparations for the vote led the Security Council to suspend efforts to prepare for the referendum and to carry out a major drawdown of both civilian and military personnel. In March 1997, the Secretary-General appointed former Secretary of State James A. Baker III as his personal envoy to the Western Sahara with the goal of reviving the peace process. Secretary Baker brought the parties together in a series of direct talks that led to an agreement to restart implementation of the Settlement Plan, culminating in a referendum on the Territory's status. Because there are serious difficulties in implementing a settlement plan, Secretary Baker has continued efforts to find an alternative political solution.

MINURSO remains the only agreed means of encouraging the peaceful resolution of the Western Sahara conflict. Peace is of vital importance to Morocco, our key regional partner. This operation has prevented a return to war between Morocco and the Polisario that could destabilize the region and involve Algeria or other nations. The focus of this operation will depend upon the continuing efforts of the Secretary General's special envoy to resolve this long-standing dispute.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Mission in Kosovo (UNMIK)

Established	Personnel	FY 2003 Request
June 10, 1999	4,556 (566 U.S.)	$96,534,000

On June 3, 1999, the Federal Republic of Yugoslavia agreed to a document that authorized an international security presence with substantial NATO participation in Kosovo, as well as an interim administration for Kosovo to provide transitional administration while establishing and overseeing the development of provisional, democratic and self-governing institutions in the province. On the basis of this agreement, the Security Council established UNMIK in June 1999.

From the outset of the crisis in Kosovo, the U.S. objective has remained unchanged: the return of Kosovar refugees and displaced persons to their homes with security and democratic self-government. UNMIK facilitates this objective by coordinating humanitarian assistance, assuming basic policing and other civil administration functions, fostering institutional development, and engaging in reconstruction activities.

U.N. Peacekeeping Force in Cyprus (UNFICYP)

Established	Personnel	FY 2003 Request
March 4, 1964	1,231 (0 U.S.)	$5,219,000

UNFICYP was originally mandated to help end violence between the Greek Cypriot and Turkish Cypriot communities. Since the de facto division of the island in 1974, UNFICYP has served as a buffer force between Turkish and Turkish Cypriot forces on one side of the zone and the Greek Cypriot National Guard on the other.

UNFICYP has helped to prevent an outbreak of conflict on Cyprus that could draw Turkey and Greece, two U.S. NATO Allies, into war, thus endangering both peace in the immediate area and the stability of the greater Balkans-Aegean region. The governments of Greece and Cyprus pay approximately one-half of the UNFICYP's costs.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Observer Mission in Georgia (UNOMIG)

Established	Personnel	FY 2003 Request
August 24, 1993	106 (2 U.S.)	$6,516,000

UNOMIG is mandated to monitor the implementation of the 1994 cease-fire agreement between the government of Georgia and Abkhaz separatists. In addition, its role is to observe the operation of the CIS peacekeeping force invited by the parties to the conflict to help implement the cease-fire. The 1994 cease-fire agreement replaced a 1992 agreement that had been violated.

The presence of a UN observer mission in Georgia, in addition to the mainly Russian CIS peacekeeping force, serves to maintain international involvement in resolving conflicts in the former Soviet Union. UNOMIG encourages the parties to pursue national reconciliation and to assist in stabilizing this former Soviet Republic by helping to end a conflict that has created thousands of refugees. Ongoing negotiations between the parties (including some under UN sponsorship) may lead to progress on the return of refugees and on broadening efforts toward national reconciliation in the near term. This, in turn, could lead to progress on larger issues and a final resolution.

War Crimes Tribunal - Yugoslavia

Established	Personnel	FY 2003 Request
February 22, 1993	961	$14,656,000

War Crimes Tribunal - Rwanda

Established	Personnel	FY 2003 Request
November 8, 1994	872	$12,100,000

The United Nations established these war crimes tribunals that are intended to investigate atrocities and bring perpetrators of war crimes to justice. Half of each tribunal 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).

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Mission in Sierra Leone (UNAMSIL)

Established	Personnel	FY 2003 Request
October 22, 1999	17,420 (0 U.S.)	$145,803,000

UNAMSIL's mandate is to assist the Government of Sierra Leone to extend state authority, restore law and order, progressively stabilize the country, and promote the political process, leading to a renewed disarmament, demobilization and reintegration program. The mission's tasks include providing security at key installations in Freetown and southern Sierra Leone; facilitating the free flow of people, goods, and humanitarian assistance along specified roads; assisting with the disarmament; safeguarding and disposing of arms collected from ex-combatants; and assisting Sierra Leone's law enforcement authorities in the maintenance of law and order.

The U.S. has important interests in ending the civil war which has devastated Sierra Leone, caused an estimated one and a half million people to flee their homes, and threatens to destabilize West Africa.

U.N. Transitional Administration in East Timor (UNTAET)

Established	Personnel	FY 2003 Request
October 25, 1999	8,528 (63 U.S.)	$58,177,000

UNTAET is responsible for the administration of the territory of East Timor during its transition to independence, in accordance with the outcome of the popular consultation conducted in August 1999. UNTAET consists of two civilian components and a peacekeeping force to carry out tasks associated with the implementation of the results of the independence vote. UNTAET replaced the UN Mission in East Timor (UNAMET), established in June 1999 which organized the referendum pursuant to the Tripartite Agreement among Indonesia, Portugal, and the United Nations.

Following elections for a Constituent Assembly in late 2001, the UN has begun scaling down UNTAET. UNTAET (or its successor mission) is expected to reduce in size following independence expected in May of 2002.

The U.S. has critical security, political, financial, and economic/commercial interests in Indonesia and the sub-region. It is in our national interest for East Timor to become a secure, stable nation which will provide stability in the region.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Operations in the Democratic Republic of the Congo (MONUC)

Established	Personnel	FY 2003 Request
August 6, 1999	3,386 (0 U.S.)	$273,226,000

The UN peacekeeping mission in the Congo helps the signatories of the Lusaka accords to carry out the withdrawal of all foreign forces and to disarm, demobilize and repatriate or reintegrate rebel forces.

By the end of June 2001, foreign forces had withdrawn to their New Defensive Positions and some have begun withdrawing their troops in the Congo. Based on that progress, the UN has begun preparations for a Phase III deployment to assist in the voluntary disarmament and demobilization of armed groups in the Eastern DRC.

The U.S. has an interest in upholding regional stability and in preventing the resurgence of genocide and mass killing in Central Africa. In particular, DROC has an alliance of convenience with the former Rwandan Army and Interahamwe militia, which are implicated in the 1994 Rwandan genocide. The fighting further threatens to spark a major humanitarian crisis, with a severe long-term impact on economic growth, investment, poverty alleviation and trade for the region. For all of these reasons, the U.S. has a clear national interest in resolving the multi-state conflict in the Democratic Republic of Congo, and encouraging the evolution of a stable, democratic DROC at peace with its neighbors.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Mission in Ethiopia and Eritrea (UNMEE)

Established	Personnel	FY 2003 Request
July 31, 2000	3,739 (7 U.S.)	$55,594,000

The UN peacekeeping mission in Ethiopia/Eritrea supports the peace agreement signed on June 18, 2000. UNMEE's mission includes monitoring the cessation of hostilities, monitoring and verifying redeployment of the parties' forces, monitoring the temporary security zone, chairing the Military Coordination Commission, and providing technical assistance for demining operations.

The mission has successfully monitored a temporary security zone between the parties and is assisting the maintenance of a ceasefire while the International Boundary Commission delimits and demarcates a new international boundary between the two countries.

Completed Operations

The mandate of the following existing peacekeeping operations are projected to end in FY 2002 and no funds are requested in FY 2003:.

UN Mission in Bosnia and Herzegovina (UNMIBH) – This mission is projected to close in December 2002 and no funds are requested. **The UN Mission of Observers in Prevlaka (UNMOP)** may also close at the same time and no funds are requested for that operation.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

FUNDS BY OBJECT CLASS
($ in thousands)

International Organizations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$844,139	$844,139	$725,981	($118,158)
Total	$844,139	$844,139	$725,981	($118,158)

INTERNATIONAL COMMISSIONS

International Boundary and Water Commission, Salaries and Expenses
International Boundary and Water Commission, Construction
International Fisheries Commissions
International Boundary Commission
International Joint Commission
Border Environment Cooperation Commission

779—780

Summary Statement
($ in thousands)

Appropriations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
International Boundary & Water Commission				
Salaries & Expenses	$7,233	$25,654	$28,387	$2,733
Construction, Operations & Maintenance	$23,810	$5,562	$9,517	$3,955
Subtotal, International Fisheries Commissions	$31,043	$31,216	$37,904	$6,688
International Fisheries Commissions	$19,349	$20,480	$19,780	($700)
American Sections				
Border Environment Cooperation Commission	$1,996	$2,040	$2,083	$43
International Joint Commission	$3,839	$6,969	$7,544	$575
International Boundary Commissions	$988	$1,002	$1,157	$155
TOTAL APPROPRIATIONS	$57,215	$61,707	$68,468	$6,761

The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are included on a comparable basis for program accounts in 2001 and 2002. The table "Costs of Fully Funding Pension and Health Costs" shows the amounts included for Fiscal Years 2001, 2002 and 2003.

FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

$2.15 million was provided through the Emergency Supplemental Act, 2000 P.L. 106-246) to initiate, in FY2001, the first year of a five-yeabi-national study of the regulation of the Lake Ontario and St. Lawrence River levels and flows. The FY 2002 estimate includes $3.432million for the second year of the study.

INTERNATIONAL BOUNDARY & WATER COMMISSION

Proposed Appropriation Language

INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed $6,000 for representation; as follows:

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, ~~[$24,705,000]~~ $28,387,037. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

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

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
82	$7,233	280	$25,654	280	$28,387	0	$2,733

Note: Figures include Full Cost Adjustment for Pension/Health Benefits: $983,000 in FY 2003 and, for comparison purposes, $949,000 in FY 2002 and $107,000 in FY 2001. Without the Pension/Health Full Cost Adjustment the totals would be: $27,404,000 in FY 2003, $24,705,000 in FY 2002, and $7,126,000 in FY 2001. FY 2002 funding and staffing increases reflect transfer of the Operations and Maintenance activity from IBWC-Construction. FY 2002 also reflects the realignment of 34 positions as direct-funded, rather than reimbursed. The vast majority of work performed in these positions has always been related to direct program activities.

OVERVIEW

Under a series of treaties between the United States and Mexico, the International Boundary and Water Commission (IBWC) is charged with solving water and boundary problems arising along the common 1,952 mile border, which involves the four U.S. states of Texas, New Mexico, Arizona, and California, and the six Mexican states of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, Sonora, and Baja California.

The IBWC consists of the United States Section (USIBWC), headquartered in El Paso, Texas, and the Mexican Section (MxIBWC), headquartered in Ciudad Juarez, Chihuahua. Both Sections have field offices along the boundary. In accomplishing the IBWC's mission, the U.S. and Mexican Sections jointly exercise the provisions of existing treaties to improve the water quality of the Tijuana, Colorado, and Rio Grande rivers and resolve border sanitation problems. The Commission also applies the provisions of these agreements to equitably distribute the boundary rivers' water to both countries, operate the international flood control projects along the boundary rivers, operate the international reservoirs for conservation of Rio Grande water and for hydroelectric generation, and operate international wastewater treatment plants. The IBWC also has the responsibility to establish and maintain the boundary in the limitrophe section of the international rivers, and demarcate and maintain the western land boundary. Most projects are developed jointly by the USIBWC and MxIBWC, requiring interdependence for full implementation of those projects.

This budget presentation for FY 2003 reflects the FY 2002 transfer of the Operations and Maintenance budget activity from the Construction (no-year) appropriation to the Salaries and Expenses (one-year) appropriation.

CURRENT PROGRAMS

The USIBWC has authority to perform its own administrative activities, including human resources management, procurement, finance and accounting, payroll, and property. These are performed using established internal control procedures within Federal laws and regulations, for which the USIBWC develops its own policies and procedures and strategic plan. The USIBWC has advanced information management capabilities that require appropriate support and is staffed with its own legal counsel and professional staff for ensuring the rights and obligations of treaties and agreements between the United States and Mexico.

Engineering efforts focused on water quality issues include: investigation of the most feasible measures for solving border sanitation problems; implementation of joint water quality programs for the observation of the biological, mineral, and chemical water quality of the international rivers; ensuring compliance with the National Pollutant Discharge Elimination System (NPDES) permits for the Nogales International

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

Wastewater Treatment Plant (NIWTP) located in Nogales, Arizona, and the South Bay International Wastewater Treatment Plant (SBIWTP) located in San Ysidro, California, both treating wastewater that is wholly or in part generated in Mexico; and compliance studies and monitoring of theNuevo Laredo Wastewater Treatment Plant (NLWTP) located in Nuevo Laredo, Tamaulipas, Mexico, the NIWTP, and the SBIWTP. Program growth in water quality activities continues to be required due to the increasing demands for water sanitation in a region where water sanitation infrastructures have been largely neglected, as outlined in the July 1999 General Accounting Office Report (GAO/NSIAD-99-190) on *U.S.-Mexico Border: Issues and Challenges Confronting the United States and Mexico*, particularly in Appendix V.

More general engineering activities include all internal and external efforts required to coordinate projects with potential transboundary impacts. The Commission provides coordination for all IBWC projects (both the U.S. and Mexican Sections), projects by other government agencies in both the U.S. and Mexico, and projects by private interests. Coordination activities include: general planning and project development, design and/or design review for a variety of structures, development and/or review of environmental documentation, conducting hydraulic studies to assure passage of design flood, geotechnical studies to determine site conditions for future construction, siltation surveys, and groundwater studies. Specific projects include: design and environmental work for the Rio Grande Canalization project located in south-central New Mexico; boundary mapping as required by the 1970 Boundary Treaty; and conducting hydraulic studies and geotechnical levee assessments for flood protection along the international reach of the Rio Grande. General engineering activities have increased significantly in recent years as a result of rapid population growth and urban development generated by the North American Free Trade Agreement. Program growth in this activity is required to keep up with increasing demands for USIBWC services due to this explosive growth on the border.

In FY 2002, Operations and Maintenance (O&M) activities will continue to 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 levees and related structures. These flood control projects protect approximately 3million residents and 1.5 million acres of adjoining farmland in the U.S. and Mexico. Program growth in this activity is required to continue to operate and maintain aging structures along the entire 1,952-mile border and to accomplish necessary studies and special maintenance requirements.

FY 2003 PLANS

In FY 2003, the USIBWC will continue to execute the provisions of existing boundary and water treaties in a manner that will benefit the people and countries on both sides of the boundary. The USIBWC will also implement those projects, identified for action through priority long-range project studies, to address issues for which full or partial solutions have been found. Additionally, the USIBWC will continue to investigate and study those projects to identify full or partial solutions. These efforts include initiating required boundary mapping activities, continuing to conduct environmental studies for the flood control and preservation project activities, continuing to perform hydraulic studies of flood control projects to determine the extent of support for increased vegetation within the floodway, conducting hydraulic studies at the two international dams to determine spillway adequacy and to develop flow inundation maps for final releases, and conducting dam break analyses of both international dams to comply with the National Dam Safety Program concerning high hazard dams.

In FY 2003, the USIBWC will continue work on the operations and maintenance activities summarized above.

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

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2003 request of $28,387,000 will increase funding for the Salaries and Expenses appropriation by $2,733,000 over the FY 2002 level. This funding increase includes mandatory wage and price increases of $1,103,000 ($260,000 in Administration, $74,000 in Engineering, and $769,000 in Operations and Maintenance); $219,000 for necessary financial management services procured through the U.S. Department of the Interior's National Business Center; and $308,000 to institute a four-year replacement cycle for IT hardware and software. Other increases in Operations and Maintenance that are necessary to maintain a current level of operation include $500,000 for increased electricity costs at the South Bay International Wastewater Treatment Plant due to deregulation and $569,000 for environmental regulatory compliance and safety activities. This request also includes $983,000, an increase of $34,000 over the FY 2002 calculation, to fully fund Federal Retirement, Pension, and Accrual costs.

The FY 2003 request reflects the return of the Operations and Maintenance (O&M) activity in FY 2002 from the IBWC Construction appropriation. No actual new positions are requested in FY 2003 for the Salaries and Expenses appropriation. See the following activity requests and the Summary of Changes table at the end of the chapter for additional details.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Boundary & Water Commission, El Paso, Texas	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Administration	**$4,930**	**$5,375**	**$6,162**	**$787**
Engineering	**$2,196**	**$2,131**	**$2,205**	**$74**
General Engineering Activities	$2,196	$2,131	$2,205	$74
Operations and Maintenance	**$0**	**$17,199**	**$19,037**	**$1,838**
Pension/Health Benefits Full Cost Adj.	**$107**	**$949**	**$983**	**$34**
Total	$7,233	$25,654	$28,387	$2,733

Note: The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.
For FY 2001, the Operations and Maintenance activity was included in the IBWC, US Section – Construction appropriation.

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

Administration

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	62	0	$6,162	$787

The FY 2003 request of $6,162,000 for the Administration activity will provide an increase of $787,000 above the FY 2002 level of $5,375,000. This funding increase consists of $260,000 for mandatory wage and price increases; $308,000 to institute a four-year replacement cycle for IT hardware and software; and $219,000 for increased costs of financial management services (implementation of the Federal Financial System) procured from the National Business Center, U.S. Department of the Interior ($219,000). No new positions (FTEs) are requested in FY 2003 for the Administration activity.

The Administration activity entails joint administration of the provisions of existing treaties and agreements for the solution of international boundary and water problems. It also involves reaching new agreements, subject to approval by both Governments, on problems arising along the boundary before they become serious international issues.

The primary administrative functions include managing the operation and maintenance of 12 international boundary and water project offices; negotiating agreements for and providing recommendations to both Governments for solutions to boundary and water problems; supporting the activities of the Border Environmental Cooperation Commission (BECC); supporting and controlling new construction projects approved by the two governments; and managing the resources and personnel of the organization, including the administrative programs and financial responsibilities of the U.S. Section.

FY 2003 objectives include:

- Implementation of existing treaties and agreements;
- Joint determination and report to the Department of State on measures for solving border sanitation problems and cooperation with the Environmental Protection Agency in reaching solutions to these problems;
- Ongoing investigations to define existing and potential problems with the use ofunapportioned groundwaters contiguous to the international boundary and to determine the need for and desirability of agreements with Mexico to avoid potential serious international problems; and
- Continuing to exercise IBWC administrative functions and activities, including human resources management, procurement, payroll, property, and finance and accounting with modern information management capabilities using established internal control procedures. The IBWC develops its own policies, procedures and strategic plan, which must conform with federal statutes and regulations, using in-house legal counsel and professional staff with expertise in the complexities related to international negotiations and agreements.

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

Engineering

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	32	0	$2,205	$74

The FY 2003 request for the Engineering activity is $2,205,000, a net increase of $74,000 over the FY 2002 level of $2,131,000. The net change is entirely for mandatory wage and price increases. No new positions (FTE) are requested in FY 2003 for the Engineering activity.

The Engineering activity funds one Principal Engineer, a variety of other engineers, environmental specialists, and technical and clerical staff who are responsible for the management and supervision of projects and for conducting the surveys, studies, and investigations needed for the analysis of existing and potential boundary and water problems.

The major Engineering activities planned for FY 2003 include:

- Implementation of the most feasible measures for solving border sanitation problems originating at the Mexican cities of Tijuana and Mexicali, Baja California; Nogales, Sonora; Reynosa and Nuevo Laredo, Tamaulipas; Piedras Negras and Ciudad Acu a, Coahuila; and Ciudad Juarez and Ojinaga, Chihuaua;
- Participation in joint water quality programs for the observation of the biological, mineral, chemical, and toxic quality of the international river waters;
- Continued programs to monitor the quality of the waters in the New River and Alamo River (in southern California near Calexico), and the Colorado River (near Yuma, Arizona);
- Monitoring of Rio Grande surface water quality in cooperation with U.S. and Mexican agencies;
- Compliance with the National Pollution Discharge Elimination System (NPDES) permits for the Nogales International Wastewater Treatment Plant (NIWTP) and the South Bay International Wastewater Treatment Plant (SBIWTP), both treating wastewater that is in part generated in Mexico;
- Compliance studies and monitoring of three international wastewater treatment plants;
- Continuation of implementation of the Falcon Reservoir Cultural Resource Management Plan.
- Continued design of the Rio Grande American Canal Extension project (in El Paso, Texas), Rio Grande Canalization project (south central New Mexico), and Colorado River Boundary and Capacity Preservation project (Yuma, Arizona);
- The design of grade control structures and other necessary features for prevention of channel scouring on the Rio Grande;
- Conducting Environmental Impact Studies (EIS), including River Management Plans, which are required to allow for full operation and maintenance activities within the river flood plains, in a manner consistent with U.S. environmental laws and regulations; and
- Development of conceptual studies and designs for a pilot conveyance channel to handle annual excess flows on the Colorado River near Yuma, Arizona.

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

Operations and Maintenance

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	186	0	$19,037	$1,838

In FY 2002, this activity returned to this account from the IBWC-Construction appropriation. Program growth in the Operations and Maintenance (O&M) Activity is required to continue proper operations and maintenance of aging structures along the entire 1,952-mile border and to accomplish necessary studies and special maintenance requirements. The FY 2003 increase of $1,838,000 is necessary to implement the following: $500,000 for increased electricity costs at the South Bay International Wastewater Treatment Plant due to deregulation and $569,000 for environmental regulatory compliance and safety activities. In addition to the requested increase of $769,000 for mandatory wage and price increases including workers' compensation charges increases. The following initiatives are proposed for FY 2003:

Electricity costs at the South Bay International Wastewater Treatment Plant ($500,000) – Due to deregulation of the utility industry in California in the year 2000 huge increases have been projected for utility costs. Some of these increases were experienced in FY 2001 and the major impact is expected in FY02 and FY03.

Environmental Regulatory Compliance and Safety ($569,000) – All major federal actions require NEPA reviews which are quite extensive and expensive. The agency is anticipating this cost for the regular operations and maintenance activities during FY 03. In addition, many safety concerns have been revealed during our occupational health and safety inspections which require immediate attention to protect employees.

The Operations and Maintenance activity consists of the following elements:

Management: The management of the Operations and Maintenance activity includes the Operations Principal Engineer, other staff engineers, hydrologists for water accounting, field office coordination staff, an occupational health and safety officer, and technical and clerical support staff that provide management and oversight for all operations and maintenance functions. Water distribution issues managed include (1) continuation of the joint planning, management, and supervision of operations for the distribution of boundary rivers water in accordance with existing treaties and (2) operation of 12 joint projects to control and facilitate the use of boundary rivers water. Water quality issues managed include operation and maintenance of international wastewater treatment plants. Boundary rivers flood control activities include continued preparedness for directing flood operations activities on the Rio Grande, Colorado River, and the Tijuana River for the protection of approximately 3 million residents and 1.5 million acres of adjoining farmland and updating flood criteria for each river.

Gaging Stations: This activity consists of measurement and accounting of the flow of the 1,254-mile international section of the Rio Grande and a similar 24-mile section of the Colorado River. This information provides basic data essential for the accounting of national ownership of the waters and for forecasting floods and performing flood control operations. There are 130 gaging stations and related sites operated and maintained by the U.S. Section on the boundary rivers and tributaries. In FY 2001, these operations, together with similar operations by the Mexican Section, will fulfill an agreement with Mexico on the international ownership of waters serving urban and agricultural areas in each country.

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

Dams: Pursuant to the 1944 Water Treaty, the governments of the United States and Mexico jointly constructed and currently operate two major international storage dams and reservoirs on the Rio Grande: the Falcon Dam and Reservoir downstream from Laredo, Texas, and the Amistad Dam and Reservoir upstream from Del Rio, Texas. The dams are used to regulate the river's flow for use by each country within its treaty allotment of waters. The U.S. commitment consists of operating the dam gates to provide for water releases requested by the Texas Watermaster, hydroelectric generation and flood control, maintenance of the dams and spillway structures, and housing and utilities expenses at the dams for full-time operating personnel working at these remote sites. In FY 2002, the USIBWC conducted a sediment survey at Amistad Dam, while Mexico conducted the survey at Falcon Dam. These sediment surveys are required every ten years at both Amistad and Falcon Dams with the distribution of work and cost divided among Mexico and the United States. The purpose of the surveys is to determine the present storage capacity of the reservoirs and the amount and distribution of sediment accumulated since both reservoirs were constructed.

The Western Area Power Administration (WAPA), U.S. Department of Energy, provides funding for the operation, maintenance, and related costs of the power plants at both Amistad and Falcon International Dams. Twenty-four positions and $2,706,000 will be requested in FY 2003 from WAPA to reimburse the USIBWC for costs of the two power plants and related activities.

River Channel and Levee Projects: This activity consists of the operation and maintenance of six joint river channel and levee projects which provide flood protection to an adjoining urban population of almost 3 million and approximately 910,000 acres in the U.S. and 670,000 acres in Mexico of irrigated agricultural areas located along the boundary rivers and which serve as an international boundaries. These projects include:

- The Presidio-Ojinaga Flood Control Project, consisting of 15 miles of U.S. levees to protect Presidio, Texas, and adjacent agricultural lands in the Presidio Valley against Rio Grande floods;
- Flood protection projects (Canalization and Rectification) for the cities of El Paso, Texas, and Juarez, Chihuahua, the developed lands downstream through the El Paso-Juarez Valley, and the project upstream from El Paso through the Mesilla and Rincon Valleys of New Mexico, with the combined works totaling 215 miles of levees and flood ways on the U.S. side and including two diversion dams and three grade control structures;
- The Rio Grande Boundary Preservation project which ensures accurate boundary identification along the international segment of the Rio Grande between Fort Quitman and Candelaria, Texas. This river segment is normally without flow such that flash floods reroute the channel and thus realign the river which serves as the international boundary;
- The Lower Rio Grande Flood Control Project (LRGFCP) to protect the cities of Brownsville, Harlingen, McAllen and others, as well as the irrigated lands of the Lower Rio Grande Valley of Texas. The U.S. portion consists of 102 miles of leveed river flood ways, 174 miles of leveed interior floodways, and two international diversion dams;
- Maintenance of the natural channel and floodway of the Lower Colorado River near Yuma, Arizona, to preserve its capacity to carry flood waters without overtopping the levees. The U.S. portion consists of 24 miles of the channel and floodway in the limitrophe section of the river; and,
- The Tijuana Flood Control Project to provide flood protection for San Ysidro, California, and Tijuana, Baja, California Norte near the boundary. The U.S. portion consists of a concrete and rock lined channel and levee extending from the international boundary about one mile into the United States.

Water Quality Control: The two Governments currently operate and maintain several joint water quality projects, as follows:

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

- The Nogales International Wastewater Treatment Plant treats wastewater from the adjoining border cities of Nogales, Sonora, and Nogales, Arizona. The operation and maintenance costs are shared with Mexico and the City of Nogales, Arizona, in proportion to the quantities of sewage treated from each side. A portion of the sewage treatment costs for Nogales, Sonora, is funded by the United States to comply with stricter treatment requirements and the higher costs of sewage treatment in the United States. Most of the requested funds are applied to the project's operations and maintenance which is now conducted by USIBWC employees. Comprehensive rehabilitation of the plant is necessary. The plant has developed problems due to increased flows since 1992, when the plant was last upgraded. The existing structures have deteriorated and require upgrade or replacement.
- The Morillo Drain project improves the salinity of the water of the Lower Rio Grande. This project is located on the Mexican side of the river and serves to prevent high salinity water from entering the Rio Grande near Mercedes, Texas. Construction, operation, and maintenance costs are equally shared between the two countries.
- The USIBWC contributes to the operation and maintenance costs borne by Mexico for a 31 million-gallon-per-day (mgd) sewage treatment plant, located in Nuevo Laredo, Mexico. A portion of the sewage treatment costs for Nuevo Laredo is funded by the United States to comply with stricter treatment requirements.
- The 25 mgd South Bay International Wastewater Treatment Plant (SBIWTP) located in San Ysidro, California, went into full operation in December of 1998. This plant treats sewage from Tijuana, Mexico, to prevent pollution of U.S. beaches. Since the plant went on line, several unforeseen modifications to the process system have been identified. A contractor under USIBWC supervision performs the operation and maintenance. The contract, developed in the most advantageous manner for the U.S. government, includes only identifiable and specific functions with nothing for unforeseen contingencies.

Boundary: The IBWC is charged by treaty to establish and preserve the 1,254-mile boundary of the Rio Grande and the 24-mile boundary of the Colorado River. It is also charged with maintaining the 276 monuments and a multitude of intermediate markers which identify the location of the approximately 674 miles of land boundary between the two countries. The work consists of field checks to guard against man-made obstructions that could possibly obstruct the line-of-sight between the monuments, resulting in conflicts related to a change in the location of the boundary; periodic aerial photographic mapping to record natural changes in the course of the rivers; and maintenance of the land boundary monuments, including installation of intermediate markers where needed to clearly delineate the location of the boundary. These operations require a substantial investment given the challenging terrain along much of the U.S.-Mexico border; costs are divided equally with Mexico. The objective in FY 2003 is preservation and demarcation of the boundary in a cost-effective manner. In recent years, the USIBWC has fallen behind in marker upkeep and placement. In FY 2003, the USIBWC will conduct maintenance on the 138 international boundary monuments located along the international boundary between the United States and Mexico. Based on Minute No. 244, the USIBWC maintains 138 international monuments (80 to 204A) and the Mexican Section maintains 138 (1 to 79 & 206 to 258). The maintenance includes repair of their foundations, repair or replacement of their numbers or plaques, and cleaning and painting. Monument maintenance is required on five-year intervals. However, this has not taken place since 1985. The additional funding requested for this program will allow significant progress in addressing the backlog of work in this area.

FY 2003 objectives include:

- Operation and maintenance of the Nogales International Treatment Plant located in Nogales, Arizona to ensure that wastewater does not create a health hazard;

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

- Improvement of the quality of Rio Grande water in the two countries through operation and maintenance of the Morillo Drain project near Mercedes, Texas and the Nuevo Laredo Sewage Treatment Plant near Laredo, Texas; and
- Full operation and maintenance of the SBIWTP to full primary treatment capacity to ensure that U.S. Southern California beaches are not polluted.

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

Summary of Changes

($ in thousands)

Description of Change	Amount
FY 2002 S&E Appropriation	$24,705
Pension/Health Adjustment	+949
FY 2002 Total	**$25,654**
FY 2003 S&E Appropriation Requested Increases (+$2,699):	
Administration:	
Mandatory wage and price increases	+260
Institute a four-year replacement cycle for IT hardware and software	+308
Increased costs of financial management services (implementation of the Federal Financial System) procured from the National Business Center, U.S. Department of the Interior	+219
Engineering:	
Mandatory wage and price increases	+74
Operations and Maintenance:	
Mandatory wage and price increase (including workers' compensation charges increases)	+769
Increased electricity costs at the South Bay International Wastewater Treatment Plant due to deregulation	+500
Environmental regulatory compliance and safety activities	+569
Pension/Health Adjustment Increase over FY 2002 estimate	+34
FY 2003 Total S&E Budget Request	$28,387
Less Pension/Health Adjustment	-983
FY 2003 Appropriation	$27,404

FUNDS BY OBJECT CLASS
($ in thousands)

International Boundary & Water Commission, El Paso, Texas		FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$4,111	$11,700	$12,120	$420
1200	Personnel Benefits	$970	$3,873	$4,012	$139
1300	Benefits Former Personnel	$3	$0	$0	$0
2100	Travel & Trans of Persons	$322	$384	$534	$150
2200	Transportation of Things	$29	$527	$579	$52
2300	Rents, Comm & Utilities	$223	$2,844	$4,358	$1,514
2400	Printing & Reproduction	$42	$27	$33	$6
2500	Other Services	$1,338	$5,337	$4,515	($822)
2600	Supplies and Materials	$119	$732	$1,871	$1,139
3100	Personal Property	$30	$230	$365	$135
3200	Real Property	$40	$0	$0	$0
4100	Grants, Subsidies & Contrb	$6	$0	$0	$0
Total		$7,233	$25,654	$28,387	$2,733

795-796

INTERNATIONAL BOUNDARY & WATER COMMISSION, CONSTRUCTION

Proposed Appropriation Language

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

CONSTRUCTION

For detailed plan preparation and construction of authorized projects, [~~$5,450,000~~] $9,516,858, to remain available until expended, as authorized. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
197	$23,810	33	$5,562	33	$9,517	0	$3,955

Note: Figures include Full Cost Adjustment of Pension/Health Benefits: $116,000 in FY 2003 and, for comparison purposes, $112,000 in FY 2002 and $910,000in FY 2001. Without this adjustment the totals would be: $9,401,000 in FY 2003, $5,450,000 in FY 2002, and $22,900,000 in FY 2001.

OVERVIEW

Pursuant to treaties between the United States and Mexico and United States law, the U.S.Section of the International Boundary and Water Commission (USIBWC) has developed and implemented a construction program. This appropriation provides funds for the U.S. portion of joint construction projects independent of, or with, Mexico in the areas of boundary preservation, flood control, and sanitation as agreed by both countries, as well as detailed plan preparation and operations and maintenance of all USIBWC projects which currently have a physical asset valuation of $443 million.

The Convention of February 1, 1933, provided for rectification of the Rio Grande through the El Paso–Juarez valley, the first major joint construction project of the two governments. In the Water Treaty of 1944, the two governments agreed to jointly construct the dams required for conservation, storage, and regulation of the waters of the Colorado and Tijuana Rivers and the Rio Grande. This treaty also provides for flood control projects and priority attention by both governments to border sanitation projects.

The International Boundary and Water Commission is made up of the U.S. Section (USIBWC), headquartered in El Paso, Texas, and the Mexican Section (MxIBWC), headquartered in Ciudad Juarez, Chihuahua. Both Sections have field offices along the boundary.

The benefits of this appropriation include maintenance of the natural boundary between the United States and Mexico, prevention of flooding in communities along the boundary, and preservation and improvement of the water quality on both sides of the boundary.

This budget presentation for FY 2003 reflects the transfer of the Operations and Maintenance activity to the annual Salaries and Expenses appropriation in FY 2001.

CURRENT PROGRAMS

In FY 2002, the USIBWC will continue to carry out joint construction projects in the areas of sanitation, flood control, and river water flow, consistent with overall foreign policy objectives. The status of major projects and activities included in the FY 2003 request is as follows:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

CONSTRUCTION ACTIVITY:

Boundary-Wide Construction

The **Facilities Renovation** project, originally funded in 1992, continues a multi-year program of renovations to rehabilitate and modernize deteriorated USIBWC facilities along the U.S.-Mexico border region. In FY 2002, work will continue on various improvements.

The **Heavy Equipment Replacement** project, which began in FY 2001, funds the replacement of existing deteriorated and obsolete heavy construction equipment that is currently incurring excessive repair and maintenance costs. This heavy construction equipment (such as bulldozers, scrapers, cranes, front-end loaders, etc.) is critical during flood events and other emergency situations in which protection of lives and property is necessary. In FY 2002, this multi-year effort will continue.

The **Land Mobile Radio (LMR) Systems Replacement** project, which began in FY 2001, funds required upgrades to the Commission's LMR system to meet the requirements promulgated by the Department of Commerce's National Telecommunications and Information Administration. This project includes design, evaluation, removal, and installation of a new, compliant LMR system at USIBWC field offices, assuring reliable radio communications during routine or emergency flood situations. In FY 2002, this project will continue with installation of components.

The **Hydrologic Data Collection System Rehabilitation** project, which began in FY 2001, funds the renovation of gaging stations and the replacement of existing deteriorated telemetry systems that gather river flow data critical to control operations during flood flows along the Colorado and Tijuana Rivers and the Rio Grande. The 1944 Water Treaty also requires the USIBWC to provide flood control protection, perform water accounting, and determine international ownership of waters occurring in the international reaches of these rivers. In FY 2002 part of the stations will be renovated.

Rio Grande Construction

The **Rio Grande American Canal Extension** project, originally funded in FY 1991, continues the design and construction authorized by the Rio Grande American Canal Extension Act of 1990 (Public Law 101-438), that was signed into law on October 18, 1990, using both prior year balances and new budget authority. This Act provides for the construction, operation, and maintenance of an extension of the American Canal with pumping plants, wasteways, measuring devices, and other facilities needed to connect such extension with existing irrigation systems at El Paso, Texas. In 1935, the United States built the American Dam and Canal to prevent Mexico from diverting more water than they were allotted under the 1906 Water Treaty. Congress authorized $42,000,000 for the design and construction of an extension to the American Canal, including related structures, and authorized the El Paso County Water Improvement District #1 to contribute an additional $5,000,000 toward the project. In FY 2002, the USIBWC started the conceptual design work for the reconstruction of the American Canal.

The **Rio Grande Canalization** project, started in 1993, continues to stabilize the Rio Grande channel between the Caballo Dam in New Mexico and the American Dam in El Paso, Texas. The Rio Grande Canalization Project is authorized by the Act of August 29, 1935 (49 Stat. 961) to facilitate water deliveries to Mexico under the 1906 Convention and protect against Rio Grande floods. Scouring has exposed the foundations of structures within the Rio Grande channel, jeopardizing their structural integrity. The U.S. Section will construct necessary features to control the scouring process throughout the channel. Failure of these structures could effect the delivery of water to Mexico as required by the 1906 Water Treaty. In FY 2002, the USIWBC will continue EIS work and the design of erosion protection works.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

The **Rio Grande Flood Control System Rehabilitation** project, starting in FY 2001, has begun boundary-mapping efforts and continues planning (pre-design) studies along the Rio Grande between El Paso, Texas, and the Gulf of Mexico. Boundary mapping is needed to identify any changes in the river's course (international boundary) and flood control system. Project planning (pre-design) studies are needed to evaluate the Rio Grande flood control system against the design flood and to identify and incorporate necessary improvements into system design. The anticipated work includes reconstruction of 380 miles of the levee system, rehabilitation and preservation of the river channel and flood plain, production of area maps. In FY 2002, the USIBWC will continue Rio Grande hydraulic studies, and geophysical and geotechnical levee explorations in the lower Rio Grande Valley.

The Safety of Dams Rehabilitation project, which began in FY 2001, funds a variety of rehabilitation projects recommended by the Joint Technical Advisors of the Federal Safety of Dams Program. This project consists of major rehabilitation work at Amistad and Falcon International Dams, with moderate work at Anzalduas, Retamal, International, and American Dams. The work includes sinkhole treatment and re-grouting; rehabilitation of dam gates, spillway expansion joints, and electrical and mechanical dam apparatuses/equipment; resurfacing of dam roadways; replacement of erosion control rip-rap; and resolution of other safety issues identified in the five-year Safety of Dams inspection. In FY 2002, this work will continue to rectify identified problem areas.

Western Boundary Construction

The **Colorado River Boundary and Capacity Preservation** project, originally funded in FY 1998, will continue progress as the U.S. Army Corps of Engineers has been contracted to prepare required environmental documentation. The flow capacity of the international segment of the Colorado River was greatly reduced due to excessive flood sedimentation in 1983 and 1993. Minute 291 calls for improvements to the carrying capacity of the international segment of the Colorado River, ensuring compliance with the 1944 Water Treaty. The project will include surveying, mapping, vegetation management, channel alignment excavation and protection, and revision of international flow standards. The project will also include work to restore and maintain the international boundary and lands in the U.S. and Mexico. FY 2002 funds for this multi-year project will be used to continue studies for implementing this remedial work.

The **Tijuana River Diversion** project is a planning study to develop alternatives for a diversion system to prevent flows of untreated sewage, originating in Tijuana, Mexico, from entering the United States through the Tijuana River. The study will include conceptual designs for each recommended alternative, and recommendations for gauging facilities in the U.S. portion of the Tijuana River. The study will focus on a diversion system with the ability to capture low flows of sewage, as well as trash and debris from Tijuana, and divert the sewage flows to the South Bay International Wastewater Treatment Plant, in accordance with federal, state and local laws, or return them to the wastewater collection system in Tijuana. In FY 2002, the project will be completed.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2003 request of $9,517,000 will increase the USIBWC's Construction appropriation by $3,955,000 above the FY 2002 appropriation. The additional funds are requested in this appropriation include $3,000,000 for initial implementation of Public Law 106-457, the Tijuana River Valley (CA) Estuary and Beach Sewage Cleanup Act of 2000 and $951,000 for increases to several of the current projects. The request also includes $116,000, an increase of $4,000 over the FY 2002 calculation, to fully fund Federal Retirement, Pension, and Accrual costs. The FY 2003 request reflects the transfer of the Operations and Maintenance (O&M) activity back to the annual IBWC Salaries and Expenses appropriation, beginning in FY 2002.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Further support for the USIBWC FY 2003 and future years funding requests is found in the recent (July 1999) General Accounting Office Report (GAO/NSIAD-99-190) on *U.S.-Mexico Border: Issues and Challenges Confronting the United States and Mexico.* The report states (Appendix V), „Environmental problems and their impact on public health have been a long-standing concern in the border region. The United States and Mexico have not been able to keep pace with the growing environmental infrastructure needs associated with the expansion of the border region's economy and population. While most incorporated border communities on the U.S. side have an environmental infrastructure, in places it is in need of repairs, upgrading, and/or expansion." It continues, „Inadequate infrastructure on either side, however, creates health concerns on both sides of the border. Unsanitary living conditions are a leading cause of gastrointestinal and other diseases that are prevalent on the border. Moreover, there is a serious shortage of water in some locations." And finally, „During the 1993 debates over NAFTA, it was estimated that as much as $8 billion would be needed to meet the border region's environmental infrastructure needs during the next 10-year period."

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

STAFF BY PROGRAM ACTIVITY
(positions)

International Boundary & Water Commission, El Paso, Texas	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
IBWC-Construction	**197**	**33**	**33**	**0**
Boundary-Wide Construction	4	6	4	(2)
Facilities Renovation Continuation	2	1	2	1
Heavy Equipment Replacement	0	0	0	0
Land Mobile Radio System Replacement	1	1	1	0
Hydrologic Data Collection System Rehab	1	1	1	0
Construction Administration	0	3	0	(3)
Rio Grande Construction	27	25	26	1
Rio Grande American Canal Extension	5	5	5	0
Rio Grande Canalization	6	6	6	0
Rio Grande Flood Control System Rehabilitation	10	8	9	1
Rio Grande Boundary Preservation	0	0	0	0
Safety of Dams Rehabilitation	6	6	6	0
Western Boundary Construction	2	2	3	1
Colorado River Boundary and Capacity Preservation	2	2	2	0
Secondary Treatment of Tijuana Sewage	0	0	1	1
Operations and Maintenance	164	0	0	0
Tijuana River Feasibility Study	0	0	0	0
Pension/Health Benefits Full Cost Adj.	**0**	**0**	**0**	**0**
Total	197	33	33	0

Note: In FY 2002, positions for the Operations and Maintenance activity were transferred back to the IBWC – Salaries and Expenses Appropriation

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Boundary & Water Commission, El Paso, Texas	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
IBWC-Construction	**$22,900**	**$5,450**	**$9,401**	**$3,951**
Boundary-Wide Construction	$2,420	$2,156	$2,475	$319
Facilities Renovation Continuation	$424	$656	$725	$69
Heavy Equipment Replacement	$998	$500	$500	$0
Land Mobile Radio System Replacement	$499	$500	$750	$250
Hydrologic Data Collection System Rehab	$499	$500	$500	$0
Rio Grande Construction	$2,679	$2,954	$3,426	$472
Rio Grande American Canal Extension	$200	$250	$476	$226
Rio Grande Canalization	$200	$800	$800	$0
Rio Grande Flood Control System Rehabilitation	$1,282	$1,150	$1,150	$0
Safety of Dams Rehabilitation	$997	$754	$1,000	$246
Western Boundary Construction	$803	$340	$3,500	$3,160
Colorado River Boundary and Capacity Preservation	$803	$340	$500	$160
Secondary Treatment of Tijuana Sewage	$0	$0	$3,000	$3,000
Operations and Maintenance	$16,499	$0	$0	$0
Tijuana River Feasibility Study	$499	$0	$0	$0
Pension/Health Benefits Full Cost Adj.	**$910**	**$112**	**$116**	**$4**
Total	$23,810	$5,562	$9,517	$3,955

Note: The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.
In FY 2002, the Operations and Maintenance activity was transferred to the IBWC – Salaries and Expenses Appropriation.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Facilities Renovation Continuation

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	2	0	$725	$69

This request for $725,000 continues the Facilities Renovation Project begun in 1992. Funding will be used to continue with the rehabilitation work of many USIBWC project facilities, most of which were constructed between 1930 and 1950. These facilities need major rehabilitation to meet OSHA standards and current environmental laws, and to provide a more efficient and effective working environment. The rehabilitation work, among other things, includes electrical re-wiring of facility buildings, structural reinforcing of buildings/structures, and replacing old sewer and potable water distribution systems. If not corrected, the deterioration of facilities will accelerate and the possibility of major accidents, employee injuries and property damage will increase.

In FY 2003, scheduled work includes the continuation of structural, electrical, and plumbing upgrades at various field office buildings; replacement of existing underground storage tanks with environmentally safe above-ground fuel tanks; roadway paving and resurfacing at various field offices and project yards; and the modification of project facilities to comply with environmental and safety requirements.

Heavy Equipment Replacement

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$500	$0

This request for $500,000 will continue with the seventeen-year heavy equipment replacement project totaling $20,000,000. Funding will be used to replace existing heavy equipment such as dozers, scrapers, cranes, front-end loaders, and other essential heavy equipment. A considerable amount of the heavy equipment needs to be replaced not only because of age, but also for use in emergency situations.

Due to the old age of much of the heavy equipment, the USIBWC has incurred excessive expenses to keep the equipment operational. Also, repair parts are becoming more difficult to find since 70% of the major equipment is between 20 and 30 years old.

The Commission's normal operations are being adversely affected by trying to maintain obsolete equipment. A major concern is the enormous impact it may have on our flood fighting capabilities during flood events. Not having the appropriate heavy equipment available in working condition during a flood event could result in our failure to provide adequate protection of lives and property.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Land Mobile Radio System Replacement

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	1	0	$750	$250

A request for $750,000 and one position is included for FY 2003 as part of a three-year project totaling $2,500,000. The funding will be used to evaluate and replace the USIBWC Land Mobile Radio (LMR) systems that are currently in operation at six USIBWC Field Offices. The Field Offices are located in the United States along the U.S./Mexico border. The LMR systems include base station consoles, repeaters, mobile radios, and hand-held portable radios.

The LMR systems provide two-way radio communications for the operation and maintenance of various USIBWC projects along the U.S./Mexico border. Some projects are located in remote locations. Others are located at a great distance from the field offices.

The purpose of the work is to meet the requirements promulgated by the Department of Commerce and the National Telecommunications and Information Administration. To assure that wireless/radio communication is available for day-to-day coordination of field activities or during emergency flood situations. The current LMR systems are outdated and have deteriorated over the years and need replacement. The LMR systems have been in service more than 17 years - well beyond the 8 to 10 year expected service life. As the existing systems have exceeded their full service life, they have incurred excessive repair and maintenance expenses. Radio communication is vital to the safe operation and maintenance of the projects and the safety of employees, due to the remoteness of the border area. Also, due to extensive use of radio communication by industries along the border, the USIBWC has experienced extensive radio interference, in some cases making the use of radio communications nearly impossible.

The Department of Commerce, National Telecommunications and Information Administration (NTIA), requires that all Federal Government Very High Frequency (VHF) and Ultra High Frequency (UHF) radio systems must migrate to narrowband technology not later than January 1, 2005, and January 1, 2008, respectively. Existing 25 kHz wide band channels will be converted to 12.5 kHz narrow band channels by FY 2003. The purpose is to provide more usable space for other users. In addition, digital rather than analog technology will be employed during this migration, since it is more advanced and reliable.

The project consists of the following twelve field offices. The FY 2003 request will be used to procure and install the required radio equipment for six of the field offices.

American Dam: El Paso, TX	Zac Dominguez: Fort Hancock, TX	Presidio: Presidio, TX
Amistad Dam: Del Rio, TX	Laredo: Laredo, TX	San Diego: San Ysidro, CA
Las Cruces: Las Cruces, NM	Anzalduas: Anzalduas, TX	Mercedes: Mercedes, TX
Yuma: Yuma, AZ	Falcon Dam: Falcon Heights, TX	Nogales: Rio Rico, AZ

The total cost estimate and the funding distribution are:

Evaluation of LMR systems (Planning & Design) for all twelve field offices	$ 100,000
Procurement of Radio Equipment for twelve field offices	$1,500,000
Installation of LMR systems, Initiate Maintenance & Trouble shooting	$ 900,000
TOTAL	$2,500,000

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Hydrologic Data Collection System Rehab

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	1	0	$500	$0

The FY 2003 request for $500,000 and one position is included to continue the final year of a three-year project totaling $1,750,000. Funding will be used to upgrade the USIBWC hydrological data collection and transmission system (telemetry) and renovate existing river flow gaging stations. In addition, funding will be used to replace the telemetry along the Western Boundary river stations. These stations are located in rivers or streams crossing the western land boundary of the United States and Mexico. These include the Tijuana River in California and the Colorado River, Santa Cruz River, and Whitewater Draw (stream) in Arizona.

The USIBWC is jointly responsible with the Mexican Section for the control of flooding, water accounting, and determining international ownership of waters occurring in the International reach of the Rio Grande, Colorado, and Tijuana Rivers based on the 1944 Water Treaty.

Structures related to the gaging stations are in need of renovations for compliance with safety regulations, accommodation of additional required hydrologic instrumentation, and vandal- proofing. The gaging stations currently have telemetry that is antiquated and unreliable. The current telemetry system is incompatible with current PC-based telemetry systems used by other water resource agencies. Therefore, the USIBWC is unable to meet current requirements to make hydrological data available to the general public on the Internet. To continue to provide hydrologic data to the public and other agencies, replacing the existing telemetry system and renovate river flow gaging stations.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Rio Grande American Canal Extension

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	5	0	$476	$226

A request for $476,000 and five positions is made for FY 2003 to continue the environmental investigations and design for the final phase of the Rio Grande American Canal Extension (RGACE) project. The Rio Grande American Canal Extension Act of 1990 (Public Law 101-438) was signed into law on October 18, 1990. This Act provides for the design, construction, and operation and maintenance of an extension of the American Canal with pumping plants, wasteways, measuring devices, and other facilities needed to connect such extension with existing irrigation systems at El Paso, Texas. Congress authorized $42,000,000 of federal funding and reimbursement authority of $5,000,000 from El Paso County Water Improvement District #1 for this project.

In 1938, the U.S. built the American Dam and Canal project entirely in the U.S. to separate U.S. waters from those delivered to Mexico under the 1906 Convention. In 1987, the collapse of a diversion dam located 13 miles from the end of the 1938 canal threatened the permanent separation of U.S. waters. A temporary control is now in place to make distribution of waters to U.S. farmers. The need to conserve and ensure permanent and full delivery of U.S. waters prompted P.L. 110-438.

The RGACE project will preserve the necessary water delivery to the U.S. farmers required under the Conventions of 1906 and 1933. Furthermore, the concrete-lined canal extension will result in an annual benefit of approximately 20,000 acre-feet of U.S. water, which is otherwise lost through seepage and from evapo-transpiration.

The original American canal is deteriorated and does not have the capacity to satisfy current water delivery requirements. It is also the water delivery connection from American Dam in the Rio Grande to the American canal Extension. Therefore, reconstruction of the American Canal to the same capacity of its extension is authorized under the Act.

Major project accomplishments to date include:

- Construction of American Canal Extension - Reaches A, B, C, D, and E (approx. 15 miles);
- Installation of chain-link fencing along the north embankment in Reaches A, B, C, and D, and complete enclosure in Reach E;
- Construction of the Valley Gate Ramp and Valley Gate Bridge to provide access across the canal for emergency vehicles; and
- Replacement and installation of electrical improvements at American Dam.

In FY 2003, the USIBWC plans to complete the final design for the reconstruction of the original American Canal. Preliminary plans suggest that this work will require two irrigation seasons (October 15th thru February 15th). The USIBWC plans to award a construction contract for Phase I of this work in FY 2004 and Phase II in FY 2005.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Rio Grande Canalization

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	6	0	$800	$0

A request for $800,000 and six positions is included for FY 2003 to continue with the Rio Grande Canalization project (RGC). The RGC project is authorized by the Act of August 29, 1935, (49 Stat. 961) to facilitate water deliveries to Mexico under the 1906 Convention and protect against Rio Grande floods, and was recorded in 22 USC 277d-29, Rio Grande Canalization Project. The USIBWC has a responsibility to maintain the Rio Grande channel in the Rio Grande Canalization project. Damage to structures crossing the Rio Grande due to the effect of scouring should be repaired. Purchasing non-federal lands in the flood plain, closing levee openings, and stabilizing the river channel will solidify the RGC project's ability to provide flood protection.

This project started in 1993 and is intended to stabilize the Rio Grande channel between Caballo Dam in New Mexico and American Dam in El Paso, Texas. The project provides a confined Rio Grande channel and flood plain between American Dam in El Paso, Texas, and Caballo Dam in south central New Mexico to facilitate water deliveries to Mexico under the 1906 Convention. A secondary purpose is to protect life and property against Rio Grande floods. Channel scouring has exposed foundations of bridges, siphons, and diversion dams in portions of the Rio Grande channel, jeopardizing the structural integrity of some structures and the entire conveyance system. Failure of project components would threaten the delivery of Treaty waters to Mexico. The USIBWC has evaluated the causes of scouring and will construct necessary features to control the scouring process throughout the channel, including the prevention of damage to structures crossing the Rio Grande.

A more recent study indicates that the existing protective levee system is inadequate to provide the flood protection for the design flood of the system, placing the adjacent communities and farmland in jeopardy. In addition, the USIBWC will undertake a levee stability analysis, which could lead to levee replacement, reconstruction, and raising.

Major emphasis is being placed on the reconstruction or protection of two siphons in the Hatch and Rincon, New Mexico areas, which were constructed in 1918 as part of the Elephant Butte Irrigation System. These siphons are an essential conduit for the irrigation of farmland and their failure would have a severe economic impact to the area.

Under USIBWC contract, the U.S. Army Corps of Engineers, Albuquerque District, performed detailed hydraulic studies and produced aerial topography for the entire project area. Hydraulic analysis has been completed and work will now commence on the required environmental impact statement. Plans are to build control structures to stabilize the Rio Grande channel and levee system and complete the necessary mitigation effort to accomplish the authorized work.

Other projects include the placement of bank erosion control measures, rip-rap placement, silt retention dams, concrete culvert replacement, development and implementation of mitigation works, and acquisition of real estate. In FY 2003, the USIBWC will design and construct mitigation sites at strategic locations along the Project and provide erosion protection to one irrigation structure.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

	Estimated Project Costs	FY 1993 - FY2002 Appropriations
Planning and Investigations	$ 6,500,000	$3,300,300
Real Estate	$ 4,250,000	0
Design	$ 1,250,000	$ 250,000
Construction	$23,000,000	$6,723,000
TOTAL	$35,000,000	$10,273,300

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Rio Grande Flood Control System Rehabilitation

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	9	0	$1,150	$0

A request for $1,150,000 and nine positions is made for FY 2003 to continue the Rio Grande Flood Control System Rehabilitation project (project). This project, originally funded in FY 2001, will continue a multi-year effort to evaluate and rehabilitate approximately 370 miles of deteriorated U.S. earthen levees and confined floodways along the Rio Grande border region that are 25 to 60 years old and are in serious need of restoration. The levees maintain the integrity of the international boundary and provide flood protection to many Texas cities, including El Paso, Presidio, Laredo, McAllen-Mission, Harlingen, and Brownsville. Aerial mapping of the Rio Grande will identify changes in the river's course (international boundary), illustrate the existing floodway conditions, and show community development along the river valley that is subject to flooding. Bridge monuments and markers preserve and identify the international boundary for maintenance, channel reestablishment, and law enforcement purposes. Monuments and markers will be refurbished or replaced to preserve explicit boundary demarcation as required by the 1970 Boundary Treaty and IBWC Minute No. 302. Aerial mapping efforts to document the Rio Grande boundary will continue since current maps are more than 17 years old and do not correctly represent the existing conditions along the Rio Grande boundary nor comply with the 1970 Boundary Treaty.

The USIBWC will conduct engineering studies to evaluate segments of the Rio Grande flood control system in Texas from El Paso to Fort Quitman, at Presidio, and from Del Rio (below Amistad International Reservoir and Dam) to the Gulf of Mexico, excluding Falcon International Reservoir and Dam. Project investigations will include environmental studies (NEPA), hydraulic analyses to determine the Rio Grande's flood capabilities through the major sister-cities, and geophysical and geo-technical research to determine the integrity of the levee system and identify where levee rehabilitation is needed. Unstable levee reaches will be rehabilitated, levee side slopes will be reconditioned (shaped & seeded), levee roads will be resurfaced, and existing river structures will be renovated, taking into account the riparian ecosystem.

In FY 2001, the USIBWC initiated Rio Grande hydraulic studies at Laredo and Presidio and began the first phase of the geophysical and geotechnical levee explorations in the lower Rio Grande Valley. Funds requested in FY 2003 will provide for the Rio Grande hydraulic studies at Del Rio and Eagle Pass, Texas; geotechnical explorations in the lower Rio Grande valley; and aerial and surface geophysical levee surveys in the Rio Grande Rectification segment from El Paso to Fort Quitman and at Presidio, Texas. The FY 2003 request will provide for planning investigations, boundary mapping efforts, and possible efforts to reestablish part of the international boundary along the Rio Grande flood control system.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Estimated Project Costs (in thousands of dollars)

	Total (370* miles)	On-River (200* miles)	Off-River (170* miles)
Investigations (environmental, geotechnical,and hydraulic) of Flood Control System	$7,000	$3,720	$3,280
Rehabilitation of unstable reaches	$20,000	$10,630	$9,370
Recondition levee slopes	$1,000	$530	$470
Resurface levee roads	$7,600	$4,040	$3,560
Replace structure gates	$100	$50	$50
Mapping/Port of Entry Demarcation	$1,000	$1,000	$0
TOTALS	$36,700	$19,970	$16,730

Note: 130 miles of existing levees are not considered in this project because funds for the rehabilitation of these levees are included under the Rio Grande Canalization project.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Safety of Dams Rehabilitation

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	6	0	$1,000	$246

A request for $1,000,000 and six positions is made for FY 2003, as part of a multi-year $8,695,000 dam safety rehabilitation project. Funding will be used to continue rehabilitation of all USIBWC dams and to properly address the Safety of Dams Program. The U.S. Section of the IBWC is solely responsible for two diversion dams on the Rio Grande, American Dan and International Dam. In addition, the IBWC is jointly responsible for the operation and maintenance of the following international dams: Amistad, Falcon, Anzalduas, and Retamal. The dams were built to provide for the distribution of waters of the Rio Grande between the United States and Mexico and for the conservation, flood control, water storage, power generation, and regulation of the flow of the river.

Additionally, the U.S. Section is responsible for maintaining five additional dams on tributaries of the Rio Grande, as constructed by the U.S. Natural Resources Service. These five dams are identified as Broad Canyon, Crow Canyon, Green Arroyo, Jaralosa No. 4, and Jaralosa No. 5. From the standpoint of the U.S. Section's mission, these five dams minimize siltation of the Rio Grande and thereby minimize the annual cost and adverse environmental impacts of maintaining the Rio Grande to assure 1906 Treaty deliveries (of water) to Mexico.

The Safety of Dams Rehabilitation Project provides direction for the safe operation of these dams. Every five years, the international dams are jointly inspected by the Commission's Technical Advisors through a Joint Technical Advisors meetings. The Joint Technical Advisers provide recommendations to properly address the Commission's Safety of Dams Program. The 1997 Joint Technical Advisors meeting identified many necessary improvements and rehabilitation work required for the safe operation of the dams. The purpose of the Safety of Dams Rehabilitation Project is to properly address deficiencies and implement the corrective measures recommended by the Joint Technical Advisors.

Amistad and Falcon Dams are among the 25 largest man-made reservoirs in the United States. The hazard potential of both dams has increased substantially due to the growth of downstream development since their construction over thirty years ago. Amistad and Falcon Dams combines, provide flood protection to approximately 2 million residents and 0.8 million acres of adjoining farmland. The Safety of Dams Program needs to be continually enforced in order to protect against the potentially devastating affects of a dam failure. Additionally, commitment to public safety at the dams directly impacts the lives and property of citizens of the United States and Mexico.

There will be no cost participation by Mexico in this project. The U.S. Section is responsible for the portion of the dams in the United States and Mexico is responsible for the portion of the dams in Mexico territory. This multi-year project is for work on the U.S. portion of the dams only.

In summary, the FY 2003 funding request of $1,000,000 will be used to continue the rehabilitation work on all the USIBWC dams and portions thereof. The project will properly address the following Safety of Dams Program items: Falcon Dam - placement of rip-rap, replacement of trash racks and continuation with the restoration of the spillway gates. Amistad Dam - procurement and placement of rip-rap, continue sinkhole repairs and rehabilitate the downstream surface of tainter gates.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

	Estimated Project Costs ($000)
Amistad Dam	$4,800
Falcon Dam	3,100
Anzalduas Dam	360
Retamal Dam	235
International Dam	100
American Dam	100
Total	$8,695

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Colorado River Boundary and Capacity Preservation

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	2	0	$500	$160

A request for $500,000 and two positions is made for FY 2003 to continue with the Colorado River Boundary and Capacity Preservation project (Project). The Project is mandated by Minute 291, which requires that improvements be made to the carrying capacity of the international segment of the Colorado River. The Project area is the 23.7 mile boundary segment of the Lower Colorado River from the Northerly International Boundary (NIB) to the Southerly International Boundary (SIB) river reach bounded by levees in Arizona and Baja California Norte, Mexico.

It is estimated that $50,000,000 will be required to complete construction activities of the Project, as required by Minute No. 291. The river, due to the flood events in 1983 and 1993, has filled with approximately 20 million cubic yards of sediment, which threaten our ability to deliver a guaranteed annual volume of Mexico's allocation of Colorado River waters, as required under the 1944 Water Treaty. In addition, the excess flows in the river caused extreme meandering within the limitrophe reach. These events have impacted the hydraulic conditions of the entire reach of the lower Colorado River. Currently, the sediment buildup contributes to high water levels that threaten crop yields in Yuma, Arizona. In addition, the sediment buildup has reduced the flood carrying capacity in the 24-mile international segment of the Colorado River. Also, Mexico has asserted that a salinity problem exists in the water being delivered, an issue that will be included for study under this project.

During minor flood flows, the elevation of flood waters is much higher now than during the major floods in 1993. This is a strong indication that the flood control system in the international reach and upstream may be inadequate, allowing flood waters to overtop the levees, which would have a potentially devastating impact in the highly irrigated and rapidly urbanizing area around Yuma, Arizona.

The issue of water salinity will also be addressed as a result of deliveries of allocated waters to Mexico. Additional studies and the resultant infrastructure will assure that the standards are met, thus complying with the water quality required in the 1944 Water Treaty and Minute 242. This Project would further U.S. efforts with Mexico in arriving at plans to improve the conveying capacity of the Colorado River from the mouth of the Gila River to Morelos Dam.

Lack of action to rectify the international portion of the Colorado River will result in the complete loss of the characteristics of the river, complicating the issue of identifying U.S. and Mexico territory and impeding the safe passage of flood waters. The siltation of the irrigation system in the U.S.–Mexico border area has become a critical issue. Mexico has incurred a considerable financial costs to control the sediment above and beyond that which would normally occur if the river condition were normal. The desilting process is expensive. Removal and reestablishment of the river channel will help assure conveyance of flood flows of 140,000 cfs.

Prior year funds have been utilized for necessary environmental compliance studies (EIS) and to obtain necessary permits in order to initiate construction efforts. Extensive discussions continue with Mexico to finalize their participation in the project. The Project will include vegetation management, channel alignment excavation and sediment disposal, channel training and protection, and revision of operating rules for international structures to encourage selective flow controls. The Project will also include work to

restore and maintain the international boundary and lands in the U.S. and Mexico. Extensive surveys, mapping, and realty work will be necessary to accomplish this task. Due to the environmental sensitivity of this area, work will need to be conducted in a manner that will significantly mitigate any potential environmental impacts. FY 2003 funding will be used to continue with environmental studies of the Project.

The FY 2003 request will be used to continue with the environmental studies of the Project. The U.S. Army Corps of Engineers has been contracted to prepare the project Environmental Impact Statement.

Estimated Project Cost ($000)	
Conceptual Feasibility Study	$650
Environmental Impact Statement	$1,250
Environmental Mitigation - Design	$250
Environmental Mitigation - Implement	$3,250
River Restoration - Design	$1,250
River Restoration - Construction	$36,600
Levee Work - Design	$1,250
Levee Work - Construction	$5,250
Update Hydraulic Study	$250
TOTAL	$50,000

Secondary Treatment of Tijuana Sewage

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	1	0	$3,000	$3,000

The FY 2003 request of $3,000,000 and one position is for the initial implementation of the completion of Minute 283 or Public Law 106-457. In addition, funds will be used for initial environmental work and consultants necessary to support this effort. Minute 283 requires that a secondary wastewater treatment plant be constructed in the United States for treatment of wastewater emanating from Tijuana, Baja California that flows untreated from Mexico into the United States, causing adverse public health and environmental impacts. The PL authorizes the U.S. Section to take appropriate actions to negotiate a new Minute or the amendment of Minute 283 to provide for treatment of effluent of the SBIWTP to the secondary level in Mexico, if not provided for at a facility in the United States, and of additional sewage emanating from the City of Tijuana.

FUNDS BY OBJECT CLASS
($ in thousands)

International Boundary & Water Commission, El Paso, Texas	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100 Personnel Compensation	$7,362	$1,042	$1,080	$38
1200 Personnel Benefits	$2,869	$317	$328	$11
2100 Travel & Trans of Persons	$414	$63	$117	$54
2200 Transportation of Things	$563	$50	$42	($8)
2300 Rents, Comm & Utilities	$2,746	$55	$55	$0
2400 Printing & Reproduction	$58	$10	$19	$9
2500 Other Services	$6,941	$2,570	$5,871	$3,301
2600 Supplies and Materials	$1,059	$255	$255	$0
3100 Personal Property	$1,123	$1,200	$1,750	$550
4100 Grants, Subsidies & Contrb	$675	$0	$0	$0
Total	$23,810	$5,562	$9,517	$3,955

INTERNATIONAL FISHERIES COMMISSIONS

Proposed Appropriation Language

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, [~~$20,480,000~~]$19,780,000: *Provided*, That the United States' share of such expenses may be advanced to the respective commissions pursuant to 31 U.S.C. 3324. *(Department of State and Related Agency Appropriations Act, 2002.)*

INTERNATIONAL FISHERIES COMMISSIONS

Summary Statement
($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$19,349	0	$20,480	0	$19,780	0	($700)

OVERVIEW

The International Fisheries Commissions appropriation supports the Department's strategic goal of securing a sustainable global environment. The commissions take effective action to achieve conservation and sustainable use of fish populations, thereby promoting U.S. economic and environmental interests. The global catch of the world's fisheries peaked in 1989 at 89 million metric tons and has hovered around 85 million metric tons. As the world's human population grows, the demand for fish is expected to increase. U.S. international fisheries policy is founded on the provisions of the 1982 United Nations Convention on the Law of the Sea and on such domestic laws as the Magnuson-Stevens Fishery Conservation and Management Act, the Marine Mammal Protection Act, and the Endangered Species Act; bilateral and multilateral fishery agreements; and principles of ocean use developed at the United Nations Conference on Environment and Development (UNCED). U.S. policy clearly recognizes the need for conservation and rational use of renewable, but finite and vulnerable, fisheries resources.

A longstanding U.S. environmental objective is to ensure sustainable management of ocean fisheries. The sustainable management of the world's fisheries resources requires international cooperation and international management mechanisms. The UN Fish Stocks Agreement, adopted in 1995, builds upon and provides for implementation of the fishery provisions contained in the 1982 UN Convention on the Law of the Sea. Similarly, international conservation efforts can be advanced by implementation of the Food and Agriculture Organization (FAO) Compliance Agreement, a binding part of the FAO Code of Conduct for Responsible Fishing. The Compliance Agreement sets forth a broad range of obligations for parties, whose fishing vessels operate on the high seas, including the obligation to ensure that they do not undermine international conservation and management measures. Each of the Commissions supported by this request advances the broad goals of these treaties while continuing to protect U.S. economic and conservation interests.

The International Fisheries Commissions appropriation funds U.S. assessments to and shares of operating expenses for nine international fisheries commissions and organizations, one sea turtle Commission, the International Whaling Commission, two international marine science organizations. These international fisheries organizations conduct continuing scientific studies of fishery stocks and recommend conservation measures to member governments based on their results. Through the Commissions' ongoing efforts, many fishing areas that were nearly depleted are now yielding sustainable catches for commercial and sport fishermen. Travel expenses of the U.S. Commissioners and their advisors as well as 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, are also provided for in the International Fisheries Commissions appropriation.

CURRENT PROGRAMS

The Inter-American Tropical Tuna Commission (IATTC) makes recommendations regarding catch levels for yellowfin and skipjack tuna, and tuna-like fishes in the eastern Pacific Ocean, which will permit maximum yields on a sustained basis. The IATTC collects, compiles, and analyzes tuna catch statistics and

logbook data obtained directly from fishing fleets and processing plants. It investigates the biology, life history, vital statistics, population structure, and behavior of tunas; oceanic circulation of tuna migrations; rate of intermingling of stocks; and mortality and growth. To prevent over-fishing, the IATTC makes conservation recommendations to its member nations. The conservation program regulates fishing in geographical areas within the Commission's conservation zone. The program has been successful in maintaining the yellowfin tuna stock near its optimum level, from which it can support high average yields. For the past two years, the Commission has also implemented a quota on the catch of small bigeye tuna in the purse seine fishery.

The IATTC is the only international organization dedicated to reducing the incidental mortality of dolphins in the tuna purse-seine fishery by administering the International Dolphin Conservation Program. This includes one hundred percent observer coverage aboard all tuna purse-seine vessels to monitor compliance with internationally agreed dolphin conservation measures. It is also providing training for captains and crews of such vessels in the use of fishing gear and techniques to reduce, and ultimately eliminate, dolphin mortalities in the fishery. The efforts of the Commission and the fishing countries participating in this program have resulted in a reduction of dolphin mortality in the eastern Pacific tuna fishery from approximately 100,000 animals in 1989 to less than 2,000 in recent years.

The Great Lakes Fishery Commission (GLFC) formulates and executes research programs designed to provide for sustained productivity of fish stocks in the Great Lakes that are of common concern to the United States and Canada. As outlined in its Strategic Vision document, the GLFC has adopted and advocates an ecosystem approach to management and research of Great Lakes fish stocks. This approach recognizes the „interconnection of air, land, and water of the Great Lakes basin and its inhabitants, and the reality that all components of the ecosystem interact with each other and must be considered in terms of the system-level effects." The Commission determines which measures are best adapted for that purpose, coordinating research for such programs, and performing the research if necessary. The Commission publishes scientific information obtained in the performance of its duties.

The single greatest challenge facing the GLFC is sea lamprey control. The Great Lakes sport and commercial fishery, valued at up to $4 billion annually, hinges on effective sea lamprey control. In conjunction with the U.S. Fish and Wildlife Service's National Fishery Research Center, the GLFC utilizes lampricide to control this aquatic pest in the Great Lakes. Also under development are alternative methods of control, which include barriers to lamprey migration and sterilization of male lampreys. The current U.S./Canadian funding formula is 69/31 percent, respectively, for sea lamprey control programs.

The Pacific Salmon Commission (PSC), established by a bilateral U.S./Canadian Treaty in 1985, conducts activities concerned with conservation measures necessary to save, replenish, and share the salmon resource on northwest borders. The Commission's conservation and management activities implement recommendations from four joint U.S. and Canadian panels: the Northern Panel, Southern Panel, Fraser River, and Transboundary Panel. These panels receive information and recommendations from each country and from Joint Technical Committees, including a newly established scientific committee. Though the 1999 Pacific Salmon Agreement established fishery regimes for most salmon stocks covered by the Treaty, U.S.-Canada talks on management of transboundary chinook and coho continue. The Commission will continue to pursue research to better determine the migratory patterns of salmon stocks and where, when, and by whom the fish are caught. This information provides the basis for the countries to properly allocate and conserve salmon stocks. Legislation provides for salary payments to U.S. commissioners and panel members and their alternates for hours committed to Commission business. Travel and expenses of U.S. commissioners and other U.S. participants in the PSC are also funded from this activity.

INTERNATIONAL FISHERIES COMMISSIONS

The International Pacific Halibut Commission (IPHC), a bi-national (U.S.-Canada) commission founded in 1923, is charged with maintaining Pacific halibut stocks at levels that permit optimum yield through stock assessment and management programs, plus development of new electronic data capture and catch monitoring systems. The IPHC's area of responsibility ranges from northern California, up the Northwest coast of the United States and Canada, and past the Aleutian Islands in Alaska to encompass the eastern shore of the Bering Sea. The Commission maintains its own scientific staff who conduct stock assessments and research programs and have facilitated unprecedented cooperative management of this stock between the United States and Canada. Over the past twenty years, the Commission has successfully managed joint stocks to historically high biomass levels. The Pacific halibut fishery is very specialized, provides a valuable food source, and yields an annual catch for the U.S. with a retail value of over $200 million.

Other commissions and organizations funded by this appropriation enable the Department to promote U.S. economic and conservation interests for critical fisheries-related issues. This includes assessed amounts and administrative costs for memberships. Activities include: protection of scarce whale populations, ensuring the continued abundance of Atlantic tunas, supporting scientific research into global fish stocks and other marine environment issues, and conservation of other Atlantic marine resources.

FY 2003 PLANS

The FY 2003 request provides funds to cover membership fees assessed to the U.S., to maintain good standing and voting privileges in each of the commissions. The FY 2003 request maintains the requested funding originally submitted for FY 2002. This reflects the fourth year in a row of decreased assessments for the Inter-American Tropical Tuna Commission and maintenance of the Great Lakes Fishery Commission at levels originally anticipated in FY 2002. These decreases are partially offset by an increase to International Pacific Halibut Commission funding for ongoing distribution surveys and a new, multi-year tagging study into halibut population dynamics and growth rates. It will also fund an increase to the International Commission for the Conservation of Atlantic Tunas to combat illegal fishing and develop new tools to ensure member compliance. For all the remaining fish commissions, the funding will sustain ongoing activities at existing levels for scientific research, monitoring and implementation of conservation and management measures for fisheries and fish habitats, and the commissions' administrative costs.

INTERNATIONAL FISHERIES COMMISSIONS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Program Expenses	**$19,349**	**$20,480**	**$19,780**	**($700)**
Inter-American Tropical Tuna Commission	$2,514	$2,300	$2,100	($200)
Great Lakes Fishery Commission	$11,660	$12,948	$12,248	($700)
Pacific Salmon Commission	$2,150	$2,193	$2,225	$32
International Pacific Halibut Commission (IPHC)	$1,881	$2,100	$2,180	$80
Other Marine Conservation Organizations	$1,144	$939	$1,027	$88
International Whaling Commission (IWC)	$154	$90	$110	$20
North Pacific Anadromous Fish Commission (NPAFC)	$263	$99	$101	$2
International Commission for the Conservation of Atlantic Tunas (ICCAT)	$123	$121	$160	$39
Northwest Atlantic Fisheries Organization (NAFO)	$139	$146	$151	$5
Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)	$102	$70	$72	$2
North Atlantic Salmon Conservation Organization (NASCO)	$22	$27	$27	$0
International Council for the Exploration of the Sea (ICES)	$128	$120	$120	$0
North Pacific Marine Science Organization (PICES)	$60	$66	$66	$0
Inter-American Sea Turtle Convention Commission (IASTC)	$50	$100	$120	$20
Expenses of the US Commissioners	$103	$100	$100	$0
Total	$19,349	$20,480	$19,780	($700)

INTERNATIONAL FISHERIES COMMISSIONS

Inter-American Tropical Tuna Commission

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$2,100	($200)

The FY 2003 request will fund program operations, Secretariat, and administrative costs. The funding level requested for 2003 reflects a reduction in the U.S. contribution to the Commission for the fourth consecutive year. This has been coupled with efforts by the Department to negotiate increased contributions from the other members of the Commission to make up for the reduction in the U.S. contribution and to allow the Commission to handle the additional workload placed on it by the members. In addition to the extensive workload associated with the implementation of the International Dolphin Conservation Program (IDCP), the Commission has also been tasked by its members to expand its research into minimizing the by-catch of juvenile tunas and non-target species, improving its monitoring and recording of fish landings at ports throughout the eastern Pacific, augmenting its research program for bigeye tuna, and other matters.

The IATTC will continue efforts to conserve and manage the commercial tuna stocks of the eastern Pacific Ocean. The Commission also will conduct further research on the stocks of dolphins taken in conjunction with tunas, and will continue to administer the IDCP to reduce and, if possible, eliminate dolphin mortality in the fisbery.

Great Lakes Fishery Commission

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$12,248	($700)

The FY 2003 request includes a $700,000 decrease from FY 2002 funding. The majority of the funding request goes towards sea lamprey control efforts, specifically increased research, development, and deployment of alternative sea lamprey control techniques, such as barriers, traps, and the release of sterilized males. The Commission has, to date, achieved a 30 percent reduction in the amount of sea lampricide applied annually, while still delivering a successful sea lamprey control program. Full funding will help the Commission achieve its lampricide reduction goal, which will likely mean significant cost savings on future lampricide purchases. This level will allow delivery of sea lamprey control in all required Great Lakes streams and lentic areas, including the conclusion of the five-year St. Mary's River treatment project, and maintaining the safety and efficacy of GLFC's treatment tools. Finally, the request accommodates inflationary adjustments for GLFC operations and existing sea lamprey research and control programs.

INTERNATIONAL FISHERIES COMMISSIONS

Pacific Salmon Commission

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$2,225	$32

The FY 2003 request of $2,225,000 includes a $32,000 increase over FY 2002. This less than 1% increase to offset inflation and currency fluctuations allows ongoing programs and activities to be maintained at their current level.

International Pacific Halibut Commission (IPHC)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$2,180	$80

The FY 2003 request for IPHC is $80,000 over the FY 2002 estimate. Fair allocation of halibut quotas between the United States and Canada, and among user groups in U.S. waters, depends on complete knowledge of exploitation rates and stock distribution. This increase will allow the continuation of long-term surveys to determine the distribution of halibut stocks, as well as a three to five year tagging study into halibut population dynamics and growth rates – the Commission hopes to identify causes of a decade of declining growth that has reduced available yields and complicated harvest management. In particular, the tagging study will provide information on the extent and density of halibut stocks found in previously unstudied waters off of Alaska. It is expected that the data generated will document that the share of halibut stocks in U.S. waters is larger than previously assumed; this not only can lead to increased allocations to U.S. fishers, but also will provide critical information to facilitate the efficient development of the Alaskan fishery.

Other Marine Conservation Organizations

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$1,027	$88

The FY 2003 request includes an increase of $88,000 for these activities, which cover other fishery commissions and organizations, and expenses of the U.S. commissioners. Unless otherwise noted in the following descriptions, all amounts requested for FY 2003 are for programs at the FY2002 level plus small inflationary or exchange rate adjustments.

INTERNATIONAL FISHERIES COMMISSIONS

International Whaling Commission (IWC)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$110	$20

The FY 2003 request is $20,000 over the 2002 amount. Commission members recently decided to reverse a policy of maintaining flat budgets; the FY 2003 request therefore reflects the increased U.S. assessment. The IWC provides for the conservation, development, and optimum use of whale resources based on scientific findings, taking into consideration the interests of the consumers of whale products and the whaling industry. The IWC accomplishes this by collecting and analyzing statistical information concerning the current condition and trends of whale stocks and the effects of whaling activities; and studying, appraising, and disseminating information concerning methods of maintaining and increasing the populations of whale stocks. The IWC has several significant achievements, such as the current commercial whaling moratorium, the establishment of a whale sanctuary in the Southern Ocean, and subsistence whaling quotas for Native Americans.

North Pacific Anadromous Fish Commission (NPAFC)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$101	$2

The FY 2003 request is $2,000 higher than the FY 2002 level. Anadromous fish spawn in fresh water and migrate to the sea to live their adult lives. This Commission's activities concentrate on North Pacific salmon and steelhead trout stocks, and also include discussion of ecologically-related species in the Central Bering Sea. The NPAFC enforces a prohibition on fishing for anadromous stocks on the high seas of the North Pacific, thereby providing a valuable tool to deter the use of large-scale driftnets in that region. It also promotes and coordinates scientific studies on anadromous stocks, the results of which can help to minimize the incidental catch of anadromous stocks in other fisheries. Securing NPAFC membership of China and South Korea continues to be a major U.S. goal.

INTERNATIONAL FISHERIES COMMISSIONS

International Commission for the Conservation of Atlantic Tunas (ICCAT)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$160	$39

The FY 2003 request is $39,000 higher than the FY 2002 level. ICCAT's mission is to study and research the populations of tuna and tuna-like fishes found in the Atlantic Ocean and to maintain these populations at levels that will permit the maximum sustainable catch for food and other purposes. The Commission is responsible for a program of research on the abundance, biometry and ecology of tunas, the oceanography of their environment, and the effects of natural human factors (e.g., pollution and predation) on their abundance. ICCAT's workload has increased significantly in recent years as it has grappled with developing a new, more equitable scheme for allocating catch quotas and with instituting more effective measures to combat non-member fishing and lack of compliance by members. The increase requested for FY 2003 will fund the U.S. assessment, larger because of the additional intersessional meetings stemming from this growing workload, as well as implementation of new catch documentation schemes to counter illegal fishing. The U.S. stands to benefit significantly from both of these initiatives, which will bolster a domestic recreational and commercial industry already worth several billions of dollars each year.

Northwest Atlantic Fisheries Organization (NAFO)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$151	$5

The FY 2003 request is $5,000 higher than the FY 2001 level. NAFO promotes the conservation and optimum use of fishery resources in the Northwest Atlantic. It encourages international cooperation and consultation and is responsible for investigating the abundance, life history, and ecology of any species of aquatic life in the Convention Area, and collecting and analyzing statistical information relating to the fishery resources of the area. During FY 2003, NAFO will continue to work on a number of difficult issues, including implementation of the precautionary approach, revising its quota allocation procedures, developing better monitoring and compliance methods, and dealing effectively with the fishing activities in the NAFO Regulatory Area by non-contracting parties, i.e., vessels flagged to a country that is not party to the Convention.

INTERNATIONAL FISHERIES COMMISSIONS

Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$72	$2

The FY 2003 request, $2,000 higher than the FY 2002 level, will meet all U.S. assessment requirements and provide the CCAMLR with funding sufficient to develop and implement measures to ensure effective conservation and management of Antarctic marine living resources based on a pioneering ecosystem approach. Membership in this Commission, which is headquartered in Australia, ensures the restoration of the world's largest untapped source of marine protein, and aids in protecting future U.S. access to important marine resources in the Antarctic region.

North Atlantic Salmon Conservation Organization (NASCO)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$27	$0

The FY 2003 request, unchanged from the FY 2002 level, will enable NASCO to promote the conservation, restoration, enhancement, and rational management of salmon stocks in the North Atlantic Ocean through international cooperation, as well as the acquisition, analysis, and dissemination of scientific information pertaining to these salmon stocks.

International Council for the Exploration of the Sea (ICES)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$120	$0

The FY 2003 request, is unchanged from the FY 2002 level, will enable the ICES to promote and coordinate research and investigation of the North Atlantic, particularly with respect to fisheries, marine mammals, and marine pollution. ICES plans programs; organizes, in agreement with member nations, such research and investigation as determined necessary; and publishes or encourages the publication of data and research resulting from investigations carried out under its auspices. ICES will continue to provide scientific advice to its member nations and European Economic Community and to regional fisheries management organizations.

INTERNATIONAL FISHERIES COMMISSIONS

North Pacific Marine Science Organization (PICES)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$66	$0

The FY 2003 request is unchanged from the FY 2002 level. PICES is the Pacific Ocean counterpart of ICES, and its work is similar to the research planning and coordination carried out in the North Atlantic by the ICES. The North Pacific Ocean not only is extensively rich in resources, but also exerts a major influence on weather and climate in North America, particularly the U.S. and Canada. Due to the magnitude of these factors, the work of PICES is important in furthering U.S. economic interests internationally.

Inter-American Sea Turtle Convention Commission (IASTC)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$120	$20

The FY 2003 request is $20,000 higher than the FY 2002 level. The Convention received the necessary eight ratifications specified in the Convention, and as a result entered into force in May 2001. The increase in funding represents the U.S. contribution as the new Commission assumes its full workload.

Expenses of the US Commissioners

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$100	$0

The FY 2003 request is steady from FY 2002 levels. The U.S. commissioners to the various fisheries commissions are appointed by the President and are responsible to the Secretary of State in carrying out their duties. They receive transportation expenses and per diem while engaged in the commissions' work. The FY 2003 request will fund travel expenses for the U.S. commissioners to participate in meetings of all of the fishery commissions, except the Pacific Salmon Commission, which is covered within the funds requested for that Commission.

INTERNATIONAL FISHERIES COMMISSIONS

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2500 Other Services	$1,293	$1,405	$1,405	$0
4100 Grants, Subsidies & Contrb	$18,056	$19,075	$18,375	($700)
Total	$19,349	$20,480	$19,780	($700)

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

International Boundary Commission
International Joint Commission
Border Environment Cooperation Commission

Proposed Appropriation Language

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided, for the International Joint Commission and the International Boundary Commission, United States and Canada, as authorized by treaties between the United States and Canada or Great Britain, and for the Border Environment Cooperation Commission as authorized by Public Law 103–182, [~~$9,911,000~~] $10,784,291, of which not to exceed $9,000 shall be available for representation expenses incurred by the Inter-national Joint Commission. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required***)

INTERNATIONAL BOUNDARY COMMISSION

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
8	$988	8	$1,002	8	$1,157	0	$155

Note: Figures include Full Cost Adjustment of Pension Health Benefits: $14,000 in FY 2003 and, for comparison purposes, $13,000 in FY 2002 and $20,000 in FY 2001. Without this adjustment the totals would be$1,143,000 in FY 2003, $989,000 in FY 2002, and $968,000 in FY 2001.

OVERVIEW

The International Boundary Commission (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 monumented with stable identifying markers, 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. (In light of today's "War on Terrorism" without a clear identifiable boundary, it is difficult for various law enforcements such as Boarder Patrol, Coast Guard, Customs, etc., to perform their jobs.) The IBC maintains more than 5,500 boundary monuments and more than 2,500 reference monuments 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.

CURRENT PROGRAMS

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. Generally the boundary is on a 15-year cycle. In some higher traffic areas, the cycle is as little as 8 years.

The IBC uses technological advancements, such as the Global Positioning System, to yield more accurate positional data for boundary demarcation that is demanded by today's higher standards in the fields of surveying and geographic information systems. Experience has proven that to meet the minimum treaty obligations the IBC must operate three separate boundary maintenance projects, of at least five months duration, headed by a permanent IBC employee, assisted by a crew of temporary employees.

The FY 2002 budget of $989,000 will fund the IBC operating three boundary maintenance operations. (1) Reference monument maintenance, surveys and boundary line demarcation along the St. Francis River segment of the Maine-Quebec boundary; (2) vista re-clearing and boundary monument maintenance along the Washington-British Columbia boundary; (3) boundary monument maintenance along the Montana/Idaho-Alberta/British Columbia boundary.

FY 2003 REQUEST

The FY 2003 budget request of $1,143,000 will support the IBC in meeting minimum Treaty requirements. To maintain the required effective boundary line between the U.S. and Canada, the IBC will conduct three

INTERNATIONAL BOUNDARY COMMISSION

field projects; (1) Continuation of reference monument maintenance, surveys and boundary line demarcation along the St. Francis River segment of the Maine-Quebec boundary; (2) continuation of vista re-clearing and boundary monument maintenance along the Washington-British Columbia boundary; and, (3) continuation of boundary monument maintenance and surveys along the Montana/Idaho-Alberta/British Columbia boundary.

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

JUSTIFICATION OF PROGRAM ACTIVITIES

Our FY2003 budget request of $1,157,000 is an increase of $155,000 over FY2002. The requested amount will allow the International Boundary Commission to engage two fully operational crews in field projects for the necessary five months and 50 percent operation for a third project. No new initiatives or program expansions are proposed. The request also includes $14,000 an increase of $1,000 over the FY 2002 calculation to fully fund Federal Retirement, Pension, and Accrual.

Since 1997 the chairman of the International Joint Commission has also served as the International Boundary Commission commissioner without compensation.

Maintaining the 15-year maintenance cycle requires three field crews working 20 weeks. Since most of the IBC budget covers labor costs, budget cuts significantly reduced the length of summer field seasons. Reductions in annual project work ultimately lead toward more time and effort to accomplish each field project. Longer cycle lengths promote heavier growth and additional monument repair and replacement. This request will help in gradually increasing the season length over time.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Boundary Commission, U. S. & Canada	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
International Boundary Commission	**$968**	**$989**	**$1,143**	**$154**
IBC - Operations	$457	$494	$638	$144
Maine-New Brunswick/Quebec	$129	$118	$176	$58
Washington/Idaho/Montana-British Columbia/Alberta	$227	$234	$175	($59)
Montana/Idaho/British Columbia/Alberta	$155	$143	$154	$11
Pension/Health Benefits Full Cost Adj.	**$20**	**$13**	**$14**	**$1**
Total	$988	$1,002	$1,157	$155

Note: The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

INTERNATIONAL BOUNDARY COMMISSION

IBC - Operations
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	8	0	$638	$144

Funds requested for this program will cover the cost of all salaries and benefits for the permanent staff of the IBC as well as their support costs (e.g. communications, supplies, rent, GSA vehicle costs and all travel by headquarters staff and non-field season travel undertaken by field officers) for the headquarters office and the 3 field offices located in Great Falls, MT, Thief River Falls, MN and Houlton, ME.

Maine-New Brunswick/Quebec
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$176	$58

The IBC will return to the Maine-Quebec/New Brunswick to complete the demarcation of the boundary of the St. Francis River. Approximately 110 different points marking the boundary along the original course of the river now fall on land. These points that now fall on land will be marked and accurately positioned using GPS and conventional survey techniques.

Washington/Idaho/Montana-British Columbia/Alberta
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$175	($59)

The IBC will continue vista reclearing and boundary monument maintenance operations along a segment of the boundary adjacent to Glacier National Park. Due to the remoteness of this section of boundary, helicopter support is a must for transporting crew members and supplies along the boundary. The crew will work out of tent camps.

INTERNATIONAL BOUNDARY COMMISSION

Montana/Idaho/British Columbia/Alberta

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$154	$11

Boundary monument recovery, repair, rebuilding and/or establishing new monuments has far exceeded our original estimate over this 600 mile section of the 49th Parallel. The IBC is now replacing 90% of all monuments, which has hampered our progress along this boundary section. We estimate that we will be able to replace 65 monuments this field season, and complete this phase of the project.

INTERNATIONAL BOUNDARY COMMISSION

FUNDS BY OBJECT CLASS
($ in thousands)

International Boundary Commission, U. S. & Canada		FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$436	$470	$584	$114
1200	Personnel Benefits	$194	$192	$261	$69
2100	Travel & Trans of Persons	$108	$107	$116	$9
2300	Rents, Comm & Utilities	$40	$31	$31	$0
2400	Printing & Reproduction	$0	$5	$0	($5)
2500	Other Services	$112	$105	$79	($26)
2600	Supplies and Materials	$65	$64	$57	($7)
3100	Personal Property	$13	$15	$15	$0
Total		$968	$989	$1,143	$154

INTERNATIONAL JOINT COMMISSION

Summary Statement
($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
24	$3,839	24	$6,969	24	$7,544	0	$575

Note: Figures include Full Cost Adjustment of Pension Health Benefits: $88,000 in FY 2003 and, for comparison purposes, $87,000 in FY 2002 and $76,000 in FY 2001. Without this adjustment the totals would be$7,456,000 in FY 2003, $6,882,000 in FY 2002, and $3,763,000 in FY 2001.

OVERVIEW

The Boundary Waters Treaty of 1909 established the International Joint Commission (IJC) to license and control water resources projects along the U.S.–Canadian border and to investigate transboundary environmental issues of mutual concern. The Boundary Waters Treaty and other, separate, treaties and conventions permit the IJC to evaluate Great Lakes restoration progress, to deal with emergency water level conditions, and to apportion flows and approve diversions in specified transboundary basins.

The IJC assists the Governments of the United States and Canada in preventing and resolving issues and disagreements over their shared water resources, and in addressing other transboundary environmental issues potentially affecting one or both countries. The IJC helps identify and highlight emerging issues which directly or indirectly threaten the quality or quantity of boundary waters and it also assesses emerging initiatives in science, engineering and administration that could benefit the management, security or conservation of water.

The Treaty provides that the two governments to the IJC may submit an "Application" to approve certain projects affecting water levels and flows along the boundary between the United States and Canada. When the IJC approves a project, it normally establishes a board of technical experts to oversee its construction and operation. The board assures that project operations are conducted in accordance with the treaty requirements and the permit IJC approved. The Treaty also provides that the two governments may refer questions or matters of difference to the IJC for examination. When a "Reference" is received, the IJC appoints a board or task force to investigate. Following submission of its reports, the governments often request the IJC to continue to monitor the execution of its recommendations and the IJC will establish a surveillance or monitoring board to assist with these functions.

The IJC supervises 17 such control, investigative and surveillance boards or task forces:

International St. Lawrence River Board of Control
International Niagara Board of Control
International Lake Superior Board of Control
International Osoyoos Lake Board of Control
International Rainy Lake Board of Control
International Rainy River Pollution Advisory Board
St. Mary-Milk Rivers Accredited Officers
International Kootenay Lake Board of Control
International Columbia River Board of Control
International Air Quality Advisory Board
Great Lakes Water Quality Board
Great Lakes Science Advisory Board
Council of Great Lakes Research Managers
Health Professionals Task Force
International Red River Board
International St. Croix River Board
International Souris River Board

Other boards that have assisted the IJC are currently inactive but will be re-established as required:
International Lake Champlain Board of Control
International Flathead River Study Board of Control
Great Lakes Technical Information Network

INTERNATIONAL JOINT COMMISSION

Great Lakes Levels Advisory Board
Detroit - Port Huron -Windsor -Sarnia Air Pollution Board

Under the US-Canadian Great Lakes Water Quality Agreement, the IJC evaluates efforts of the two countries to improve water quality in the Great Lakes and reports to Federal, State, and Provincial Governments -- and the public -- on achievements and shortfalls. The IJC established a regional office in Windsor, Ontario to assist in this evaluation process. The regional office also performs independent evaluations, acts as a Secretariat to the IJC's Water Quality Board, Science Advisory Board, Council of Great Lakes Research Managers and the International Air Quality Advisory Board and provides support to the IJC on Agreement and other matters. The IJC operates through small section staffs in Washington (US funded), Ottawa (Canadian funded), and the binational Great Lakes Regional Office (jointly funded). The two countries share the costs of all studies and special investigations equally.

Since the IJC's establishment, construction of dams, bi-national disagreements or the quest for scientific advice have resulted in more than 120 instances where the two governments jointly requested the IJC consider applications for water projects or undertake studies, or "References" on critical issues.

Projects under IJC jurisdiction include hydropower structures at the outlets of Lakes Superior and Ontario, water control facilities on the Niagara River, and dams on the Kootenay, Columbia, Okanogan, Pend 'Oreille and St. Croix Rivers and Rainy and Namakan Lakes. The IJC also advises the two governments on other environmental and natural resource matters and apportions the waters of the St. Mary and Milk Rivers, and the Souris River. Water basins and systems under IJC purview are found along the entire US-Canadian border.

Through other treaties and conventions the IJC: deals with emergency water level conditions in the Rainy Lake watershed; approves water diversions from the Lake of the Woods; oversees the control works distributing water over the crest of the Niagara Falls; and resolves disputes regarding the use of the Columbia River.

Under the 1991 Air Quality Agreement, the United States and Canada are establishing specific objectives to deal with transboundary air pollution by developing and implementing programs to reduce discharges of specific pollutants and procedures for information exchange and consultation. The IJC is charged with inviting comment on government progress reports under this agreement. The IJC, under a separate standing reference from governments, is also charged with alerting governments to emerging air quality issues in the transboundary region.

The IJC also provides resources to the U.S. Geological Survey for technical assistance including collection and analysis of comprehensive stream flow data on international boundary waters for investigative, administrative and quasi-judicial functions. The USGS also obtains water information for reference studies, in support of international agreements and IJC Orders, and to help resolve apportionment disputes and similar problems. The cooperative program with the USGS funds the operation, maintenance and collection of data from approximately 60 water gages along the U.S.-Canadian border. The data collected by the USGS is used for current decision-making purposes, and collection of long-term data is essential for meaningful statistical and trend analyses. It helps determine flood and drought risks, seasonal variations, and climate variability crucial for operating dams and other water control structures. The IJC's work requires coordination between the USGS and Canadian agencies to ensure data compatibility between both nations.

CURRENT PROGRAMS

INTERNATIONAL JOINT COMMISSION

During FY 2002, the IJC is:

- Continuing to manage levels and flows in the boundary waters, seeking an appropriate balance among interests. (Unpredictable water supplies as reflected by flood conditions in some areas and by persistent drought in others - especially in the Great Lakes and Columbia basins – have increased the demand on water resources and focused attention on water level issues.)
- Continuing (year two) the five-year study of the operation of structures on the St Lawrence River. The focus is on collection and analysis of topographic, bathymetric and imagery data and bio-data sensitive to levels and flows; cataloging wetlands; conducting marina and recreational use and water use surveys; and developing and refining models incorporating the data to provide scenarios depicting the effects of various levels and flows. Intense public involvement activities will also continue.
- Completing development of a plan of study to review regulation of the St. Mary's River at Sault Ste. Marie, which affects the levels and flows on Lakes Superior, Michigan, Huron, and Erie. Subject to the agreement of the two governments, and funding the IJC will initiate this multi-year study in FY2003.
- Continuing exploratory analysis of common groundwater and climate change issues in boundary areas outside the Great Lakes Basin and reviewing state and federal actions in response to the IJC 2000 report, Protection of the Waters of the Great Lakes.
- Planning to initiate work on references anticipated to be issued during FY2002, including:
  - Analyzing actions necessary to develop a long-term watershed planning organization for the Taku River Basin in Alaska and British Columbia in response to a proposed mine reopening and attendant road construction.
  - Assessing potential transboundary effects of a proposed emergency outlet from Devil's Lake in North Dakota.
  - Investigating water issues facing Native Americans in the Columbia River Basin.
  - Assessing potential transboundary water quality effects of project proposals under the Dakota Water Resources Act of 1999.
- Preparing and submitting to governments the 11th Biennial Report on progress by the United States and Canada under the Great Lakes Water Quality Agreement to restore the chemical, biological and physical integrity of the Great Lakes.
- Conducting an analysis of the impacts of hydropower peaking and ponding activities in the St. Mary's River on navigation and other interests.
- Completing analysis of possible alternative methods through user fees/charge-backs.
- Evaluating, in furtherance of goals contained in the IJC's 2000 report on Transboundary Watersheds, the feasibility of better integrating responsibilities of the two IJC boards in the Rainy Basin that address level regulation and pollution monitoring.
- Developing opportunities within its existing boundary watersheds to promote the values of the international watershed board to regional and local entities.
- Planning an in-basin workshop on the St. Croix River ecosystem, its estuary and adjacent marine waters to better understand current trends and identify gaps in the existing science to help focus future research.
- Continuing USGS fiscal support to monitor water levels and flows in boundary and transboundary rivers and to complete revision of the documentation on apportionment of the St. Mary and Milk Rivers.
- Conducting a workshop for newly amalgamated boards to identify common issues and to address problems identified by the boards.

FY 2003 REQUEST

The FY 2003 request of $7,544,000 reflects an increase of $575,000 over the FY 2002 appropriation. The requested increase supports full funding of ongoing and planned IJC studies ($400,000) and wage and price increases (174,000). The total request provides $2,294,000 for the third year of the five-year bi-national

study by the IJC, federal agencies and experts of the regulation of Lake Ontario-St. Lawrence River levels and flows. The request also provides $1,210,000 for the U.S. share of the costs to initiate an Upper Great Lakes Study examining the regulation of Lake Superior outflows and their influence on Lakes Superior, Huron, Michigan and Erie. The request includes $88,000 an increase of $1,000 over the FY 2002 calculation to fully fund Federal Retirement, Pension, and Accrual.

In FY 2003, the IJC proposes to:

- Continue to manage water levels and flows in the Great Lakes and other boundary waters to deal with continued unpredictable water supplies and greater demands on water resources along the 5,000-mile boundary.
- Conduct the third year of the five-year study of the Lake Ontario St Lawrence River system, including the study's intensive public involvement activities. Major projects will include finalization of shoreline erosion studies, continuation of studies of wetland habitat and recreational boating uses, and application of hydrologic and hydraulic regulation models to evaluate potential alternative regulation approaches.
- Initiate the study of possible changes in the Orders of Approval governing flows and levels on the Upper Great Lakes, which would include development of evaluation models, environmental studies, and the establishment of a public involvement program. Work on the Upper Lakes study will draw heavily on knowledge developed in the ongoing Lake Ontario - St. Lawrence Study.
- Begin development of a Plan of Study for a review of the Orders of Approval governing the outlet of Osoyoos Lake, which expire in February 2013. Public consultations will be an integral component of the effort. Public concerns include lake water quality impacts of flow management, legal definitions of drought conditions, reliability of year-to-year provincial-state side agreements under drought conditions, flood levels, timing of spring water level increases, and flow-related and other temperature effects on fish spawning.
- Conduct an in-basin workshop on the St. Croix River ecosystem, its estuary and adjacent marine waters to better understand current trends and identify gaps in the existing science to help focus future research.
- Other IJC activities will include:
  - Identifying additional candidate regions for international watershed boards to improve cross-border communication, promote an ecosystem approach and facilitate local and regional problem solving.
  - Analyzing common groundwater and climate change issues in areas outside the Great Lakes Basin. In response to a request from governments, reviewing state and federal actions in response to the IJC 2000 report, *Protection of the Waters of the Great Lakes* and submitting a report to governments.
  - Assessing progress by the governments in meeting the objectives the Great Lakes Water Quality Agreement, conducting the biennial Great Lakes Forum and initiating preparation of the 12th Biennial Report on the progress.
  - Completing or continuing (subject to referrals from governments) assessments of the effects of a proposed emergency outlet from Devil's Lake in North Dakota, a proposed mine re-opening on the Taku River in British Columbia that may risk damaging an Alaska salmon fishery; a potential application for bridge construction between Buffalo and Fort Erie Ontario.
  - Continuing support of the USGS program to monitor water levels and flows in boundary and transboundary rivers and to meet apportionment requirements.
  - Developing internet-based methodologies to widely share data acquired through studies of the Great Lakes system – and from other future studies – with all interested parties.
  - Continuing reporting of issues of transboundary atmospheric pollution with special attention to the Great Lakes Basin, while responding to specific air quality objectives of annex 15 of the Great Lakes Water Quality Agreement and the Detroit-Windsor Air Quality Reference.

INTERNATIONAL JOINT COMMISSION

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Joint Commission, U. S. & Canada	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Program Expenses	**$3,763**	**$6,882**	**$7,456**	**$574**
U.S. Section	$3,288	$6,362	$6,922	$560
Special & Technical Investigations by U.S. Geological Survey	$475	$520	$534	$14
Pension/Health Benefits Full Cost Adj.	**$76**	**$87**	**$88**	**$1**
Total	$3,839	$6,969	$7,544	$575

Note: The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

As indicated above, the IJC proposes to continue the study to determine changes required in the Orders of Approval for operation of structures on the St Lawrence River (New York, Ontario and Quebec) and initiate a similar study of the Orders of Approval that influence flows and levels on the upper Great Lakes (Ohio, Illinois, Pennsylvania, Indiana, Michigan, Wisconsin, Minnesota, New York and Ontario). The orders governing the St. Lawrence are nearly a half-century old and the orders for the Upper Lakes are nearly 25 years old. Neither takes into consideration the protection of the environment, the needs of other interests that have grown in the region over time nor the potential changes in timing and volume of water supplies under climate change and climate variability scenarios that are forecast for the Great Lakes. Given the current significant economic and social impacts of the continuing drop in water levels on the Upper Lakes and the forecast drop on Lake Ontario as well as the ongoing Federal Energy Regulatory Commission (FERC) re-licensing action on the St Lawrence control facility, continuation of the Lake Ontario - St. Lawrence study and initiation of the Upper Lakes Study is imperative.

Major projects in the Lake Ontario - St. Lawrence Study will include finalization of shoreline erosion studies, continuation of studies of wetland habitat and recreational boating uses, application of hydrologic and hydraulic regulation models to evaluate potential alternative regulation approaches, and continuation of public involvement activities. Major efforts in the Upper Lakes Study include development of common data through initiation of topographic and bathymetric surveys, development of evaluation models, and establishment of a public involvement program and initiation of environmental studies. Work on the Upper Lakes study will draw heavily on the knowledge developed in the Lake Ontario - St. Lawrence Study.

INTERNATIONAL JOINT COMMISSION

U.S. Section

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	24	0	$6,922	$560

In addition to funding the Lake Ontario – St Lawrence and Upper Lakes studies, the FY 2003 budget request provides for the operation of the US Section of the IJC, including the U.S. share of the Windsor office expenses, and supports the IJC requirements to monitor water levels and flows and water quality activities in the Great Lakes and in boundary and transboundary rivers, continue other ongoing study efforts, work on references and initiation of new work expected during the fiscal year. The requested increase provides $400,000 to fully fund ongoing and planned IJC studies and $174,000 for wage and price increases.

Special & Technical Investigations by U.S. Geological Survey

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$534	$14

The FY 2003 request for the USGS is $14,000 above the FY 2002 level and supports wage and price increases. The USGS provides technical assistance to the IJC through collection and analysis of stream flow data (quantity, quality, and sediment load) on international boundary waters. The information is used for investigative, administrative and quasi-judicial functions. Through a cooperative program with the USGS, the IJC funds the operation, maintenance and collection of data from approximately 60 water gages along the U.S.-Canadian border.

FUNDS BY OBJECT CLASS
($ in thousands)

	International Joint Commission, U. S. & Canada	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
1100	Personnel Compensation	$1,933	$2,114	$2,176	$62
1200	Personnel Benefits	$471	$517	$531	$14
2100	Travel & Trans of Persons	$252	$329	$336	$7
2300	Rents, Comm & Utilities	$126	$153	$156	$3
2400	Printing & Reproduction	$13	$78	$80	$2
2500	Other Services	$567	$3,244	$3,720	$476
2600	Supplies and Materials	$66	$69	$70	$1
3100	Personal Property	$111	$140	$143	$3
4100	Grants, Subsidies & Contrb	$300	$325	$332	$7
Total		$3,839	$6,969	$7,544	$575

BORDER ENVIRONMENT COOPERATION COMMISSION

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$1,996	0	$2,040	0	$2,083	0	$43

OVERVIEW

The Border Environment Cooperation Commission (BECC) is a joint United States–Mexico international organization established under the North American Free Trade Agreement (NAFTA). BECC assists border communities in developing environmental infrastructure projects in the priority areas defined by its Charter. Priority areas include water, wastewater, solid waste infrastructure projects, and other related matters. In December 2000, the BECC Board of Directors (with members from the US and Mexico's public and private sectors) further defined the area under related matters to include projects related to industrial and hazardous waste, air quality, public transportation, clean and efficient energy, and improvement of municipal planning development and water management. Such projects must be consistent with the definition of environmental infrastructure projects contained in the BECC's Charter.

The common border shared by the US and Mexico stretches approximately 2000 miles, encompassing 240,000 total square miles. The border region is one of the fastest growing areas in both the US and Mexico, with over 10 million residents in ten states (four million in the US and six million in Mexico), and it is expected to double within the next 15-20 years. NAFTA has brought jobs, businesses, and increased population to the border region. The result of such growth has placed environmental infrastructure strains on the border region.

Residents along the US and Mexican border share key resources, especially water. Because pollution and disease know no boundaries, the impact of unchecked pollution could be devastating to the border region. The threat of unabated pollution requires that border residents work together to forge common solutions. Water continues to be scarce in the border region and sustainable management of water resources remains critical to economic vitality.

Located in Ciudad Juarez, Mexico, the BECC is funded by the governments of the US and Mexico. The BECC assists communities in the development of high priority environmental infrastructure projects. The BECC provides project development expertise and mobilizes the resources from the US and Mexican environmental agencies and other sources, and provides access to the resources of the North American Development Bank (NADB).

CURRENT PROGRAMS

The mission of the BECC is to identify, support, evaluate, and certify affordable environmental infrastructure projects that improve the quality of life for the people of the United States-Mexico border region, now and into the future, in an open public process.

In order to accomplish its responsibilities in the border region, BECC is maintaining its current staff levels at 47 permanent slots. A portion of the BECC staff (approximately 29% of personnel expenses) is funded from the EPA Project Development Assistance Program (PDAP). The BECC programs are presented in two basic budget categories:

BORDER ENVIRONMENT COOPERATION COMMISSION

Technical Assistance Program. This category provides funding for project development and related activities. This program includes the development of a strategic plan for US-Mexico border infrastructure needs. Funding for the technical assistance program comes from the BECC's operating funds and the EPA. The BECC has received $27 million from EPA for grant assistance for the development of water and wastewater infrastructure projects. Total project needs identified for technical assistance, are approximately $6 million for FY 2003. The BECC's operating funds are used for solid waste and pilot projects under the expansion. While the PDAP funding is very effective, it can only be used for projects related to water and wastewater. BECC administrative support is still required for all projects.

Public Involvement and Public Outreach Process. The BECC is based on the premise of extensive and organized public involvement in the project development process resulting in the certification of high quality environmental infrastructure projects. The required activities are accomplished through public outreach, promoted by expert BECC personnel, and facilitation of a broad public dialogue where residents on both sides of the border may make their views known through public meetings as well as other workshops and information sharing sessions.

The BECC assists the border's neediest communities, who would otherwise be incapable of obtaining financial resources, by providing grant funding for the planning, development, and design of necessary, complex environmental infrastructure projects. Absent a focused and vigorous program of technical assistance, many of these communities infrastructure needs would not be met. BECC devotes technical assistance resources toward enabling border communities to undertake initial project development activities and also facilitates subsequent detailed technical work necessary to formulate high quality projects that can meet the intent of the certification process.

Technical assistance for both solid waste projects and mandate expansion projects continue to be dependent on direct allocations from BECC operating funds which has caused delays in the development of projects. Although the BECC has secured funds from EPA for project development and design assistance to communities for water and wastewater projects, no equivalent EPA funds are available for solid waste and pilot projects under the expansion. The BECC has been unable to secure other funding sources to cover these areas.

During FY 2002, over 40 public meetings are being planned in various communities, with over 60 steering/citizens committee meetings, touching many lives on both sides of the US-Mexico border. An increase of 30 percent in the number of meetings from FY 2002 to FY 2003 is expected. The BECC staff participates directly in these outreach efforts. The BECC's funds are also used for meetings of the Board of Directors (public and special sessions), Advisory Council activities, and other community public meetings with candidate projects for certification. All meetings are bi-national, requiring outreach materials to be presented in both languages and simultaneously translated in both Spanish and English. Translations and interpretation are expensive. The BECC's partnership with communities requires extensive travel to project sites. Frequently, a border community will request BECC staff expertise in the management and oversight of technical assistance arrangements and contracts, as well as guidance during the implementation of their public process.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2003 request increases funding by $43,000 over the FY 2002 level. This increase reflects the U.S. contributions only. This increases covers wage and price increases in order to maintain current services.

BORDER ENVIRONMENT COOPERATION COMMISSION

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Border Environment Cooperation Commission	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Technical Assistance Program	**$1,955**	**$1,997**	**$2,029**	**$32**
Public Involvement and Public Outreach Process	**$41**	**$43**	**$54**	**$11**
Total	$1,996	$2,040	$2,083	$43

BORDER ENVIRONMENT COOPERATION COMMISSION

Technical Assistance Program

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$2,029	$32

The cost to bring communities along the U.S.-Mexico border up to accepted levels of service for drinking water, wastewater treatment, and solid waste disposal is estimated by researchers to require investments of $8 to $10 billion. Under an evolving process of broad bi-national public consultation, fifty-five environmental infrastructure projects with an estimated investment of $1.1 billion have been certified. The process of identifying potential new projects and developing these projects has matured into a comprehensive system well integrated with the NADB and involved federal agencies in both countries. The BECC received 23 applications in 2001. Twenty-two of these applications involved projects that satisfied the BECC basic criteria, which are: (a) location within the 100 km boundary zone, (b) solving an environmental or human health issue, and (c) constituting a water, wastewater, or solid waste initiative. Of these 22 projects, 16 are under development and 6 are under study. The BECC expects to certify 25 projects in FY 2003. To address these needs in FY 2003 the BECC efforts are directed toward the following primary objectives:

Developing Crucial Infrastructure. During FY 2003, the BECC plans to initiate $6 million in project development and final design technical assistance contracts and services with 51 communities. Twenty-five of these projects have the potential for being certified in FY 2003. The estimated value of these projects is $500 million, for financing and construction.

Improving Fiscal and Management Practices. Historically, many border communities afflicted by environmental degradation have relied on the existence of government grants to alleviate their problems. The BECC and its sister institution, the NADB, were created to reflect economic and environmental realities of the border region. While grant assistance to projects is available through the Border Environment Infrastructure Fund sponsored by the EPA, most projects will only be feasible if funded by blending grants with loan resources from NADB and other sources. Communities that are inexperienced will require extensive help from the BECC (and NADB) to formulate quality projects with increase reliance on local resources. A critical feature of these projects is the development of sound financial and administrative practices. BECC and NADB will continue to focus their efforts on helping communities formulate effective and efficient sustainable environmental systems.

Technical assistance funds will be used to assist approximately 51 border communities in the United States and Mexico in FY 2003 of which 8 of these border communities have been identified as having solid waste needs and 5 needs under the mandate expansion. Funding for the BECC's movement into other development sectors such as hazardous waste and air quality are being funded through BECC operating funds and the NADBank. Absence of funding for solid waste and mandate expansion prevents the Commission from addressing the full nature of the pollution problems throughout the border region. Failure to develop priority solid waste and mandate expansion projects could result in degradation of ground and surface water supplies thereby undercutting major investments in water and wastewater programs.

BORDER ENVIRONMENT COOPERATION COMMISSION

Public Involvement and Public Outreach Process

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$54	$11

The BECC will continue with its public outreach strategy to bring its program and objectives to the attention of the border communities in order to identify potential beneficial environmental infrastructure projects. In FY 2003, the BECC will continue expanding its quarterly Board meetings to reach as much of the public as possible by having the meetings at various locations along the United States – Mexico border. This strategy includes inviting public officials to the Board meetings to draw their attention to the needs that must be addressed and showing them the accomplishments of the BECC. This allows the BECC to take its accomplishments directly to the people. The BECC continues to hold press conferences, press interviews, community meetings, and attempts to further increase public awareness through its public participation program and its sustainable development program. At the same time the BECC is disseminating information via the BECC News, annual report, and other key publications in order to continually update the communities and other agencies regarding BECC activities.

Improvements continued to be realized with the BECC's Internet home page, which has allowed for external accessibility to its processes and various important documents. The library has also been improved and updated by having complete documentation of every BECC certified project.

BORDER ENVIRONMENT COOPERATION COMMISSION

FUNDS BY OBJECT CLASS
($ in thousands)

Border Environment Cooperation Commission	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
2500 Other Services	$1,996	$2,040	$2,083	$43
Total	$1,996	$2,040	$2,083	$43

RELATED APPROPRIATIONS

The Asia Foundation
National Endowment for Democracy
East-West Center
Eisenhower Exhchange Fellowship Program
Israeli Arab Scholarship Program

855-856

Summary Statement
($ in thousands)

Appropriations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
The Asis Foundation	$9,230	$9,250	$9,444	$194
National Endowment for Democacy	$30,931	$33,500	$36,000	$2,500
East-West Center	$13,470	$14,000	$14,280	$280
Eisenhower Exchange Fellowship Program	$499	$500	$500	$0
Israili Arab Scholarship Program	$374	$375	$375	$0
TOTAL APPROPRIATIONS	$54,504	$57,625	$60,599	$2,974

FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

Does not include $3.48 million in new budget authority transferred from the United States Agency for International Development(USAID).

.79 814 798

857-858

THE ASIA FOUNDATION

Proposed Appropriation Language

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, as authorized by the Asia Foundation Act (22 U.S.C. 4402), as amended, [~~$9,250,000~~]$9,444,000, to remain available until expended, as authorized.
(Department of State and Related Agency Appropriations Act, 2002.)

THE ASIA FOUNDATION

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$9,230	0	$9,250	0	$9,444	0	$194

OVERVIEW

As a private, non-government, grant-making organization, The Asia Foundation plays a unique and complementary role in advancing U.S. foreign policy in the Asia-Pacific region. For nearly five decades, through its network of 14 offices and programs in Asia, the Foundation has earned the reputation among government, civil society, and the private sector as a trusted, unbiased, nongovernmental actor. The goals of The Asia Foundation are to build leadership, improve policy, and strengthen institutions of governance to foster greater openness, shared prosperity, and stability in Asia. As a grant-making institution, The Asia Foundation advances the Department of State's goals through concrete programs that strengthen U.S.-Asian relations. Many challenges face Asia in the post-September 11 period. The Asia Foundation is positioned to address the immediate and special needs of the region, including the predominantly Muslim countries of South and Southeast Asia, to encourage political and economic reform and development in Asia, while maintaining stability. The Asia Foundation has also had 25 years of experience operating in Afghanistan, and is poised to re-engage at this critical time.

The Foundation's hallmark is to make sequential grants to steadily build institutions, develop leadership, and advance policy reforms. In designing and implementing programs, the Foundation draws on an essential combination of strengths: in-depth understanding of local and regional political and economic issues; technical expertise; broad governmental and non-governmental contacts; the ability to identify and develop timely program responses to key foreign policy issues and opportunities; and proven capacity as a private grant maker and program manager.

The Asia Foundation is able to achieve results on issues that may be difficult for the U.S. government to address directly, such as human rights and sensitive aspects of democratic development, and operates where the U.S. government no longer maintains a development presence. The Foundation has often been encouraged by the Department of State in its early overtures to countries emerging from isolation or authoritarian rule, helping to pave the way for future cooperation and official engagement, as in the case of North Korea, and in earlier times, Mongolia, Vietnam, and China. In the past year alone, the State Department and the U.S. Agency for International Development (USAID) have sought out The Asia Foundation as a trusted, experienced, and cost-effective partner for vital programs throughout Asia. Examples include advancing Indonesia's political and economic transition, continuing the only American development presence in Pakistan, and supporting recent election programs in Bangladesh, Cambodia, Thailand, and Indonesia.

The U.S. government receives a high return on its investment in the Foundation, both with respect to the Foundation's results-oriented role in advancing national foreign policy interests, and its efficient use of resources. The Foundation also offers flexibility and rapid response, continuity of its on-the-ground presence, and the ability to leverage additional funds to increase the impact of U.S. contributions.

While appropriated funds are not the only source of funding for The Asia Foundation, they are the most critical because they:

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- are the most significant factor in determining whether or not the Foundation is able to maintain a small but strategic presence in key countries in the region, especially critical given reductions in official U.S. presence (e.g., USAID);
- enable the Foundation to leverage resources from private sources, and ensure that Foundation programs are not dominated by the special interests of any single donor;
- provide flexibility for a quick response to new activities and opportunities in support of U.S. policy, such as in the case of Afghanistan, Pakistan, and political change in Indonesia, without the constraints of a large bureaucracy; and;
- confirm U.S. Government support for the Foundation, thereby increasing the Foundation's influence, access, and impact in Asia while at the same time providing a degree of protection that enables the Foundation to be innovative and take risks.

The FY 2003 request of $9.444 million will provide an increase of $194,000 to fund wage and price increases. The FY 2003 request will enable The Asia Foundation to support programs in governance and legal reforms, human rights, and economic reform throughout the region. The requested level of support will also enable the Foundation to respond to needs in Afghanistan, where the Foundation had a program and presence from 1954 until the Soviet invasion in 1979. Resources permitting, programs will also be expanded in Pakistan, Indonesia, East Timor, and Mindanao in the Philippines, and other predominantly Muslim societies in Asia.

CURRENT PROGRAMS

The Asia Foundation's program priorities are closely aligned with U.S. foreign policy goals in Asia -- building democratic institutions, the rule of law, and a strong and vibrant civil society; supporting the policies and institutions required for open markets, trade and investment; increasing opportunities for women's participation; and encouraging stability and cooperative relations among nations in the Asia-Pacific region. The Foundation addresses these priorities on both a country and regional level by building the capacity of local institutions, helping to advance progressive policies, and promoting leadership development.

Democratic Institutions, the Rule of Law, and Civil Society

The Foundation's approach is to help countries manage the transition to more open political systems, while maintaining stability. Foundation programs strengthen parliamentary processes, support democratic elections, foster accountability within governments, promote the rule of law, and encourage a vibrant civil society. Foundation support goes beyond the formal structures of institutions by focusing on the performance of those institutions. At the policy and grass roots level, Foundation programs help build the mechanisms for participation that mediate the competing interests of different groups in society, and increase the ability of the government to be responsive and provide leadership. For example, the Foundation:

- provided substantial assistance to national and provincial parliaments in 16 countries in the Asia-Pacific region, including technical assistance on legislation and the development of research and legislative drafting capacity among members and staff;
- assisted in the implementation of new decentralization efforts to devolve political and administrative authorities to provincial and local government in key countries in Asia, including China, the Philippines

and Indonesia. This support included reforms for urban neighborhood committees in China and developing capacity for local budgetary decision making in Indonesia;

- supported election programs in Bangladesh, Cambodia, China, Indonesia, and Thailand. In 2001, the Foundation played a lead donor coordination role in Bangladesh for two national coalitions to support local election monitoring and voter education for the national elections. In Pakistan, the Foundation mobilized an extensive network of 3,000 NGOs to undertake a massive, nationwide voter and civic education campaign for local government elections under the government's new decentralization plan. In 2002, the Foundation in Cambodia has been the most active American organization supporting voter education for the first-ever commune elections, and for domestic election monitors throughout the country.

- supported legal reform programs across Asia. This included drafting new laws, strengthening judicial and legal institutions, and building capacity for alternative dispute resolution. As one of the earliest American supporters of legal reform in China, in 2001, the Foundation contributed to the provision of legal aid services for the poor and disadvantaged. The Foundation's administrative law efforts also focus on China's need to reform laws for WTO compliance. Throughout Asia, the Foundation supported legal education, and legal aid, legislative development, and mediation training at local levels. In East Timor, the Foundation is the only American organization supporting East Timorese constitutional drafting efforts. The Foundation is engaged in administration of justice reform programs in the Philippines, and substantial human rights advocacy, education and training in Cambodia, Indonesia, Sri Lanka; and Bangladesh. The Foundation's multi-country projects on counter-corruption and corporate governance include support to both NGOs and government reformers to develop sound blueprints and popular support for reform.

- is the single largest supporter of the non-governmental sector in the Asian countries in which we operate, building the institutional and program capacity of NGOs across the region and improving the regulatory environment for NGOs. Foundation support has contributed to the establishment of new NGOs that have quickly made their mark, such as the Indonesian Institute for Independent Judiciary (LeIP), which played an important role in the recent, first-ever, fit and proper test for new candidates for the Indonesian Supreme Court, conducting investigations of the capacity and integrity of the Court candidates at the request of the Indonesian Parliament. The Foundation also made two important grants immediately after the fall of the Taliban in Afghanistan, to the Agency Coordinating Body for Afghan Relief (ACBAR), which took a lead role at the Tokyo donors meeting on Afghanistan as a key organization for donor coordination; and to PARSA, to support womens' skills and leadership training in Afghanistan.

- promotes the protection and advancement of human rights in Asia. In Cambodia, the Foundation is the only American organization to support critically needed local human rights organizations. Through its support of NGOs and governmental human rights efforts at the regional, national, and local levels, Foundation programs focus on forensics training for NGOs to investigate past human rights abuses, human rights education and monitoring in Cambodia, Indonesia, and Sri Lanka. Post-September 11, 2001, the Foundation significantly expanded its ongoing support of Indonesian NGOs to undertake programs to promote religious tolerance and moderation, support inter-ethnic and inter-faith dialogue, particularly in conflict areas of the country, and increase discourse on the compatibility of Islam with democratic principles. This included development of a new civic education curriculum emphasizing democracy and religious tolerance for a network of 44 State Islamic Institutes throughout the country.

Open Markets, Trade and Investment

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The Asia Foundation supports programs that lead to open trade, investment, and economic policy reform. The Foundation cooperates with pro-reform actors inside and outside of government to lay the groundwork for more open trade and investment policies. The Foundation works directly on a range of policy reform issues, and also supports governance reforms that improve the climate for economic growth through greater transparency, accountability and the rule of law. Examples of activities include support for:

- the improvement of intellectual property rights protection, strengthening anti-corruption laws, and establishing private, commercial dispute resolution organizations. In 2001, in the Philippines, Thailand and Indonesia, the Foundation supported programs jointly conducted by the private sector and government to assist in the implementation of APEC e-commerce readiness programs and to improve the policy environment for information and communications technology in Asia.

- the development of small and medium enterprise (SME), an area critical to generating economic growth, employment, and more balanced income distribution. In 2001, in recognition of the Foundation's groundbreaking programs in SME policy and regulatory reform, and the success of a Foundation supported local business association network throughout Indonesia. Major donors such as the World Bank, Asian Development Bank and IMF have sought Foundation assistance in organizing discussions with Indonesian SMEs. In Vietnam, efforts to increase awareness and understanding of the U.S.Vietnam Bilateral Trade agreement were undertaken through a series of workshops with the Vietnam Chamber of Commerce and Industry (VCCI) covering technical issues, in such areas as customs and trade. Handbooks were produced for domestic entrepreneurs laying out the schedule of commitments under various trade agreements and providing practical previously unavailable information for firms,

- the promotion of regional organizations such as the Asian-Pacific Economic Cooperation (APEC) forum and the Pacific Economic Cooperation Council, which are committed to open trade and investment in the Pacific Region. In 2001, the Foundation has also supported training and research programs to address essential financial sector policy reforms, the challenges to implementation, and the institutional development of non-governmental and government organizations in areas such as e-government and corporate governance.

Women's Political Participation

The Asia Foundation supports programs to encourage women's political participation in the Asia-Pacific region, including leadership development, legal rights awareness, and access to economic opportunities. The Foundation helped launch the first regional women's political network focused on leadership development and candidate training, which has contributed to increased women's participation in local politics throughout the Asia-Pacific region. Foundation programs include:

- In 2001, the Foundation, in cooperation with the Levi-Strauss Foundation, has established programs with the All China Women's Federation in Guangdong to provide health and legal aid services to an increasingly large and disadvantaged population of migrant women laborers.

- Training for nongovernmental organizations in budget analysis, specifically to review the impact of budgetary decisions on women in Indonesia and the Philippines. The analysis provides a base for advocacy strategies to promote equity, transparency, and efficiency in government budgeting processes.

- The implementation of the Pakistan NGO Initiative (PNI) to strengthen the role and capacity of Pakistani NGOs to deliver social services to improve the quality of life for women. The PNI includes

pilot programs with over 60 NGOs to improve education, health, and economic opportunities for women. This program represents the U.S. Government's only bilateral development assistance program in Pakistan.

- The advancement of the basic rights of women, including addressing the serious issues of domestic violence and trafficking through public education campaigns and training programs in the region. In 2001, the Foundation provided support to Maiti Nepal for its efforts to educate women on trafficking through workshops, the publication and wide distribution of education materials, and skills training to help the reintegration of rescued women.

- In 2001, the Foundation increased awareness of women's rights under Islam by providing support for Institute for Religion and Gender Studies and the NGO Women's Solidarity Foundation in Indonesia, and preparing a series of widely distributed books for wide distribution on women and Islam, emphasizing the compatibility of Islam with women's goals.

Stable and Cooperative Relations among Nations in the Asia-Pacific Region

The Asia Foundation contributes to regional stability through informal U.S.-Asian dialogue on issues such as democratization, human rights, civil society, regional economic policy, and supports diplomatic efforts to address security issues through informal multilateral and bilateral dialogues. Foundation programs included:

- Support for the ASEAN Human Rights Working Group, an effort long encouraged by the U.S. as a step toward a regional human rights mechanism. In cooperation with a regional group of human rights specialists, the Foundation has supported projects focused on impunity and most recently, the establishment of a Master of Law in Human Rights degree program at the University of Hong Kong.

- Increased bilateral dialogues, in collaboration with Harvard University's Fairbanks Center for East Asian Studies, which included Foundation support for four major trilateral meetings among China, Japan, and the United States. Senior level representatives from the public and private sectors to discuss a broad range of issues, security, economic reform and China-Taiwan relations. In 2001, the Foundation also supported a U.S.Vietnam bilateral conference, as part of an ongoing program of cooperation with the Institute of International Relations in Vietnam, which brought together senior officials, nongovernmental organizations, scholars, and private sector representatives to discuss a broad range of the political, economic and security issues between the two countries.

- In early 2001, The Asia Foundation released two reports on American and Asian views of „America's Role in Asia". The American report, by a commissioned task force composed of 37 high-ranking, bipartisan group of specialists in Asia policy assessed the challenges facing the U.S. in Asia and produced recommendations. A parallel effort brought together three groups of Asians from Northeast, Southeast, and South Asia, to explore America's role in the region and also put forward recommendations. This project was unique in its composition and process, providing a comparison of American and Asian views through a series of workshops in the U.S. for the American experts and experts in the region for the Asian experts to explore areas of agreement and disagreement between Asian and American views.

FY 2003 PLANS

The September 11 terrorist attacks and the war on terrorism have set in motion forces that present significant challenges to political stability, economic growth, and America's relations in Asia. Complicating the situation are the global economic slowdown, difficult domestic political changes in many Asian

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countries, and changing regional dynamics in Asia. While many countries in the region have embraced democracy, these systems remain fragile. In combination with political and economic instability in South Asia, other predominantly Muslim countries, such as Bangladesh, Indonesia, and the Muslim areas of Mindanao also present new challenges for the U.S.

The Foundation is uniquely positioned to advance and complement official U.S. efforts in Asia. For nearly 50 years, the Foundation has operated programs throughout Asia to support reform-minded government and nongovernment institutions and leaders, and has longstanding relationships, credibility and access in the region. In FY 2003, the Foundation will intensify its support for democracy, rule of law, and civil society; open markets, trade and investment; women's political participation; and stable and cooperative relations among nations in the Asia-Pacific region.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2003 request of $9.444 million is necessary to meet the increasing demand for Foundation programs. This request comes at a time when Asia faces significant challenges. The campaign against terrorism, with most links discovered between Afghanistan and other countries in the region, complicate an already unstable political and economic situation in the region. Asia's economic progress is in large part tied to success in building institutions for stable responsive governance, and the rule of law. Countries with weak political systems and domestic instability are hampered in their reform efforts. The problems facing Asia are increasingly complex, and require flexible and creative solutions based on in-depth knowledge and broad relationships within the region, all of which the Foundation possesses. The requested level of funding would enable the Foundation to continue current programs to serve U.S. national interests in the Asia-Pacific region, and address the urgent need for programs that advance democracy, promote economic growth, and protect the rights of women in Pakistan and Afghanistan, and other countries with significant Muslim populations. Programs will also target priority countries for U.S. foreign policy, including China and Vietnam, and will include programs to support urgently needed legal reform programs to advance economic growth, efforts to increase transparency and accountability, and the protection of citizens' rights.

Appropriated funds are critical to the Foundation's ability to attract private and other funds. In FY 2001, $4 million was raised from these other sources. In FY 2002, $2.5 million has been raised to date. The Foundation expects to raise $5 million in private project funds in FY 2003. The Foundation will also receive in-kind contributions, such as books and software, which are distributed through its Books for Asia program.

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Program Grants and Services
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$8,122	$168

The FY 2003 request will enable the Foundation to directly support U.S. foreign policy goals through a wide range of programs that support reform agendas in Asia that are consistent with U.S. priorities. The Foundation's programs build the capacity of institutions vital to the development of democracy and the rule of law, and encourage open market systems.

The Foundation helps to operationalize U.S. foreign policy goals and commitments. In Cambodia, the Foundation has undertaken a massive program in voter education and domestic election monitoring in preparation for the upcoming commune elections, which hold great importance for Cambodia's democratization efforts. The Foundation also supports the Cambodian Documentation Center, critical in the investigation of past human rights abuses and creating future accountability. In Bangladesh, with support from the U.S. Embassy, the Foundation has been the coordinator for all international and bilateral donors planning to assist voter education and election monitoring, working with two Bangladeshi NGO coalitions.

In Pakistan, the Foundation's in-country presence has enabled the U.S. Government to follow through on its pledge to maintain a positive U.S.-Pakistani development relationship after the closure of the USAID Mission in June 1995, through support for the Pakistan NGO Initiative. Now, post-September 11, because of its long established relationships and credibility in Pakistan, The Asia Foundation serves as a critical link between official U.S. Government efforts and over 3,000 Pakistani NGOs and government leaders as the two countries try to quickly re-establish programs in health, education, democratic development, and economic growth, all important in sustaining domestic stability.

The Foundation has played a similar role in Thailand where USAID no longer has a field presence. With partial USAID support, the Foundation works in cooperation with Thai institutions (under the Accelerated Economic Recovery in Asia (AERA) project) to support politically sensitive counter corruption programs.

The Foundation also plays an important role in situations where bilateral relationships between countries are volatile. For example, the Foundation has continued to engage Chinese officials and institutions in law, governance, and economic reform programs. This includes a significant program in administrative law reform, in which Chinese and American legal scholars are currently reviewing legal options for the development of an Administrative Procedures Act, intended to regularize the structures and operations of Chinese government agencies and reduce arbitrary and abusive practices by government officials. The Foundation will increase efforts to help reform administrative laws and regulations related to China's WTO compliance requirements.

During the course of FY 2003, the Foundation expects to make approximately 800 individual grants. The following are examples.

Democracy, the Rule of Law and Civil Society

Strengthening formal governmental institutions - including the constitutional framework, legislative branch, and the judiciary - and encouraging the development of civil society have been the hallmarks of the Foundation's programs in Asia. Democracy, law, and support for civil society will continue to be the largest component of the Foundation's grant making program for the development and reform of Asian institutions. The requested funding will support governance, decentralization and legal reform programs in

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China, Indonesia, Pakistan, the Philippines, Sri Lanka, Thailand, and Vietnam. Foundation-supported activities will cover legal education and professional development, judicial administration and reform, alternative dispute resolution, legal aid, human rights monitoring, legislative drafting, and other law reform needs of individual countries. The Foundation expects to re-establish a program in Afghanistan in these areas in the near term, in addition to programs in education and re-establishment of the Books for Asia program, at the request of the Minister of Higher Education.

The political and economic challenges facing Indonesia continue to loom large as the country experiences serious and widespread violence, political instability and economic stagnation. Building on its work to date, the Foundation will provide continued support to civil society networks, including Islamic organizations, to strengthen civic education, human rights protection and legal aid (especially in Aceh, Papua and the Malukus); intensify inter-faith and inter-ethnic efforts to increase cooperation and tolerance; and undertake initiatives to address the economic and political marginalization of women, and alternative dispute resolution. The Foundation will also support substantive law reform efforts, and provide support to the National Parliament which is gaining strength and importance, and where, for the first timein 40 years, members will be drafting their own legislation and reform proposals. The Foundation will continue its support to the National Human Rights Commission, the National Commission of the Ombudsman and the National Law Commission, tasked with designing a work plan for the reform of Indonesia's legal system. The Foundation will re-invigorate its programs with law schools and consider initiating programs with the Ministry of Justice and Supreme Court on legal and judicial initiatives.

In East Timor, the Foundation is the only American organization providing assistance for the constitutional drafting process and future training for East Timorese in governmental processes. In addition, the Foundation plans programs to support media development building on its past work with East Timor's only independent newspaper, Suara Timur Timur, other print and broadcast media.

In China, the Foundation has played a lead role in supporting milestone efforts to encourage greater citizen participation in public affairs, especially at the local level. Activities include support for: developing capacity for village level elections; research on and support for reform of urban neighborhood committees; and the growing non-profit sector.

For the past 23 years, the Foundation has supported programs in legal reform and has cooperated with a range of Chinese institutions in providing training, materials, and opportunities for Chinese legal professionals to gain exposure to other legal systems. The Foundation will support administrative law revision, specifically related to WTO compliance requirements, and other legal reform programs at both the national policy and grassroots levels. These programs will assure the development of new, more responsive administrative regulations and procedures. The Foundation will also support developments in legal aid and popular legal education nationally, and in some of China's poorest provinces.

In Pakistan, the Foundation has taken advantage of the new openness to increase its programs in devolution and local government through civic and voter education in preparation for the upcoming national elections. The Foundation, working with a network of over 3,000 NGOs, will disseminate a wide range of materials through the media, workshops, and public fora to increase public participation in the political process.

In Nepal, the Foundation will begin a significant effort to improve alternative dispute resolution through development of a national mediation system, starting with a review of the traditional and formal mediation practices in the country. The Foundation will also support local mediation programs based on the model of the well-established Community Mediation Boards in Sri Lanka. The Foundation will continue plans for legal and judicial reform in Nepal with local NGOs and the government, and continuing education for judges and prosecutors, and training programs on decentralization with village council leaders.

THE ASIA FOUNDATION

In Sri Lanka, the Foundation continues to serve as the secretariat for the 20-member consortium of legal aid organizations. The Foundation will work to assist the Human Rights Commission of Sri Lanka to monitor and report on human rights violations, develop a computer tracking system, and provide for staff training and cooperation with human rights NGOs. As circumstances permit, the Foundation will also extend its successful work with the Community Mediation Boards to the troubled areas of Jaffna and the northern provinces, encouraging non-violent modes of conflict resolution, and promoting confidence in the administration of justice.

In Cambodia, the Foundation will work with NGOs to support economic and development efforts in former Khmer Rouge areas which will help pave the way for improved local governance and decentralization and broader national efforts to restore political order and reconciliation. The Foundation's crucial support to local human rights organizations will continue.

The Foundation will support efforts to increase the interaction between moderate Muslim groups in the region, specifically, between Indonesia, Malaysia, the Philippines, Afghanistan, Pakistan and Bangladesh. Through cooperation with the newly established „Islam Liberal" network in Indonesia, an ambitious set of exchanges and technological linkages are planned to engage religious educational institutions, including madrassas in Pakistan and Muslim NGOs to increase a discourse that supports more liberal interpretations of Islamic texts, religious tolerance, pluralism, and moderation.

The Foundation will continue to support efforts to improve the regional human rights environment through organizing unofficial dialogue among leading human rights activists and scholars, and assisting the ASEAN Regional Human Rights Working Group on the Establishment of a Human Rights Mechanism. This Working Group also has an ambitious agenda for programs within the original five ASEAN countries, including regional conferences on complying with international human rights conventions, and national conferences and workshops on human rights education.

Open Markets, Trade and Investment

The Asia Foundation supports programs that lead to open trade, investment, and economic policy reform at the regional and national levels. The economic slowdown has increased the impetus for reform by placing pressure on domestic political and governance systems, and on regional and international arrangements. The Foundation's programs also complement official U.S. initiatives to address the critical link between economic problems and deeper issues related to political processes and governance.

In Indonesia, the request for FY 2003 will enable the Foundation to build upon and expand its successful, innovative small and medium-enterprise (SME) policy reform program. The SME program focuses on identifying essential regulatory constraints, strengthening the capacity of small and medium scale business constituencies to advocate for reform, and facilitating cooperative links between international donors, Indonesian NGOs, and business associations. The Foundation is also expanding its efforts to support growth and development of SMEs in Malaysia, Thailand, Cambodia, and Vietnam.

Also in Vietnam, the Foundation will continue to provide technical expertise to the Ministries of Finance and Trade on issues related to the U.S.-Vietnam Trade Agreement and the country's accession into the WTO. In Mongolia, the Foundation will broaden its activities to help the country's leadership set a positive economic reform agenda, and will support the Mongolian National Committee for Pacific Economic Cooperation (MONCPEC) and its engagement with PECC and APEC. Inside Mongolia, Foundation support will also extend to programs that build cross-sector constituencies for economic and legal reform, particularly in rural areas.

In Thailand, the Foundation will continue to address counter corruption initiatives through cooperation with Thai NGOs and the National Counter Corruption Commission. In Korea, China and other parts of Asia, the

Foundation will increase its programs in corporate governance to help reduce corrupt practices and restore investor confidence, and encourage market liberalization through e-commerce and regulatory reform for information technology.

Women's Political Participation

The Foundation's grants support training programs and leadership and institutional development for women. In Afghanistan, the Foundation intends to initiate education and women's empowerment programs in basic literacy, mathematics, and vocational skills training and income generation activities, similar to programs operated previously in the refugee camps in Peshawar.

In Korea, the Foundation will encourage more responsive local governance through women's groups, among the most vocal, active advocates for change in local areas, encouraging dialogue between NGOs and local officials to coordinate and identify priority needs in the community.

In conjunction with the Women and the Constitution Network in Thailand, the Foundation will support institutions that sponsor non-partisan training for female candidates for local elections as well as candidates for the Parliament and Senate. With Foundation support, women's NGO coalitions will also organize voter education and monitoring activities during the upcoming parliamentary elections.

In Vietnam, the Foundation plans to work with the Vietnamese Women's Union and others to develop leadership programs for women, particularly at the local level.

The Foundation will initiate a series of country and regional meetings to strengthen the action plans of local organizations to address issues of violence against women and trafficking of women within countries, such as in Cambodia, or across borders, for example between India and Nepal. Support will also be extended to programs that support public awareness campaigns for trafficking prevention and legislative efforts to protect women, and provide services for victims.

Stable and Cooperative Relations among Nations in the Asia-Pacific Region

The rapidly changing situation in Asia, including the war on terrorism, increases the urgency for increased understanding, official and unofficial dialogue at the regional and sub-regional levels. The need for informal dialogue is most evident in South Asia, where the risks of conflict are high and the historic relationships between Pakistan, Afghanistan and Central Asia threaten future stability in the region. The Asia Foundation plans to support informal bilateral and multilateral meetings among selected countries in South Asia on politics, economics and security issues in order to increase interaction and positive dialogue. The Foundation will also support U.S. China bilateral discussions on a range of issues, cross-straits relations, the economic recovery process in Asia, and security, human rights and the environment; a U.S. Indonesia bilateral and continuing support for a U.S.-Japan-China Trilateral series. The Foundation will also foster broader contacts and dialogue between China and Taiwan. With a history of experience in providing successful diplomatic training programs for China, Bangladesh, Nepal, Vietnam and Indonesia, the Foundation has been approached by the Afghan Minister of Foreign Affairs to provide opportunities for the Afghan foreign service. The Foundation will continue to invest in China's younger generation of diplomats through its mid-career training program for officials from the Ministry of Foreign Affairs.

The Asia Foundation will contribute to improved inter-Korean relations by expanding its programs to encourage South Koreans from different sectors to interact more with their American counterparts through joint projects on issues of common concern. Equally important, the Foundation's reputation as an effective convener and trusted broker in the region will enable it to support expanded bilateral and multilateral contacts between Korea and its key regional neighbors, especially Japan, China and, where appropriate, North Korea.

THE ASIA FOUNDATION

The Foundation will support increased North Korean participation in regional fora and provide training opportunities in selected fields as endorsed by the U.S. and South Korean governments. It will continue to promote Japan's participation, and leverage Japanese funding, for programs of priority to the United States under the U.S.-Japan Common Agenda.

In Vietnam, the Foundation will increase its programs with the Institute of International Relations, the research and training arm of the Ministry of Foreign Affairs. The Institute of International Relations promotes the country's integration into international and regional organizations, provides a younger generation of researchers and diplomats with opportunities to broaden their understanding of the complex international affairs arena, and widens the public-private dialogue on international relations issues. The Foundation has hosted a series of U.S.-Vietnam bilateral workshops, with a third to be held in Vietnam in FY 2003.

The Foundation plans to explore programs aimed at improving public and private dialogue between India and Pakistan.

THE ASIA FOUNDATION

Operating Activity Expenses

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$1,322	$26

As a private, grant-making organization, The Asia Foundation has consistently received national recognition for its efficient grant to operating expense ratio, reflecting its commitment to maximizing the impact of its programs while keeping operating expenses low. As such, it provides a cost-effective means for supporting U.S. interests and foreign policy objectives in the Asia-Pacific region. The Foundation also seeks diversified sources of funding, including private sector and counterpart contributions.

The Asia Foundation is headquartered in San Francisco, maintains 14 small offices in Asia (Japan, Korea, Mongolia, Hong Kong, Taiwan, Cambodia, Indonesia, the Philippines, Thailand, Vietnam, Bangladesh, Nepal, Sri Lanka, and Pakistan), and a small office in Washington, D.C. The Foundation also maintains a resident project manager in East Timor. The Foundation's organizational structure (field offices in Asia, status agreements with host governments, established financial monitoring and evaluation procedures) is already in place, thereby allowing additional revenue to be applied directly to expanded programs.

Appropriated funding is the most significant factor in determining whether or not the Foundation is able to maintain its modest, but strategic presence in essential countries in the region. This presence is critical at a time when official U.S. presence in the region has been substantially reduced. The Department of State, USAID, and other donors, both public and private, have actively sought out The Asia Foundation to undertake programs in Asia specifically because of its on-the-ground presence, its understanding of local issues, and its longstanding relationships that allow it to work in sensitive areas where other organizations cannot.

As a trusted and experienced partner, the Foundation serves as a resource in the region to both Asian and American governmental and non-governmental organizations in its role as grant-maker, and as a substantive facilitator of programs and initiatives on the ground.

Operating expenses are derived from the current indirect cost rate agreement between the Department of State and the Asia Foundation, which is currently set at 14% of appropriation total.

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$9,230	$9,250	$9,444	$194
Total	$9,230	$9,250	$9,444	$194

NATIONAL ENDOWMENT FOR DEMOCRACY

Proposed Appropriation Language

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, [~~$33,500,000~~] $36,000,000, to remain available until expended. *(Department of State and Related Agency Appropriations Act, 2002.)*

NATIONAL ENDOWMENT FOR DEMOCRACY

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$30,931	0	$33,500	0	$36,000	0	$2,500

OVERVIEW

The National Endowment for Democracy (NED) is a private nonprofit organization created in 1983 to strengthen democratic institutions around the world. Through its worldwide grants program, the Endowment assists those abroad who are working for democratic goals. In this effort, it enlists the energies and talents of private citizens and groups in the United States to work in partnership with democrats abroad.

As stated in its Articles of Incorporation, the National Endowment for Democracy seeks to:

- encourage free and democratic institutions throughout the world through private-sector groups (including groups representing the two major American political parties, labor and business) and democratic institutions;
- facilitate relationships between United States private-sector groups (including groups representing the two major American political parties, labor and business) and democratic groups abroad;
- promote United states non-governmental participation (especially through the two major American political parties, labor, business and other private-sector groups) in democratic training programs and democratic institution-building abroad;
- strengthen democratic electoral processes abroad through timely measures in cooperation with indigenous democratic forces;
- support the participation of groups representing the two major American political parties, labor, business, and other United States private-sector groups in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism; and
- encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of United States national interests and with the specific requirements of the democratic groups in other countries which are aided by programs funded by the NED.

CURRENT PROGRAMS

When the NED began its operations in 1984, the Cold War showed no signs of winding down. While the Endowment's creation signified a new determination by the United States to advance its democratic values openly and with increased self-confidence, the work of promoting democracy internationally was still in its infancy.

Today, democracy-promotion has become an established field of international activity, resulting in a profoundly different international and institutional environment to which the NED has had to adjust. It has done so by adapting the grants program to the needs and priorities of the new era, as well as by developing

new mechanisms to advance NED's mission. In the process, and despite budget constraints, NED has evolved into a mature institution – one that seeks to aid the work of democracy activists, to deepen the level of analysis and understanding of democratic development, and to foster a sense of common purpose within the worldwide movement for democratic change.

The Endowment does not carry out programs directly, but provides funding for the activities of numerous private groups and organizations. A bipartisan Board of Directors makes funding decisions based on established criteria. A staff of 67, which is responsible for program development and evaluation, supports NED's grant-making program, as well as grant management and financial oversight.

Today, NED is funding democratic development programs in over 100 countries in all regions of the world. Many of these programs are funded through four core grantees: the Center for International Private Enterprise (CIPE), the American Center for International Labor Solidarity (ACILS), the National Democratic Institute for International Affairs (NDI), and the International Republican Institute (IRI). The Endowment also awards over 200 additional grants annually to indigenous groups carrying out programs related to human rights, civic education, rule of law, independent media, conflict resolution and other grassroots activities.

The tasks that NED confronts are formidable in their scope, complexity, and difficulty. Any one of them - strengthening enclaves of independent activity in dictatorial systems, democratizing semi-authoritarian countries, consolidating new democracies, healing war-torn societies, and placing a heightened emphasis on addressing these challenges in the Muslim world - would provide steady work for the NED or any other democracy-promotion institution far into the future. But it is NED's mission to address all of these tasks, and to nurture democratic values and culture in every country where it works.

The NED seeks to accomplish these objectives through its grants program, which provides concrete assistance to democratic practitioners throughout the world. Increasingly, it has sought to re-enforce this support through activities that strengthen collaboration among democratic forces within entire regions, across different regions, and among democracy groups active in different sectors of democracy work. With the convening of two World Assemblies in India (1999) and Brazil (2000), NED, its grantees, other democratic activists, experts, and counterpart foundations have begun to build a worldwide network of cooperation and support, The World Movement for Democracy. The Third Assembly will be held in South Africa in 2003. This network is linked through the Democracy Resource Center, NED's interactive internet site that collects, organizes and disseminates information and analysis produced by and about the wide range of groups and organizations working to strengthen democracy worldwide.

An essential aspect of NED's role as a center of democratic activity is its ability to bring together practitioners and scholars to develop ideas that strengthen its approach to democracy promotion. Since its inception in 1994, the NED's International Forum for Democratic Studies has served as a leading center for analyzing and understanding democratic development worldwide. (Neither the Forum nor the World Movement for Democracy funds their principal activities--conferences, publications, etc.-- through the annual NED appropriation.)

The following program highlights from FY 2001 are representative of the kinds of ongoing projects funded by NED through its core appropriation which are enabling indigenous groups in every part of the world to build democratic institutions.

NATIONAL ENDOWMENT FOR DEMOCRACY

AFRICA

Democratic Republic of Congo

Grassroots human rights groups such as the Voix des Sans Voix, the Association Africaine des Droits de l'Homme (ASADHO), the Amis de Nelson Mandela, and Promotion et Appui aux Initiatives Feminines (PAIF) monitored, reported on, and advocated for human rights throughout Congo, maintaining pressure on all the belligerents to respect human rights, and drawing the attention of the international community to abuses. The Bureau d'Etudes et Consulting International (BERCI) completed a poll of 5,000 Congolese in 67 locations in every province on their views on the Inter-Congolese Dialogue. Solidarite pour la Promotion Sociale et la Paix (SOPROP), based in Goma in the far east, conducted a human rights training program for 23 judges from rural tribunals in the region, as well as an extensive human rights monitoring and education campaign. Haki za Binadamu in Maniema in central Congo began providing human rights training and material assistance to resuscitate the court system there. Other grantees such as Synergie pour la Paix and the Comite d'Action pour le Developpement Integral promoted peace and tolerance. Several NED grantees, including Promotion de la Femme Rurale (PROFER) and the Ligue des Electeurs, were either participants in, or provided technical assistance to, the Inter-Congolese Dialogue that has held preliminary meetings in Botswana and Ethiopia. Medias pour la Paix, Radio Maendeleo and Search for Common Ground strengthened the role of the independent press in the promotion of peace and democracy.

Sudan

NED fortified the role of the independent press with a grant to the Khartoum Monitor, the foremost English-language daily in the north, as well as the South Sudan Post, now arguably the leading Sudanese publication circulating in the south. NED grants assisted groups promoting a culture of peace in both the north and south, including the New Sudan Council of Churches in Upper Nile Province, the Badya Center in the Nuba Mountains, the Environmentalists Society in Darfur, and the Kwoto Theater Group in displaced persons camps around Khartoum and throughout Sudan. Civic education and research on democracy in Sudan were supported through grants to the Peace Forum of the Beshir Center of Ahlia University, the Babiker Badri Association of Al Ahfad University, and the Center for the Strategic Initiatives of Women. NED also provided support to groups engaged in critical legal defense efforts.

Nigeria

NED grantees in Nigeria such as Huri Laws and Human Rights Monitor lobbied with some success for reforms in the media laws and electoral system. Democracy education for youth became a new focus with grants to the Committee for the Protection of People's Dignity for a human rights school, as well as youth programs conducted by the Eastern Youth Democratic Forum, the Imo Youth Network, and the League of Democratic Women in Kaduna. CIPE worked with the Nigerian Chamber of Commerce and the Association of Small Scale Industrialists to promote critical economic reforms, and promoted improved corporate governance throughout West Africa with a series of projects.

Other Countries

IRI provided training and technical assistance to democratic political parties in Zimbabwe to enable them to communicate more effectively with their constituencies and improve their organizational structures despite the increasingly difficult security environment. The National Forum for Human Rights produced the first-ever annual human rights report by a Sierra Leonean organization, documenting the continuing violations committed in that country, and held a major conference reviewing the implementation of the human rights provisions of the Lome Peace Accord. The Association of Liberian Professional Organizations (ALPO) facilitated the establishment of the Mano River Union Civil Society Movement, which brought together scores of groups from the warring countries of Liberia, Sierra Leone, and Guinea to press their governments for peace. In Angola, the Organizacao de Ajuda ao Desenvolvimento Comunitario (OADEC) is establishing human rights clubs throughout the country, including two in each of Luanda's main prisons,

one for the guards and one for the prisoners. NDI worked with all the political parties in Kenya to improve their performance and cohesion in the vital elections that are to take place in 2002.

ASIA

China and Tibet

Endowment grants enabled a variety of Chinese and Tibetan pro-democracy and human rights organizations to support the free flow of information, advocate for political change and the protection of human rights, and promote dialogue. NED-supported intellectual journals and news outlets covered political, social, cultural, and economic issues at the cutting edge of public debate in China and Tibet. Popular electronic mail and Web services featured commentary, analysis and opinion as well as up-to-date news. Grantees conducted research, circulated detailed study proposals for democratic solutions to intractable public policy problems, undertook human rights advocacy and documentation, and collaborated on programs to foster Chinese-Tibetan dialogue on the future of Tibet. ACILS continued to support the efforts of labor activists to educate workers about their rights and document labor law violations. Endowment-supported programs produced and circulated a vast amount of timely and thought-provoking information and literature, in Chinese, Tibetan and English, aimed at promoting the development of a democratic culture.

NED also provided funding for organizations to implement programs in China in line with official Chinese reform policies. This strategy was pursued by most of the NED core institutes. NDI continued to circulate comparative information on democratic legislatures, and supported the development of a new Beijing-based clearinghouse on democratic legislative norms. Also assisted were pilot projects introducing various forms of public participation in the legislative process in democratic countries, such as legislative hearings. IRI continued to foster legislative and judicial independence, as well as mechanisms for transparent local elections. CIPE supported an extremely successful symposium series on public affairs in Beijing and several other projects to carry out independent research on economic and governance reform.

Human rights remained a key focus of NED support for China. The executive director of a NED grantee organization, Human Rights in China (HRIC), was recognized with the award of a MacArthur Fellowship in 2001. HRIC and other NED grantees working on human rights, such as the Laogai Research Foundation and the Hong Kong Human Rights Monitor, are the leading watchdog groups in their respective areas of expertise.

Burma

NED's Burma program increased support for media and publication projects designed to promote the free flow of information despite the government's extreme control measures, such as a ban on unlicensed fax machines and Internet accounts. The Endowment also continued support for a broad range of ethnic nationality-related projects aimed at raising awareness of ethnic issues, building support for national reconciliation and dialogue, and educating youth and leaders about democracy and human rights.

North Korea

NED continued to support pioneering initiatives on North Korea. Two Seoul-based groups, the Network for Democracy and Human Rights in North Korea, and the Citizens' Alliance for North Korean Human Rights, used partial NED support to conduct research, publish findings, raise awareness, and launch appeals on behalf of human rights victims in North Korea.

Regional Programs

In 2001, NED expanded funding for projects designed to enable democrats in the region to take advantage of cost-effective programs of technical assistance and to collaborate, learn from each other's experience, and provide mutual support. Highlights were support for a leading regional NGO, the Asian Forum for

Human Rights and Development (Forum-Asia), to address the media's relationship to democracy and human rights; a new program launched by NDI to research and promote cutting-edge strategies for political parties to implement anti-corruption initiatives; and ACILS' program to promote dialogue and provide technical support for key groups in countries throughout the region working to promote democracy and rule of law.

Other Programs

The Endowment supported both IRI and NDI in groundbreaking programs in East Timor, during the lead-up to initial elections for the constitution-making process as the country prepared for formal independence in 2002. In Cambodia, NED supported human rights groups, including the Cambodian Human Rights Action Committee, a coalition of 18 human rights groups that is the country's leading public voice on the most sensitive and politically risky human rights cases. In the lead-up to Cambodia's first ever-local elections, the Endowment enabled NDI and IRI to enhance civic education to encourage participation in the process.

In Bangladesh, Indonesia, Malaysia, Mongolia, Nepal, Sri Lanka, and Thailand, the Endowment continued to strengthen civil society and aid the consolidation of democracy. Support for human rights and legal aid programs continued for Vietnam and Pakistan, respectively.

THE MIDDLE EAST AND NORTHERN AFRICA

Egypt

Civil society organizations that received foreign funding were subjected to heavy public criticism and pressured to distance themselves from foreign donors. The closure of the Ibn Khaldun Center and the imprisonment of its staff and director, professor Saad Eddin Ibrahim, were meant to intimidate Egypt's emboldened civic sector, which was challenging the government and its policies. Nevertheless, NED responded to increased demands for assistance and supported civic and human rights projects. The Human Rights Center for the Assistance of Prisoners trained 25 human rights lawyers and disseminated booklets on citizens' rights in prisons and detention centers. The Egyptian Organization for Human Rights organized public forums and documented human rights violations. The Association for Human Rights Legal Aid published an Arabic newsletter on human rights conditions in Egypt. The Egyptian Center for Women's Rights organized training and educational workshops for women on legal issues and women's rights.

Morocco

NED continued to support women's participation in the political process and to strengthen the network of NGOs throughout Morocco. The Citizenship Forum developed a civic education curriculum, trained trainers in tolerance, accountability, human and civil rights, and ran civic awareness sessions in schools and centers in twelve Moroccan cities. The Democratic Association of Moroccan Women convened workshops for NGOs to promote women into leadership positions and support their involvement in public affairs. Through its newsletter, Espace Associatif provided a platform for NGOs to exchange information on civil society. NDI trained Moroccan parliamentary deputies on effective communication with the electorate.

Jordan

NED continued to expand programs on women's participation in public life and decision-making, and strengthening the independent media. The Jordanian Women's Union convened communications, management and decision-making training for its branch offices, increasing the organization's capacity to serve its constituents, while the Women's Organization to Combat Illiteracy and Sisterhood is Global/Jordan conducted programs to promote human rights awareness and legal literacy among a wide cross-section of Jordanian women. The Arab Women's Media Center designed training for women NGO representatives on communication skills, and the Center for Defending Freedom of Journalists trained

journalists on how to use the Internet resources to battle self-censorship and cultivate a more independent media.

West Bank and Gaza
The on-going violence has shattered hopes and let down democrats who were anticipating an early peace dividend. NED maintained support for civic educational programs, capacity building for NGOs, training programs in nonviolent conflict resolution and democracy, and broad citizen participation in the political process, particularly among the often disadvantaged sectors of women and youth. The Center for the Dissemination of Alternative Information (PANORAMA) implemented civic education and democracy training for youth, while the Middle East Center for Non-Violence and Democracy in Jerusalem trained school children on principles of conflict resolution.

The Jerusalem Center for Women trained women throughout the West Bank on human rights, participation in the decision-making process and advocacy skills. The General Union of Cultural Centers in Gaza trained local NGOs on institutional development and capacity building, while the Civic Forum Institute implemented a needs assessment and produced a directory of NGOs in the West Bank and Gaza. NED also supported economic reform efforts linked to the process of democratization: CIPE worked with the Palestinian Businessmen's Association to build consensus on the need to introduce sound legislation and policies on the development of the private sector.

Lebanon
Endowment discretionary funds continued to support advocacy groups, broader participation in local governance, educational projects, publications disseminating democratic culture, and groups promoting pluralism and women's rights. The Generation for the Integrity of Lebanon organized workshops for local group leaders in southern Lebanon on human rights, pluralism, democracy and civic participation. The Lebanese Foundation for Permanent Civil Peace led workshops where citizens, elected officials, activists and NGOs worked together to develop local collective initiatives on civic participation. The Rene Moawad Foundation held monthly meetings on discussions at the Lebanese parliament on women's rights, child abuse and the environment and helped draft legislation. NDI assisted elected local officials to assess and respond to the needs of their communities and provided training and consultation to civic organizations on how to advocate for public policy changes.

Iraq
NED supported initiatives – both abroad and inside the country – which promoted concepts and programs of liberal democracy. The American Society for Kurds trained 100 journalists in the rights, duties and role of journalists in democratic societies, and helped in the formation of a working group on independent journalism. The Badlisy Cultural Center trained teachers in 96 primary schools and 200 Imams in local mosques on human rights and ran a public awareness campaign through TV, radio and exhibitions.

CENTRAL AND EASTERN EUROPE

Yugoslavia
The republics of the former Yugoslavia, in particular the Federal Republic of Yugoslavia (Serbia, Montenegro, and Kosovo), remained an area of particular interest for the Endowment. In Serbia, NED assisted media programs to raise the awareness of ordinary Serbs about the events of the last decade, in particular Belgrade's role in the wars in Croatia, Bosnia and Kosovo. Radio Television B-92 received Endowment funding to produce two one-hour documentaries examining major crimes committed by the Milosevic regime during the disintegration of the former Yugoslavia. NED also targeted assistance on training programs for a future generation of investigative journalists. With Endowment support, the Helsinki Committee for Human Rights in Serbia helped the noted investigative journalist Miroslav Filipovic establish a School for Investigative Journalism, which conducted training seminars in the multi-

ethnic southeastern region of Serbia for more than 200 young reporters, editors and managers in print and electronic media.

Macedonia
IRI received Endowment assistance to implement a pilot project that utilized focus group opinion research to encourage serious discussions between the ethnic Albanian and Macedonian communities on finding ways to end the violence in Macedonia. The focus group findings were presented to key officials and policy makers involved in the peace negotiations, and to political and civic leaders at the community level. During the year, the Endowment also assisted struggling independent media, which reported objectively on inter-ethnic and political issues. *Medienhilfe Ex-Jugoslawien*, a Switzerland-based media development organization, was awarded NED funding to provide emergency support to nine independent electronic media committed to multi-ethnic coexistence in Macedonia, including three Albanian language, three Macedonian language and three Roma language radio and television stations.

Albania
NED funded programs, which improved cooperation between civic groups and law enforcement agencies, built trust between local communities and the police. The Tirana-based Institute for Democracy and Mediation (IDM) received NED funding to establish non-governmental Police-Community Relations Committees in towns throughout Albania to mediate disputes between citizens and law enforcement officials.

NED funding also helped key independent policy institutes in the Balkans begin developing a concrete long-term democratization strategy for the entire region. The Bulgaria-based Center for Liberal Studies received Endowment support to work with seven leading think tanks to develop a major policy document, which will lay out new strategies for addressing the main impediments to democratization in the Balkans.

NEW INDEPENDENT STATES

Russia
In January 2001, the Za Prava Cheloveka movement helped organize the First All-Russian Emergency Congress in Defense of Human Rights, the largest human-rights event ever held in Russia. The Information Center of the Human Rights Movement worked against restrictions on the press by placing dozens of stories about human rights and democracy in several widely read national newspapers, and the Moscow Helsinki Group produced and distributed short films on human rights to independent regional television stations. The Endowment continued to support human rights legal clinics in Russian regions, including northwest Russia, Siberia and the Urals. In particular, the Saratov Legal Reform Project continued practical training of law students through its legal clinic, which is expected to become a model for future projects throughout Russia.

Ukraine
NED programs in Ukraine supported civil society in the broadest sense. The Kharkiv Center for Human Rights Protection and the Ukrainian-American Bureau for the Protection of Human Rights operated free legal clinics and researched Ukraine's longstanding problems with torture and abuse of the judicial system.

Belarus
Despite the setback to democratic forces of a fraudulent presidential election in September, 2001, it provided an opportunity for the democratic opposition to unify, expand its activities and reach out to Belarus' emerging civil society. The Endowment was responsible for more than 50 election-related projects. With NED assistance, NGO coalitions organized dozens of get-out-the-vote programs. More than 60 national, regional and local independent newspapers contributed to voter education and mobilization efforts. NDI helped a coalition of civic groups to mobilize thousands of citizens to monitor the election

process. And NED grantees from Poland, Russia, Lithuania, Ukraine, Slovakia, Serbia and the Czech Republic provided election-related training and assistance to their Belarusian counterparts.

Caucasus
In Georgia, the Caucasian Institute for Peace, Democracy and Development continued reducing tension in Georgia by developing ethnic conflict early warning systems, and using its in-house television production facility, Studio Re, to broadcast a talk show series on the political, economic and social problems of Georgia. CIPE used Endowment funds in all three countries in the region to work with independent business groups to disseminate information about new legislation, to fight corruption and to improve conditions for independent entrepreneurs. ACILS continued its regional worker rights program in the three countries, and IRI continued working with democratic politicians in Georgia.

Central Asia
Endowment-funded organizations were active in human rights monitoring and legal representation. These included the Jalal-Abad Regional Human Rights Organization, the Youth Human Rights Group and the Krygyz Committee for Human Rights in Kyrgyzstan, and the Memorial Human Rights Center in Uzbekistan and Turkmenistan.

LATIN AMERICA AND THE CARIBBEAN

Venezuela
One of the areas of focus for the Endowment in 2001 was the Andean Region. In response to changing political events in Venezuela, the Endowment expanded its program last year to include support for a wide variety of democratic civil and political organizations. As Venezuelan President Hugo Chávez embarks on a process of profound political change, NED has worked to support independent groups that are promoting broad public debate about the political changes under way and protecting political rights and the media. With NED support, *Consorcio Justicia* successfully organized the first public forum between civil society leaders and government to discuss the difficult and uncertain relations between the Venezuelan government and independent civil society. The National Education Assembly, a NED grantee, also successfully mobilized a national coalition of teachers and parents to debate and eventually revise a controversial government educational reform proposal.

NED grantees, *Momento de La Gente* and *Comprensión*, have taken a leading role in monitoring government policy regarding decentralization and increasingly worrisome relations between the armed forces and the government. Through IRI and NDI, the NED also supported political party reform efforts at both the national and local level. In the last half of the year, NED-funded ACILS program monitored the internal elections of the Venezuelan trade union, *Confederación Venezolana de Trabajadores* (CTV), and played a critical role in mediating the controversial results after pro-government unions attempted to disrupt the process. After several tense weeks, the elections were completed and a new union leader was selected with the broad support of Venezuelan workers.

Colombia
In 2001, the NED program expanded its discretionary and institute programs in Colombia, working with civil society, local governments and local associations, business associations, unions, and political parties. Much of the NED program was committed to improving the effectiveness and transparency of state institutions such as the judiciary, local government and the congress. With NED support the *Federación Colombiana de Municipios* (FCM) and *Federación Colombiana de Concejales* (FENACON) are working toward strengthening and enabling local government to provide for its citizens, amid an increasingly violent armed conflict centered largely in the rural areas. In the important area of local justice, NED grantees *Plural* and *Corporación Región* have supported justices of the peace programs to resolve conflicts and ensure rule of law at the local level. *Plural* expanded its justice program to marginalized communities in the embattled

northeastern part of the country last year, and continues to make progress in instructing local residents on non-violent alternatives for the resolution of conflicts.

Peru

After working for years to protect freedom of expression, NED grantee *Instituto de Prensa y Sociedad (IPYS)* has now expanded its activities to play a leading role in training journalists in investigative reporting and accessing information. Together with another NED grantee, the Andean Commission of Jurists, IPYS has formed an anti-corruption commission that is working with the government to reform laws and institutions to increase transparency and accountability. Another NED grantee, Political and Strategic Studies Institute, after quietly promoting dialogues between mid-level officers and civilians during the Fujimori regime, is now working with the newly appointed civilian defense minister and the Peruvian congress to reform the intelligence service and improve civilian oversight of the armed forces. Following the elections, IRI, with Endowment support, launched a political party program, which is helping the new post-Fujimori parties organize at the grassroots and improve internal communication.

Cuba

In Cuba the independent, pro-democracy movement has continued to expand and deepen despite severe repression. According to the IRI-supported Revolutionary Democratic Directorate, independent civic activity and protests more than doubled from a year before. The Endowment's strategy has been, and remains, to promote a diversity of independent groups on the island by providing them with independent sources of information and humanitarian assistance, and by increasing awareness of their efforts outside Cuba. The Endowment provided support to human rights groups, independent journalists, independent farmers and labor activists, enabling these groups to continue their activities of educating Cubans in democracy and human rights, monitoring the situation in Cuba, and extending and deepening their contacts with pro-democracy activists throughout the world. With Endowment assistance one of these groups was able to establish an independent library dedicated to labor rights, and has been training labor rights monitors throughout Cuba on internationally protected workers' rights.

Mexico

The election of Vicente Fox promised dramatic political change in a country governed by a single party for the last 70 years. With Endowment support, the Mexican Commission for the Defense and Promotion of Human Rights worked with members of the Fox administration to develop a comprehensive plan for the reform of the judicial system. NED's focus in 2002 is to address concerns about corruption. Endowment grantee *Fundación Información y Democracia* worked with Mexican legislators and journalists to draft the country's first ever freedom of information act to improve government transparency and citizen access to state information. Other grantees are actively mobilizing citizens to prevent corruption and to monitor the legislature and local governments.

NATIONAL ENDOWMENT FOR DEMOCRACY

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Information Programs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Africa	**$3,208**	**$3,966**	**$4,341**	**$375**
Asia	**$4,454**	**$4,307**	**$4,682**	**$375**
Middle East	**$2,970**	**$3,708**	**$4,605**	**$897**
Central & Eastern Europe	**$3,202**	**$2,060**	**$2,180**	**$120**
Newly Independent States	**$4,148**	**$5,110**	**$5,540**	**$430**
Latin America/Caribbean	**$5,044**	**$5,684**	**$5,737**	**$53**
Multiregional	**$2,339**	**$3,030**	**$3,280**	**$250**
Democratic Activities	**$1,272**	**$1,272**	**$1,272**	**$0**
Administration	**$4,294**	**$4,363**	**$4,363**	**$0**
Total	$30,931	$33,500	$36,000	$2,500

The Administration is requesting an increase of $2.5 million for FY 2003, to be used to enhance programs in the Muslim world. Of this increase, $52,500 will cover mandatory expenses and $2,447,500 will enable the Endowment to enhance its program with the following initiatives:

NATIONAL ENDOWMENT FOR DEMOCRACY

Africa
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$4,341	$375

- Increase support in Sudan, especially in the northern and Nuba mountain regions, for the growing movement of independent women's, cultural and human rights organizations, and assist trial efforts to establish community radio currently being developed by northern Sudan's only independent newspaper.
- Increase the capacity of the range of human rights and civic organizations which are rooted in the diverse communities throughout all parts of the Democratic Republic of Congo, as well as communication among them, in order to facilitate the National Dialogue and the Lusaka Accords.
- Develop community radio in the Democratic Republic of Congo as a way to include all parts of the country in dialogue and peace building activities.
- Expand programs aimed at developing democratic commitment and culture among Nigeria's youth.
- Increase funding for the activities of an emerging regional network of pro-democracy NGOs, who are working to build cross-border alliances that will press regional and sub-regional organizations such as the SADC, ECOWAS and the newly declared African Union to develop and incorporate electoral, human rights and rule of law standards into their operating principles.

NATIONAL ENDOWMENT FOR DEMOCRACY

Asia
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$4,682	$375

- Develop further the capacity of independent think tanks to analyze the relationship of political and economic liberalization to long term development, with particular focus on Pakistan, Bangladesh Indonesia, Malaysia, and Greater China.

- Provide support aimed at increasing the effectiveness of intermediate institutions, such as trade unions, political parties and media in advancing and mediating democratic reforms in Pakistan.

- Expand support that would build up the capacity of regionally-based organizations to conduct political party training programs in Asia, with a special focus on recruiting women into politics.

- Help to build up the capacity of Asia-based networks composed of prominent figures from the region promoting greater transparency and accountability and greater adherence to internationally accepted norms regarding political rights and democracy. These activists are developing an emergency alert network to respond to illegal arrests or other forms of repression of key pro-democracy leaders in the authoritarian and semi-authoritarian countries of Asia.

NATIONAL ENDOWMENT FOR DEMOCRACY

Middle East

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$4,605	$897

- Develop an educational manual on Islam in public life in the context of modern societies derived from and argued according to broad Quranic principles of freedom of belief, the right to choose, human sovereignty, individual responsibility, divine human dignity and the principles of the social contract.

- Support the development of effective links among modernist Muslims. Give the current websites of the International Forum for Islamic Dialogue and NED additional resources for daily management and editorial input. (The internet provides one cost effective method of linking intellectuals and activists.)

- Expand Pakistan-based efforts of the Afghan Study Center to introduce civic education into refugee camps and schools and community organizations inside Afghanistan.

- Provide support to organizations based in North Africa and the Arab Middle East to conduct practical training and workshops on civic education, organizational development, and outreach activities for participants that would include representatives from Iran-based initiatives.

- Expand regional programs that are building up networks of market-oriented think tanks, independent journalists and women's business organizations.

- Expand support for grass roots initiatives in Lebanon that target such issues as accountability, transparency and the role of the citizen vis-a-vis local government and municipalities.

- Expand a women's rights and democracy training program for Lebanon Shiite women educators, mothers and female students, that has earned the support of one of the Shiite court's most important judges.

- Increase distribution, especially via the internet using Farsi software, of the quarterly journal of the Iran Teachers Association and expand the capacity of its moderated forum for Iranian scholars, academics, writers and Iran specialists.

- Expand human rights education conducted through schools and mosques in northern Iraq.

- Develop and strengthen current networks of liberal Muslims through a series of meetings in the region and in Europe to bring together democratic, modernist, and religious thinkers. The series will identify and bring to focus scattered debates and voices on key Islamic principles on politics, develop and alternative Islamic political discourse and confront the agenda of extreme and violent groups.

- Develop, produce and disseminate Islamic arguments, specifically for public consumption, in a campaign to promote a modernist, pluralist, democratic discourse on politics through assistance to the following activities: support the development of specialized working groups within think tank forums, improve the editorial content and circulation of current publications, support the production of new publications, compile, index and reproduce previously published articles and material, produce and disseminate weekly electronic circulation of a simple one-page brief on Islamic arguments and positions on current issues.

NATIONAL ENDOWMENT FOR DEMOCRACY

Central & Eastern Europe

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$2,180	$120

- Support, through seminars, publications and research the efforts of the Turkey-based Islamic MUSAID business association.
- Incorporate Turkey's newest Islamic political party into party reform and party building efforts in the Muslim world; produce practical and theoretical materials on the fuctioning and political thought behind this party.
- Expand within and throughout the Muslim world a Turkey-based initiative to develop greater understanding within Islamic communities of the compatibility of market economics and Islamic traditions.

NATIONAL ENDOWMENT FOR DEMOCRACY

Newly Independent States

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$5,540	$430

- Expand efforts in Kazakhstan to lobby on behalf of reinstatement of the Constitutional Court, which would follow practices established in democracies where the court is independent and a protector of the constitutional rights of the people.
- Expand efforts in Kyrgyzstan to provide civic education for teachers and university-level students, and to introduce civic education into the schools.
- Expand efforts in Tajikistan to improve the level of professionalism of independent journalists, and to help the Tajik public achieve a greater understanding of the roles of various sectors in a democratic society.
- Expand the efforts of civic education organizations in the region, which are working through schools to reach primarily low-income people.
- Expand civic education programs into the regions of Armenia, Azerbaijan and Georgia, and intensify efforts to create cross-border linkages among the main pro-democracy civic groups in those three countries.
- Increase support in Russia's regions for organizations working to protect media freedom and freedom of information, human rights, and regularization and transparency of laws operating at the local and regional level, especially in the Northern Caucasus.
- Develop further an initiative stimulated by Russian human rights groups to link human rights organizations in Russia, the Caucasus and Central Asia, which increasingly feel under duress by their governments and wish to be more effective in countering growing authoritarianism in their countries.
- Expand programs, especially in Russia's regions, intended to counter official corruption.
- Assist moderate Chechen civil society actors in trying to rebuild their nearly destroyed cultural and social organizations, and help ensure they will be a voice in any peace negotiation that may emerge.

NATIONAL ENDOWMENT FOR DEMOCRACY

Latin America/Caribbean

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$5,737	$53

- Support efforts to create expertise on civil-military relations, especially in Colombia, Peru, Ecuador and Venezuela, where Plan Colombia has stimulated many NGO's who don't have the appropriate expertise to monitor the military side of plan Colombia.

- Increase support for independent organizations such as cooperatives, libraries and journalists inside of Cuba.

- Increase support for reform and strengthening of political parties and independent trade unions in Venezuela.

NATIONAL ENDOWMENT FOR DEMOCRACY

Multiregional

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$3,280	$250

- Use appropriate levels of technology, ranging from radio and audio cassettes to CD Rom to expand women's leadership training programs, in countries that include Morocco, Nigeria, the Palestinian Territories, Afghanistan, Pakistan, Syria, Egypt, Caucasus, Malaysia as well as countries in Central Asia and Africa.

- Produce appropriate media training technology for all participating women's groups, and provide direct support to member groups in each of the countries that would enable faster development and testing of locally produced content and periodic meetings bringing together implementing organizations on a sub-regional, regional and multi-regional basis.

- Expand support initiatives in countries where transitions have recently occurred, producing multiple language versions of practical "how to" manuals on everything from lessons learned about dismantling a repressive security apparatus, to how grassroots democracy and human rights NGOs can evaluate the effectiveness of their work.

- Use the range of contacts NED has developed with independent moderate thinkers and activists from the theocracies of Iran and Sudan to support systematic analysis, documentation and distillation of information concerning the performance of these regimes, and make it available to secular and religiously oriented pro-democracy voices throughout the Moslem world so they are better equipped to challenge the advocates of theocracy over democracy.

NATIONAL ENDOWMENT FOR DEMOCRACY

Democratic Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$1,272	$0

- Includes activities funded directly by NED that are consistent with the Endowment's purposes as set forth in the Act. They include expenses for the International Forum for Democratic Studies (e.g. including publication of the Journal of Democracy, development of a library and database of information about democracy movements, and awarding fellowships to democratic activists); the World Movement for Democracy, a network of democratic activists, practitioners, and scholars for which NED serves as the secretariat; the encouragement of cooperation for democracy promotion among the democracies; and periodic briefings that introduce key participants of democracy movements to decision makers and opinion leaders in Washington. Public funds in this category (which will remain constant for FY 2003) are used to cover basic infrastructure costs; funds for the activities themselves are raised from private sources.

NATIONAL ENDOWMENT FOR DEMOCRACY

Administration

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2003 Request	0	0	$4,363	$0

- Covers the Endowment's direct expenses (salaries and fringe benefits, travel, office space costs, communication costs, etc.) to administer its grants program.
- Represents the costs associated with selecting grantees, negotiating awards, processing payments to grantees, and monitoring the grantees' progress carefully.
- Assuring that program objectives are met, grant terms and conditions are observed and evaluated, and programs audited.
- Resolving any issues that arise and preparing financial reports to donors and ultimately, closing out the awards.

PERFORMANCE INDICATORS

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 priorities are being met.

NED awards more than 300 grants annually. Each proposed project must contain an evaluation plan before the Board can approve it. 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 Endowment program officers, and independent evaluations of selected projects by outside experts.

NATIONAL ENDOWMENT FOR DEMOCRACY

FUNDS BY OBJECT CLASS
($ in thousands)

International Information Programs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$30,931	$33,500	$36,000	$2,500
Total	$30,931	$33,500	$36,000	$2,500

EAST & WEST CENTER

Proposed Appropriation Language

EAST-WEST CENTER

To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to the Center for Cultural and Technical Interchange Between East and West in the State of Hawaii, [~~$14,000,000~~]$14,280,000: *Provided*, That none of the funds appropriated herein shall be used to pay any salary, or enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376. *(Department of State and Related Agency Appropriations Act, 2002.)*

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$13,470	0	$14,000	0	$14,280	0	$280

OVERVIEW

The East-West Center (EWC) was established by Congress 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 international Board of Governors sees the Center as an evolving institution, adapting to changing needs in U.S.-Asia-Pacific relations. Under its current Action Plan, the Center is vigorously redefining its program including the development of self-funded, private sector oriented activities compatible with its mission.

CURRENT PROGRAMS

The Center furthers the interests of the United States in the following ways:

- The East-West Center's institutional objective is to assist in "building an Asia Pacific community in which the United States is a natural, valued, and leading partner." This is the integrating goal around which all EWC programs are oriented, and it is a key aim of U.S. policy toward the region.
- Through its programs for intensive interaction, the EWC promotes U.S. values, ideas and interests into the region. The EWC works with elites central to the communication of ideas, particularly policymakers, the media, and educators.
- The EWC works across a variety of fields that are now a recognized and critical part of the U.S. foreign policy agenda. EWC programs contribute directly to many of the U.S. strategic goals identified by the Department of State. These are mutual understanding, economic development, regional stability, environment, population, open markets, global economic growth, and democracy.
- As a policy research institution, the EWC works with and is relevant to a variety of U.S. government agencies beyond the Department of State. These include the Department of Defense, Department of Agriculture, Department of Energy, National Science Foundation, Department of Education, Environmental Protection Agency and others. The Center also works with more than 150 other institutions in Asia, the Pacific, and the United States on cosponsored programs in any given year.
- East-West Center education and dialogue programs seek to prepare Americans for an era in which the Asia Pacific region is vastly more important to the United States. East-West Center programs involving media, young leaders, teachers in primary and secondary schools, and community and junior colleges are public-private partnerships. The Center's student scholarship activities for Americans and others from Asia Pacific countries are being modernized to better meet the educational needs of a rapidly integrating region.
- The EWC network of alumni numbers approximately 47,000 around the world. 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 United States.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

FY 2003 PLANS

In FY 2003, the East-West Center will continue to address the U.S. public purposes for which it was established and leverage support from the private sector and foundations.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2003 request of $14,280,000 represents an increase of $280,000 over the FY 2002 estimate to fund wage and price increases. Appropriated funds are critical to the Center's ability to attract financial support from the private sector and foundations. In FY 2001, $9.1 million was raised from these other sources; the Center expects to generate $16.2 million in FY 2002 and $16.8 million in FY 2003 from the other sources.

Research ($4,418,000)

In line with the East-West Center's institutional objective to contribute to the building of a peaceful and prosperous Asia Pacific community, the EWC Research Program conducts multidisciplinary research on issues of contemporary significance. It investigates the nature and implications of key changes and transitions in the region in order to assist in the development of appropriate policy responses. Specifically, research at the East-West Center contributes to: (1) the strengthening of regional, sub-regional, and national institutions for governance; (2) the promotion of mutually beneficial growth 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.

The Research Program covers four broad study areas: politics and security, economics, environment, and population and health. In each of these areas, ongoing research is grouped under specific themes, which evolve over time to reflect the changing policy agenda. Present thematic areas are: Asia Pacific regional order; nation building and governance; international economic cooperation and national development; energy and economic development; urban and transnational air pollution; ecosystems and governance; population, society and development; and behavior and health.

The East-West Center provides competitive short-term fellowships for visiting scholars working on critical Asia-Pacific issues including regional cooperation, conflict resolution, and the consequences of globalization. In FY 2001, visiting fellows came from thirteen different countries throughout the region. In FY 2002 and FY 2003, EWC plans to offer competitive short-term fellowships for visiting scholars from twenty countries.

Pacific Islands Development ($301,000)

The Pacific Islands Development Program (PIDP) is a unique partnership between the East-West Center and the Pacific island governments organized to assist in providing professional services and research information to the Pacific Island Leaders in their collective efforts to achieve the desired development goals of their peoples. A significant portion of PIDP's budget comes from its Pacific Island member countries and other non-U.S. government sources.

PIDP conducts specific research and training activities based on the issues and problems identified and prioritized by the Pacific Islands Conference of Leaders and its Standing Committee. The Standing Committee, composed of eleven island leaders, reviews PIDP's research and training projects annually to ensure that they respond to the mandate of the Pacific Islands Conference. PIDP is also a member of the Council of Regional Organizations of the Pacific (CROP), which is a consultative forum for coordination of regional priorities and work programs in the Pacific islands region.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

PIDP's activities are organized into several areas:

- Research - PIDP's current research activities focus on appropriate strategies for sustainable development in the small economies of the Pacific islands. PIDP research is also examining the influence of region-wide development in Asia on the Pacific islands region, and processes for managing economic and commercial disputes involving the islands and their resources.
- Education and Training - PIDP supports undergraduate study for Pacific Island students funded by a grant from the State Department Bureau of Educational and Cultural Affairs, as well as some graduate study, short-term training, internships and visiting fellowships.
- Joint Commercial Commission (JCC) - PIDP serves as the secretariat for Pacific island participation in the JCC, initiated at the October 1990 summit meeting between President Bush and Pacific islands leaders at the East-West Center. In addition to periodic meetings of the commission to discuss policy issues, the JCC promotes commercial and economic relations between the United States and the Pacific island countries by using the internet and workshops to bring together U.S. and island officials and business representatives.
- Pacific Islands Report (PIR) - The report combines a news and information service with journalism training for Pacific Islanders. The project provides print and radio news reports on the Pacific islands used regularly throughout the region, as well as an internet site — which as of mid-2001 was being accessed by over 1,000 users daily.

PIDP has played a major role in sponsoring a series of national unity conferences in Fiji to help promote relations among ethnic groups in that centrally important Pacific Island nation.

Education ($3,286,000)

The Center's student programs have existed since the Center's founding in 1960, and they remain a core component of the Center's mission. Recently, the Center undertook a major reassessment of its student programs to see how well they were meeting current and future educational needs of the Asia Pacific region. This review involved the University of Hawaii, the Center's partner institution, as well as colleges and universities in the Asia-Pacific region. Based on the feedback received, the Center is initiating a major new program called the Asia Pacific Leadership Program, a one-year certificate program that will bring an additional 100 students a year to the Center by 2004. The Center also learned that there is continued need for graduate degree scholarships and hence will continue to offer such scholarships for degrees at the University of Hawaii.

The Asia Pacific Leadership Program. This new program is an innovative certificate program designed to meet new educational and human resource needs of the Asia-Pacific region during a time of increasing regional interdependence. It will develop a network of future leaders from the U.S., Asia and the Pacific who are knowledgeable about the region, committed to the future well-being of the countries and peoples of the region, and trained to exercise leadership and to work cooperatively. The program has been established through funding from the Freeman Foundation.
The program seeks outstanding young professionals, post-baccalaureate and graduate level students from the United States and countries of the Asia-Pacific region. For current and recently enrolled students at colleges and universities in the region, the program is designed to be complementary, providing them with opportunities for international experience, to study with experts on the region, and to develop their leadership capabilities. It is expected that graduates of the program will seek or return to positions in business, government, non-governmental organizations and universities.

The Obuchi Okinawa Education and Research Program, supports scholarships for Okinawan students pursuing graduate degrees at the University of Hawaii and research exchange opportunities for Okinawan

faculty and EWC researchers. This program has only received start-up funding from the U.S. and Japanese governments, and its continuance is dependent on securing additional funding.

Degree Programs. In addition to appropriated-funded scholarships for masters and doctoral study at the University of Hawaii, a variety of other scholarship programs are offered by the Center though outside funding sources. These include the Asian Development Bank-Japan Scholarship Program; two U.S. State Department funded programs for undergraduate Pacific Islands students and for students from East Timor; the Kamehameha Schools scholarships for Hawaiian students; and the French government-funded scholarships for students from New Caledonia and Tahiti. The Center continues to attract self-funded students through the Student Affiliate Program for students already enrolled as graduate students at the University of Hawaii.

The Center provides a variety of short-term education programs for educators and other professionals from private and government entities. These programs offer participants unique opportunities to learn about the region for the purpose of better informing and educating their constituencies, whether the general public or students from elementary through college levels. The leading programs in this area are:

- The Asian Studies Development Program (ASDP). The Asian Studies Development Program was initiated in 1991 as a joint project of the East-West Center and the University of Hawaii. Its goal is to enhance teaching about Asia at the college level, with a particular focus on U.S. two-year and four-year colleges and universities, including minority colleges, that are seeking to develop faculty and curriculum resources on Asia. ASDP's activities include summer residential institutes, field studies in Asia, and workshops and other activities at institutions across the United States. Follow-up support is provided through a newsletter, an active list serve and a web site for syllabi and other kinds of curriculum resources.

  ASDP has relationships with approximately 300 American colleges and universities in 48 states; 17 ASDP regional centers at colleges and universities on the mainland serve as mentoring institutions for other colleges in their region. ASDP has been very successful in securing external support from the National Endowment for the Humanities, The Henry Luce Foundation, the Freeman Foundation, and the Korea Foundation.

- The Consortium for Teaching Asia and the Pacific in the Schools (CTAPS). CTAPS is a model staff development program that focuses on teaching about Asia and the Pacific at the elementary and secondary levels. CTAPS was initiated in 1988 through collaboration between the East-West Center, Castle and Cooke, Inc. (now called Dole Foods), the Hawaii State Department of Education, and the Asia Society.

  CTAPS is the only program of its type in the United States focused on Asian and Pacific studies. To date it has trained more than 7,000 educators from Hawaii and the U.S. mainland. It runs summer institutes at the East-West Center, workshops in Hawaii and on the U.S. mainland, and travel study programs to Asian and Pacific countries. Educators from the Asia Pacific region also participate in CTAPS programs.

Currently located within the Education Program for management and administrative efficiency, the East-West Center Seminar Program offers a number of programs designed to meet the Center's strategic plan to give greater emphasis and visibility to dialogue activities. The Center seeks to become a major venue for productive policy and results-oriented seminars on issues relating to Asia Pacific community-building. East-West Center seminars promote understanding and relations among key professional groups and leaders on topics of regional importance, emphasizing quality of preparation and content. Seminars for

political, corporate and academic leaders in several areas of thematic emphasis are offered throughout the year.

- The Jefferson Fellowships. This long-standing, prestigious program seeks to improve the quality of reporting and analysis by U.S. and Asia Pacific journalists of each other's societies and of regional trends and issues. The program involves an intense period of study and discussion in Honolulu, plus group travel for Asia-Pacific journalists to the U.S. mainland and American journalists to Asia and the Pacific. More than 300 journalists have participated since the late 1960s. The program has increased knowledge of the Asia Pacific in many medium-size U.S. news organizations. It also strengthens awareness in the Asia Pacific of press freedoms and standards in the United States. Finally, it builds lasting friendships and professional networks among reporters around the region.

- The New Generation Seminar, launched in 1988, is designed to strengthen young leaders' understanding of regional developments and to build contacts with counterparts from other countries. To date, this annual seminar has involved 140 participants from 14 Asia Pacific countries and the U.S. In addition to generalized presentations, each seminar has a specific thematic focus. It is a two-week program, with one week spent in Hawaii drawing largely on the expertise available at the EWC, and the second week spent on group travel within the region or to the U.S. mainland. The travel portion gives participants the opportunity to make direct contact with people working on the issues they have been studying.

- The Senior Policy Seminar, an outgrowth of an earlier series launched in 1993, convenes senior policymakers, foreign affairs and security officials, legislators, and academics from the Asia Pacific and the United States for discussions of security and strategic issues. Participants have come principally from the U.S., Southeast and Northeast Asia, but have also included representatives from a variety of other countries and international organizations. Starting in 1999, the Senior Seminars have focused on specific subject areas such as the U.S. role and policies in the Asia Pacific.

- The Northeast Asia Economic Forum, founded in 1990, features annual conferences addressing the changes taking place in the region shared by the Russian Far East, Mongolia, northeast China, Japan, South Korea and North Korea. Topics have included cooperative development of the Tumen River area, the feasibility of a Northeast Asian Development Bank, possible region wide transportation, electricity, natural gas, and telecommunication systems, building regimes for marine resource management, and a study of reforms in land ownership and use in socialist and former socialist economies transitioning to market economies.

- The Asia Pacific Conference on E-Commerce. Electronic commerce is widely recognized as a key factor of national and regional economic growth in Asia Pacific. At the same time, its rapid spread has raised many difficult business, legal and policy issues. This conference, started in FY 2001, brings together prominent representatives from e-commerce, telecommunications and IT industries and government in Asia, the Pacific and the United States for three days of intensive discussions on the impacts and implications of the new economy. The purpose is to promote dialogue and understanding of the key issues with special focus on business-to-business and business-to-government e-commerce.

External Affairs ($1,257,000)

The External Affairs function includes media relations; government, legislative and diplomatic relations; community relations; production of the Center's newsletter, annual report, and other informational materials; official visitor programming and briefings; alumni office; development office; and special events and publicity. It is broadly responsible for the Center's outreach effort.

The East-West Center must have a vigorous national and regional outreach program if it is to become a leading catalyst for Asia Pacific community-building. The Center needs broader recognition on the U.S.

mainland, especially in Washington, DC. The Center is better recognized in the Asia Pacific region, but needs to be seen as a dynamic hub of region-oriented research, education, and dialogue.

The Center's external programs are seeking to maintain or reorient old constituencies while building new constituencies. This effort includes activities both on the U.S. mainland and in the Asia Pacific region:

- Because the U.S. policy audience is critical to the Center's success, priority efforts are being devoted to bringing to audiences in Washington and elsewhere on the mainland Center expertise and products reflecting the Center's national mission.
- In the Asia Pacific region, the Center is focusing on developing contacts and cooperation with major educational and research institutions. Management and research staff is increasing outreach activities, which include maintaining contacts with Asian counterparts and government officials and seeking opportunities for speaking engagements through local institutions.
- Center publications emphasize papers reflecting Asia Pacific and American perspectives on policy issues. Regular contributions to these publications are being actively solicited from both the research staff and visiting fellows.
- Center staff are working with East-West Center alumni chapters throughout the U.S. and Asia Pacific to invigorate and increase their involvement in the outreach effort. Recognizing the independence of alumni chapters, the Center is nevertheless encouraging interested chapters to participate in the community-building effort through such activities as local programming on this theme, assisting and maintaining contact with returning East-West Center students, and supporting the Center's fund-raising efforts through various means including facilitating contacts with potential donors. The EWC alumni office is helping alumni chapters to share information on "best practices."

Conference and Housing

The EWC conference and housing facilities are on a self-financing basis for operating costs from revenues generated from their own activities.

Program Direction, Administration and Research Area Support ($5,018,000)

Under this heading are grouped the activities and functions of the Board of Governors; the International Advisory Panel, which provides external evaluation of Center programs; the Office of the President, which provides the overall planning, coordination, and direction of the Center's programs, including fund-raising; and the Office of Administration, which provides personnel, fiscal, budget, computer systems and facilities management services for the Center.

Besides carrying out the various corporate administrative functions, the funds budgeted here actually support the entire Center's research, education and training mission. For operational efficiency, the budgets include: centralized computer replacements, non-housing or facility improvements, utilities, cleaning services, liability insurance, audit and legal fees, and the overall services agreement with the University of Hawaii.

The primary focus is to increase productivity through streamlined organization and staffing, staff development, computerization, and increasing housing and other revenues.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Educational & Cultural Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Public Diplomacy	**$13,470**	**$14,000**	**$14,280**	**$280**
Public Diplomacy - Program Costs	$13,470	$14,000	$14,280	$280
Total	$13,470	$14,000	$14,280	$280

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Educational & Cultural Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$13,470	$14,000	$14,280	$280
Total	$13,470	$14,000	$14,280	$280

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Proposed Appropriation Language

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM TRUST FUND

For necessary expenses of Eisenhower Exchange Fellowships, Incorporated, as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204–5205), all interest and earnings accruing to the Eisenhower Exchange Fellowship Program Trust Fund on or before September 30, [2002] 2003, to remain available until expended: *Provided*, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A–110 (Uniform Administrative Requirements) and A–122 (Cost Principles for Non-profit Organizations), including the restrictions on compensation for personal services. *(Department of State and Related Agency Appropriations Act, 2002.)*

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM TRUST FUND

Summary Statement
($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$499	0	$500	0	$500	0	$0

OVERVIEW

The Eisenhower Exchange Fellowship Act of 1990 (P.L. 101-454) authorized a permanent endowment for the Eisenhower Exchange Fellowship Program (EEF) to honor the late president by promoting international understanding and economic productivity through the exchange of information, ideas, and perspectives among emerging leaders throughout the world. The Act established the Eisenhower Exchange Fellowship Program Trust Fund in the U. S. Treasury 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.

CURRENT PROGRAMS

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:

- **The Multi-Nation Program** (MNP) – Provides two-month U.S. fellowships for an Eisenhower Fellow from each of 24 to 27 countries;
- **The Single Nation or Single Area Program** (SNP) – Provides two-month U.S. fellowships for 15 to 22 Fellows representing a range of professions from a single country or area;
- **The 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

The Eisenhower Fellowships Network (EFN) – links alumni Fellows worldwide, enabling Fellows to collaborate on projects, extend and strengthen relationships, and develop international links. Currently numbering more than 1,200 active alumni in 100 countries, the network is enlarged each year by new MNP, SNP and USA Fellows.

JUSTIFICATION OF PROGRAM ACTIVITIES

In FY 2003, EEF will continue to use interest and earnings primarily to strengthen democratic development and international peace and create opportunities for emerging U.S. and foreign leaders to understand each other's societies and cultures directly.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM TRUST FUND

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Educational & Cultural Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$499	$500	$500	$0
Total	$499	$500	$500	$0

ISRAELI ARAB SCHOLARSHIP PROGRAM

Proposed Appropriation Language

ISRAELI ARAB SCHOLARSHIP PROGRAM

For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, [~~2002~~] 2003, to remain available until expended. *(Department of State and Related Agency Appropriations Act, 2002.)*

ISRAELI ARAB SCHOLARSHIP PROGRAM

Summary Statement

($ in thousands)

FY 2001 Actual		FY 2002 Estimate		FY 2003 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$374	0	$375	0	$375	0	$0

OVERVIEW

The Israeli Arab Scholarship Program (IASP) funds scholarships for Israeli Arabs to attend institutions of higher education in the United States. This program was 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).

CURRENT PROGRAMS

IASP funds are invested only in interest-bearing obligations of the United States or in obligations guaranteed by the United States as to both principal and interest. The interest from such investments is credited to the fund and made available subject to annual appropriation acts to carry out the scholarship program.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2003 request seeks appropriation authority to spend $375,000 in estimated interest and earnings of the Israeli Arab Scholarship Fund. The funding will be applied to:

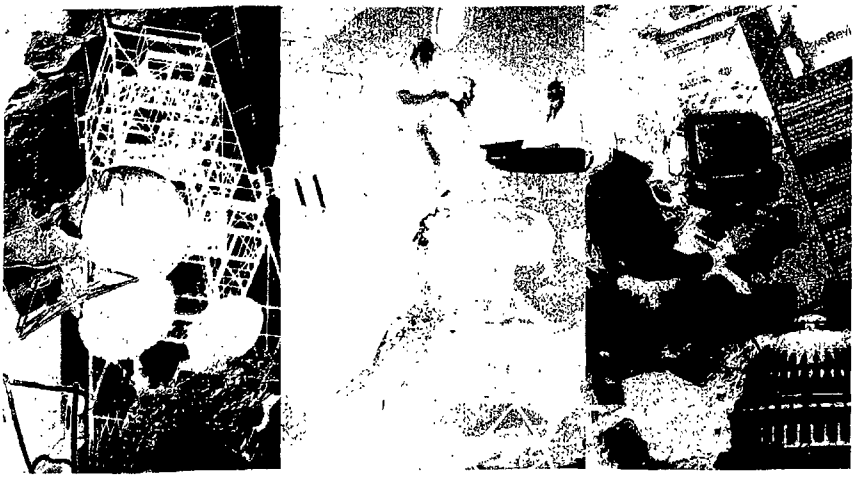
- Increasing educational opportunities for 7 Israeli Arab students for one or more years to study and conduct research in the United States; and
- Advancing peace through international understanding.

ISRAELI ARAB SCHOLARSHIP PROGRAM

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Educational & Cultural Affairs	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$374	$375	$375	$0
Total	$374	$375	$375	$0

Broadcasting Board of Governors
Fiscal Year 2003
Budget Request



Voice of America • Radio/TV Martí • Radio Free Europe/Radio Liberty • Radio Free Asia

FY 2003 Budget Request

> "America will lead by defending liberty and justice because they are right and true and unchanging for all people everywhere."
>
> President George W. Bush
> January 29, 2002

America's ability to communicate directly with the people of the world in their own languages is invaluable. Never are we so keenly aware of this truth as we are in times of international crisis. By broadcasting the truth and promoting the free flow of information, the Broadcasting Board of Governors' (BBG) services reinforce the American values of freedom and democracy around the world – defending liberty and justice. With America and its allies fighting a war that, at its heart, is fueled by misrepresentations of America's ideals, values, and beliefs, public diplomacy is a powerful and cost effective resource. International broadcasting is an essential element of America's public diplomacy efforts. Our ability to reach directly a global audience to put America and its policies in context and to provide accurate and truthful coverage of world events is critical to the U.S. campaign against terrorism.

Our response to September 11 underscores the value of investing in U.S. international broadcasting. Established infrastructure and access to worldwide audiences allowed the BBG services to increase immediately and dramatically news and information to and from Central Asia. Surge broadcasting will bring over 85 percent more hours of vital news and information to the people of Afghanistan and the surrounding area. Voice of America (VOA) and Radio Free Europe/Radio Liberty (RFE/RL) programming in some languages has grown more than 100 percent. The increase is possible because of the decision by the Administration and Congress to make available approximately $48 million in Emergency Response Funds. The BBG is grateful for this recognition.

BBG services support U.S. policy like no other tool in the foreign policy arsenal. They provide global audiences with objective news and information, present U.S. policies clearly and effectively, give policymakers a platform to explain actions, and represent American society and culture in a balanced and comprehensive way. For FY 2003, the BBG is requesting a total of $517.5 million to support U.S. international broadcasting activities.

Current Challenges

To fulfill our mission, the BBG faces many formidable challenges in FY 2003 and beyond. Our priority markets have multiplied as the bipolar simplicity of the Cold War has given way to the multi-polar complexity of globalization. The explosion of local radio and television in some media markets has increased competition for audience share. Broadcast and computer technologies have made quantum leaps. In many areas, satellite TV and Internet have become the preferred modes of sending and receiving information.

To accomplish our mission, we must understand individual media markets. If no one listens to us on radio, watches us on TV, or logs onto our Internet sites, we've failed. To have greater impact and support U.S. foreign policy more effectively, we must use 21st-century broadcasting techniques and technologies and marshal the resources of our diverse organizations in ways we have never done before. By taking these steps, we can help build a democratic Afghanistan, ease tensions in the Middle East, lessen anti-Americanism around the world and foster the free flow of information.

Reaching the Middle East

In FY 2002, we launched a pilot project to create a new Middle East Radio Network (MERN). A paradoxical situation exists in the Middle East today. The region boasts a sophisticated communications delivery systems, but it is a haven of state controlled content. In this environment, the United States and its policies are not always represented accurately. The BBG has embarked on a major initiative to reach Arab listeners, in their own language, with specially tailored programming, on preferred mediums – FM, AM, digital audio.

MERN will transmit news, information, current affairs and cultural programming 24 hours a day, seven days a week. We are phasing in MERN programming using traditional Western market-oriented approaches to build a critical mass of listeners. We are pursuing a two-pronged strategy: improve transmission assets, and build programming slowly and methodically while adhering to the highest standards of accuracy, fairness and balance.

Getting the Signal Through

Jamming is another major challenge facing the BBG. The BBG continues to seek creative programmatic and technical avenues to get VOA and Radio Free Asia (RFA) programs into China. Increased transmission efforts begun in FY 2001-FY 2002 will continue. Programmatically, VOA has focused on television programs suitable for placement in China, including its *Cultural Odyssey* and *Pro and Con* programs. RFA has initiated both technical and programmatic improvements to its Internet product.

The BBG plans to expand anti-jamming efforts in FY 2002 with infrastructure improvements in Tinian and Tajikistan and improved technical facilities for Internet distribution. VOA and RFA will focus on Internet content and direct email in order to combat jamming in Asia. The services will enhance website content and improve access for users.

Managing Limited Resources Responsibly

Meeting these challenges will require a shift of emphasis – for instance, increased expenditures on research, promotion, marketing and FM and Internet capability. The BBG is acutely aware of the need to strategically allocate our resources. We have demonstrated this commitment by continually looking within base resources to fund new requirements without looking solely to Congress for additional funds – for example, we were able to fund half of the FY 2002 Middle East broadcasting initiative through base reallocations made as part of BBG's annual Language Service Review process.

The BBG will continue to pursue reallocations to meet current challenges and fund the highest priority needs. We ask Congress to support this request, strengthening America's direct link with people around the world as we fight the war on terrorism and seek to end distrust and animosity towards the United States and its government. Funding for international broadcasting – which represents less than 2 percent of all international affairs funding – is an investment America can not afford to forgo.

Summary of Funding Request

The BBG requests a total of $517.5 million to sustain America's international broadcasting capability -- $507 million for ongoing programs and activities, and $10.5 million for costs related to retirement and health benefits (to be derived from a base transfer from the Office of Personnel Management).

The FY 2002 operational level for the BBG totals $534 million -- $479 million in base funds provided in P.L. 107-77, $28.5 million in Emergency Response Funds provided in P.L. 107-38, $19.2 million in Emergency Response Funds for Radio Free Afghanistan provided in P.L. 107-117, and $8.3 million in remaining balances for broadcasting to China and Russia provided in P.L. 106-554.

The BBG's request includes:

- $19.1 million to continue increased programming for Central Asia and the Middle East initiated in FY 2002 with Emergency Response Funds.
- $8.4 million to continue programming initiated in FY 2001 and FY 2002 with enhancement funds for broadcasting to Russia, China and surrounding areas.
- $14.3 million for salary and benefit increases, including the annualization of the cost-of-living increase and locality pay increase effective January 2002 and a projected 2.6 percent cost-of-living increase in FY 2003.
- $10.5 million for the accrual costs of employees who are under the Civil Service Retirement System (CSRS) and retiree health care benefits to be accommodated through a base transfer from the Office of Personnel Management where these costs were formerly budgeted.

The BBG will reduce its FY 2003 requirements by:

- A reduction of daily broadcast hours of VOA News Now, which will eliminate 11 positions and base funding of $1.5 million, including approximately $380,000 in transmission costs.
- The closure of a medium wave transmitting station, eliminating four positions and base funding of $400,000 in FY 2003.
- RFE/RL program reductions of $643,000.

- A reduction of RFA base funding of $367,000, including $114,000 in transmission costs and reductions of $126,000 for contract services and travel.

The FY 2003 request does not include any additional funding that might be required for continuation of Radio Free Afghanistan in FY 2003, above what was provided in the emergency supplemental.

FY 2003 BBG Request by Account

A total of $517.5 million is requested in the BBG's three appropriation account as follows:

- **International Broadcasting Operations (IBO):**

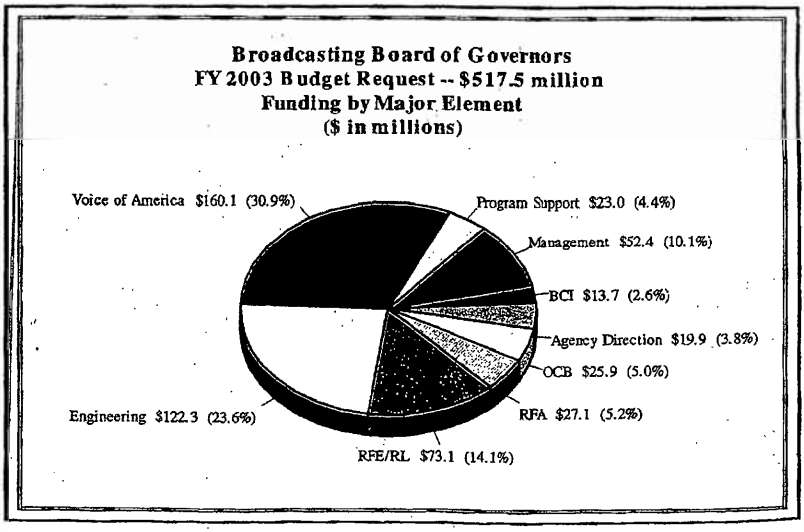
The FY 2003 request includes $477.8 million for U.S. Government non-military international broadcasting operations. Through the IBO account, the Broadcasting Board of Governors funds operation of the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and all related program delivery and support activities. The request fully funds all continuing costs for MERN and surge broadcasts from FY 2002 in response to the terrorist attacks. The request also provides wage and price increases and other mandatory cost increases. The IBO request includes $9.9 million for Civil Service Retirement System (CSRS) pension funds. Prior to FY 2003, these resources were included in the budget of the Office of Personnel Management.

- **Broadcasting to Cuba (OCB):**

The FY 2003 request of $25.9 million provides for continuing Radio Marti and TV Marti operations, including salary and inflation increases. The request includes full funding to support OCB transmission and $0.6 million for CSRS pension requirements in FY 2003 previously funded through OPM's budget.

- **Broadcasting Capital Improvements (BCI):**

The FY 2003 request of $13.7 million for Broadcasting Capital Improvements will maintain program delivery technical support and fund maintenance repairs and minor improvements to the BBG's worldwide transmission network.



Broadcasting Board of Governors
Summary of Appropriated Resources
FY 2001 - FY 2003
($ in thousands)

	FY 2001			FY 2002			FY 2003
	CJS P.L. 106-553	China/Russia P.L. 106-554	Total Appropriated	CJS P.L. 107-77	China/Russia P.L. 106-554 Carryover	TOTAL	REQUEST
International Broadcasting Operations							
International Broadcasting Bureau							
Agency Direction	11,454		11,454	17,757		17,757	19,434
Management	45,954		45,954	45,561		45,661	51,264
Program Support	14,930	998	15,928	19,147	855	20,002	22,560
Voice of America	131,811	1,480	133,291	142,248	1,298	143,546	153,307
Engineering and Technical Services	99,722	2,746	102,468	110,593	2,104	112,697	121,163
Funding of Federal Employees Retirement Costs 1/	8,712		8,712	9,345		9,345	9,925
Total, IBB	312,584	5,224	326,520	344,751	4,257	349,008	377,653
Independent Grantee Organization							
Radio Free Europe/Radio Liberty	67,775	2,444	70,219	68,697	2,369	71,066	73,086
Radio Free Asia	24,225	760	24,985	25,331	448	25,779	27,084
Total, Grantees	92,000	3,204	95,204	94,028	2,817	96,845	100,170
IBO Appropriation/Request	398,971	10,000	408,971	428,234		436,508	467,898
Rescission	(878)	(22)	(900)				
Transfers In from USAID	1,290		1,290				
Internal BBG Transfers In/Out	(2,000)	(1,550)	(3,550)	1,200			
Funding of Federal Employees Retirement Costs 1/	8,712		8,712	9,345		9,345	9,925
Sub-total, IBO Comparable Resources/Request	406,095	8,428	414,523	438,779	7,074	445,853	477,823
Exclude Funding of Federal Employees Retirement Costs 1/	(8,712)		(8,712)	(9,345)		(9,345)	(9,925)
Total IBO Resources/Request	397,383	8,428	405,811	429,434	7,074	436,508	467,898
Broadcasting to Cuba							
OCB Appropriation/Request	22,095		22,095	24,872		24,872	25,362
Rescission	(49)		(49)				
Funding of Federal Employees Retirement Costs 1/	485		485	526		526	561
Sub-total, OCB Comparable Resources/Request	22,531	-	22,531	25,398	-	25,398	25,923
Exclude Funding of Federal Employees Retirement Costs 1/	(485)		(485)	(526)		(526)	(561)
Total OCB Resources/Request	22,046	-	22,046	24,872	-	24,872	25,362
Broadcasting Capital Improvements			22,046				
BCI Appropriation/Request	20,358		20,358	25,900	1,249	27,149	13,740
Rescission	(45)		(45)				
Internal BBG Transfers In/Out	2,000	1,550	3,550	(1,200)		(1,200)	
Total, BCI	22,313	1,550	23,863	24,700	1,249	25,949	13,740
Sub-total BBG Comparable Resources/Request	$ 450,939	$ 9,978	$ 460,917	$ 488,877	$ 8,323	$497,200	$ 517,486
Exclude Funding of Federal Employees Retirement Costs 1/	(9,197)		(9,197)	(9,871)		(9,871)	(10,486)
Total BBG Direct Appropriations/Request	$ 441,742	$ 9,978	$ 451,720	$ 479,006	$ 8,323	$487,329	$ 507,000
FY 2002 Emergency Response Funds							
International Broadcasting Operations							
P.L. 107-38							
Voice of America				5,300			
Engineering and Technical Operations				4,350			
Radio Free Europe/Radio Liberty				2,600			
Subtotal, P.L. 107-38				12,250			
P.L. 107-117							
Engineering and Technical Operations P.L. 107-117				2,728			
Radio Free Europe/Radio Liberty P.L. 107-117				6,472			
Subtotal, P.L. 107-117				9,200			
Subtotal, IBO				21,450			
Broadcasting Capital Improvements							
P.L. 107-38				15,400			
P.L. 107-117				10,000			
Subtotal, BCI				26,400			
Total, P.L. 107-38				*28,650*			
Total, P.L. 107-117				*19,200*			
TOTAL, Emergency Response Funds				47,850			

1/ In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

Broadcasting Board of Governors
Explanation of Change
FY 2002 - FY 2003
($ in thousands)

	FY 2002 Estimate	FY 2003 Requirements: Wage Requirements	Inflation	Other Net Built-in Changes	FY 2003 Continuing Operations	Program Decreases/ Offsets	FY 2003 Request
International Broadcasting Bureau							
Agency Direction	17,757	911	112	654	19,434	-	19,434
Management	45,661	1,092	363	4,148	51,264	-	51,264
Program Support	20,002	1,228	303	1,027	22,560	-	22,560
Voice of America	143,546	7,615	636	2,602	154,399	(1,092)	153,307
Engineering and Technical Services	112,697	1,867	1,189	6,304	122,057	(894)	121,163
Funding for Fed. Emp. Retirement Cost 1/	9,345	580			9,925		9,925
Independent Grantee Organizations							
Radio Free Europe/Radio Liberty	71,066	1,790	914	679	74,449	(1,363)	73,086
Radio Free Asia	25,779	1,651	113	(80)	27,463	(379)	27,084
Subtotal, IBO including Retirement Accrual	445,853	16,734	3,630	15,334	481,551	(3,728)	477,823
Broadcasting to Cuba	24,872	560	264	366	26,062	(700)	25,362
Funding for Fed. Emp. Retirement Cost 1/	526	35			561		561
Broadcasting Capital Improvements	25,949	-	-	(12,209)	13,740	-	13,740
Total, BBG, Including Retirement Accruals	497,200	17,329	3,894	3,491	521,914	(4,428)	517,486
Exclude funding of Federal Employee Retirement Costs in IBO 1/	(9,345)	(580)			(9,925)		(9,925)
Exclude funding of Federal Employee Retirement Costs in Broadcasting to Cuba Account 1/	(526)	(35)			(561)		(561)
Total BBG, Excluding Retirement Accruals	487,329	16,714	3,894	3,491	511,428	(4,428)	507,000
FY 2002 Emergency Response Funds							
International Broadcasting Operations							
P.L. 107-38							
Voice of America	5,300						
Engineering and Technical Operations	4,350						
Radio Free Europe/Radio Liberty	2,600						
Subtotal, P.L. 107-38	12,250						
P.L. 107-117							
Engineering and Technical Operations P.L. 107-117	2,728						
Radio Free Europe/Radio Liberty P.L. 107-117	6,472						
Subtotal, P.L. 107-117	9,200						
Subtotal, IBO	21,450						
Broadcasting Capital Improvements							
P.L. 107-38	16,400						
P.L. 107-117	10,000						
Subtotal, BCI	26,400						
Total, P.L. 107-38	*28,650*						
Total, P.L. 107-117	*19,200*						
TOTAL, Emergency Response Funds	47,850						

1\ In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

Broadcasting Board of Governors
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		**479,006**
China/Russia Initiatives (P.L. 106-554) Carry-over		**8,323**
Emergency Response Funds (P.L. 107-38)	**28,650**	
Emergency Response Funds (P.L. 107-117) (Radio Free Afghanistan)	**19,200**	
SUB-TOTAL FY 2002 RESOURCES, EXCLUDING ERF		**487,329**
Wage Increases: American		**6,972**
This increase provides for the annualization of the cost of living and locality pay increases effective January 2002 and the projected 2.6% increase for January 2003.		
Wage Increase: Foreign Service Nationals (FSNs)		**441**
This increase provides for wage increases for overseas FSN employees.		
Other Wage Requirements		**6,845**
This increase provides for annualization of salaries and benefits to continue current programming into FY 2003, starting of new transmitting sites, and metro transit subsidy and workers compensation benefits.		
Inflation		**3,894**
This increase provides for agency operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.		
Built-in Requirements		**31,520**
International Cooperative Administrative Support Services (ICASS)	**654**	
Rent/Renovations/Utilities	**3,853**	
Maintenance Contracts	**342**	
Internet Contracts	**200**	
China Dubbing Contract, Talent, Lease and Inflation Costs	**498**	
Armenia Lease for Russian Broadcasting	**330**	
Middle East Radio Network and Cyprus Costs	**4,710**	
Operational Costs of Uyghur Initiative	**182**	
Program Delivery Requirements	**2,262**	
ERF Net Increase	**16,311**	
Other Built-ins	**2,178**	

Non-Recurring Costs		**(25,573)**
Pals Transmitting Station Closure	(2,263)	
Digital Project	(700)	
Newsroom Consolidation	(500)	
Poro Medium Wave Relocation	(2,400)	
Middle East/Cyprus One-time GOE and Capital Costs	(4,720)	
East Asia Anti-Jamming Initiative	(9,000)	
China One-time GOE and Capital Costs	(1,294)	
Russia One-time GOE and Capital Costs	(995)	
Satellite Transmitting Restructuring Costs	(2,587)	
Other Non-Recurring Costs	(1,114)	
Offsets		**(4,428)**
Transmitting Station Closure	(400)	
RFA Cantonese Program Reduction	(367)	
RFA Operating Expenses	(126)	
RFE/RL Program Reduction	(643)	
VOA News Now Program Reduction	(1,472)	
RFE/RL VEBA Trust Offset for Health Benefits	(720)	
OCB Carry-over	(700)	
SUB-TOTAL BBG REQUIREMENTS		**507,000**
Full Funding of Federal Employee Retirement Costs		**10,486**
This provides for CSRS Pension costs previously provided for in the OPM budget.		
TOTAL FY 2003 BUDGET REQUEST		**517,486**
Excluding, Funding for Federal Employee Retirement Accruals		**(10,486)**
TOTAL, COMPARABLE PROGRAM LEVEL (EXCLUDES ACCRUALS)		**507,000**

Broadcasting Board of Governors
Positions and FTE
FY 2001 - FY 2003

	FY 2001		FY 2002		FY 2003	
	Positions	FTE	Positions	FTE	Positions	FTE
International Broadcasting Bureau						
Agency Direction	**73**	**70.1**	**91**	**79.4**	**91**	**84.0**
American Salaries	73	70.1	91	79.4	91	84.0
Foreign Nationals	-	-	-	-	-	-
Management	**152**	**151.6**	**167**	**162.8**	**167**	**167.0**
American Salaries	152	151.6	167	162.8	167	167.0
Foreign Nationals	-	-	-	-	-	-
Program Support	**66**	**64.5**	**97**	**83.1**	**97**	**94.4**
American Salaries	58	56.8	84	73.0	84	82.4
Foreign Nationals	8	7.7	13	10.1	13	12.0
Voice of America	**1,252**	**1,243.6**	**1,353**	**1,322.6**	**1,342**	**1,347.9**
American Salaries	1,228	1,220.4	1,324	1,296.6	1,313	1,321.9
Foreign Nationals	24	23.2	29	26.0	29	26.0
Engineering and Technical Services	**687**	**672.6**	**702**	**694.0**	**698**	**691.3**
American Salaries	179	177.8	205	197.0	205	204.3
Foreign Nationals	508	494.8	497	497.0	493	487.0
Subtotal, Int'l Broadcasting Bureau	**2,230**	**2,202.4**	**2,410**	**2,341.9**	**2,395**	**2,384.6**
Broadcasting to Cuba	**153**	**152.5**	**163**	**163.0**	**163**	**163.0**
American Salaries	153	152.5	163	163.0	163	163.0
Foreign Nationals	-	-	-	-	-	-
Subtotal, BBG Federal Employees	**2,383**	**2,354.9**	**2,573**	**2,504.9**	**2,558**	**2,547.6**
Grantees	**800**	-	**859**	-	**815**	-
Radio Free Europe/Radio Liberty	**535**	-	**593**	-	**553** *	-
American Salaries	535	-	593	-	553	-
Radio Free Asia	**265**	-	**266**	-	**262**	-
American Salaries	258	-	258	-	255	-
Foreign Nationals	7	-	8	-	7	-
Total, Broadcasting Board of Governors	**3,183**	**2,354.9**	**3,432**	**2,504.9**	**3,373**	**2,547.6**

* Excludes continuing positions related to Radio Free Afghanistan due to timing of P.L. 107-117.

International Broadcasting Operations
Summary of Appropriated Resources
FY 2001 - FY 2003
($ in thousands)

	FY 2001			FY 2002			FY 2003
	CJS P.L. 106-553	China/Russia P.L. 106-554	Total Appropriated	CJS P.L. 107-77	China/Russia P.L. 106-554 Carryover	TOTAL	REQUEST
International Broadcasting Operations							
International Broadcasting Bureau							
Agency Direction	11,454		11,454	17,757		17,757	19,434
Management	45,954		45,954	45,661		45,661	51,264
Program Support	14,930	998	15,928	19,147	855	20,002	22,560
Voice of America	131,811	1,480	133,291	142,248	1,298	143,546	153,407
Engineering and Technical Services	99,722	2,746	102,468	110,593	2,104	112,697	121,163
Funding of Federal Employees Retirement Costs 1/	8,712		8,712	9,345	-	9,345	9,925
Total, IBB Comparable Resources/Request	312,584	5,224	326,520	344,751	4,257	349,008	377,653
Independent Grantee Organization							
Radio Free Europe/Radio Liberty	67,775	2,444	70,219	68,697	2,369	71,066	73,086
Radio Free Asia	24,225	760	24,985	25,331	448	25,779	27,084
Total, Grantees	92,000	3,204	95,204	94,028	2,817	96,845	100,170
IBO Appropriation/Request	398,971	10,000	408,971	428,234		436,508	467,898
Rescission	(878)	(22)	(900)				
Transfers In from USAID	1,290		1,290				
Internal BBG Transfers In/Out	(2,000)	(1,550)	(3,550)	1,200			
Funding of Federal Employees Retirement Costs 1/	8,712		8,712	9,345		9,345	9,925
Subtotal, IBO Comparable Resources/Request	406,095	8,428	414,523	438,779	7,074	445,853	477,823
Excludes Funding of Federal Employees Retirement Costs 1/	(8,712)		(8,712)	(9,345)		(9,345)	(9,925)
Total IBO Excluding Retirement Accruals	397,383	8,428	405,811	429,434	7,074	436,508	467,898
FY 2002 Emergency Response Funds							
P.L. 107-38							
Voice of America				5,300			
Engineering and Technical Operations				4,350			
Radio Free Europe/Radio Liberty				2,600			
Subtotal, P.L. 107-38				12,250			
P.L. 107-117							
Engineering and Technical Operations P.L. 107-117				2,728			
Radio Free Europe/Radio Liberty P.L. 107-117				6,472			
Subtotal P.L. 107-117				9,200			
Total, IBO				21,450			

1/ In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

Broadcasting Board of Governors
International Broadcasting Bureau
Voice of America

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
Funding			
CJS Appropriation	131,811	142,248	153,307
China/Russia P.L. 106-554	182	1,298	
Federal Employee Retirement Costs*	6,028	6,445	6,826
Subtotal, Including Retirement Accruals	**138,021**	**149,991**	**160,133**
Excludes Federal Employee Retirement Cost	(6,028)	(6,445)	(6,826)
Total, Excluding Retirement Accruals	**131,993**	**143,546**	**153,307**
Emergency Response Funding P.L. 107-38		5,300	
Positions	***1,252***	***1,353***	***1,342***

* In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

Events following the September 11 terrorist attacks emphasize the essential role of the Voice of America, both to inform millions of listeners on the news of the day and to accurately communicate U.S. policy on key issues, including anti-terrorism. In Afghanistan for instance, a 1999 survey showed that 80% of Afghan adult males listen at least once a week to VOA broadcasts in Dari and Pashto (research could not be conducted to determine female listenership.) Because of VOA, the Afghan people heard continuously that on-going military action in Afghanistan targeted terrorists, not the Afghan people. They heard this message daily, in languages they speak, from a source they trust. In other regions, VOA plays a similar role, getting vital news and information to audiences that need it most. VOA is especially important in closed or repressive societies, in developing countries, in regions in crisis, and in nascent democracies where the flow of information can be restricted or distorted.

The Voice of America was chartered by Congress to be a comprehensive and authoritative source of news and information. With 19 overseas and four domestic bureaus, VOA broadcasts more than 1,000 hours of radio programs and almost 50 hours of television programs in 53 languages to an estimated regular listening audience of 91 million. The 1976 charter governs all VOA programs, including its newer television and Internet products.

VOA CHARTER

The long-range interests of the United States are served by communicating directly with the peoples of the world by radio. To be effective, the Voice of America must win the attention and respect of listeners. These principles will therefore govern Voice of America (VOA) broadcasts:

VOA will serve as a consistently reliable and authoritative source of news. VOA news will be accurate, objective, and comprehensive.

VOA will represent America, not any single segment of American society, and will therefore present a balanced and comprehensive projection of significant American thought and institutions.

VOA will present the policies of the United States clearly and effectively, and will also present responsible discussions and opinion on these policies.

July 12, 1976

The Voice of America tells America's story to audiences worldwide. From hard news on political and foreign policy developments affecting the United States to trends in American culture, VOA's coverage is extensive and diverse. Daily editorials are prepared that offer a clear explanation of U.S. Government policies, and VOA news elements and language services conduct dozens of call-in programs where these policies are discussed in a thoughtful manner. Official statements by the executive, legislative or judicial branches of our government are broadcast worldwide.

VOA is making strides toward becoming a multi-media broadcaster by increasing its television and Internet programming. In the past three years, VOA has established 23 television programs (or feeds) in 12 languages, including Chinese, Russian, Indonesian, Arabic, and Farsi. In October 2001, VOA launched its 24-hours-a-day, seven-days-a-week Internet news service, *voanews.com*, which reaches audiences in text, audio and video. VOA has built on the success of *voanews.com* to launch web pages in multiple languages, all with a VOA-branded design, look and feel.

As part of the BBG Language Service Review process, VOA has worked closely with the BBG in streamlining some services in order to enhance others according to regional priorities. VOA and the BBG have also worked closely in this process to realign our transmission strategies in each region of the world.

FY 2001 – FY 2002 Highlights

Surge Programming in Response to September 11

VOA responded to the September 11 terrorist attacks by immediately expanding broadcasts in crisis-related languages (Arabic, Farsi, Dari, Turkish, Pashto, Urdu and Uzbek). Since

September 11, VOA has vigorously recruited broadcasters to create these surge programs, adding 21 ¾ hours of programming in seven languages. VOA anticipates hiring an estimated 28 term employees and/or purchase order vendors (contractors) in FY 2002. This expansion is being funded from appropriated Emergency Response Funds.

VOA's Continuing Focus on China and Russia

China

VOA China's television initiative is focused on the creation of TV programs appropriate for placement in China. The highlight of this effort is the *Cultural Odyssey* program, a 30-minute weekly TV/radio arts and entertainment program. The program is produced in Washington with video journalist (VJ) reports from the extensive VOA Mandarin network of more than 20 VJs. VOA is distributing this magazine-style program to affiliates in China. The VOA China Branch is also producing a weekly half-hour current affairs debate program entitled *Pro and Con* which has been picked up for rebroadcast nationally during prime Sunday evening hours in Taiwan. As resources permit, VOA will complement *Cultural Odyssey* and *Pro and Con* with other programs suitable for placement in China, including Special English and English Teaching.

Anti-Jamming and VOA China's Internet

In FY 2002, VOA's China Branch will upgrade its website as part of a series of a BBG initiative to combat China's jamming of our radio programs and Internet site. VOA China Branch will also augment the content of VOA's web and e-mail efforts, giving Chinese Internet users access to more VOA scripts and program material. This money is especially important for improving weekend programming on the Internet and for improving and expanding the content of existing email services. Currently, VOA China Branch e-mails 91,000 users daily with news reports and also sends a weekly "learning the English-language" e-mail to a separate list of 138,000 subscribers. These email services are essential to combating Chinese jamming of VOA's website, and these improvements will make the effort even more successful.

Russia

VOA's Russian Service has been focussed on creating more dynamic multimedia programs. The Russian Service is now capable of reaching people throughout Russia via radio, television and the Internet after embarking on a strategy of developing new television and Internet programs and improving existing ones. VOA Russian is crafting television and Internet products that both stand on their own and complement existing VOA radio programming.

On January 17, 2002, Itar-Tass reported that the number of Internet users in Russia has increased by more than 50% in the past half year. According to published statistics, more than 4.5 million people in Russia are using the Internet. This is the fastest rate of increase since the Internet was introduced in Russia only a few short years ago. While Internet usage is fast becoming a staple of daily life in some Russian cities, nonetheless there exists a lack of credible and objective Russian-language sites offering news and information. VOA's Russian website will fill this void.

VOA Russian is improving and updating the content of its website, increasing original Internet programming, and providing Internet surfers information on current events in the United States

and the Russian Federation. The site is popular and these improvements should make it a premiere Russian language news website offering a mix of audio, visual, and textual information that reflects contemporary American life and the US point of view on current events.

In terms of television, current media research indicates that more than 90% of the Russian population gets its news and information from television, a number that has held fairly steady throughout the 1990s. VOA Russian is adapting to take advantage of this trend. The television magazine program, "Window on the World," is broadcast on Daryal TV, a network that boasts more than 100 affiliates throughout the Russian Federation, the NIS, and Israel. In FY 2003, VOA Russian's television programming will expand to include a simulcast call-in show and improvements to existing current affairs programs such as, VOA's *Viewpoints* and Worldnet's *Washington Window*.

Creating the Middle East Radio Network (MERN)

The Middle East Radio Network (MERN) initiative is changing the face of VOA in the Middle East, with a more dynamic and youth-oriented program stream. More than ever, there is a need to have America's voice heard in the Middle East via a lively, attractive radio format combined with objective news and information. MERN is a simultaneous overhaul of VOA programming and transmission strategies to the region, both of which continue apace in FY 2002 and 2003.

All BBG elements are working together tirelessly to facilitate the successful implementation of MERN. To this end, substantial progress has been made since congressional approval in the FY 2002 appropriation:

- working with the Department of State, final approval of NSDD-38 authority was granted
- key staff positions are being filled
- a project manager has been deployed to install broadcast production and transmission equipment to ready the new bureau in Dubai
- programming development is advancing and market research has been conducted, and
- key FM and medium wave transmission agreements are in place.

MERN will encompass FM-style programming streams with news from around the region, with FM transmitters in Amman, Qatar, Oman, Bahrain, Abu Dhabi, and Djibouti. MERN will also have significantly improved medium wave transmission to the region from Cyprus and Egypt. Additionally, VOA will overhaul its Arabic language television and Internet programs in the MERN image, offering Middle East audiences alternative ways to access MERN material. In FY 2002 and 2003, improvements to VOA's Arabic website will provide important news and information to technically savvy and information hungry younger audiences.

On-going FY 2002 Initiatives

Newsroom Consolidation

FY 2002 will see the completion of an integrated newsroom for VOA's central radio, television and Internet services. VOA newsroom and News Now personnel are being relocated, including the central television services and the *voanews.com* web desk. A central news desk will help

coordinate VOA coverage and reporting in all media while on-site studios will allow for live programming in either radio or television. The consolidated newsroom is expected to be operational by fall 2002.

VOA Reorganization: Changing the Face of Television
Implementation of the merger of WORLDNET Television into VOA continues. The details of restructuring the organization, reassigning people, and merging administrative and financial systems are being resolved. Union negotiations approving the reorganization have not yet begun. VOA intends to fully implement the merger by late FY 2002.

Follow-up to Language Service Review
VOA continues its efforts to implement the changes and enhancements based on the last two years of Language Service Review. In particular, VOA has been working with BBG and IBB colleagues to improve programs, transmissions and marketing to the Middle East, Indonesia, the Andean region of South America in Spanish, and South Asia in Hindi and Bangla. VOA's European Multimedia Unit now provides radio, TV and Internet feeds to over 100 affiliates daily in nine languages. In FY 2002, VOA has plans to realign the Caucasus languages of Armenian, Georgian and Azerbaijani into a similar multimedia unit.

Expansion of Internet Presence
With support from IBB's Office of Internet Development, VOA launched an estimated 20 language websites in FY 2001, including Macedonian, Albanian, Serbian, Russian, Dari, Pashto, Arabic and Mandarin. An additional 20 sites are under development and will be launched in FY 2002. By early FY 2003, all VOA languages will have news and information websites appropriate to the target audiences, with regularly updated material, audio and video links, and feeds to affiliate stations or email features.

VOA's Internet presence has already made an impact on target audiences, with a significant growth in VOA activity in FY 2001. Nearly 700 thousand audio programs are accessed via Internet each month, and VOA web pages are viewed more than 2.5 million times per month, a 70% increase from the beginning of the year. VOA websites received more than 11 million hits each month, a 40% increase during the year. VOA has every expectation that this interest by its audiences will increase in FY 2002 and 2003, especially as VOA's capacity to address audience needs improves.

Implementing the New Digital Age
The culmination of the Office of Engineering's Digital Project is resulting in the transition of VOA broadcasting and production to digital technology. VOA expects to largely complete its conversion into a digital, multimedia broadcaster by the fall of 2002. The deployment of the Integrated Digital Audio Production System (IDAPS) will allow VOA to improve the effectiveness of program production in every language service and improve program delivery.

FY 2003

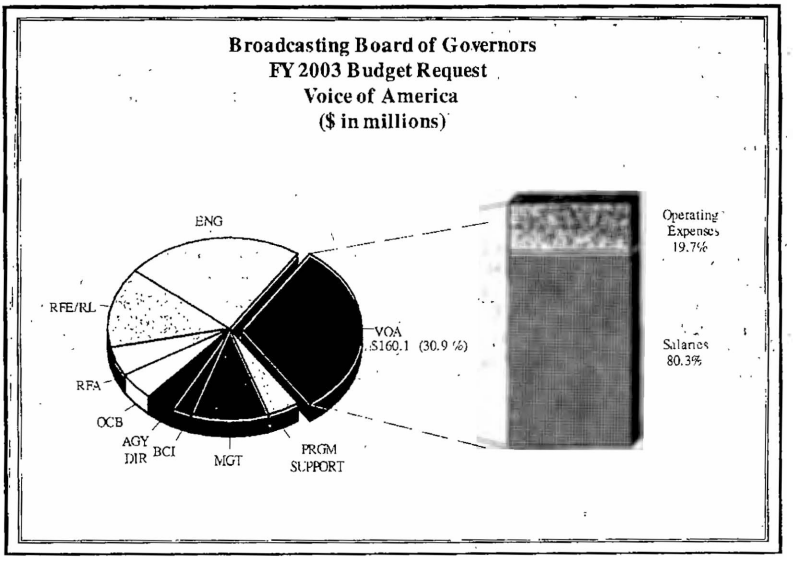
Program Offset

The FY 2003 budget request reflects a reduction in VOA's English news and information service, VOA News Now. Created four years ago, the intent of VOA News Now was to give VOA a 24-hours-a-day capacity to respond to world events and breaking news. This service will be reduced by $1.1 million. An estimated 11 positions will be eliminated, including anchors, newscasters, editors, feature writers and directors. To meet FY 2003 operational requirements, this program reduction will allow for the reallocation of a total of $1.5 million, including an estimated $380,000 in transmission reductions.

Summary

As VOA continues to transform itself into a digital, multi-media broadcaster, it is also meeting immediate and compelling challenges to its mission. Surge broadcasts in response to the September 11 attacks continue to demonstrate VOA's important role in the U.S. government's foreign policy arsenal. Additionally, with the Middle East Radio Network, VOA and the BBG are meeting the need for a revitalized voice in the Middle East. Initiating these programs, along with other on-going programming and technical projects, are VOA's biggest challenges for FY 2003.

For FY 2003, we are requesting $160.1 million for the Voice of America.



Voice of America
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		**142,248**
China/Russia Initiatives (P.L. 106-554) Carry-over		**1,298**
Emergency Response Funds (P.L. 107-38)	**5,300**	
SUB-TOTAL FY 2002 RESOURCES, EXCLUDING ERF		**143,546**
Wage Increases: American		**3,557**
This increase provides for the annualization of the cost of living and locality pay increases effective January 2002 and the projected 2.6% increase for January 2003.		
Wage Increase: Foreign Service Nationals (FSNs)		**52**
This increase provides for wage increases for overseas FSN employees.		
Other Wage Requirements		**2,432**
This increase provides for annualization of salaries and benefits to continue current programming into FY 2003.		
Inflation		**636**
This increase provides for operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.		
Built-in Requirements		**8,014**
China Dubbing Contract and Production Talent	**170**	
Russia Initiative Inflation	**5**	
Emergency Response Funds Net Built-In	**5,094**	
Middle East Radio Network Operating Costs	**2,730**	
Television Software Maintenance Contract	**15**	

VOICE OF AMERICA
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Office of the Director	2,538	2,473	1,844	(629)
Broadcast Operations	15,948	15,744	16,633	889
Latin American Division	4,089	3,721	3,838	117
European Division	8,976	8,339	8,590	251
East Asia & Pacific Division	18,726	20,557	21,105	548
South & Central Asia Division	6,353	6,378	8,371	1,993
Africa Division	8,886	9,706	9,348	(358)
Eurasia Division	6,568	7,915	8,537	622
Near East & North Africa Division	4,074	4,145	4,753	608
Middle East Radio Network	4,670	8,579	10,439	1,860
English Programs Division	8,458	9,256	8,541	(715)
Special English & Music Division	2,279	2,444	2,519	75
News Division	13,707	15,437	16,650	1,213
subtotal domestic operations	**105,372**	**114,694**	**121,168**	**6,474**
Domestic Bureaus	554	552	574	22
Overseas Bureaus	6,794	8,173	8,586	413
VOA - TV	20,485	21,820	22,979	1,159
TOTAL VOICE OF AMERICA	**133,205**	**145,239**	**153,307**	**8,068**
Reconciliation:				
(+) Balances Lapsing	170			-
(-) Transfers from USAID	(500)	(450)		-
(-) Balances In **China/Russia**		(1,298)		1,298
(+) Balances Out **China/Russia**	1,298			-
(-) Reimbursements	(782)	(1,243)		1,243
Total, VOA excluding CSRS	**133,291**	**142,248**	**153,307**	**11,059**
Federal Employee Retirement Costs	6,028	6,445	6,826	381
Total	**139,319**	**148,693**	**160,133**	**11,440**
Emergency Response Funds				
P.L. 107-38		5,300		

Non-Recurring Costs		**(3,838)**
Middle East Enhancement One-time GOE and Capital Costs	**(3,320)**	
East Asia Anti-Jamming Initiative	**(350)**	
Russia One-time GOE and Capital Costs	**(84)**	
Other Non-Recurring Costs	**(84)**	
Program Offset		**(1,092)**
VOA News Now Program Reduction	**(1,092)**	
SUB-TOTAL VOICE OF AMERICA REQUIREMENTS		**153,307**
Full Funding of Federal Employee Retirement Costs		**6,826**
This provides for CSRS Pension costs previously provided for in the OPM budget.		
TOTAL FY 2003 VOA BUDGET REQUEST		**160,133**
Excluding, Funding for Federal Employment Accruals		**(6,826)**
TOTAL, COMPARABLE PROGRAM LEVEL (EXCLUDES ACCRUALS)		**153,307**

Broadcasting Board of Governors
Radio Free Europe/Radio Liberty

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
Funding			
CIS Appropriation	67,775	68,697	73,086
China/Russia P.L. 106-554	807	2,369	
Total	**68,582**	**71,066**	**73,086**
Emergency Response Funding P.L. 107-38		2,600	
Emergency Response Funding P.L. 107-117 (Radio Free Afghanistan)		6,472	
Positions	*535*	*593*	*553*

Now entering its second half-century of service, Radio Free Europe/Radio Liberty (RFE/RL) continues as a non-profit international communications organization broadcasting in 32 languages (as of March 1, 2002), and Webcasting in most of those languages, to countries of the former Soviet bloc, the Persian Gulf, and Southwest Asia.

Funded by the United States Congress through a grant from the Broadcasting Board of Governors, RFE/RL operates the most comprehensive news and information operation in the region, with 29 bureaus throughout Europe and Eurasia and over a thousand freelancers reporting local news.

RFE/RL's continuing mission is to promote democratic values and institutions by disseminating news, information, and ideas that many in its broadcast region have long been denied. It continues to focus its broadcasts on local and regional developments in places where the media are engaged in a difficult transition from totalitarian control and where economic chaos, censorship, government intimidation, and other threats to free media remain.

RFE/RL currently broadcasts more than 1,000 hours of programming a week from its operations center in Prague, and that number will significantly increase over the course of FY 2002. The organization's corporate headquarters are located in Washington, D.C. Some broadcasts are transmitted by short-wave stations of the International Broadcasting Bureau, but increasingly broadcasts are carried on 470 local AM and FM frequencies of more than 209 affiliated radio organizations in all but five of the broadcast countries. Additionally, the RFE/RL Web site is visited more than 900,000 times monthly, and 40,000 copies of information and analyses covering the countries to which we broadcast are distributed by e-mail.

Achievements in 2001-2002

RFE/RL has compiled a significant list of achievements in an increasingly diverse and complicated broadcasting and media environment.

In response to changing international circumstances, RFE/RL has expanded broadcasting to Belarus. It began broadcasts in Macedonian on a local FM network in support of U.S. and international programs. It has expanded programming on Russian regional issues and initiated (on February 28, 2002) broadcasts to the North Caucasus at the direction of the Congress, in order to provide balanced news and information in vernacular languages. Following September 11, 2001, it expanded its broadcasts to Central Asia and the Persian Gulf by twenty hours daily, an increase of 50 percent. It reinstituted broadcasts to Afghanistan (on January 30, 2002) as mandated by and with supplemental funding from the Congress (P.L. 107-117). The FY 2003 request does not include any additional funds that might be required for continuation of Radio Free Afghanistan in FY 2003, above what was provided in the emergency supplemental.

RFE/RL has completed the introduction of a new generation of sound delivery and processing technology. It has launched an extensive marketing program to expand audiences. It has expanded its text and audio Internet products to include native language websites in 19 languages in addition to English; broadened its live and on-demand audio offerings to include all of RFE/RL's broadcast languages; and increased the number of daily and weekly English-language analytic publications to 22.

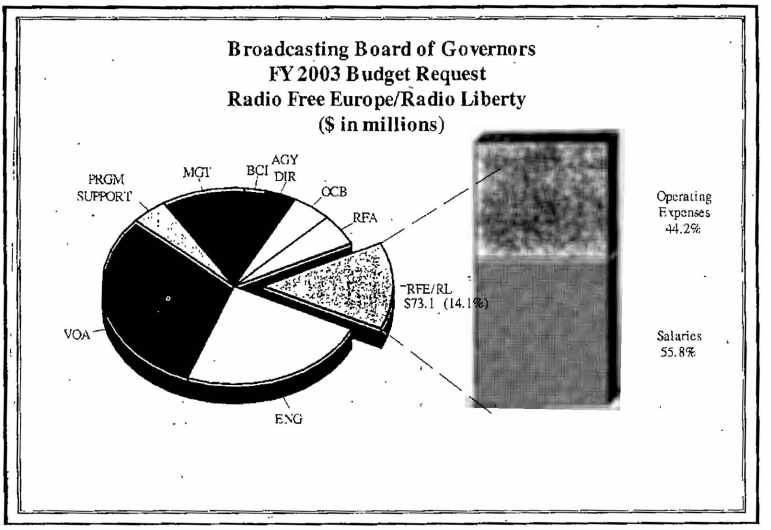
Challenges in 2003

In FY 2003, RFE/RL plans to fine-tune its programming, shifting resources to highest priority services and increasing transmission on local AM and FM frequencies wherever possible. It plans to further expand its Internet products.

RFE/RL plans to continue its new broadcasts to the North Caucasus and its expanded programming on the Russian regions. It plans to continue its expanded broadcasts to Central Asia and the Persian Gulf. It plans to shift resources now devoted to broadcasts in the Czech language and Post Retirement Medical Insurance, for which adequate funding is available in the Trust established for this purpose, to other higher priority language broadcasts.

Following September 11, 2001, additional security measures were taken to protect RFE/RL's operations facility in the center of Prague against terrorist threats. The Czech Government (which has made available the former federal parliament building to RFE/RL since 1995, rent-free) has urged that RFE/RL relocate to a different Prague location.

For FY 2003, we are requesting $73.1 million for Radio Free Europe/Radio Liberty.



Radio Free Europe/Radio Liberty
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		68,697
China/Russia Initiatives (P.L. 106-554) Carry-over		2,369
Emergency Response Funds (P.L. 107-38)	2,600	
Emergency Response Funds (P.L. 107-117) (Radio Free Afghanistan)	6,472	
SUB-TOTAL FY 2002 RESOURCES		71,066
Wage Increases: American		753
This increase provides for the annualization of the cost of living and locality pay increases effective January 2002 and the projected 2.6% increase for January 2003.		
Other Wage Requirements		155
This increase provides for annualization of salaries and benefits to continue current programming into FY 2003.		
Inflation		914
This increase provides for operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.		
Built-in Requirements		2,423
ERF Net Built-in	2,423	
Non-Recurring Costs		(862)
Russia One-time GOE and Capital Costs	(565)	
Other Non-Recurring Costs	(297)	
Program Offsets		(1,363)
RFE/RL Program Reduction	(643)	
RFE/RL VEBA Trust Offset for Health Benefits	(720)	
TOTAL RFE/RL BUDGET REQUEST		73,086

RADIO FREE EUROPE/RADIO LIBERTY
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Broadcasting Division				
Office of Director	2,147	2,178	2,230	52
Broadcast Services				
Armenian	980	993	1,018	25
Azerbaijani	658	644	910	266
Belarusian	1,393	1,522	1,559	37
Bulgarian	1,289	1,125	1,156	31
Estonian	739	823	842	19
Georgian	943	946	970	24
Kazakh	910	936	1,198	262
Kyrgyz	786	824	1,083	259
Latvian	819	807	828	21
Lithuanian	811	884	906	22
Persian	2,172	2,335	2,758	423
Radio Free Iraq	1,544	1,753	2,298	545
Romania - Moldova	1,574	1,680	1,720	40
Russian	7,779	9,115	8,589	(526)
North Caucasus Unit	70	811	822	11
South Slavic	3,574	3,878	3,973	95
Slovak	1,002	813	832	19
Tajik	947	1,038	1,425	387
Tatar-Bashkir	712	726	744	18
Turkmen	664	637	888	251
Ukrainian	2,391	2,381	2,440	59
Uzbek	792	878	1,133	255
News & Current Affairs	3,574	4,156	4,261	105
Czech Broadcasting	600	630	-	(630)
Office of President	851	1,108	1,135	27
Program Evaluation	1,821	415	428	13
Marketing & Affiliates	779	1,701	1,740	39
Administration	6,842	6,906	7,066	160
Finance	6,961	6,373	5,795	(578)
Communications	2,334	2,688	2,750	62
Technology Systems	9,392	9,362	9,589	227
RADIO FREE EUROPE/ RADIO LIBERTY	**67,850**	**71,066**	**73,086**	**2,020**
Reconciliation:				
(-) Balances In China/Russia		(2,369)		2,369
(+) Balances Out China/Russia	2,369			-
Total	**70,219**	**68,697**	**73,086**	**4,389**
Emergency Response Funds				
P.L. 107-38		2,600		
P.L. 107-117 (Radio Free Afghanistan)		6,472		
Total, Emergency Response Funds		9,072		

Broadcasting Board of Governors
Radio Free Asia

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
CJS Appropriation	24,225	25,331	27,084
China/Russia P.L. 106-554	312	448	
Total	**24,537**	**25,779**	**27,084**
Positions	*265*	*266*	*262*

The creation of ***Radio Free Asia (RFA)*** was authorized by the International Broadcasting Act of 1994 and was formally incorporated as a private, non-profit corporation on March 11, 1996.

As stated in the Act, the objectives of Radio Free Asia are to provide targeted radio broadcasts to China, Burma, Cambodia, Laos, North Korea, Tibet, and Vietnam in order:

- To provide accurate and timely information, news, and commentary about events in the respective countries of Asia and elsewhere; and

- To be a forum for a variety of opinions and voices from within Asian nations whose people do not fully enjoy freedom of expression.

Currently, RFA broadcasts in nine languages: Mandarin (includes Shanghaiese), Tibetan (includes Lhasa, Amdo, and Kham dialects), Cantonese, Uyghur, Korean, Vietnamese, Lao, Khmer, and Burmese. All RFA programming is broadcast via shortwave and streamed on the Internet.

FY 2001 – FY 2002 Highlights

Uyghur Broadcast
RFA received funds in FY 2001 to increase its Uyghur broadcasts to Western China from one to two hours per day. In meeting this goal, RFA has expanded its field network of stringers, obtained capability for increased transmission, and recruited additional headquarters staff. The Chinese government has gone to extreme lengths to cut off media access in Xinjiang province, where most Uyghur speakers are located.

Broadcasting to China

RFA also received funds in FY 2001 to achieve the following priorities: 1) strengthen RFA's presence and information gathering capabilities in Asia; 2) increase the frequency of Web site updates and improve Internet anti-jamming efforts; and 3) enhance broadcast training. The

funding received in FY 2001 was used for RFA's Internet anti-jamming efforts and to improve the quality of recording and programming for reports produced on location. The balance of the funds will be used in FY 2002 to strengthen in-region reporting, increase web site updates, and enhance broadcast training.

With the FY 2002 enhancement funds RFA will improve the content of its website and the capability of its email service. RFA will hire full-time contract staff for the Mandarin, Tibetan, and Vietnamese language services to develop and enhance e-mail service capabilities, market RFA web products, and train broadcast staff to create appealing web content. The remaining $100,000 will be used for website content management software and support.

US Navy EP-3 Collision with Chinese Jet Fighter

As soon as the American crew members of the EP-3 gave their account of what happened in the April 2001 collision with a Chinese jet fighter, RFA listeners in China heard it in a live two-and-a-half hour broadcast. Twice in the aftermath of the collision RFA temporarily increased its transmissions to China to break through Chinese jamming and allow its listeners to hear objective accounts of the events surrounding the incident.

Tibetans Detained for Listening to RFA

In August, RFA reported that the Chinese government had detained more than 60 Tibetans for listening to RFA broadcasts. A source from the Ngawa autonomous prefecture in Tibet told RFA that the detentions took place and that the people are being detained for two to three months. It is not known if the detainees have been sentenced or the amount of the fine as of this writing. The source also said that listening to RFA reports regarding the Dalai Lama carried a heavier fine and is a "very serious crime."

RFA/Vietnamese Exclusive Interview with President Clinton

RFA's Vietnamese service conducted an exclusive interview with President Clinton at the end of his historic November 2000 trip to Vietnam. Clinton said he had had "good discussions and constructive disagreements" with the Vietnamese leadership. He discussed the positive economic and social directions Vietnam was taking and predicted the speedy ratification of the bilateral trade agreement by Vietnam. The Vietnamese government rejected visa applications from two RFA reporters to cover this trip. U.S. officials in both Washington and Hanoi tried unsuccessfully to persuade the Vietnamese authorities to reverse this decision.

Bomb Blasts in Laos

A series of more than a dozen bomb blasts in Laos in 2000 and 2001 has raised questions about the Lao people's Revolutionary Party's grip on the country and possible internal opposition to its control. In several cases RFA was ahead of all other media organizations in reporting the blasts.

Interview with China's National People's Congress

An unusual interview was obtained by RFA with a leading member of China's National People's Congress (NPC). Officials at this level often hesitate to speak with RFA because they fear retaliation from higher levels of the party. But this NPC member who was quoted by name offered a detailed, scholarly perspective on China's controversial "re-education through labor system" to the host of RFA's "Different Voices" interview program.

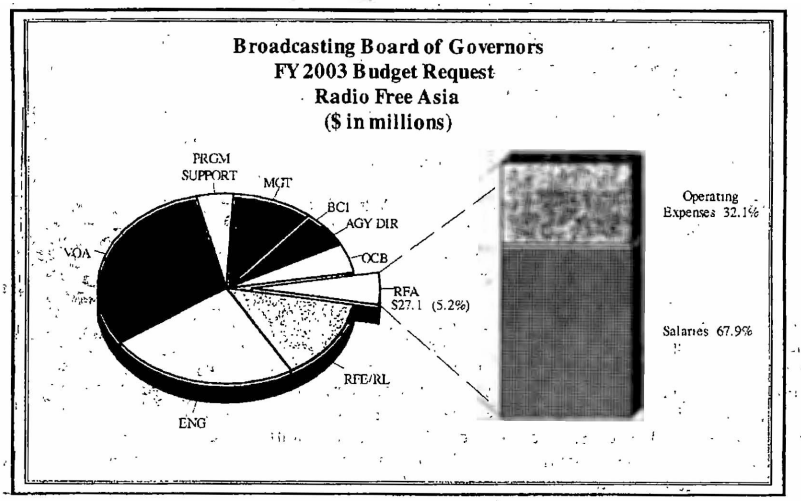
Chinese Listener Rebroadcasts RFA Programming
The Mandarin language service's call-in show, "Voices of the People," heard from a caller who said when he was a high school student, he would take RFA news and rebroadcast it over the school intercom. He broadcast RFA every morning for three weeks, but was stopped by members of the school's Communist Youth League Committee and punished. After he was stopped from replaying actual RFA broadcasts, he continued to record RFA news, rewrite it, and give it to other students to read over the intercom. When asked by RFA's host if that would not bring him more trouble, he replied "Yes, but I don't care because I like listening to your program. I even got a better radio...By that time, many students liked to listen to the program."

RFA Allowed into China for First Time to Cover APEC Meeting
The October 2001 Asia Pacific Economic Cooperation (APEC) forum held in Shanghai was the first time RFA had officially been granted permission by China to cover a story in China. RFA sent a reporter from its Mandarin service as a member of the official press corps.

RFA Expands Cambodian Election Coverage
The official campaign for Cambodia's communal elections began January 18, 2002, but 12 declared opposition candidates were already murdered by early January. Numerous other opposition candidates complained of threats and other forms of intimidation while government officials repeatedly denied the incidents were politically motivated. These are just some of the stories that RFA's Khmer Service covered. A number of additional Khmer journalists were hired and trained to report from throughout Cambodia's provinces. Expanded coverage began in late December 2001 and continued for several weeks after the election.

FY 2003 Program Offsets
To achieve a FY 2003 funding level of $27.1 million, RFA will reduce the number of hours broadcast in Cantonese from 3 hours to 2 hours a day. The reduction will reduce the Cantonese service staff from 13 to 9. Of these 9 remaining positions, 7 are in Washington D.C. and 2 are based in Hong Kong. The one-hour reduction will result in annual savings of $253,000 for RFA and $114,000 for IBB Engineering. RFA has also reduced its overall travel and contract services budgets to achieve an additional $126,000 in savings.

For FY 2003, we are requesting $27.1 million for Radio Free Asia.



Radio Free Asia
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		**25,331**
China/Russia Initiatives (P.L. 106-554) Carry-over		**448**
SUB-TOTAL FY 2002 RESOURCES		**25,779**
Wage Increases: American		**614**
This provides for the annualization of the 4.77% increase effective January 2002 and the projected 2.6% increase for January 2003.		
Other Wage Requirements		**1,037**
This provides annualization of salaries and benefits to continue current programming into FY 2003 and a metro transit subsidy benefit.		
Inflation		**113**
This increase provides for operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.		
Built-in Requirements		**270**
This includes built-in requirements to continue increased programming efforts for the following:		
Rental Cost Increase	28	
Web Hosting Storage and Connectivity Contracts	65	
China Initiative Inflation	7	
Annualization of Uyghur Contract Services and Operational Costs	170	
Non-Recurring Costs		**(350)**
East Asia Anti-Jamming Initiative	(350)	
Program Offsets		**(379)**
RFA Cantonese Program Reduction	(253)	
RFA Operating Expenses	(126)	
TOTAL FY 2003 RADIO FREE ASIA BUDGET REQUEST		**27,084**

RADIO FREE ASIA
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Programming Division				
Office of the Executive Editor	1,245	1,551	1,629	78
Mandarin Service	3,462	3,812	4,067	255
Cantonese Service	743	877	724	(153)
Tibetan Service	2,427	2,699	2,818	119
Uyghur Service	823	1,157	1,315	158
Burmese Service	1,241	1,324	1,389	65
Vietnamese Service	1,138	1,352	1,422	70
Korean Service	1,147	1,189	1,398	209
Cambodian Service	1,035	1,166	1,088	(78)
Laotian Service	976	1,099	1,092	(7)
Phnom Penh Office	170	174	202	28
Seoul Office	54	62	78	16
Hong Kong Office	552	596	606	10
Bangkok Office	151	147	160	13
Dharamsala Office	13	15	29	14
Kathmandu Office	62	-	-	(10)
Ankara Office	15	40	29	20
Taipei Office	152	166	156	(10)
Tokyo Office	185	195	215	20
Admin/Mgmt/Finance				
Office of the President	557	609	659	50
Audience Research	674	387	396	9
Technical Operations	4,502	4,023	4,126	103
Program Delivery	300	817	697	(120)
Communications	247	245	318	73
Project Management	634	732	694	(38)
Finance & Administration	1,238	1,319	1,408	89
Human Resources	458	362	369	7
RADIO FREE ASIA	**24,201**	**26,115**	**27,084**	**969**
Reconciliation:				
(-) Balances In		(336)		336
(-) Balances In China/Russia		(448)		448
(+) Balances Out	336			-
(+) Balances Out China/Russia	448			-
Total	**24,985**	**25,331**	**27,084**	**1,753**

Broadcasting Board of Governors
International Broadcasting Bureau
Engineering and Technical Services

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
CJS Appropriation	99,722	110,593	121,163
China/Russia P.L. 106-554	642	2,104	
Federal Employee Retirement Costs*	979	1,072	1,125
Subtotal, Including Retirement Accruals	**101,343**	**113,769**	**122,288**
Excludes Federal Employee Retirement Cost	(979)	(1,072)	(1,125)
Total, Excluding Retirement Accruals	**100,364**	**112,697**	**121,163**
Emergency Response Funding P.L. 107-38		4,350	
Emergency Response Funding P.L. 107-117 (Radio Free Afghanistan)		2,728	
Positions	*687*	*702*	*698*

* In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

The ***Office of Engineering and Technical Services*** (Engineering), an element of the International Broadcasting Bureau (IBB), manages and operates a complex network of 21 IBB-operated transmitting sites--five domestic and 16 overseas as well as a growing number of FM stations. In addition, Engineering leases broadcasting time at 20 other transmitting facilities located in 13 countries, with additional facilities expected to come on line in FY 2003. To support its broadcast customers, Engineering is responsible for an extensive network of leased satellite circuits and other international telecommunication systems. This network includes more than 1,800 satellite earth stations located in nearly 200 countries and a growing Internet delivery system. This global transmission network can deliver the radio, TV, and Internet programs of all of the BBG's broadcasting entities (VOA, VOA-TV, RFE/RL, RFA, and OCB) to nearly any place in the world on a moment's notice. Engineering also transmits the television signals of the Department of State to U.S. embassies worldwide on the new American Embassy Television Network. In addition, the office supports construction and monitoring functions overseas; plans, develops, and implements renovations and new technical facility projects throughout the world; and maintains, repairs, and upgrades equipment and technology for modern, cost-effective transmissions. Engineering also provides technical support to the IBB's extensive worldwide network of affiliates.

Engineering serves as the BBG's resource for new technology and application development. It applies current technology to create new products and strives to improve existing products, services, and transmission capabilities. Furthermore, Engineering leads the digitization of the entire broadcast chain for broadcasting production and transmission facilities.

FY 2001 – FY 2002 Highlights

Responding to the Terrorist Attacks of September 11

Engineering, in the aftermath of the terrorist attacks of September 11, received $7.3 million of Emergency Relief Fund (ERF) appropriations to support of VOA and RFE/RL surge broadcasting in the Middle East, North Africa, and Central Asia. Engineering has increased shortwave transmission hours by 21 percent in the surged languages, using a combination of BBG transmitting stations and leased transmitting facilities. Engineering is also responsible for finding suitable leased shortwave facilities to support the programming of the new Radio Free Afghanistan service of RFE/RL. Engineering will lease these facilities until the ERF-funded capital improvements to the Kuwait Transmitting Station (Kuwait) are complete and Kuwait can assume this additional shortwave programming load (pending authorization).

Additionally, the FY 2003 Engineering request includes the necessary funds to operate the new medium wave transmitting facilities in Djibouti and Egypt (the construction costs were funded in the BCI account with ERF funds). The new operational costs include the costs of the land and frequency leases, power requirements, and Foreign Service National (FSN) salaries.

Middle East Radio Network

Engineering is involved in the planning, creation, and implementation of the new Middle East Radio Network (MERN). Support of this initiative includes constructing a new high power medium wave broadcasting capability from Cyprus, which is scheduled to begin transmitting in FY 2002. Engineering will fund the operations of this facility, with 2003 serving as its first full year of operations. Associated operational costs include those activities for Djibouti and Egypt mentioned above. Engineering is also responsible for purchasing the equipment and leasing the satellite transmission segments associated with the MERN, along with Direct-to-Home satellite distribution. Engineering has played a central role in the design and construction of the MERN production center in Dubai, UAE, as well as providing technical support for the installation of new 24 hour/day FMs in Arab speaking capitals and population centers in the region.

East Asia Anti-Jamming Program

Using approximately $500,000 of funding for anti-jamming efforts in East Asia provided in FY 2002, Engineering intends to develop improved e-mail distribution techniques and implement these to counteract the blocking of e-mails that deliver daily news summaries and links to VOA and RFA Chinese pages. The addresses of the home pages will be made more dynamic so that simple efforts to block the pages will no longer be effective. The BBG also will create alternative methods to distribute RFA and VOA content via the Internet, including unique web page access technologies.

Increasing VOA and RFA Transmissions into Asia

Using approximately $1 million of no-year money appropriated under the FY 2001 Appropriations

Act, P.L. 106-554, for international broadcasting to China and Russia and surrounding areas, Engineering has continued the increased hours of leased transmitter time that were initiated in FY 2001 for the Tibetan and Uyghur languages. FY 2001 funds were used to initiate broadcasts from facilities in the region and funds to continue these activities are included in the FY 2003 request. The IBB will continue to fight jamming aggressively by expanding the number and diversity of transmission sites where possible. This practice weakens the efforts of countries that try to censor broadcasts and forces them to spend even more of their limited resources to respond.

Now reaching millions of listeners in the Far East, the transmitting sites on Tinian and Saipan in the Commonwealth of the Northern Marianas provide news and information for RFA and VOA. In addition to the six 500 kW shortwave transmitters delivering programs from Tinian and the three 100 kW shortwave transmitters in Saipan, two more 250 kW shortwave transmitters from the closed Gloria station in Portugal are now broadcasting from the Tinian transmitting site. The 11 shortwave transmitters at the Tinian and Saipan transmitting sites provide an effective broadcast capability that can deliver the programs of all U.S. Government international broadcasters to enormous audiences in East Asia without fear of restraint from host governments.

Audiences in South East Asia continue to enjoy the significantly improved reception that resulted when the four high power shortwave transmitters came on line in Sri Lanka in January 2000. The addition of these new transmitters greatly improved the BBG's transmission capacity in a wide arc from Africa to the Middle East and throughout much of Asia. The Sri Lanka Transmitting Station currently supports programming for both VOA and RFA. Engineering is also adding three more 250 kW transmitters from the closed Pals, Spain and Portugal stations, with broadcasting expected to begin in FY 2002. Furthermore, Engineering will increase the transmitting power level of its shortwave transmitters in Thailand in an attempt to overcome Chinese and Korean jamming.

Increasing RFE/RL Transmissions into Russia

Using approximately $300,000 of no-year money appropriated for international broadcasting to China and Russia and surrounding areas in FY 2001, the IBB will continue to lease a facility in Armenia to provide a strong medium wave signal for RFE/RL services into Turkmenistan and Uzbekistan, and funds to continue these activities are included in the FY 2003 request.

Changes in Media Environments

Engineering is playing a central role in implementing the BBG's initiative to expand FM broadcasting in capitals and major population areas worldwide, especially in political trouble spot areas. Since initiation in FY 2000, almost 70 FM leasing projects are in various stages of planning and completion worldwide. Installations have been completed in such key cities as Pristina, Kosovo; Ipiales, Colombia; UlaanBaatar, Mongolia; Resita, Romania; and Kigali, Rwanda. A FM installation also has been completed in Burkina Faso, and plans call for near-term installations in Burundi, Bangladesh, Colombia, Indonesia, Nigeria, and both Congo states. For FY 2002 and FY 2003, 20 additional FM leased transmitter sites are in planning stages for the Middle East and Africa. More projects may be added as aggressive negotiations continue.

Since early FY 2000, Engineering has been streaming VOA, OCB, and VOA-TV programs on the Internet in audio and video broadcasts. Over 180 hours of on-demand broadcasts a day are available in this growing service, which includes all 53 VOA languages. In addition, four 24-hour live audio streams are available 7 days a week for Radio Marti, VOA News Now, VOA Music Mix, and other special events and programming. One 24-hour live video stream for VOA-TV also is available 7 days per week. Additionally, Engineering provides broadcast quality MP3 files that can be downloaded directly to Affiliates and Real Audio files that can be downloaded to regular users.

On May 25, 2001, the IBB ended broadcasting from the transmitting station at Playa de Pals, Spain. Through a review of BBG transmission assets and requirements, the BBG determined that shifting transmissions broadcast from the Pals station to other transmitters in the network would be both possible and prudent. As a result of the station closure, broadcast transmissions have been moved to other IBB stations and more effective broadcast media.

Engineering continued to convert major segments of its international satellite transmission network from analog to digital electronic format. This conversion, which began in FY 1997, increases the IBB's broadcast channel capacity and dramatically improves the quality of radio and television reception worldwide. This was completed in FY 2001, with the only exception an occasional analog video transmission to the Balkans due to lower technology in this region.

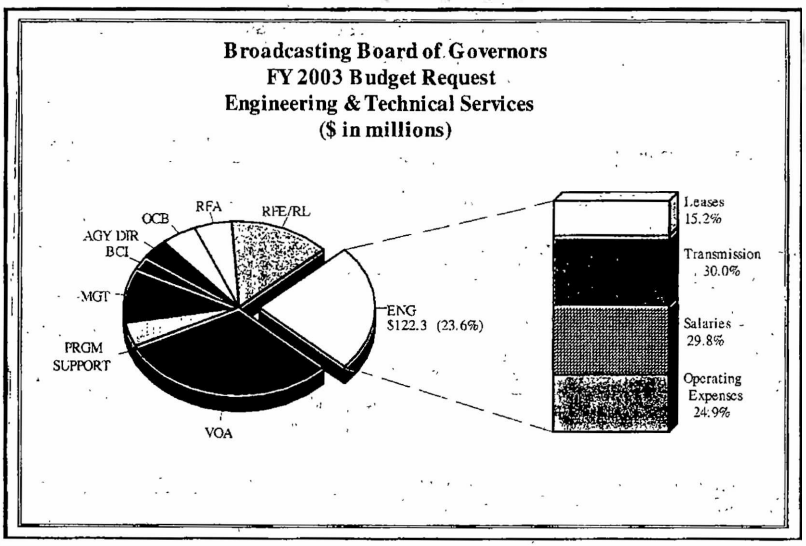
The installation of additional satellite earth stations in FY 2001 brought the total number of IBB-installed earth stations to over 1,800 worldwide. These satellite receiving systems permit the IBB's growing radio and television affiliate network to broadcast VOA, VOA-TV, RFE/RL, and RFA programs on local AM, FM, and TV stations in most of the countries in the world.

By the end of FY 2002, the IBB will have nearly 2,000 earth stations worldwide to support the IBB's Affiliates Office, the Department of State, and others. To enable affiliate stations to receive IBB programming, the IBB currently provides equipment for about 10 new affiliate stations per month.

FY 2003 Program Offset

In FY 2002, the IBB plans to cease broadcasting from one of its transmitting station. Full savings from the station closure are not anticipated until FY 2004 because of severance and other station closing costs. In FY 2003, the Engineering will also achieve savings due to program reductions in VOA NewsNow and RFA Cantonese discussed in those sections.

For FY 2003, we are requesting $122.3 million for the Office of Engineering and Technical Services.



Engineering and Technical Operations
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		**110,593**
China/Russia Initiatives (P.L. 106-554) Carry-over		**2,104**
Emergency Response Funds (P.L. 107-38)	4,350	
Emergency Response Funds (P.L. 107-117) (Radio Free Afghanistan)	2,728	
SUB-TOTAL FY 2002 RESOURCES		**112,697**
Wage Increases: American		**630**
This increase provides for the annualization of the cost of living and locality pay increases effective January 2002 and the projected 2.6% increase for January 2003.		
Wage Increase: Foreign Service Nationals (FSNs)		**381**
This increase provides for wage increases for overseas FSN employees.		
Other Wage Requirements		**856**
This increase provides for annualization of salaries and benefits to continue current programming into FY 2003, starting new transmitter sites and metro transit subsidy and workers compensation benefits.		
Inflation		**1,189**
This increase provides for operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.		
Built-in Requirements		**12,123**
Mongolia Lease Increase	321	
Armenia Lease Increase	325	
ERF Leased Transmissions & MW Operating Costs	7,587	
MERN Satellite and Transmitting Stations Operating Costs	1,640	
Uyghur Inflation	12	
Program Delivery Requirements	2,045	
Land Lease Increases	193	

Non-Recurring Costs		**(5,819)**
Pals Transmitting Station Closure	(2,263)	
East Asia Anti-Jamming Initiative	(500)	
China One-time GOE and Capital Costs	(45)	
Satellite Transmitting Restructuring Costs	(2,587)	
Other Non-Recurring Costs	(424)	
Program Offsets		**(894)**
Transmitting Station Closure	(400)	
RFA Cantonese Program Reduction	(114)	
VOA News Now Program Reduction	(380)	
SUB-TOTAL ENGINEERING & TECHNICAL OPS. REQUIREMENTS		**121,163**
Full Funding of Federal Employee Retirement Costs		**1,125**
This provides for CSRS Pension costs previously provided for in the OPM budget.		
TOTAL FY 2003 ENGINEERING BUDGET REQUEST		**122,288**
Excluding, Funding for Federal Employee Retirement Accruals		**(1,125)**
TOTAL, COMPARABLE PROGRAM LEVEL (EXCLUDES ACCRUALS)		**121,163**

ENGINEERING & TECHNICAL SERVICES
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Engineering Director	252	243	251	8
Home Leave & Transfer (HLT)	788	924	538	(386)
DOMESTIC HEADQUARTERS				
Engineering Operations Directorate	6,416	6,495	11,129	4,634
VOA Transmissions	954	1,216	1,216	-
RFE/RL Transmissions	653	1,535	1,860	325
RFA Transmissions	5,178	6,015	6,348	333
Host Government Transmissions	1,202	1,888	1,888	-
Worldwide Procurement (WWP)	8,004	7,343	7,489	146
Engineering Technical Directorate	7,245	6,994	7,744	750
Satellite Transmissions	15,373	19,964	19,043	(921)
Engineering Resources Directorate	1,909	2,067	2,167	100
subtotal domestic headquarters	**47,974**	**54,684**	**59,673**	**4,989**
TRANSMITTING STATIONS				
Delano	1,924	2,311	2,398	87
Greenville	4,678	4,942	5,080	138
Tinian	3,794	7,908	7,722	(186)
Belize	653	636	250	(386)
Greece	7,310	7,725	7,922	197
Germany	8,573	8,162	8,420	258
Pals	4,089	2,388	-	(2,388)
Philippines	4,736	4,871	5,304	433
Udorn	3,108	3,033	3,298	265
Sri Lanka	2,312	2,073	3,054	981
Kuwait	1,041	1,076	1,108	32
Cyprus	-	1,698	1,938	240
Morocco	5,876	6,013	6,159	146
Botswana	1,179	1,440	1,541	101
Sao Tome	2,360	2,766	2,852	86
Egypt			1,725	1,725
Djibouti			1,725	1,725
subtotal transmitting stations	**51,633**	**57,042**	**60,496**	**3,454**
Monitors	930	971	994	23
Site Staffs	211	-	-	-
TOTAL ENGINEERING	**100,748**	**112,697**	**121,163**	**8,466**
Reconciliation:				
(-) Balances In	(203)			-
(-) Balances In China/Russia		(2,104)		2,104
(+) Balances Out China/Russia	2,104			-
(-) Reimbursements	(181)			-
Total, Engineering excluding CSRS	**102,468**	**110,593**	**121,163**	**10,570**
Federal Employees Retirement Costs	979	1,072	1,125	53
Total	**103,447**	**111,665**	**122,288**	**10,623**
Emergency Response Funds				
P.L. 107-38		4,350		
P.L. 107-117 (Radio Free Afghanistan)		2,728		
Total, Emergency Response Funds		7,078		

Broadcasting Board of Governors
International Broadcasting Bureau
Agency Direction

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
CJS Appropriation	11,454	17,757	19,434
Federal Employee Retirement Costs*	390	421	444
Subtotal, Including Retirement Accruals	**11,844**	**18,178**	**19,878**
Excludes Federal Employee Retirement Cost	(390)	(421)	(444)
Total, Excluding Retirement Accruals	**11,454**	**17,757**	**19,434**
Positions	*73*	*91*	*91*

* In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

Offices under the heading ***Agency Direction*** consist of:

- The ***Broadcasting Board of Governors*** -- oversees all U.S. funded, non-military international broadcasting. The BBG oversees the operations of the International Broadcasting Bureau which includes the worldwide broadcasting services of the Voice of America (VOA), the Office of Cuba Broadcasting (OCB), Engineering and Technical Services, and the two grantee organizations, Radio Free Europe/Radio Liberty (RFE/RL) and Radio Free Asia (RFA). By law, the bipartisan Board consists of nine members – eight voting members who are appointed by the President, and with the advice and consent of the Senate, and the Secretary of State.

  The BBG also oversees audience research for the broadcasting entities. To understand our markets, given the increasingly complex media environment into which the BBG services broadcast, timely and regular research is required. In FY 2002, great progress has been made toward attaining regular and timely research upon which resource allocation decisions can be made. On September 30, 2001, the BBG awarded a multi-year audience research contract that will supply all of the BBG's research needs. The scope and complexity of this research undertaking is unprecedented in international broadcasting, involving up to 384 discrete annual research projects.

- The ***Office of General Counsel*** -- reports directly to the Broadcasting Board of Governors. This office provides legal advice to the Broadcasting Board of Governors, the BBG staff and senior IBB officials including interpretations as to authority and application of laws, regulations, Executive Orders, international agreements, regulations and other documents involving BBG operations.

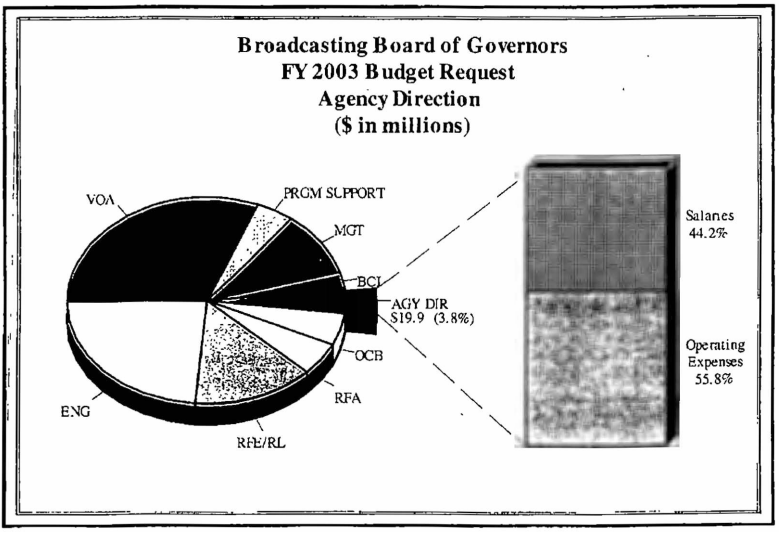
- The ***Director of the IBB*** -- provides the requisite leadership and guidance to manage the International Broadcasting Bureau.

- The ***Office of the Chief Financial Officer*** -- is responsible for managing budget and fiscal operations of the Agency. The CFO aids the Board and the IBB Director in managing the Agency's resources by establishing financial policies, and steering the Agency's budget and financial information management.

- The ***Office of Policy*** -- produces daily editorials and other programs that convey official U.S. government policies for use by all VOA language services and television. This office is also responsible for the International Crime Alert Programming.

- The ***Office of Civil Rights*** -- is responsible for the conduct of the IBB Civil Rights and Equal Employment Program, including Special Emphasis Programs; counseling managers, supervisors and employees in all aspects of the Program; and conducting investigations and the processing of all EEO complaints. Ensures the availability of EEO awareness training for the workforce, that EEO laws, regulations, policies, practices and Executive Orders are implemented and that diversity within the organization is promoted. With assistance from the Office of Civil Rights, the BBG manages its workforce without regard to race, color, religion, sex, sexual orientation, national origin, age or disability.

For FY 2003, we are requesting $19.9 million for Agency Direction.



Agency Direction
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)	**17,757**
Wage Increases: American	**262**
This increase provides for the annualization of the cost of living and locality pay increases effective January 2002 and the projected 2.6% increase for January 2003.	
Other Wage Requirements	**649**
This increase provides for annualization of salary and benefits to continue current programming into FY 2003.	
Inflation	**112**
This increase provides for operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.	
Built-in Requirements	**654**
This increase provides for International Cooperative Administrative Support Services (ICASS) costs.	
SUB-TOTAL AGENCY DIRECTION REQUIREMENTS	**19,434**
Full Funding of Federal Employee Retirement Costs	**444**
This provides for CSRS Pension costs previously provided for in the OPM budget.	
TOTAL FY 2003 AGENCY DIRECTION BUDGET REQUEST	**19,878**
Excluding Funding for Federal Employee Retirement Accruals	**-444**
TOTAL COMPARABLE PROGRAM LEVEL (EXCLUDES ACCRUALS)	**19,434**

AGENCY DIRECTION
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
General Counsel	717	965	1,088	123
BBG	1,777	6,824	7,052	228
IBB Director	1,142	1,213	1,404	191
Policy	715	837	889	52
Civil Rights	807	814	845	31
Chief Financial Officer	2,212	4,882	3,186	(1,696)
Dept of State Accounting/Payroll Cross Servicing	1,143	1,180	1,204	24
ICASS	2,872	3,045	3,766	721
TOTAL AGENCY DIRECTION	**11,385**	**19,760**	**19,434**	**(326)**
Reconciliation:				
(+) Balances Lapsing	141			-
(-) Balances In	(1,937)	(1,937)	-	1,937
(+) Balances Out	1,937	-	-	-
(-) Reimbursements	(72)	(66)	-	66
Total, Agency Direction excluding CSRS	**11,454**	**17,757**	**19,434**	**1,677**
Federal Employees Retirement Costs	390	421	444	23
Total	**11,844**	**18,178**	**19,878**	**1,700**

Broadcasting Board of Governors
International Broadcasting Bureau
Management Directorate

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
CIS Appropriation	45,954	45,661	51,264
Federal Employee Retirement Costs*	978	1,015	1,118
Subtotal, Including Retirement Accruals	**46,932**	**46,676**	**52,382**
Excludes Federal Employee Retirement Cost	(978)	(1,015)	(1,118)
Total, Excluding Retirement Accruals	**45,954**	**45,661**	**51,264**
Positions	***152***	***167***	***167***

* In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

The offices under the direction of the ***Associate Director of Management*** are responsible for the administrative and managerial operations of the IBB. The Management Directorate strives to provide professional, timely, responsive, and innovative customer support to all employees of the agency. Efforts to accomplish this span a wide range of activities provided by the following offices:

- The ***Office of Administration*** -- manages headquarters facilities, information sources, and administrative operations.
- The ***Office of Personnel*** -- provides the full range of personnel services tailored to the Bureau's unique journalistic, broadcasting, and multicultural workforce.
- The ***Office of Computing Services*** -- maintains the computing infrastructure of the IBB as well as provides for the planning, development and integration of technological enhancement in support of both broadcast operations and the management functions of the Agency.
- The ***Office of Contracts*** -- provides effective planning and implementation of BBG/IBB's worldwide acquisition program.
- The ***Office of Security*** -- directs and carries out all security activities to provide for the protection and security of all assigned personnel and physical assets, domestic and overseas including providing assistance to the overseas grantee broadcast offices.

Mindful of the President's Management Agenda for Fiscal Year 2002, the Management Directorate has undertaken a number of initiatives to comply with both the letter and intent of the President's directive.

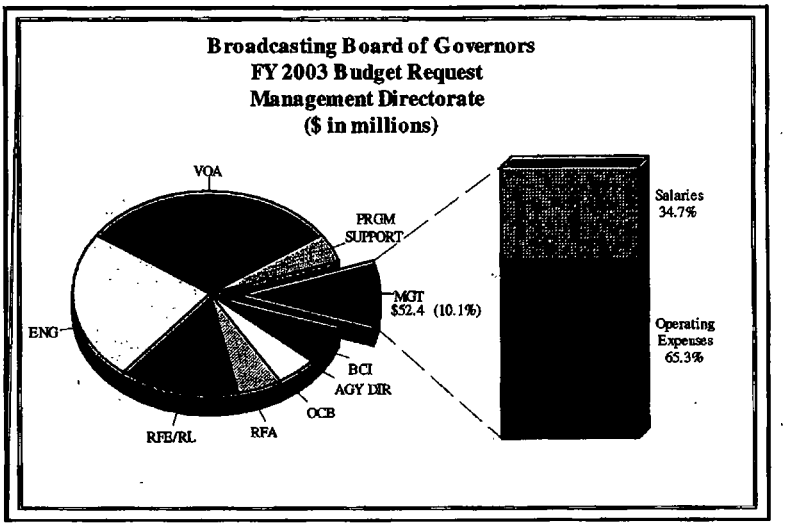
Strategic Management of Human Capital is the first of the President's government-wide initiatives. This directorate is using the results of the OMB initiated Workforce Analysis to plan for the agency's future personnel requirements. The projected losses of senior managers and employees to retirement and the changing skill requirements of the agency will be met by focusing on recruiting, retention, and training. Efforts to recruit a skilled and diverse workforce will include outreach programs, President Management Interns, college partnerships, and contracting activities. To meet the need for changing skills, training will be focused on management and technical skill requirements. A new Performance Appraisal system has been introduced for managers and supervisors to link individual performance with organizational goals and is scheduled for expanded use by our employees in January 2002. In addition, authority was recently requested for a pilot program to employ individuals as personnel services contractors for service within the United States as broadcasters, producers and writers in order to respond to new or emerging broadcast needs and/or augment broadcast services.

Meeting the expectations of our employees by providing a professional and secure work environment is important to retaining and attracting a skilled workforce as well as enhancing their productivity. Considerable effort is being given to improving the physical workspace of the agency. Emergency stairwells are being installed in the corners of the Cohen building to increase safety. We are modernizing our news room complex and developing plans for space renovations to create a more efficient and attractive work environment without disrupting broadcast schedules. Long-term planning has also begun for the renovation of the Cohen Building itself, anticipated to begin in FY 2006.

Competitive Sourcing is another of the President's initiatives that is directly supported within the Management Directorate. The agency's FAIR Act submission this past year reflects a commitment to finding the best possible means of accomplishing our mission. The agency has sought legislative authority for the use of domestic Personal Services Contracts. Contracting is being embraced as a major means of implementing a number of broadcasting initiatives that are being implemented this coming year.

The Management Directorate also directly supports the President's initiative for *Expanded Electronic Government.* The Management Directorate has facilitated considerable progress in integrating the near-term and strategic planning for technology in support of the BBG's broadcasting mission. A 5-Year Technology Strategic Plan is under development and will ensure the cohesive acquisition and integration of technology to promote our mission. The use of electronic procurements and performance based contracting is being expanded and modernized within the Office of Contracts. A new Automated Personnel Data System is to be installed in FY 2002. Automated travel management is also being upgraded across the organization.

For FY 2003, we are requesting $52.4 million for Management.



Management
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		**45,661**
Wage Increases: American		**473**
This increase provides for the annualization of the cost of living and locality pay increases effective January 2002 and the projected 2.6% increase for January 2003.		
Other Wage Requirements		**619**
This increase provides for the annualization of salaries and benefits to continue current programming in FY 2003 and metro transit subsidy and workers compensation benefits.		
Inflation		**363**
This increase provides for operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.		
Built-in Requirements		**4,148**
Rent/Renovations/Utilities	3,815	
Maintenance Contracts	288	
Personnel System Upgrade	45	
SUB-TOTAL MANAGEMENT REQUIREMENTS		**51,264**
Full Funding of Federal Employee Retirement Costs		**1,118**
This provides for CSRS Pension costs previously provided for in the OPM budget.		
TOTAL FY 2003 MANAGEMENT BUDGET REQUEST		**52,382**
Excluding, Funding for Federal Employee Retirement Accruals		**(1,118)**
TOTAL, COMPARABLE PROGRAM LEVEL (EXCLUDES ACCRUALS)		**51,264**

MANAGEMENT
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Associate Director	153	194	200	6
Personnel	5,784	7,521	7,694	173
Administration	28,392	26,605	30,755	4,150
Security	3,125	2,646	2,676	30
Contracting and Procurement	1,400	1,466	1,529	63
Computing Services	7,833	7,720	8,410	690
TOTAL MANAGEMENT	**46,687**	**46,152**	**51,264**	**5,112**
Reconciliation:				
(+) Balances Lapsing	15			-
(-) Balances In	(1,149)	(491)	-	491
(+) Balances Out	491	-	-	-
(-) Recoveries	(90)			-
Total, Management excluding CSRS	**45,954**	**45,661**	**51,264**	**5,603**
Federal Employees Retirement Costs	978	1,015	1,118	103
Total	**46,932**	**46,676**	**52,382**	**5,706**

Broadcasting Board of Governors
International Broadcasting Bureau
Program Support Directorate

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
CJS Appropriation	14,930	19,147	22,560
China/Russia P.L. 106-554	143	855	
Federal Employee Retirement Costs*	337	392	412
Subtotal, Including Retirement Accruals	**15,410**	**20,394**	**22,972**
Excludes Federal Employee Retirement Cost	(337)	(392)	(412)
Total, Excluding Retirement Accruals	**15,073**	**20,002**	**22,560**
Positions	***66***	***97***	***97***

* In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

The offices under the direction of the ***Associate Director for Program Support*** provide support to the BBG, IBB, Radio Free Europe and Radio Free Asia. These offices include:

- The ***Office of Marketing and Program Placement*** – expands the marketing and placement of programming through local FM, medium wave (AM) and television stations and networks, as well as via the Internet; succeeds the former Office of Affiliate Relations, Media Training and Research. This office also facilitates international media training programs for journalists, station managers, and broadcast engineers at affiliated stations around the world.

- The ***Office of Research*** – through the BBG, and in coordination with InterMedia and other outside contractors, works as liaison with IBB broadcast services to obtain and process up-to-date information on target area media environments, listening and viewing habits, and population demographics. Assists in the composition of national or regional surveys, focus groups, monitoring panels, and groups of language experts to assess the impact of, and future possibilities for, strategically important broadcast services. Works with all broadcast services to ensure assimilation of research data and application of findings in long-range program planning.

- The ***Office of Internet Development*** – provides Internet-specific support and policy guidance to the entities, especially Voice of America broadcast services, in the creation of Web pages for the Internet.

- The ***Office of Program Review*** – works in close coordination with VOA and OCB senior

management to ensure that programming in all languages adheres to the highest standards of broadcast journalism, complies with applicable laws and guidelines, and effectively serves the information needs of intended audiences. The Office also works directly with broadcast services on such programming details as formatting, application of modern production values, and development of appropriate program goals.

- The ***Office of External Affairs*** – plans and conducts a comprehensive public affairs program for IBB and its component broadcasters; coordinates activities with the BBG Communications Director, the IBB Director, and, as needed, the offices of the Directors of VOA and OCB. Maintains contact with U.S. and overseas media organizations to explain the broadcasters' missions and their coverage of news events around the world.

Audience Trends in Media Usage

The trend of the past decade has been an increasing number of privately owned radio and television stations and networks appearing on the media landscapes in strategically important countries and regions. In addition to private ownership of media there also continues to be a significant increase in the use of television, as a medium of choice for access to local, national, and international news. The IBB has set in motion a variety of initiatives to meet the challenges posed by these trends – including an expansion of television programming, converting to higher-quality digital technologies for production and delivery of signals, and enhancing marketing and advertising capabilities in an effort to attract and hold larger audiences. As these initiatives move forward we are still committed to maintaining cross-border shortwave and medium wave radio broadcasting capabilities, ensuring that the substantial information-denied audiences in regions and countries such as Central Asia, China, Cuba, and Iraq have access to objective news, informed analysis, and statements and discussions of U.S. policies.

In this changing international media environment – and in an effort to deal successfully with jamming by hostile governments and competition in open societies – Program Support has addressed challenges in FY 2001, and will work toward new goals in FY 2002 and FY 2003.

Expand Program Placement

To reach global audiences on the media that they use, we must take advantage of broadcasting opportunities that will increase our effectiveness and impact worldwide. The placement of our programs on local and national media markets on preferred media, such as FM, AM, and television, and the development of quality affiliate partnerships is a primary – and growing – element of our overall transmission strategy. Similarly, the need for enhanced advertising and promotion of our broadcasters and their programs has grown in scope and importance as we work to create brand awareness in priority media markets, attract listeners and potential affiliates, and inform audiences where to listen and watch. Reorganizing and staffing the new Marketing Office is a major step in this direction.

Regarding the placement of programming in strategically important areas, here are some recent examples of activity by the BBG/IBB:

- Placement of VOA Indonesian TV programs on the Indonesian network and Jakarta's Metro TV has increased VOA's weekly nationwide reach fourfold to 4.5% of the adult population. In Jakarta, VOA TV rebroadcasts reach 7.3% of adults at least once a week.
- In Africa, rebroadcast of VOA radio programs by FM affiliate stations and IBB FM assets have made a clear impact on urban audiences. Each week VOA reaches at least one in five adults in Libreville (Gabon) and Accra (Ghana), and one in four adults in Nairobi (Kenya). In such cities, 40-60% of VOA's new listeners began tuning in within the past two years.
- Surveys conducted in 2001 showed that VOA-TV had 5.1% regular audience share in Serbia, 10.7% in Bosnia (VOA TV in Bosnian), and 29.5% in Kosovo.
- RFE/RL registers audience listening rates of 15% and 21% in Azerbaijan and Armenia, respectively, which can be mostly attributable to local broadcasting agreements and leases.
- RFE/RL reaches 10.5% of the adult population in Serbia and 13% in Bosnia through local affiliations.
- Macedonians tune in to 19 FM stations on network affiliate Radio Kanal 77 for compact, news-intensive segments from RFE/RL and VOA. We expect this affiliation will produce a sizable listening rate for VOA and RFE/RL in this crisis area once audience data is collected.
- To support the Middle East Radio Network (MERN) the Marketing Office plans to purchase and operate additional 24-hour FM frequencies in the Middle East Region in FY 2002 and FY 2003.

The Office of Marketing and Program Placement will build on these successes and continue to expand its worldwide affiliate network and advertising efforts in FY 2003.

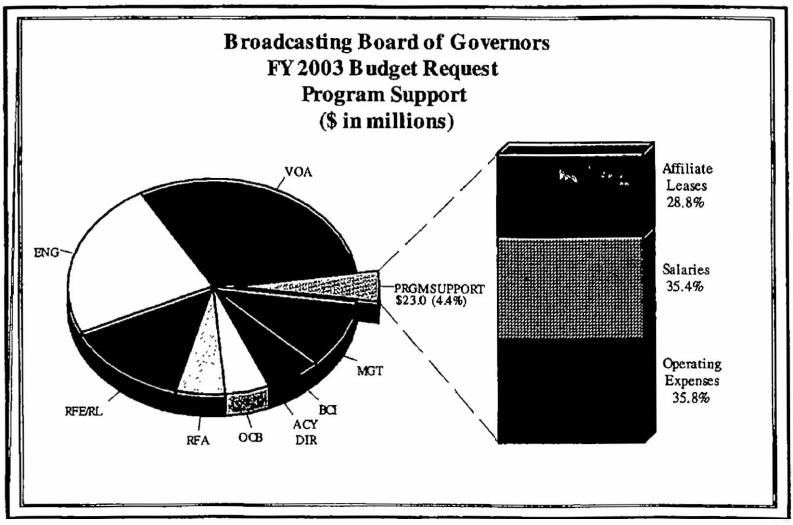
- The Marketing Office plans to add up to 100 radio, TV, and Internet affiliate stations in 2003, with many requiring a small amount of equipment.
- In FY 2003, the most productive affiliations and dependable local broadcasting opportunities will be the result of leased airtime on single stations or networks, or of licenses to broadcast on dedicated FM frequencies. The Marketing Office will continue to implement its FM project, placing IBB FM transmission equipment for 24-hour broadcasts in large capital cities – primarily in Africa, but in other regions of the world, as well.
- The Marketing Office will pursue leases to increase transmitting capability in the Middle East, in support of the new BBG initiative in that region, and for RFE/RL broadcasts in Eastern and Central Europe and Russia.
- We will advertise and conduct promotion efforts to enhance the name recognition of US international broadcasters. Funding for advertising activities is limited and is carefully targeted for use in priority markets. The Office of Marketing and Program Placement will work closely with VOA in the development of a campaign to produce advertisements for local print and broadcast media, as well as on Internet banners.

The BBG, through the Office of Marketing and Program Placement, will continue to facilitate training for journalists, engineers and technical operators, and station management personnel from affiliate and potential affiliate stations. These training programs continue to be designed to support development of independent media by giving journalists and station managers valuable opportunities to enhance their skills.

Expand Internet Capabilities

The Office of Internet Development is rapidly expanding VOA's Internet reach, developing in FY 2002 Web pages in a wide range of languages including Mandarin, Hindi, Arabic, Indonesian, Serbian, Croatian, Albanian and Macedonian; similar efforts will be undertaken in the Office of Cuba Broadcasting in FY 2002. The addition of content management software allows the IBB to provide updated text in many languages, as well as audio feeds of programming on demand. A primary task currently underway is the development of a youth-oriented Web site in Arabic, as a parallel effort to the Middle East Radio Network Long-range plans for FY 2003 include development of mirror sites that will provide easier access to audiences in the Middle East, Asia, and Europe.

In FY 2003, we are requesting, $23.0 million for Program Support.



Program Support
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		**19,147**
China/Russia Initiatives (P.L. 106-554) Carry-over		**855**
SUB-TOTAL FY 2002 RESOURCES		**20,002**
Wage Increases: American		**230**
This increase provides for the annualization of the cost of living and locality pay increases effective January 2002 and the projected 2.6% increase for January 2003.		
Wage Increase: Foreign Service Nationals (FSNs)		**8**
This increase provides for wage increases for overseas FSN employees.		
Other Wage Requirements		**990**
This increase provides for annualization of salaries and benefits to continue current programming into FY 2003		
Inflation		**303**
This increase provides for operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.		
Built-in Requirements		**1,682**
Internet Contracts	135	
New FM Stations (ERF)	1,207	
Middle East Radio Network Operating Costs	340	
Non-Recurring Costs		**(655)**
Russia Marketing	(346)	
Research Contracts	(309)	
SUB-TOTAL PROGRAM SUPPORT REQUIREMENTS		**22,560**
Full Funding of Federal Employee Retirement Costs		**412**
This provides for CSRS Pension costs previously provided for in the OPM budget.		
TOTAL FY 2003 PROGRAM SUPPORT BUDGET REQUEST		**22,972**
Excluding, Funding for Federal Employee Retirement Accruals		**(412)**
TOTAL, COMPARABLE PROGRAM LEVEL (EXCLUDES ACCRUALS)		**22,560**

PROGRAM SUPPORT
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Associate Director	165	495	547	52
External Affairs	1,545	1,806	1,967	161
Program Review	943	1,278	1,439	161
Worldwide Networking/Leases	4,250	7,055	8,660	1,605
Research	2,251	1,029	934	(95)
International Media Training	2,086	902	439	(463)
Internet Unit	1,046	1,975	2,251	276
Marketing and Program Placement	2,691	4,104	3,706	(398)
Regional Offices				
East and South Asia	564	543	690	147
Middle East	-	134	269	135
European	826	854	906	52
West Africa	303	354	364	10
East Africa	-	242	388	146
TOTAL PROGRAM SUPPORT	**16,670**	**20,771**	**22,560**	**1,789**
Reconciliation:				
(+) Balances Lapsing	73			-
(-) Balances In	(1,136)	(769)	-	769
(-) Balances In China/Russia	-	(855)	-	855
(+) Balances Out	768		-	-
(+) Balances Out China/Russia	855	-	-	-
(-) Transfers from USAID	(1,290)	-	-	-
(-) Recoveries	(12)			-
Total, Program Support excluding CSRS	**15,928**	**19,147**	**22,560**	**3,413**
Federal Employees Retirement Costs	337	392	412	20
Total	**16,265**	**19,539**	**22,972**	**3,433**

Broadcasting Board of Governors
Broadcasting to Cuba

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
CJS Appropriation	22,046	24,872	25,362
Federal Employee Retirement Costs*	485	526	561
Subtotal, Including Retirement Accruals	22,531	25,398	25,923
Excludes Federal Employee Retirement Cost	(485)	(526)	(561)
Total, Excluding Retirement Accruals	22,046	24,872	25,362
Positions	*153*	*163*	*163*

* In the past, funding for employer costs related to CSRS was included in OPM's budget; starting in FY 2003, the Administration is proposing that all agencies budget these costs directly through a transfer of the budget estimates.

The ***Office of Cuba Broadcasting (OCB)*** provides coordinated management of the Radio Marti and Television Marti programs from its headquarters in Miami, Florida. Radio Marti broadcasts to Cuba from its own facilities in the Florida Keys, and from IBB transmission facilities in Greenville, North Carolina, and Delano, California. TV Marti broadcasts solely from its facilities in Cudjoe Key, Florida.

The objectives of the Radio Marti and Television Marti Programs are:

- To support the right of the people of Cuba to seek, receive, and impart information and ideas through any media and regardless of frontiers;
- To be effective in furthering the open communication of information and ideas through use of radio and television broadcasting to Cuba;
- To serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news; and
- To provide news, commentary, and other information about events in Cuba and elsewhere to promote the cause of freedom in Cuba.

Radio and TV Martí are dedicated to providing a reliable source of news and information that is accurate and objective, and to the promotion of freedom and democracy in Cuba, with a programmatic strategy based on the promotion of human rights. Primary areas of coverage include the Cuban economy, news relating to the independent human rights and dissident movement, U.S.-Cuban relations, and international stories of interest such as elections around the world. Programming is focused on the promotion of civil society and democratic institutions in

Cuba and the promotion of freedom of the press.

Radio Marti: Seven days a week, 24 hours a day, Radio Marti broadcasts news, information, and entertainment programming, specially tailored for the Cuban audience. Newscasts, as well as news features and updates, figure prominently in the daily schedule, with special consideration given to events involving Cuba. In addition, a wide variety of programs address informational needs and audience preferences, including public affairs, culture, music, and general entertainment.

FY 2001 – FY 2002 Highlights

Radio News
The Radio Marti News Department continues to provide balanced and relevant stories for its target audience. Its primary areas of coverage consist of the Cuban Economy, news relating to the independent human rights and dissident movement, as well as independent organizations, U.S.-Cuban relations, and other international stories that are of interest to our audience, such as elections around the world.

In FY 2002 and FY 2003, Radio Marti will further expand efforts to obtain news from inside Cuba and abroad. New programming was developed in FY 2001 and FY 2002, and OCB plans to further expand those programs to broaden coverage of events relative to our target audience. Newscasts have been expanded to include a two hour newscast in the morning and three additional one hour newscasts daily, adding commentaries from experts in different fields, and well known figures discussing issues that relate to Cuba. In FY 2002, Radio Marti News is planning to provide coverage of the UN Human Rights Commission meeting in Geneva, and the Summit of the Americas in Lima, Peru. Radio Marti News will continue to stress economic and political transition issues in its programming.

Radio Programming
During FY 2001, Radio Marti continued to broadcast live shows, which incorporated direct participation and diverse opinions from its Cuban audience. A number of new programs were also introduced on Radio Marti, including "La Paladar de Salvador," a variety show with music, humor, and a contest; "Horizontes del Mundo," a show which describes different countries and cities in the world, and "Que Tal Amigos," where a mix of poems, music and information are presented to our audience. Some existing programs have been revamped to enhance our broadcasts, such as: "Perspectiva Economica," which touches upon economic issues, and "Mundo Médico," which presents medical issues.

For FY 2002, Radio Marti will continue with live programming and the direct participation of our audience. Despite food shortages, lack of transportation, and difficulty in means of communication, Radio Marti's Cuban audience has not been discouraged from listening to and participating in Radio Marti programs. For FY 2002, Radio Marti is also planning a program in which military personnel versed in Cuban issues will discuss democracy and the way it works, and the military perspective in a democracy.

Also in FY 2002, Radio Marti added a number of relevant political and cultural programs

including "En Sintonia" and "De Todo En Arte," conducted by well-known women journalists Nancy Pérez Crespo and Olga Connor; "Ache," a program presenting information on Afro-Cuban music and cultural items regarding this important ethnic group in Cuba; a sitcom, "Los García de Hialeah y Obrapía," depicting the problems confronted by two families, one in exile in Miami, and the other in Havana; and "Médico de Familia," with Dr. Santiago Cárdenas, a show which provides important information regarding health services and advances in medicine.

Digital Studio Conversion
OCB continues upon a multi-year effort to modernize Radio Marti's program production and on-air operations capabilities through the use of advancements in digital audio, video, and computer networking technologies. Phase 1 of the project was completed in FY 2000 and resulted in a major improvement to all of Radio Marti's mini-studios. During FY 2001, the two on-air studios and Master Control were converted to digital operations. This effort required total renovation of physical facilities, construction of a new multi-use news facility, and replacement of most antiquated analog equipment with state-of-the art digital hardware and software systems. During FY 2002, in the push to complete this project, OCB plans to renovate the main production studio to bring it up to the new digital standard.

Audio logging and broadcast archiving was upgraded to a full digital system and the entire process was automated. Digital audio is now transferred to compact discs for long-term storage and retrieval. Additionally, digital recording, editing, storage and retrieval options are now available at the desktop computer. New digital modems were acquired that operate over regular telephone lines. These modems have provided significant cost savings when covering last minute events or breaking news stories in the field. Digital mini-disc recorders, which were initially acquired to replace analog cassette recorders, have proven their value and are now the standard for use by reporters in the field. High-tech switching equipment now digitally routes audio throughout the facility and to external locations including satellite uplinks, transmitter site, and remote broadcast sites. Remaining production facilities will be upgraded during FY 2002 to complete this important project.

More Broadcast Hours and Power for Radio Marti
Radio Marti has maintained an aggressive four frequencies per hour (96 hours per day) shortwave broadcast schedule since FY 2000. The combined 96-hour per day shortwave schedule and 24-hour per day medium wave schedule continues. Radio Marti continues to actively seek cost effective means for continued support of this aggressive, and effective, broadcast schedule. Also, in FY 2000, Radio Marti increased the transmitter power of its medium wave transmitter facility to 100 kilowatts during daylight hours as authorized by ITU Region II radio regulations.
Radio Marti implemented a modified signal-processing path from the Miami studios to the Marathon based medium wave transmitters that has increased average and peak modulation, which in turn, provides a stronger, louder signal over Cuba. Shortwave transmissions have proven effective in reaching our radio audience in Cuba, and OCB needs to continue the expanded 96-hour per day shortwave schedule.

Telecommunications Enhancements
OCB extended Local Area Network (LAN) and PBX capabilities to its distant Radio Marti

transmitter facility and Email connectivity to its TV Marti aerostat facility via a T-1 Timeplex link between Miami and Marathon and a ISDN link between Miami and Cudjoe Key. Continued benefits include reduced long distance costs to/from these locations while significantly improving daily operations. As an added benefit, all remote transmitter control, receiver tuning, and audio routing functions were centralized and are now managed from a single desktop computer attached to the network. During FY 2001 all telecommunications functions available to the studios were upgraded to enhance program capabilities and provide additional external communications options. When Cuba reduced or cut off long distance access between the island and the U.S. mainland, OCB implemented a variety of alternate access routes to enable Cuban listeners to reach Radio Marti, particularly during very popular call-in shows.

Cuba Radio Monitoring

Through the use of advanced digital and computer technology, Radio Marti further enhanced its capabilities for monitoring the two primary radio networks in Cuba. Now all Cuban programming is automatically recorded around the clock and archived in one-hour segments for immediate access on any desktop computer for monitoring, transcription, and evaluation purposes.

TV Marti: TV Marti broadcasts seven days a week, four and one-half hours per day. The News Department is responsible for producing a half-hour newscast five days a week, as well as a weekend summary newscast recapping the most important events of the week. Special news programs are produced periodically on topics of major importance. Other programs featured on TV Marti are produced in-house or are acquired by the Programs Department and include topics on public affairs, culture, music, and entertainment.

TV Marti's technical broadcast system is a highly complex, integrated transmission system specially designed for the unique mission of delivering uncensored news and information across 120 miles of open ocean into Havana, Cuba. A specially designed, state-of-the-art antenna fully protects U.S. domestic television broadcasts from interference. A tethered aerostat balloon carries TV Marti's UHF transmission system, housed inside a windscreen. The aerostat operates at an altitude of up to 12,000 feet and can withstand winds up to 65 knots in strength.

TV Marti is also broadcast on 176 cable stations throughout Latin America and can be viewed worldwide on the Internet. Cuban citizens anywhere in the world with access to the Internet can visit the site 24 hours a day to watch the daily programming. Redesign of the TV Marti (and Radio Marti) Internet homepage is underway to enhance visual appeal and to streamline content management. This project will be completed and available on-line in early FY 2002. Worldnet Television also broadcasts TV Marti programs off their satellite to all Spanish-speaking countries in the world, and we have received numerous reports of significant numbers of daily viewers.

FY 2001 – FY 2002 Highlights

TV Marti news specials planned for FY 2002 include: extensive coverage of the recently declared war on terrorism; the Summit of the Americas; the UN Human Rights Conference; and a special interview with the newly appointed Deputy Secretary of State for Inter-American Affairs. TV Marti will pay even closer attention than ever before to information emanating from

the Cuban media, particularly with regard to the "war on terrorism." TV Marti will ensure as well that extensive coverage of the issues of human rights and the fate of dissidents in Cuba today will continue.

Three newly developed programs are now in the pre-production stage. These programs will focus on accomplishments of Cubans in the arts, literature and music, discussion and analysis of political and other issues of interest to the target audience, and a program that will describe and examine the development of democracy in the world from the time of the early Greeks through history to modern day democracy. The TV Marti Programs Division continues in-house production of nine programs and acquisition of various other programs, which include topics on public affairs, culture, music and entertainment. We are also working on several documentaries about the transition to democracy in Eastern Europe.

Digital Enhancements

In FY 2001, TV Marti has purchased digital tape machines and compatible viewer station machines in keeping with its goal of moving toward an all-digital plant. A digital router was purchased in FY 2001, and a digital switcher and other digital equipment are scheduled for purchase in FY 2002. The goal is to transition to a largely digital system over the next several years.

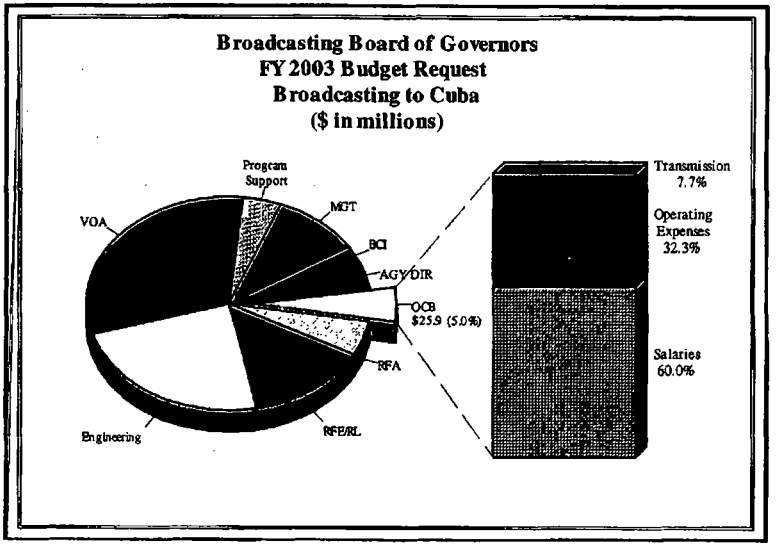
System Improvements

OCB recently awarded a contract to obtain a more responsive capability for developing system improvements for the TV transmission system. Targeted improvement areas include signal penetration, system reliability, and jamming resistance. TV Marti continues to develop projects targeted to these desired improvement areas and awarded contracts for provisioning of critical spare units such as the one-of-a-kind UHF directional antenna, transmitter power supplies, and transmitter power amplifiers.

FY 2003

OCB will utilize $700,000 in carry-over from prior year recoveries to offset FY 2003 operational costs.

For FY 2003, we are requesting $25.9 million for Broadcasting to Cuba.



BROADCASTING TO CUBA
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
RADIO MARTI				
Directorate	454	481	495	14
Administration & Personnel	2,525	2,395	2,441	46
Programs	2,789	3,172	3,173	1
News	3,562	4,000	4,034	34
Technical & ADP	4,112	4,778	4,746	(32)
Information Center	319	333	345	12
Media Monitoring & Research	408	374	390	16
Advisory Board	168	200	207	7
subtotal Radio Marti	**14,337**	**15,733**	**15,831**	**98**
TV MARTI				
Directorate	558	739	676	(63)
Administration & Personnel	1,261	1,305	1,341	36
Engineering & ADP	2,260	2,517	2,574	57
Programs	1,000	1,076	1,128	52
News	2,234	2,386	2,440	54
Technical Operations	1,997	2,007	2,072	65
subtotal TV Marti	**9,310**	**10,030**	**10,231**	**201**
TOTAL CUBA BROADCASTING	**23,647**	**25,763**	**26,062**	**299**
Reconciliation:				
(-) Balances In	(2,088)	(1,591)	(700)	891
(+) Balances Out	1,591	700		(700)
(-) Recoveries	(1,104)			-
Total, OCB excluding CSRS	**22,046**	**24,872**	**25,362**	**490**
Federal Employees Retirement Costs	485	526	561	35
Total	**22,531**	**25,398**	**25,923**	**525**

Broadcasting to Cuba
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		**24,872**
Wage Increases: American		**453**
This increase provides for the annualization of the cost of living and locality pay increases effective January 2002 and the projected 2.6% increase for January 2003.		
Other Wage Requirements		**107**
This provides for the annualization of salaries and benefits to continue current programming in FY 2003.		
Inflation		**264**
This increase provides for operating expenses at a 2% average inflation rate, higher mandatory increases, where known, and estimated overseas rate increases.		
Built-in Requirements		**366**
Digital Project - Storage Network for New Studios	100	
Utility Cost Increases	10	
Maintenance Contracts	39	
Program Delivery Requirements	217	
Program Offsets		**(700)**
OCB Carry-over	(700)	
SUB-TOTAL OCB REQUIREMENTS		**25,362**
Full Funding of Federal Employee Retirement Costs		**561**
This provides for CSRS Pension costs previously provided for in the OPM budget.		
TOTAL FY 2003 OCB BUDGET REQUEST		**25,923**
Excluding, Funding for Federal Employee Retirement Accruals		**(561)**
TOTAL, COMPARABLE PROGRAM LEVEL (EXCLUDES ACCRUALS)		**25,362**

Broadcasting Board of Governors
Broadcasting Capital Improvements

($ in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Funding			
CJS Appropriation	22,313	24,700	13,740
China/Russia P.L. 106-554	301	1,249	
Total	**22,614**	**25,949**	**13,740**
Emergency Response Funding P.L. 107-38		16,400	
Emergency Response Funding P.L. 107-117 (Radio Free Afghanistan)		10,000	

Broadcasting Capital Improvements is the no-year account used by the BBG for large-scale capital purchases and to improve and maintain the operating efficiency and reach of its broadcast network infrastructure. The BBG is requesting $13,740,000 for these activities in FY 2003, which will enable the BBG to maintain the current transmission infrastructure.

FY 2001 – FY 2002 Highlights

Responding to the Terrorist Attacks of September 11

The BBG, in the aftermath of the terrorist attacks of September 11, received $26.4 million of Emergency Relief Fund (ERF) appropriations for capital projects in support of the surge programming of VOA and RFE/RL and the establishment of the Radio Free Afghanistan service of RFE/RL. Of these funds, $15.4 million was allocated to the construction of two medium wave (AM) transmitting facilities and $1 million to establish additional local FM stations. These facilities will greatly enhance VOA's ability to deliver its new Arabic programming format (the Middle East Radio Network, or MERN) to critical audiences in the Middle East and North Africa. The remaining $10 million will be allocated to the equipment and modifications necessary to enable the Kuwait Transmitting Station (Kuwait) to broadcast Radio Free Afghanistan, pending authorization.

The medium wave station planned for Djibouti will dramatically improve the quality of reception and directional coverage in the Gulf and the Horn of Africa, including complete coverage of key population centers in Sudan and Yemen (the site of the attack on the U.S.S. Cole). Currently, listeners in Yemen and Sudan can only receive VOA broadcasts in shortwave, the quality of which is inconsistent. The second station planned for the Nile Delta region of Egypt would allow U.S. broadcasting to be heard clearly in this influential and populous country, a country that relies heavily on radio for delivery of news and information but which is not well served by shortwave broadcasting. The signal from this facility would strengthen our medium wave coverage to Egypt by improving and extending daytime coverage inland beyond Cairo. The broadcast coverage at night would also extend to other parts of North Africa as well as the Levant. Both stations will have high powered (600 kW) transmitters and associated facilities, organic power generation capability, and versatile antennae

arrays.

The local FM stations will be operated 24 hours/day, 7 days per week. They will be located in key locations such as national capitals and population centers. The $1 million of funds would provide the necessary equipment (antenna towers, cabling and decoders) as well as initial operating costs.

The final $10 million of ERF will fund the infrastructure needed in Kuwait to support Radio Free Afghanistan (pending authorization). The BBG will move three shortwave transmitters currently in our inventory due to the 2001 closure of the Pals transmitting station, install them in Kuwait, and purchase the antennas and associated infrastructure necessary to begin transmitting this service.

Middle East Radio Network
In FY 2001 and 2002, the BBG will have spent approximately $5 million to build a medium wave facility in Cyprus, the first such facility constructed to transmit the programming of the Middle East Radio Network (MERN). The facility is located on the site of a transmitting station owned and operated by another international broadcaster. It will provide a strong signal to Egypt, the Levant and the surrounding areas and is scheduled to begin transmitting in FY 2002.

Anti-Jamming Initiative for China and East Asia
In FY 2001 and 2002 the BBG will have funded $1.55 million and $7.8 million respectively of projects aimed at overcoming our jammed programming to China and East Asia. In FY 2001 we commenced this endeavor by undertaking capital improvements to shortwave facilities in Tajikistan and Sri Lanka, upgrading antennas and transmitters. The goal is to combat Chinese jamming by increasing transmission power and the number of simultaneous broadcast transmissions. By installing three existing 250 kilowatt transmitters at the Sri Lanka Transmitting Station, its transmission capacity will increase from four to seven shortwave transmitters. Significant upgrades in the transmission system and equipment at leased facilities in Tajikistan are being undertaken with FY 2001 funds ($800k for transmitter power upgrades) and will be substantially augmented in FY 2002 ($2.2 million for new transmitters and antennas). These investments will be particularly valuable in delivering RFA programming to China.

In FY 2002, the BBG will also install two additional shortwave antennas at our Tinian Transmitting Station (Tinian) (approximately $5.6 million). The Tinian station is vital to the Far East anti-jamming efforts of the BBG having provided excellent signals into Asia since its opening in 1999. Its location on US territory allows the BBG to avoid broadcast restrictions on our programming, such as those against RFA broadcasts from Thailand and the Philippines and on RFA and RFE/RL broadcasts from Sri Lanka. The new low band antennas will be critical in reaching Asia during the night and the low sun spot cycle occurring from 2004 to 2009.

Poro Relocation
The BBG allocated approximately $6.4 million of FY 2001 and 2002 funds to the relocation of the medium wave facility at Poro Point, Philippines, the previous site of which is being returned to the Philippines for commercial development. This critical high powered medium wave facility reaches audiences in China, Vietnam, and other parts of Southeast Asia. The BBG anticipates we will complete construction work by the end of FY 2003.

Newsroom Consolidation
A combination of approximately $1.5 million of FY 2001 and 2002 funds will have funded the equipment needed in VOA's new consolidated newsroom, which will house VOA's English-language multimedia news production facilities. Its news products will be used for direct broadcasts in English and for adaptation by VOA's 52 foreign language production units. The work areas will accommodate approximately 150 people that were formerly dispersed throughout the Cohen Building. The staff will consist of the English language news coverage, assignment, reporting, and production personnel, along with the web staff and video journalists. The facilities will be electronically connected to other production areas and will be the entry point for electronic news feeds, correspondent reports, and newswires.

FY 2003

The continuing BCI program for FY 2003 contains the following elements:

Upgrade/Refurbishment of Transmitting Stations
Greek Agreement ($2,740,000): This amount is needed to meet current obligations under the country-to-country agreement to continue IBB broadcasting from the Kavala and Rhodes transmitting facilities in Greece. The requested amount also includes the additional funding required to extend RFE/RL broadcasts from Greece from March 2001 to March 2007.

Maintenance, Improvements, Replacements, and Repairs (MIRR)
This activity continues essential maintenance and repair projects throughout the transmitting station network and headquarters internet, radio and television production facilities.

Continuing Maintenance and Repair (M&R) Program ($4,000,000): The continuing M&R program attends to the ongoing needs of the BBG's worldwide network of 21 transmitting sites and its extensive satellite feed systems, plus capital plant and equipment in the headquarters complex. As equipment and facilities age, particular attention needs to be paid to this activity. Engineering has emphasized that in addition to the increasing maintenance needs of the older transmitting stations, several stations completed in the mid-1990s are now showing a sharply greater need for M&R funds. These stations include those located in Botswana, the Commonwealth of the Northern Marianas, Sao Tome, Sri Lanka, and Thailand.

TV M&R ($750,000): These funds are used for the maintenance, repair, and replacement of the equipment in VOA's television services. The types of mobile and supporting equipment that these funds support include Mini Cam field recorders, editing systems, video journalist (VJ) equipment and video tape recorders. Replacement of editing systems also is funded, as is the replacement of audio boards and microphones, computer replacement for technical systems in Master Control and Videotape.

Digital Shortwave ($100,000): As international standards for digital shortwave are established, the IBB must plan for and implement digital modulation capability in its global network. This will give shortwave radio the sound of FM quality along with text and graphic capability in the next generation

of portable radios. This technology should result in much more reliable and fade free shortwave reception along with some significant power savings. This will make shortwave much more appealing to all audiences especially those who have been migrating from shortwave to FM use. Pilot testing activities are scheduled for 2002 with operations expected to begin in 2003. Select transmitters in various locations would be gradually converted to service an anticipated growing population of new generation digital compatible receivers.

IBB Internet Development ($150,000): These funds finance the testing and implementation of off-the-shelf solutions for better quality audio and video content in an increasing number of Internet streaming formats, along with replacement of streaming hardware.

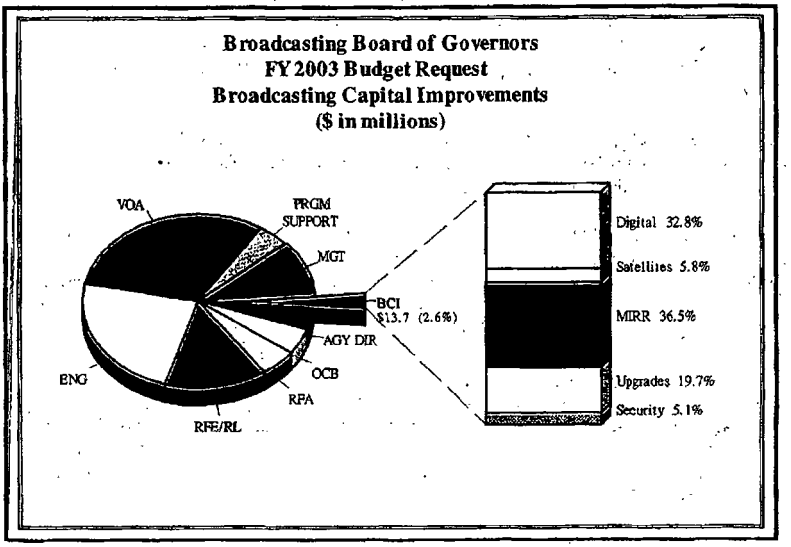
Security Operations ($700,000): In FY 2003, the BBG will continue to implement the multi-year plan for security upgrades to transmitting facilities worldwide. Typical security features include hardened guard houses, fencing, vehicle barriers, emergency assembly areas, fence disturbance systems, perimeter lighting, shatter resistant window film, anti-tunneling provisions for fencing, closed circuit television (CCTV), and other features.

Digital Broadcasting Program ($4,500,000): This a multi-year effort to modernize the program production capabilities of VOA radio and TV through the use of digital audio, video, and computer network technologies. Digital production capability is critical because the retired SNAP (System for News and Programming) system, along with the associated analog equipment became obsolete, and production, storage, and distribution of digital audio and video offers sharp improvement in quality and operational efficiency.

Building on top of the work of previous years, in FY 2001 a substantial amount of work was completed on the Integrated Digital Audio Production System (IDAPS). In addition, development work on the Monitron (House Audio Distribution System) and the Traffic Scheduling System was substantially completed. In FY 2002, the BBG will continue with and complete the deployment of the IDAPS, Monitron, and Traffic Systems. The BBG also will procure and install the first phase of the VOA-TV Digital Video Fileserver system and will begin procurement activities to renovate the VOA broadcast studios. FY 2003 funds will be used to complete the renovation of the VOA studios and the VOA-TV enhancements.

Satellite and Terrestrial Program Feeds ($800,000): As in previous years, these funds will be used to maintain and enhance IBB satellite distribution facilities worldwide. These include about 1,800 satellite dishes, major satellite gateway facilities in Washington D.C., Greenville, North Carolina, Delano, California, Munich, Germany, Kuwait, Prague, Czech Republic, and Tinang, Philippines, and a variety of mid-sized two-way earth station facilities at IBB transmitting station locations.

For FY 2003, we are requesting $13.7 million for Broadcasting Capital Improvements.



Broadcasting Capital Improvements
FY 2003 Congressional Request
Summary of Increases and Decreases
FY 2002 - FY 2003
($ in thousands)

FY 2002 Appropriation (P.L. 107-77)		**24,700**
China/Russia Enhancement (PL 106-554) Carry-over		**1,249**
Emergency Response Funds Base (PL 107-77)	**16,400**	
Emergency Response Funds Radio Free Afghanistan (PL 107-117)	**10,000**	
TOTAL FY 2002 RESOURCES		**25,949**
Built-in Requirements		**1,840**
Greek Broadcasting Rights Agreement	1,740	
Satellite & Terrestrial Program Feeds	100	
Non-Recurring Costs		**(14,049)**
Digital Project	(700)	
Newsroom Consolidation	(500)	
Poro Medium Wave Relocation	(2,400)	
Middle East Enhancement One-time GOE and Capital Costs	(1,400)	
East Asia Anti-Jamming Initiative	(7,800)	
China One-time GOE and Capital Costs	(1,249)	
TOTAL FY 2003 BCI BUDGET REQUEST		**13,740**

BROADCASTING CAPITAL IMPROVEMENTS
Summary of Funds
FY 2001 - FY 2003
($ in thousands)

	FY 2001 Actuals	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
New Construction	2,005	3,900	-	(3,900)
MIRR	3,104	7,520	5,000	(2,520)
Leases and Land Rental	50	-	-	-
Upgrade of Existing Facilities	2,444	15,117	2,740	(12,377)
Satellite & Terrestrial Program	1,539	701	800	99
Digital Project	5,296	5,211	4,500	(711)
Office of Cuba Broadcasting	355	10	-	(10)
Security	576	824	700	(124)
TOTAL CAPITAL IMPROVEMENTS	**15,369**	**33,283**	**13,740**	**(19,543)**
Reconciliation:				
(-) Balances In	(89)	(7,334)		7,334
(-) Balances In China/Russia		(1,249)		1,249
(+) Balances Out	7,334			-
(+) Balances Out China/Russia	1,249			-
Total	**23,863**	**24,700**	**13,740**	**(10,960)**
Emergency Response Funds				
P.L. 107-38		16,400		
P.L. 107-117 (Radio Free Afghanistan)		10,000		
Total, Emergency Response Funds		26,400		

BROADCASTING BOARD OF GOVERNORS
FY 2001 OPERATIONAL BASE
(Obligations $ in thousands)

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	GENERAL OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2001
AGENCY DIRECTION								
General Counsel		8		618	99			717
BBG		16		1,367	410			1,777
IBB Director		8		1,114	28			1,142
Policy		8		709	6			715
Civil Rights		7		552	255			807
Chief Financial Officer		28		2,104	108			2,212
Dept of State Accounting/Payroll Cross Servicing					1,143			1,143
IGASS					2,872			2,872
TOTAL AGENCY DIRECTION	0.00	73	0	6,464	4,921	0	0	11,385
ASSOCIATE DIRECTOR FOR MANAGEMENT								
Associate Director of Management		1		149	4			153
Personnel		41		4,628	1,156			5,784
Administration		38		2,820	25,572			28,392
Security		14		1,134	1,991			3,125
Contracting and Procurement		16		1,335	65			1,400
Computing Services		42		3,723	4,110			7,833
TOTAL MANAGEMENT	0.00	152	0	13,789	32,898	0	0	46,687
ASSOCIATE DIRECTOR FOR PROGRAM SUPPORT								
Associate Director of Program Support		1		152	13			165
External Affairs		16		1,154	391			1,545
Program Review		10		908	35			943
Worldwide Networking					1,375			1,375
VOA Leases					206		925	1,131
RFE/RL Leases							1,744	1,744
Research		5		446	1,806			2,251
International Media Training		3		303	1,783			2,086
Internet Unit		6		462	584			1,046
Marketing and Program Placement		11		1,066	1,611			2,677
Home Leave & Transfer (HLT)					14			14
SUBTOTAL PROGRAM SUPPORT	0.00	54	0	4,490	7,818	0	2,669	14,977
REGIONAL OFFICES								
East and South Asia								
Bangkok, Thailand		1	2	85	235			320
Manila, Philippines			1		23			23
Ulaanbaatar, Mongolia					6			6
Hong Kong, Hong Kong					35			35
Jakarta, Indonesia					103			103
East Timor, East Timor					18			18
Jamshedpur, India					47			47
Phnom Penh, Cambodia					10			10
Total - East and South Asia	0.00	1	3	85	479	0	0	564
West Africa								
Abidjan, Ivory Coast		1	1	123	132			256
Lagos, Nigeria			1		48			48
Total - West Africa	0.00	1	2	123	180	0	0	303

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	GENERAL OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2001
East Africa								
Nairobi, Kenya								-
Johannesburg, South Africa								-
Maputo, Mozambique								-
Kinshasa, Congo								-
Total - East Africa	0.00	0	0	0	0	0	0	-
European								
Prague, Czech Republic		2	3	197	415			612
Moscow, Russia					42			42
St. Petersburg, Russia					44			44
Bishkek, Kyrgyzstan								-
Belgrade, Federal Republic of Yugoslavia					84			84
Kiev, Ukraine					44			44
Total - European	0.00	2	3	197	629	0	0	826
Middle East								
Dubai, United Arab Emirates								-
Total - Middle East	0.00	0	0	0	0	0	0	0
SUBTOTAL REGIONAL OFFICES	0.00	4	6	405	1,288	0	0	1,693
TOTAL PROGRAM SUPPORT	0.00	58	8	4,895	9,106	0	2,669	16,670
VOICE OF AMERICA								
VOA Director		9		1,482	974			2,456
Home Leave & Transfer (HLT)					82			82
Total - VOA Director	0.00	9	0	1,482	1,056	0	0	2,538
Latin American Division		7		538				538
Production Unit		7		705				705
Brazilian Service				506	18			524
Spanish Service	35.00	15		1,222	243			1,465
Creole Service	9.50	10		812	45			857
Total - Latin American	44.50	39	0	3,783	306	0	0	4,089
European Division		5		428	77			505
Estonian Service	3.75	4		295	20			315
Slovak Service	1.25	3		503	10			513
Serbian Service	14.00	15		1,133	269			1,402
Croatian Service	10.50	8		528	196			724
Bulgarian Service	1.25	3		531	6			537
Romanian Service	1.25	3		570	2			572
Albanian Service	11.75	12		951	266			1,217
Greek Service	3.00	3		277	14			291
Bosnian Service	6.00	5		326	186			512
Macedonian Service	6.75	2		64	110			194
Subtotal European	69.50	63	0	5,626	1,156	0	0	6,782
Multimedia Unit					44			44
Czech Service	1.25	3		408				408
Hungarian Service	1.25	3		554				554
Latvian Service	0.80	2		182				182
Lithuanian Service	0.80	2		267				267
Polish Service	1.25	3		566				566
Slovene Service	0.80	2		174				174
Subtotal Multi Media Unit	6.15	15	0	2,150	44	0	0	2,194
Total - European	65.65	78	0	7,776	1,200	0	0	8,976

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	GENERAL OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2001
East Asia & Pacific Division		7		555	376			931
Research Information Center		1		57				57
Thai Feed Service	6.00	4		339	74			413
Chinese Branch		4		304	168			472
Burmese Service	10.50	12		1,020	71			1,091
Indonesian Service	35.00	20		1,683	153			1,836
Khmer Service	10.50	12		830	248			1,078
Korean Service	10.50	12		955	182			1,137
Lao Service	3.50	6		508	13			521
Tibetan Service	28.00	21		1,629	231			1,860
Vietnamese Service	17.50	13		1,187	217			1,404
Cantonese Service	14.00	7		421	217			638
Mandarin Service	84.00	64		4,937	2,278			7,215
Mandarin Service-CA		1		73				73
Total - East Asia & Pacific	219.50	184	0	14,498	4,228	0	0	18,726
South & Central Asia Division		5		383	5			388
Hindi Service	10.50	13		1,096	45			1,141
Urdu Service	10.50	14		1,176	12			1,188
Bangla Service	10.50	11		883	62			945
Dari Service	8.75	12		1,065	27			1,092
Pashto Service	8.75	11		992	28			1,020
Uzbek Service	1.25	3		576	3			579
Total - South & Central Asia	50.25	69	0	6,171	182	0	0	6,353
Africa Division		10		959	665			1,623
English To Africa Branch	26.50	20		1,708	33			1,741
French To Africa Branch	22.50	18		1,431	43			1,474
Hausa Service	11.50	10		774	25			799
Portugese Service	19.00	12		1,018	23			1,041
Central Africa (Kinyarwanda,Kirundi)	7.00	7		515	22			537
Horn Of Africa (Amharic,Tigrigna,Oromiffa)	6.00	12		967	76			1,043
Swahili Service	7.50	8		522	106			628
Total - Africa	102.00	97	0	7,893	993	0	0	8,886
Eurasian Division		8		836	77			913
Russian Branch	31.50	43		3,325	156			3,481
Ukrainian Branch	14.00	16		1,270	85			1,355
Armenian Service	10.50	6		558	22			580
Georgian Service	3.50	5		321	18			339
Total - Eurasian	59.50	78	0	6,310	358	0	0	6,668
Near East & North Africa		4		262	7			269
Azerbaijani Service	3.50	6		414	22			436
Farsi Service	24.50	23		2,003	52			2,055
Farsi Service-CA		1		89				89
Kurdish Service	7.00	7		435	49			484
Turkish Service	3.50	6		720	21			741
Total - Near East & N. Africa	38.50	47	0	3,923	151	0	0	4,074
Middle East Radio Network								
Headquarters					1,266			1,266
Arabic Branch	49.00	36		2,889	231			3,120
Amman		1	1	165	119			284
Total - Middle East Radio Network	49.00	36	1	3,054	1,616	0	0	4,670
News Division		7		570	2,116	60		2,746
Central News File		51		4,952	712			5,664
Assignments		40		3,298	732			4,030
Chicago News		1		114	14			128
Los Angeles News		2		123	28			151
Miami News		1		95	19			114
New York News		4		481	13			494
Home Leave & Transfer (HLT)					380			380
Total - News	0.00	116	0	9,833	4,014	60	0	13,707

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	GENERAL OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2001
Correspondent Bureaus								
Mexico		1		114	111			225
Rio		1	1	155	174			329
Brussels		1		151	73			224
London		3	4	634	701			1,335
Paris			3	144	45			189
Geneva		1		22	74			96
Moscow		3		392	286			678
Hong Kong		2	5	507	862			1,369
Beijing		2		176	308			484
Tokyo		1		94	189			283
Bangkok		1	2	169	159			328
Shanghai		0						-
Cairo		1	2	240	258			498
New Delhi		1	1	133	120			253
Jerusalem		1	1	181	136			317
Islamabad		0	1	12	75			87
Abidjan		1	1	147	124			271
Nairobi		0	1	110	95			205
Johannesburg		1	1	94	63			157
Total - Correspondent Bureaus	0.00	21	23	3,476	3,873	0	0	7,348
English Programs Division		1		50	49			99
VOA News Now Branch	169.00	64		5,962	291			6,253
Public Affairs								0
Talk To America Branch		4		353				353
Broadcast Production Branch		20		1,719	34			1,753
Total - English Programs	169.00	89	0	8,084	374	0	0	8,458
Special English & Music Division		2		199	117			316
Music Programs Branch	168.00	10		741	2			743
Music Library Service		4		248	8			256
Special English Branch	34.00	11		913	51			964
Total - Special English & Music	202.00	27	0	2,101	178	0	0	2,279
Broadcast Operations								
Operations Management Division		135		12,071	2,041			14,112
Broadcast Operations		15		1,284	552			1,836
Total - Broadcast Operations	0.00	150	0	13,355	2,593	0	0	15,948
SUBTOTAL VOICE OF AMERICA	999.90	1,040	24	91,836	21,122	60	0	112,720
VOA - TV	41.00	188		15,320	5,165			20,485
TOTAL VOICE OF AMERICA	1,040.90	1,228	24	106,858	26,287	60	0	133,205
OFFICE OF ENGINEERING								
Engineering Director		2		252				252
Home Leave & Transfer (HLT)					788			788
Domestic Headquarters								
Engineering Operations Directorate		39		3,919	2,497			6,416
VOA Transmissions							954	954
RFE/RL Transmissions							853	853
RFA Transmissions							5,178	5,178
Host Government Transmissions							1,202	1,202
Worldwide Procurement (WWP)					8,004			8,004
Engineering Technical Directorate		33		3,823	3,422			7,245
Satellite Transmissions						15,373		15,373
Engineering Resources Directorate		15		1,346	563			1,909
Total - Domestic Headquarters		89	0	9,340	15,274	15,373	7,987	47,974

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	GENERAL OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2001
Transmitting Stations								
Delano		21		1,511	218	197		1,924
Greenville		33		3,139	1,224	315		4,678
Tinian		2		196	2,019	1,579		3,794
Belize		1	7	432	90	131		653
Greece		4	97	3,781	1,311	2,218		7,310
Germany		2	61	3,607	3,487	59	1,190	8,573
Pals		1	32	2,103	1,781	205		4,089
Philippines		7	96	1,848	1,028	1,862		4,736
Udorn		3	58	1,280	835	993		3,108
Sri Lanka		2	43	676	984	632		2,312
Kuwait		2	5	720	273	48		1,041
Morocco		3	60	1,754	2,876	1,246		5,876
Botswana		1	20	517	429	233		1,179
Sao Tome		2	18	871	1,011	478		2,360
Total - Transmitting Stations		89	497	22,635	17,562	10,246	1,190	51,633
Monitoring Offices			11	423	507			930
Construction Site Offices		1		60	121			211
TOTAL OFFICE OF ENGINEERING		179	588	32,488	33,464	25,619	9,177	100,748
BUYING POWER MAINTENANCE FUND					221			221
RADIO FREE EUROPE/ RADIO LIBERTY								
Broadcasting Division								
Office of Director		16		1,068	1,079			2,147
Broadcast Services:								
Armenian	21.00	7		725	255			980
Azerbaijani	21.00	6		493	165			658
Belarus	70.00	15		1,023	370			1,393
Bulgarian	32.32	9		955	334			1,289
Estonian	15.75	6		504	235			739
Georgian	21.00	7		714	229			943
Kazakh	42.00	8		704	206			910
Kyrgyz	21.00	7		589	197			786
Latvian	7.88	7		606	213			819
Lithuanian	19.25	7		646	165			811
Persian	63.00	19		1,387	785			2,172
Radio Free Iraq	56.00	16		1,143	401			1,544
Romania - Moldova	27.30	10		944	630			1,574
Russian	168.00	45		3,602	4,177			7,779
North Caucasus Unit		9		0	70			70
South Slavic/Albanian	107.92	33		2,175	1,399			3,574
Slovak	24.03	8		646	356			1,002
Tajik	21.00	8		787	160			947
Tatar-Bashkir	28.00	8		513	199			712
Turkmen	28.00	7		535	129			664
Ukrainian	47.25	20		1,533	858			2,391
Uzbek	35.00	6		585	207			792
News and Current Affairs		34		2,483	1,091			3,574
Czech Broadcasting	91.00			0	600			600
Subtotal	967.40	317	0	24,360	14,510	0	0	38,870
Office of President		6		525	326			851
Program Evaluation		2		145	1,676			1,821
Marketing & Affiliates Dev.		5		210	569			779
Administration Division		77		2,435	4,408			6,842
Finance Division		24		4,903	2,458			6,861
Communications Division		33		1,808	526			2,334
Technology Systems Division		75		2,903	6,489			9,392
Subtotal	0.00	218	0	12,530	16,450	0	0	28,980
TOTAL RADIO FREE EUROPE/RADIO LIBERTY	967.40	535	0	36,890	30,960	0	0	67,850

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	GENERAL OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2001
RADIO FREE ASIA								
Programming Division								
Office of the Executive Editor		13		896	349			1,245
Mandarin Service	84.00	37		2,111	1,351			3,462
Cantonese Service	21.00	10		450	293			743
Tibetan Service	56.00	34		1,813	614			2,427
Uyghur Service	14.00	15		385	438			823
Burmese Service	14.00	16		864	377			1,241
Vietnamese Service	14.00	16		755	383			1,138
Korean Service	14.00	15		840	307			1,147
Cambodian Service	14.00	12		681	354			1,035
Laotian Service	14.00	13		693	283			976
Phnom Penh Office			1	43	127			170
Seoul Office					54			54
Hong Kong Office		1	6	231	321			552
Bangkok Office		1		33	118			151
Dharamsala Office					13			13
Kathmandu Office					62			62
Ankara Office					15			15
Taipei Office		1		62	90			152
Tokyo Office		1		69	116			185
Subtotal Programming	245.00	185	7	9,926	5,665	0	0	15,591
Administrative/Management/Finance								
Office of the President		5		482	95			567
Audience Research & Evaluation		2		146	528			674
Technical Operations		41		2,660	1,842			4,502
Program Delivery		3		241	59			300
Communications		2		46	201			247
Project Management		6		353	281			634
Finance & Administration		11		837	401			1,238
Human Resources		3		225	233			458
Subtotal Operations	0.00	73	0	4,970	3,640	0	0	8,610
TOTAL RADIO FREE ASIA	245.00	258	7	14,896	9,305	0	0	24,201
OFFICE OF CUBA BROADCASTING								
RADIO MARTI	162.00							
Directorate		5		432	22			454
Administration & Personnel		6		681	1,944			2,625
Programs		28		2,137	652			2,789
News		34		2,855	707			3,562
Technical & ADP		22		1,802	1,007	1,303		4,112
Information Center		3		244	75			319
Media Monitoring & Research		3		307	101			408
Advisory Board		1		166	2			168
Total - Radio Marti	162.00	100	0	8,624	4,510	1,303	0	14,337
TV MARTI	31.50							
Directorate		5		537	21			558
Administration & Personnel		3		201	1,060			1,261
Engineering & ADP		4		197	1,590	473		2,260
Programs		8		583	417			1,000
News		18		1,546	688			2,234
Technical Operations		17		1,454	543			1,997
Total - TV Marti	31.50	53	0	4,518	4,319	473	0	9,310
TOTAL CUBA BROADCASTING	193.50	153	0	13,042	8,829	1,776	0	23,647

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	GENERAL OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2001
BROADCASTING CAPITAL IMPROVEMENTS								
New Construction					2,005			2,005
Major Improvements, Repairs & Replacements					3,104			3,104
Leases and Land Rental					50			50
Upgrade of Existing Facilities					2,444			2,444
Satellite & Terrestrial Program					1,539			1,539
Digital Project					5,296			5,296
Office of Cuba Broadcasting					355			355
Security					576			576
TOTAL CAPITAL IMPROVEMENTS		0	0	0	15,369	0	0	15,369
GRAND TOTAL BBG	2,446.80	2,636	547	229,322	171,360	27,455	11,846	439,883
Reconciliation:								
(+) Balances Lapsing								399
(-) Recoveries								(1,207)
(-) Balances Carried In								(7,202)
(+) Balances Carried Out Other								12,459
(+) Balances Carried Out China/Russia								8,329
(-) Reimbursements								(1,035)
2001 Enacted Appropriation	2,446.80	2,636	547	229,322	171,360	27,455	11,846	451,720

BROADCASTING BOARD OF GOVERNORS
FY 2002 OPERATIONAL BASE
(Obligations $ in thousands)

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2002
AGENCY DIRECTION								
General Counsel		10		904	61			965
BBG		20		1,446	5,378			6,824
IBB Director		11		976	237			1,213
Policy		9		826	11			837
Civil Rights		8		577	237			814
Chief Financial Officer		33		2,789	2,093			4,882
Dept of State Accounting/Payroll Cross Servicing					1,180			1,180
ICASS					3,045			3,045
TOTAL AGENCY DIRECTION	0.00	91	0	7,518	12,242	0	0	19,760
ASSOCIATE DIRECTOR FOR MANAGEMENT								
Associate Director of Management		1		156	38			194
Personnel		45		5,803	1,718			7,521
Administration		40		2,933	23,672			26,605
Security		15		1,234	1,412			2,646
Contracting and Procurement		16		1,441	25			1,466
Computing Services		48		4,425	3,295			7,720
TOTAL MANAGEMENT	0.00	167	0	15,994	30,158	0	0	46,152
ASSOCIATE DIRECTOR FOR PROGRAM SUPPORT								
Associate Director of Program Support		4		445	50			495
External Affairs		19		1,350	458			1,808
Program Review		14		1,233	45			1,278
Worldwide Networking					3,632			3,632
VOA Leases							1,074	1,074
RFE/RL Leases							2,349	2,349
Research		7		475	554			1,029
International Media Training		3		225	677			902
Internet Unit		12		1,110	865			1,975
Marketing and Program Placement Office		17		1,150	2,851			4,001
Home Leave & Transfer (HLT)				0	103			103
SUBTOTAL PROGRAM SUPPORT	0.00	76	0	5,988	9,233	0	3,423	18,844
REGIONAL OFFICES								
East and South Asia								
Bangkok, Thailand		2	3	113	219			332
Manila, Philippines			1		22			22
Ulaanbaatar, Mongolia					18			18
Hong Kong, Hong Kong					74			74
Jakarta, Indonesia					20			20
Jamshedpur, India					47			47
East Timor, East Timor					20			20
Phnom Penh, Cambodia					10			10
Total - East and South Asia	0.00	2	4	113	430	0	0	543
West Africa								
Abidjan, Ivory Coast		1	1	143	165			308
Lagos, Nigeria			1		46			46
Total - West Africa	0.00	1	2	143	211	0	0	354

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2002
East Africa								
Nairobi, Kenya					35			35
Johannesburg, South Africa		2	3	42	125			167
Maputo, Mozambique					20			20
Kinshasa, Congo					20			20
Total - East Africa	0.00	2	3	42	200	0	0	242
European								
Prague, Czech Republic		2	3	207	372			579
Moscow, Russia					46			46
Bishkek, Kyrgystan					46			46
St. Petersburg, Russia					46			46
Belgrade, Federal Republic of Yugoslavia					91			91
Kiev, Ukraine					46			46
Total - European	0.00	2	3	207	647	0	0	854
Middle East								
Dubai, United Arab Emirates		1	1	53	81			134
Total - South Asia & Middle East	0.00	1	1	53	81	0	0	134
SUBTOTAL REGIONAL OFFICES	0.00	8	13	558	1,569	0	0	2,127
TOTAL PROGRAM SUPPORT	0.00	84	13	6,546	10,802	0	3,423	20,771
VOICE OF AMERICA								
VOA Director		10		1,254	1,494			2,748
Home Leave & Transfer (HLT)					78			78
Total - VOA Director	0.00	10	0	1,254	1,572	0	0	2,826
Latin American Division		7		580	7			587
Production Unit		7		613				613
Brazilian Service								-
Spanish Service	35.00	15		1,353	354			1,707
Creole Service	9.50	10		796	18			814
Total - Latin American	44.50	39	0	3,342	379	0	0	3,721
European Division		5		408	115			523
Estonian Service	3.75	4		324	21			345
Serbian Service	14.00	15		1,248	326			1,574
Croatian Service	10.50	8		587	227			814
Albanian Service	11.75	12		1,031	276			1,307
Greek Service	3.75	4		308	22			330
Bosnian Service	5.00	5		394	200			594
Macedonian Service	5.75	2		148	244			392
Subtotal European	54.50	55	0	4,448	1,431	0	0	5,879
Multimedia Unit					90			90
Czech Service	1.25	3		290				290
Hungarian Service	1.25	3		293				293
Latvian Service	2.50	2		188				188
Lithuanian Service	1.50	2		162				162
Polish Service	1.25	3		301				301
Slovene Service	0.65	2		171				171
Slovak Service	1.25	3		313				313
Bulgarian Service	1.25	3		316				316
Romanian Service	1.25	3		336				336
Subtotal MultiMedia Unit	12.35	24	0	2,370	90	0	0	2,460
Total - European	66.85	79	0	6,818	1,521	0	0	8,339

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2002
East Asia & Pacific Division		6		534	311			845
Research Information Center		1		57				57
Thai Field Service	6.00	4		362	80			442
Chinese Branch		5		410	600			1,010
Burmese Service	10.50	12		1,055	75			1,130
Indonesian Service	27.50	23		1,806	444			2,250
Khmer Service	10.50	12		973	60			1,033
Korean Service	10.50	13		1,102	201			1,303
Lao Service	3.50	6		534	23			557
Tibetan Service	28.00	22		1,789	260			2,049
Vietnamese Service	17.50	16		1,238	221			1,459
Cantonese Service	14.00	7		452	221			673
Mandarin Service	84.00	65		5,348	2,314			7,662
Mandarin Service-CA		1		87				87
Total East Asia & Pacific	212.00	193	0	15,747	4,810	0	0	20,557
South & Central Asia Division		5		408				408
Hindi Service	10.50	13		1,196	31			1,227
Urdu Service	21.00	17		1,421	222			1,643
Bangla Service	10.50	12		980	50			1,030
Dari Service	21.00	15		1,357	153			1,510
Pashto Service	21.00	15		1,298	168			1,466
Uzbek Service	7.00	7		538	96			634
Total - South & Central Asia	91.00	84	0	7,196	722	0	0	7,918
Africa Division		10		923	732			1,655
English To Africa Branch	28.50	20		1,774	22			1,796
French To Africa Branch	22.50	18		1,547	38			1,585
Hausa Service	9.50	11		943	17			960
Portugese Service	19.00	12		1,081	21			1,102
Central Africa (Kinyarwanda,Kirundi)	7.00	8		592	18			610
Horn Of Africa (Amharic,Tigrigna,Oromiffa)	6.00	12		1,104	211			1,315
Swahili Service	7.50	8		620	63			683
Total - Africa	100.00	99	0	8,584	1,122	0	0	9,706
Eurasian Division		8		1,540	273			1 813
Russian Branch	32.25	52		3,568	101			3.669
Ukrainian Branch	14.00	16		1,380	48			1,428
Armenian Service	10.50	6		519	31			550
Georgian Service	3.50	6		428	27			455
Total - Eurasian	60.25	88	0	7,435	480	0	0	7,915
Near East & North Africa		4		351	7			358
Azerbaijani Service	3.50	6		389	27			416
Farsi Service	42.00	27		2,284	418			2.702
Farsi Service-CA		1		85				85
Kurdish Service	7.00	8		555	56			611
Turkish Service	7.00	8		640	120			760
Total - Near East & North Africa	59.50	54	0	4,304	628	0	0	4,932
Middle East Radio Network								
MERN - Dubai		3	3	261	5,280			5,541
MERN - DC	168.00	43		3,469	645			4,114
MERN - Amman		1	1	191	84			275
Total - Middle East Radio Network	168.00	47	4	3,941	5,989	0	0	9,930
News Division		8		606	2,248			2.854
Central News File		52		5,224	1,197			6.421
Assignments		39		3,698	481			4.179
Webdesk		13		1,102				1.102
Chicago News		1		103	17			120
Los Angeles News		2		160	25			185
Miami News		1		103	21			124
New York News		5		470	16			486
Home Leave & Transfer (HLT)					416			416
Total - News	0.00	131	0	11,466	4,421	0	0	15,887

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2002
Correspondent Bureaus								
Mexico		1		138	98			236
Rio		1	1	169	147			316
Brussels		1		161	72			233
London		3	4	705	880			1,585
Paris			2	169	24			193
Geneva		1		87	104			191
Moscow		3		433	282			715
Hong Kong		3	6	733	807			1,540
Beijing		3		275	326			601
Tokyo		1		128	177			305
Bangkok		2	3	322	153			475
Shanghai					203			203
Cairo		1	3	246	214			460
New Delhi		1	1	147	135			282
Jerusalem		1	1	225	189			414
Islamabad		1	1	64	122			186
Abidjan		1	1	135	137			272
Nairobi		1	1	198	140			338
Johannesburg		1	1	101	79			180
Total - Correspondent Bureaus	0.00	26	25	4,436	4,289	0	0	8,725
English Programs Division		1		49	84			133
VOA News Now Branch	169.00	67		6,612	241			6,853
Public Affairs					30			30
Talk To America Branch		4		383				383
Broadcast Production Branch		20		1,822	35			1,857
Total - English Programs	169.00	92	0	8,866	390	0	0	9,256
Special English & Music Division		2		213	100			313
Music Programs Branch	173.00	9		1,017	39			1,056
Music Library Service		4		267	1			268
Special English Branch	34.00	12		805	2			807
Total - Special English & Music	207.00	27	0	2,302	142	0	0	2,444
Broadcast Operations								
Operations Management Division		141		12,719	1,598			14,317
Broadcast Operations		17		1,182	464			1,646
Total - Broadcast Operations	0.00	158	0	13,901	2,062	0	0	15,963
SUBTOTAL VOICE OF AMERICA	1,178.10	1,127	29	99,592	28,527	0	0	128,119
VOA - TV	48.50	197		17,417	5,003			22,420
TOTAL VOICE OF AMERICA	1,226.60	1,324	29	117,009	33,530	0	0	150,539
OFFICE OF ENGINEERING								
Engineering Director		2		243				243
Home Leave & Transfer (HLT)					924			924
Domestic Headquarters								
Engineering Operations Directorate		40		4,234	2,262	550	3,241	10,287
VOA Transmissions							1,625	1,625
RFE/RL Transmissions							2,307	2,307
RFA Transmissions							6,015	6,015
Host Government Transmissions							1,888	1,888
Worldwide Procurement (WWP)					7,343			7,343
Engineering Technical Directorate		46		4,864	2,130			6,994
Satellite Transmissions						19,964		19,964
Engineering Resources Directorate		16		1,461	616			2,057
Total - Domestic Headquarters	0.00	104	0	10,792	13,275	20,514	15,076	59,657

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2002
Transmitting Stations								
Delano		22		1,823	188	499		2,311
Greenville		42		3,387	1,063	492		4,942
Tinian		3		227	2,216	5,541		7,984
Belize		1	7	421	81	134		636
Greece		5	100	4,171	1,807	2,502		8,480
Germany		3	51	4,402	2,839	1,019		8,260
Pals		1	10	599	1,829	160		2,388
Philippines		6	97	1,845	1,060	1,981		4,886
Udorn		4	58	1,350	686	1,133		3,169
Sri Lanka		4	49	620	828	984		2,432
Kuwait		2	5	743	290	43		1,076
Cyprus					285	200	1,233	1,698
Morocco		3	62	1,826	2,796	2,050		6,672
Botswana		2	17	732	426	282		1,440
Sao Tome		3	18	1,047	1,060	666		2,773
Total - Transmitting Stations	0.00	101	485	22,593	17,235	17,686	1,233	59,147
Monitoring Offices			12	434	537			971
Construction Site Offices								-
TOTAL OFFICE OF ENGINEERING	0.00	205	497	34,219	31,047	38,280	16,309	119,775
RADIO FREE EUROPE/ RADIO LIBERTY								
Broadcasting Division								
Office of Director		17		1,027	1,151			2,178
Broadcast Services:								
Armenian	21.00	7		742	251			993
Azerbaijani	35.00	8		677	227			904
Belarus	70.00	14		1,194	328			1,522
Bulgarian	32.32	8		839	286			1,125
Estonian	15.75	7		587	236			823
Georgian	21.00	7		734	212			946
Kazakh	58.00	10		829	367			1,196
Kyrgyz	35.00	9		821	263			1,084
Latvian	7.58	7		605	202			807
Lithuanian	19.25	7		703	181			884
Persian	84.00	21		1,645	1,080			2,725
Radio Free Iraq	84.00	21		1,585	688			2,273
Romania - Moldova	27.30	11		1,049	631			1,680
Russian	168.00	45		3,846	5,269			9,115
North Caucasus Unit	14.00	9		505	306			811
South Slavic/Albanian	107.92	30		2,365	1,513			3,878
Slovak	24.09	7		516	297			813
Tajik	42.00	11		1,058	370			1,428
Tatar-Bashkir	28.00	6		527	199			726
Turkmen	42.00	6		609	288			897
Ukrainian	47.25	18		1,600	781			2,381
Uzbek	49.00	9		777	361			1,138
News and Current Affairs		32		2,802	1,354			4,156
Czech Broadcasting	91.00	0		0	630			630
Subtotal	1,121.40	329	0	27,542	17,471	0	0	45,113
Radio Free Afganistan	42.00	40		1,748	4,724			6,472
Office of President		9		783	325			1,108
Program Evaluation		2		150	265			415
Marketing & Affiliates Dev.		5		376	1,325			1,701
Administration Division		78		2,589	4,317			6,906
Finance Division		25		3,562	2,811			6,373
Communications Division		27		2,130	558			2,688
Technology Systems Division		78		3,199	6,163			9,362
Subtotal	0.00	224	0	12,789	15,764	0	0	28,553
TOTAL RADIO FREE EUROPE/RADIO LIBERTY	1,163.40	593	0	42,179	37,959	0	0	80,138

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2002
RADIO FREE ASIA								
Programming Division								
Office of the Executive Editor		13		1,096	455			1,551
Mandarin Service	84.00	37		2,415	1,397			3,812
Cantonese Service	21.00	10		559	318			877
Tibetan Service	56.00	34		2,065	634			2,699
Uyghur Service	14.00	15		756	401			1,157
Burmese Service	14.00	16		958	366			1,324
Vietnamese Service	14.00	16		922	430			1,352
Korean Service	14.00	15		928	261			1,189
Cambodian Service	14.00	12		783	403			1,186
Laotian Service	14.00	13		809	290			1,099
Phnom Penh Office			1	47	127			174
Seoul Office					62			62
Hong Kong Office		1	6	295	301			596
Bangkok Office		1		37	110			147
Dharamsala Office					15			15
Ankara Office					40			40
Taipei Office			1	72	84			156
Tokyo Office		1		70	125			195
Subtotal Programming	245.00	184	8	11,792	5,829	0	0	17,621
Administrative/Management/Finance								
Office of the President		5		512	97			609
Audience Research & Evaluation		2		164	223			387
Technical Operations		41		3,015	1,008			4,023
Program Delivery		4		302	515			817
Communications		2		51	194			245
Project Management		6		393	339			732
Finance & Administration		11		926	393			1,319
Human Resources		3		248	114			362
Subtotal Operations	0.00	74	0	5,611	2,883	0	0	8,494
TOTAL RADIO FREE ASIA	245.00	258	8	17,403	8,712	0	0	26,115
OFFICE OF CUBA BROADCASTING								
RADIO MARTI	162.00							
Directorate		5		466	15			481
Administration & Personnel		6		591	1,804			2,395
Programs		29		2,365	807			3,172
News		33		3,099	901			4,000
Technical & ADP		26		2,176	1,174	1,428		4,778
Information Center		3		260	73			333
Media Monitoring & Research		4		350	24			374
Advisory Board		2		181	19			200
Total - Radio Marti	162.00	108	0	9,488	4,817	1,428	0	15,733
TV MARTI	31.50							
Directorate		7		714	25			739
Administration & Personnel		3		200	1,105			1,305
Engineering & ADP		4		314	1,686	517		2,517
Programs		6		616	460			1,076
News		17		1,650	736			2,386
Technical Operations		18		1,557	440			2,007
Total - TV Marti	31.50	55	0	5,051	4,452	517	0	10,030
TOTAL CUBA BROADCASTING	193.50	163	0	14,549	9,269	1,945	0	25,763

	TOTAL WEEKLY HOURS	DOM/AM	FBN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2002
BROADCASTING CAPITAL IMPROVEMENTS								
New Construction					19,300			19,300
Major Improvements, Repairs & Replacements					7,520			7,520
Leases and Land Rental								
Upgrade of Existing Facilities					25,117			25,117
Satellite & Terrestrial Program					701			701
Digital Project					5,211			5,211
Office of Cuba Broadcasting					10			10
Affiliate Relations					1,000			1,000
Security					824			824
TOTAL CAPITAL IMPROVEMENTS	0.00	0	0	0	59,683	0	0	59,683
			0					
GRAND TOTAL BBG	2,828.50	2,885	547	255,417	233,402	40,145	19,732	548,696
Reconciliation:								
(-) Balances Carried In					(12,123)			(12,459)
(-) Balances Carried In China/Russia					(7,591)			(8,323)
(-) Less Transfer from USAID					(450)			(450)
(+) Balances Carried Out					700			700
(-) Reimbursements					(1,308)			(1,308)
2002 Enacted Appropriation	2,828.50	2,885	547	255,417	212,630	40,145	19,732	526,856

BROADCASTING BOARD OF GOVERNORS
FY 2003 OPERATIONAL BASE
(Obligations $ in thousands)

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2003
AGENCY DIRECTION								
General Counsel		10		1,028	62			1,088
BBG		20		1,667	5,385			7,052
IBB Director		11		1,163	241			1,404
Policy		9		877	12			889
Civil Rights		8		603	242			845
Chief Financial Officer		33		3,027	159			3,186
Dept of State Accounting/Payroll Cross Servicing					1,204			1,204
ICASS					3,768			3,768
CSRS Employee Pension & Health Benefits				444				444
TOTAL AGENCY DIRECTION	0.00	91	0	8,807	11,071	0	0	19,878
ASSOCIATE DIRECTOR FOR MANAGEMENT								
Associate Director of Management		1		164	36			200
Personnel		45		6,229	1,465			7,694
Administration		40		3,128	27,627			30,755
Security		15		1,298	1,378			2,676
Contracting and Procurement		18		1,503	26			1,529
Computing Services		48		4,765	3,645			8,410
CSRS Employee Pension & Health Benefits				1,118				1,118
TOTAL MANAGEMENT	0.00	167	0	16,205	34,177	0	0	52,382
ASSOCIATE DIRECTOR FOR PROGRAM SUPPORT								
Associate Director of Program Support		2		496	51			547
External Affairs		19		1,502	465			1,967
Program Review		14		1,393	46			1,439
Worldwide Networking					2,838			2,838
VOA Leases							3,428	3,428
RFE/RL Leases							2,396	2,396
Research		7		677	257			934
International Media Training		5		232	207			439
Internet Unit		12		1,231	1,020			2,251
Marketing and Program Placement Office		17		1,455	2,146			3,601
Home Leave & Transfer (HLT)					105			105
SUBTOTAL PROGRAM SUPPORT	0.00	76	0	6,986	7,135	0	5,822	19,943
REGIONAL OFFICES								
East and South Asia								
Bangkok, Thailand		2	3	187	288			475
Manila, Philippines			1		14			14
Ulaanbaatar, Mongolia					20			20
Hong Kong, Hong Kong					79			79
Jakarta, Indonesia					21			21
Jamshedpur, India					50			50
East Timor, East Timor					21			21
Phnom Penh, Cambodia					10			10
Total - East and South Asia	0.00	2	4	187	503	0	0	690
West Africa								
Abidjan, Ivory Coast		1	1	147	194			341
Lagos, Nigeria			1		23			23
Total - West Africa	0.00	1	2	147	217	0	0	364

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2003
East Africa								
Nairobi, Kenya			1		36			36
Johannesburg, South Africa		2	2	92	218			310
Maputo, Mozambique					21			21
Kinshasa, Congo					21			21
Total - East Africa	0.00	2	3	92	296	0	0	388
European								
Prague, Czech Republic		2	3	213	394			607
Moscow, Russia					52			52
St. Petersburg, Russia					52			52
Bishkek, Kyrgystan					48			48
Belgrade, Federal Republic of Yugoslavia					95			95
Kiev, Ukraine					52			52
Total - European	0.00	2	3	213	693	0	0	906
Middle East								
Dubai, United Arab Emirates		1	1	91	178			269
Total - South Asia & Middle East	0.00	1	1	91	178	0	0	269
SUBTOTAL REGIONAL OFFICES	0.00	8	13	730	1,887	0	0	2,617
CSRS Employee Pension & Health Benefits				412				412
TOTAL PROGRAM SUPPORT	0.00	84	13	8,128	9,022	0	5,822	22,972
VOICE OF AMERICA								
VOA Director		10		1,320	319			1,639
Home Leave & Transfer (HLT)					205			205
Total - VOA Director	0.00	10	0	1,320	524	0	0	1,844
Latin American Division		7		584	312			906
Production Unit		7		641				641
Spanish Service	35.00	15		1,395	56			1,451
Creole Service	9.50	10		821	19			840
Total - Latin American	44.50	39	0	3,451	387	0	0	3,838
European Division		5		421	118			539
Estonian Service	3.75	4		334	22			356
Serbian Service	14.00	15		1,318	333			1,651
Croatian Service	10.50	8		1,062	282			1,344
Albanian Service	11.75	12		605	231			836
Greek Service	3.75	4		318	22			340
Bosnian Service	5.00	5		407	203			610
Macedonian Service	5.75	2		153	249			402
Subtotal European	54.50	55	0	4,618	1,460	0	0	6,078
Multimedia Unit								0
Czech Service	1.25	3		299	92			391
Hungarian Service	1.25	3		302				302
Latvian Service	2.50	2		194				194
Lithuanian Service	1.50	2		167				167
Polish Service	1.25	3		311				311
Slovene Service	0.85	2		176				176
Slovak Service	1.25	3		323				323
Bulgarian Service	1.25	3		326				326
Romanian Service	1.25	3		322				322
Subtotal MultiMedia Unit	12.35	24	0	2,420	92	0	0	2,512
Total - European	66.86	79	0	7,038	1,552	0	0	8,590

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2003
East Asia & Pacific Division		6		627	317			944
Research Information Center		1						0
Thai Field Service	6.00	4		373	82			455
Chinese Branch		4		421				421
Burmese Service	10.50	12		1,088	76			1,164
Indonesian Service	27.50	23		1,917	453			2,370
Khmer Service	10.50	12		1,002	62			1,064
Korean Service	10.50	13		1,135	205			1,341
Lao Service	3.50	6		551	23			574
Tibetan Service	28.00	22		1,845	265			2,110
Vietnamese Service	17.50	16		1,327	226			1,553
Cantonese Service	14.00	7		467	225			692
Mandarin Service	84.00	68		5,548	2,780			8,328
Mandarin Service-CA		1		89				89
Total - East Asia & Pacific	**212.00**	**193**	**0**	**16,391**	**4,714**	**0**	**0**	**21,105**
South & Central Asia Division		5		421				421
Hindi Service	10.50	13		1,308	32			1,340
Urdu Service	21.00	17		1,498	227			1,725
Bengla Service	10.50	12		1,011	50			1,061
Dari Service	21.00	15		1,430	157			1,587
Pashto Service	21.00	15		1,370	171			1,541
Uzbek Service	7.00	7		624	72			696
Total - South & Central Asia	**91.00**	**84**	**0**	**7,662**	**709**	**0**	**0**	**8,371**
Africa Division		10		952	83			1,035
English To Africa Branch	28.50	20		1,829	29			1,858
French To Africa Branch	22.50	18		1,600	39			1,639
Hausa Service	9.50	11		972	17			989
Portugese Service	19.00	12		1,115	21			1,136
Central Africa (Kinyarwanda,Kirundi)	7.00	8		610	19			629
Horn Of Africa (Amharic,Tigrigna,Oromiffa)	6.00	12		1,139	215			1,354
Swahili Service	7.50	8		650	64			714
Total - Africa	**100.00**	**99**	**0**	**9,867**	**481**	**0**	**0**	**9,348**
Eurasian Division		8		817	56			873
Russian Branch	32.25	52		4,487	241			4,728
Ukrainian Branch	14.00	16		1,423	49			1,472
Subtotal Eurasian	**46.25**	**76**	**0**	**6,727**	**346**	**0**	**0**	**7,073**
Caucasus Unit								
Azerbaijani Service	3.50	6		401	27			428
Armenian Service	10.50	8		535	32			567
Georgian Service	3.50	6		441	28			469
Subtotal Caucasus Unit	**17.50**	**18**	**0**	**1,377**	**87**	**0**	**0**	**1,464**
Total - Eurasian	**63.75**	**94**	**0**	**8,104**	**433**	**0**	**0**	**8,537**
Near East & North Africa		4		362	7			369
Farsi Service	42.00	27		2,407	428			2,835
Farsi Service-CA		1		87				87
Kurdish Service	7.00	6		572	58			630
Turkish Service	7.00	8		710	122			832
Total - Near East & North Africa	**56.00**	**46**	**0**	**4,138**	**615**	**0**	**0**	**4,753**
Middle East Radio Network								
MERN - Dubai		3	3	463	4,656			5,119
MERN - DC	168.00	43		4,724	313			5,037
MERN - Amman		1	1	197	86			283
Total - Middle East Radio Network	**168.00**	**47**	**4**	**5,384**	**5,055**	**0**	**0**	**10,439**
News Division		8		539	2,292			2,831
Central News Pile		62		5,532	1,221			6,753
Assignments		39		3,550	491			4,041
Webdesk		13		1,231				1,231
Chicago News		1		107	16			123
Los Angeles News		2		165	26			191
Miami News		1		106	21			127
New York News		5		513	16			529
Home Leave & Transfer (HLT)					424			424
Total - News	**0.00**	**131**	**0**	**12,143**	**4,507**	**0**	**0**	**16,650**

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2003
Correspondent Bureaus								
Mexico		1		143	102			245
Rio		1	1	175	154			329
Brussels		1		167	73			240
London		3	4	725	902			1,627
Paris			3	172	24			196
Geneva		1		89	106			195
Moscow		3		454	321			775
Hong Kong		3	5	751	823			1,574
Beijing		3		374	282			656
Tokyo		1		132	179			311
Bangkok		2	3	357	159			516
Shanghai					211			211
Cairo		1	3	255	225			480
New Delhi		1	1	152	144			296
Jerusalem		1	1	233	195			428
Islamabad		1	1	86	131			217
Abidjan		1	1	139	139			278
Nairobi		1	1	252	146			398
Johannesburg		1	1	104	84			188
Total - Correspondent Bureaus	0.00	26	25	4,760	4,400	0	0	9,160
English Programs Division		1		51	85			136
VOA News Now Branch	134.00	56		5,867	198			6,065
Public Affairs					31			31
Talk To America Branch		4		394				394
Broadcast Production Branch		20		1,879	36			1,915
Total - English Programs	134.00	81	0	8,191	350	0	0	8,541
Special English & Music Division		2		220	102			322
Music Programs Branch	173.00	9		830	3			833
Music Library Service		4		275	1			276
Special English Branch	34.00	12		1,049	39			1,088
Total - Special English & Music	207.00	27	0	2,374	145	0	0	2,519
Broadcast Operations								
Operations Management Division		141		1,558	473			2,031
Broadcast Operations		17		13,196	1,406			14,602
Total - Broadcast Operations	0.00	158	0	14,754	1,879	0	0	16,633
SUBTOTAL VOICE OF AMERICA	1,143.10	1,116	29	104,577	25,751	0	0	130,328
VOA - TV	51.50	197		17,883	5,116			22,979
CSRS Employee Pension & Health Benefits				6,828				6,828
TOTAL VOICE OF AMERICA	1,194.60	1,313	29	129,288	30,867	0	0	160,133
OFFICE OF ENGINEERING								
Engineering Director		2		251				251
Home Leave & Transfer (HLT)					538			538
Domestic Headquarters								
Engineering Operations Directorate		40		4,389	2,303		4,437	11,129
VOA Transmissions							1,216	1,216
RFE/RL Transmissions*							1,860	1,860
RFA Transmissions							6,348	6,348
Host Government Transmissions							1,888	1,888
Worldwide Procurement (WWP)					7,489			7,489
Engineering Technical Directorate		46		5,285	2,459			7,744
Satellite Transmissions						19,043		19,043
Engineering Resources Directorate		16		1,539	628			2,167
Total - Domestic Headquarters	0.00	104	0	11,464	13,417	19,043	15,749	59,573

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2003
Transmitting Stations								
Delano		22		1,722	193	483		2,398
Greenville		42		3,640	1,085	455		5,080
Tinian		3		244	2,260	5,218		7,722
Belize		1	3	222	11	17		250
Greece		5	100	4,273	1,662	1,787		7,922
Germany		4	61	4,642	2,884	894		8,420
Philippines		6	97	1,936	1,305	2,063		5,304
Udorn		4	59	1,392	706	1,200		3,298
Sri Lanka		4	49	728	868	1,438		3,054
Kuwait		2	5	763	302	43		1,108
Cyprus					305	400	1,233	1,938
Morocco		3	62	1,877	2,853	1,429		6,159
Botswana		2	17	778	459	304		1,841
Sao Tome		3	18	1,079	1,090	683		2,852
Egypt			5	150	150	600	825	1,725
Djibouti			5	150	150	600	825	1,725
Total - Transmitting Stations	0.00	101	481	23,496	16,503	17,614	2,883	60,496
Monitoring Offices			12	443	551			994
Construction Site Offices								0
CSRS Employee Pension & Health Benefits				1,125				1,125
TOTAL OFFICE OF ENGINEERING	0.00	205	493	36,628	30,471	36,557	18,632	122,288
RADIO FREE EUROPE/ RADIO LIBERTY								
Broadcasting Division								
Office of Director		17		1,055	1,175			2,230
Broadcast Services:								
Armenian	21.00	7		762	256			1,018
Azerbaijani	35.00	8		694	216			910
Belarus	70.00	14		1,224	335			1,559
Bulgarian	32.32	8		864	292			1,156
Estonian	15.75	7		601	241			842
Georgian	21.00	7		753	217			970
Kazakh	56.00	10		851	347			1,198
Kyrgyz	35.00	9		842	241			1,083
Latvian	7.56	7		621	207			828
Lithuanian	19.25	7		722	184			906
Persian	84.00	21		1,691	1,067			2,758
Radio Free Iraq	84.00	21		1,529	669			2,198
Romania - Moldova	27.30	11		1,076	644			1,720
Russian	168.00	45		3,951	4,638			8,589
North Caucasus Unit	14.00	9		519	303			822
South Slavic	107.92	30		2,427	1,546			3,973
Slovak	24.03	7		528	304			832
Tajik	42.00	11		1,085	340			1,425
Tatar-Bashkir	28.00	6		541	203			744
Turkmen	42.00	8		624	264			888
Ukrainian	47.25	18		1,643	797			2,440
Uzbek	49.00	9		797	336			1,133
News and Current Affairs	0.00	32		2,877	1,384			4,261
Subtotal	1,030.40	329	0	28,377	16,206	0	0	44,583
Radio Free Afghanistan*								
Office of President		9		804	331			1,135
Program Evaluation		2		156	272			428
Marketing & Affiliates Dev.		5		387	1,353			1,740
Administration Division		78		2,658	4,408			7,066
Finance Division		26		2,926	2,869			5,795
Communications Division		27		2,191	559			2,750
Technology Systems Division		78		3,295	6,294			9,589
Subtotal	0.00	224	0	12,417	16,086	0	0	28,503
TOTAL RADIO FREE EUROPE/RADIO LIBERTY	1,030.40	559	0	40,794	32,292	0	0	73,086

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2003
RADIO FREE ASIA								
Programming Division								
Office of the Executive Editor		13		1,131	498			1,629
Mandarin Service	84.00	37		2,578	1,489			4,067
Cantonese Service	14.00	7		454	270			724
Tibetan Service	56.00	34		2,145	673			2,818
Uyghur Service	14.00	15		916	399			1,315
Burmese Service	14.00	16		1,028	363			1,389
Vietnamese Service	14.00	16		1,017	405			1,422
Korean Service	14.00	15		977	421			1,398
Cambodian Service	14.00	12		797	291			1,088
Laotian Service	14.00	13		827	265			1,092
Phnom Penh Office			1	52	150			202
Seoul Office					78			78
Hong Kong Office		1	5	277	328			605
Bangkok Office		1		38	122			160
Dharamsala Office					29			29
Ankara Office					29			29
Taipei Office			1	53	103			156
Tokyo Office		1		78	137			215
Subtotal Programming	238.00	191	7	12,369	6,051	0	0	18,417
Administrative/Management/Finance								
Office of the President		5		532	127			659
Audience Research & Evaluation		2		170	226			396
Technical Operations		41		3,148	978			4,126
Program Delivery		4		390	307			697
Communications		2		136	182			318
Project Management		6		414	280			694
Finance & Administration		11		989	419			1,408
Human Resources		3		259	110			369
Subtotal Operations	0.00	74	0	6,038	2,629	0	0	8,667
TOTAL RADIO FREE ASIA	238.00	265	7	18,404	8,680	0	0	27,084
OFFICE OF CUBA BROADCASTING								
RADIO MARTI	182.00							
Directorate		5		480	15			495
Administration & Personnel		8		613	1,828			2,441
Programs		29		2,456	717			3,173
News		33		3,218	816			4,034
Technical & ADP		26		2,195	1,079	1,472		4,746
Information Center		3		270	75			345
Media Monitoring & Research		4		364	26			390
Advisory Board		2		188	19			207
Total - Radio Marti	182.00	109	0	9,784	4,575	1,472	0	15,831
TV MARTI	31.50							
Directorate		7		651	25			676
Administration & Personnel		3		226	1,115			1,341
Engineering & ADP		4		345	1,702	527		2,574
Programs		9		659	469			1,128
News		17		1,694	746			2,440
Technical Operations		18		1,843	429			2,272
Total - TV Marti	31.50	55	0	6,218	4,486	527	0	10,231
CSRS Employee Pension & Health Benefits				561				561
TOTAL CUBA BROADCASTING	183.50	163	0	16,563	9,061	1,999	0	26,623

	TOTAL WEEKLY HOURS	DOM/AM	FSN	SALARY/ BENEFITS	OPERATING EXPENSES	PROGRAM DELIVERY TRANSMISSION	PROGRAM DELIVERY LEASES	TOTAL FY 2003
BROADCASTING CAPITAL IMPROVEMENTS								
New Construction								-
Major Improvements, Repairs & Replacements					5,000			5,000
Leases and Land Rental								-
Upgrade of Existing Facilities					2,740			2,740
Satellite & Terrestrial Program					800			800
Digital Project					4,500			4,500
Office of Cuba Broadcasting					0			-
Security					700			700
TOTAL CAPITAL IMPROVEMENTS	0.00	0	0	0	13,740	0	0	13,740
GRAND TOTAL BBG	2,656.50	2,831	542	275,695	179,381	38,659	24,454	518,186
Reconciliation: (-) Balances Carried In								(700)
2003 Request								517,486

*EXCLUDES continuing costs of Radio Free Afghanistan due to timing of P.L. 107-117.