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DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 2004

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

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

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

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Fiscal Year 2004
Budget Request

Voice of America • Radio/TV Martí • Radio Free Europe/Radio Liberty • Radio Free Asia

Broadcasting Board of Governors
FY 2004 Budget Request
$563.5 million

Never, since radio and television transmissions began to fill the airwaves, have America's international broadcasts been as critical to our national security as they are today. Faced with the deadliest attack ever on our homeland, international broadcasting is a keystone of public diplomacy's role in leading our allies, heartening our friends, and reaching out to those whose false image of democracy is shaped by envy, hatred, and ignorance.

The Broadcasting Board of Governors (BBG) has an infrastructure in place that gives the U.S. government the invaluable ability to communicate directly with hundreds of millions of people around the globe. Through America's broadcasters we have the ability to spread our message of human rights, tolerance, liberty, and government that responds to its citizens. BBG broadcasting allows the United States to articulate its foreign policy clearly, and promote the free flow of information by providing uncensored, balanced broadcasts to audiences around the world in their own languages.

In accordance with the U.S. International Broadcasting Act of 1994 (P.L. 103-236), the BBG services -- the Voice of America (VOA), Radio and TV Marti, Radio Free Europe/Radio Liberty (RFE/RL), and Radio Free Asia (RFA) – provide objective and balanced news and information to audiences throughout the world. Many of our audiences would not otherwise have access to programming whose first objective is to tell the truth. In over 50 languages the services provide a model of journalism that reflects the United States' democratic values and provides an open flow of information.

In taking his leave of public office in 1796 George Washington wrote that, "...it will be worthy of a free, enlightened, and at no distant period, a great nation, to give to mankind the magnanimous...example of a people always guided by an exalted justice and benevolence." International broadcasting is our most direct medium in living up to President Washington's challenge.

Fighting the War on Terrorism: The Information Front

The extent to which our country is both feared and hated in the Islamic world may determine our future success in the War on Terrorism – a war fueled by misrepresentations of America's ideals, values and beliefs. Throughout the Islamic world, America is commonly thought to be "anti-Muslim." At the root of this misperception is anti-American rhetoric as well as distortions of America's policies and its people that are trumpeted incessantly in the Islamic media via increasingly sophisticated communications channels.

The need to turn up the volume on America's message to targeted Islamic populations has been recognized through supplemental funding provided in FY 2002 and the BBG has responded swiftly to increase our impact in target regions:

- We have added over 75 broadcast hours daily to the Middle East and Central Asia, increasing broadcasting to some countries by more than 100 percent.

- We are expanding our audience reach by strengthening transmission capabilities in the region with unprecedented speed – we have stood up seven 24/7 FM transmitters, established operational capability from a new MW transmitter in Cyprus, and begun construction of a new MW transmitter in Djibouti.

- Responding to the urgency of reaching the youth of the Middle East, Radio Sawa accelerated its initial broadcast schedule. We moved up inauguration of Radio Sawa broadcasts from July to March last year. By April, Radio Sawa was on the air seven days a week, twenty-four hours a day, and broadcasting its news twice an hour.

- On December 18th, Radio Farda, RFE/RL's reformatted Persian service, went on the air. Aimed at an under 30 audience -- which represents about 70% of Iran's population -- Radio Farda is broadcast 24 hours per day via AM transmission and 21 hours per day via shortwave.

  Radio Farda, to which VOA contributes programming, more than tripled our broadcasts to this critical target area. The response from Iranian listeners via Radio Farda's internet site was immediate, large, and resoundingly positive. As one representative listener emailed us, "Iranians at home and abroad cannot thank you enough for the service you are providing in this very important and crucial time. You are providing our people with a window to the free world. Please accept my deepest gratitude."

  In addition, the BBG continues to broadcast its traditional Voice of America programming four hours per day to Iranian audiences.

We need to do more if we are to make significant advances on the information front. We are already doing more within the resources we have. While we recognize the constraints of the current budget environment, in a time of war there are opportunities to seize upon specific, concrete initiatives that could be launched quickly with additional resources.

International broadcasting is one of this nation's most powerful and cost effective weapons available in the war on terrorism. Unfortunately, this instrument is not being utilized to its full potential. To take better advantage of international broadcasting's opportunities, initiatives to expand further our offensive on the information front are included in our FY 2004 request. Expanding our contribution to the war on terrorism is our highest priority for FY 2004: it is the only area for which we are requesting program increases. As priorities shift and the budget outlook is austere, this request also includes a number of program reductions.

Program Changes Proposed for FY 2004

The changes proposed reflect efforts to focus and prioritize funding to have the biggest impact on the most critical regions, specifically the Middle East and Central and Southeast Asia. We are strategically redirecting funds to the highest priority areas, while also implementing management and administrative efficiencies to yield savings.

- The request includes $30 million to initiate the Middle East Television Network – a new Arabic satellite TV network that, once operational, will have the potential to reach vast audiences in the Middle East region.

- The request includes $3.4 million to double VOA Indonesian radio programming, and increase television programming to five hours a week in Indonesian.

- The request includes $2.9 million to expand BBG audience development efforts critical in our redirection to local media markets.

The request includes the elimination of those programs in Central and Eastern European countries that have demonstrated significant advances in democracy and press freedoms, and are now, or will be soon, NATO and European Union members.

- The FY 2004 request includes a net base reduction of $8.8 million. This reflects the planned elimination of lower priority broadcasting in nine languages and reductions in others. The reduction includes the elimination of all BBG broadcasting in Bulgarian, Czech, Estonian, Hungarian, Latvian, Lithuanian, Polish, Slovene, and Slovak. In addition, VOA's broadcasts in Romanian and RFE/RL's broadcasts in Croatian will be eliminated, VOA broadcasts in Ukrainian will be reduced, and VOA's Armenian service will cease to broadcast as a separate service, but will become a content provider to RFE/RL's Armenian service. RFE/RL's Romanian to Moldova and VOA's Croatian broadcasting will continue.

- The request reflects a base reduction of $3.9 million, a 5% reduction in funding for administration and management of all BBG elements, resulting from efficiencies to be achieved in FY 2004.

Summary of Funding Request by Account

The Broadcasting Board of Governors requests a total of $563.5 million for FY 2004.

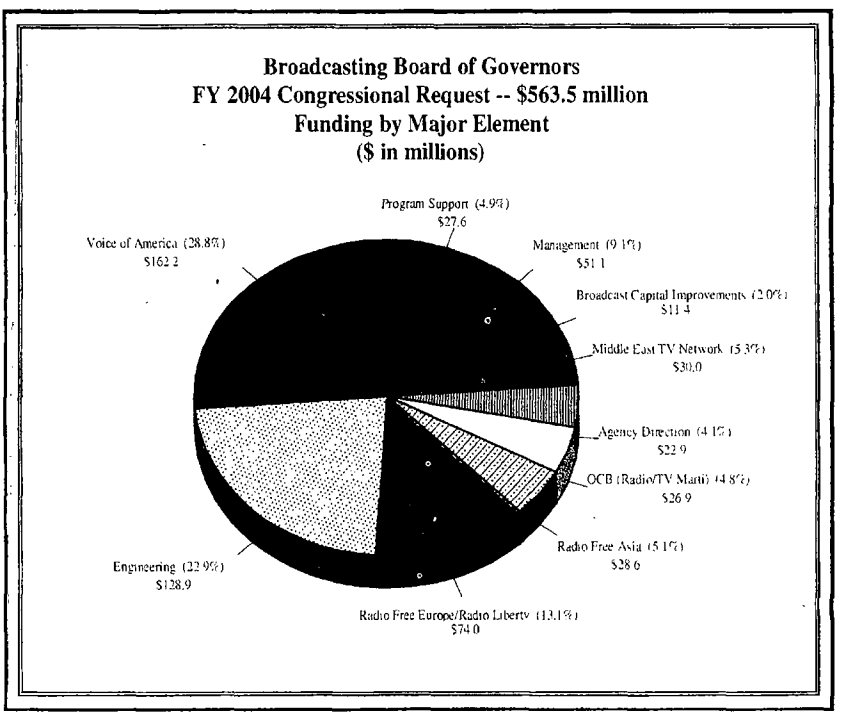
The FY 2004 request includes:

- $525.2 million for International Broadcasting Operations (a one-year account for all broadcasting and support services except Radio Marti and TV Marti). The FY 2004 request includes the elimination of nine lower priority language services that broadcast to Central and Eastern Europe, as well as reductions in other broadcasts to Central and Eastern Europe and Eurasia. In addition, the request reflects efficiencies that will achieve

a five-percent reduction in administration and management costs in FY 2004. This request includes enhancements to fight the war against terrorism, including funds to establish the Middle East Television Network ($30 million) and for VOA Indonesian programming enhancements ($3.4 million) to continue to redirect and refocus international broadcasting. The request also includes additional funding for an audience development initiative ($2.9 million).

- $26.9 million for Broadcasting to Cuba (a no-year account for Radio and TV Marti). This request funds base operations for Radio and TV Marti, including pay and inflation increases and funding to support the Office of Cuba Broadcasting (OCB) transmission requirements in FY 2004.

- $11.4 million for Broadcasting Capital Improvements (a no-year account for transmission infrastructure maintenance and improvements). This request funds maintenance, repairs, and improvements to existing systems, and includes $1.3 million for security requirements related to the relocation of the Philippines transmitting station at Poro.



Broadcasting Board of Governors
Summary of Appropriated Resources
FY 2002 - FY 2004
($ in thousands)

	2002 Actuals \1	2003 Estimate \2	2004 Request	2003- 2004 Difference
International Broadcasting Operations				
International Broadcasting Bureau				
Voice of America	147,588	155,643	162,192	6,549
Engineering and Technical Services	116,622	122,184	128,863	6,679
Agency Direction	17,640	19,730	22,925	3,195
Management	46,876	48,348	51,070	2,722
Program Support	19,562	24,123	27,595	3,472
Total, IBB	**348,288**	**370,028**	**392,645**	**22,617**
Independent Grantee Organization				
Radio Free Europe/Radio Liberty	79,127	78,486	73,988	(4,498)
Radio Free Asia	25,785	27,084	28,571	1,487
Middle East Television Network	-	-	30,000	30,000
Total, Grantees	**104,912**	**105,570**	**132,559**	**26,989**
Total, IBO Resources/Request	**453,200**	**475,598**	**525,204**	**49,606**
Total Appropriated/Request	**451,284**	**475,298**	**525,204**	**49,906**
Rescission	(289)	-	-	-
Transfers In from USAID	1,005	300	-	(300)
Internal BBG Transfers In/Out	1,200	-	-	-
Total, IBO Resources/Request	**453,200**	**475,598**	**525,204**	**49,606**
Broadcasting to Cuba				
Appropriated/Request	**24,872**	**25,362**	**26,901**	**1,539**
Broadcasting Capital Improvements				
Appropriated/Request	**68,600**	**13,740**	**11,395**	**(2,345)**
Transfers to IBO	(1,200)	-	-	-
Total, BCI Resources/Request	**67,400**	**13,740**	**11,395**	**(2,345)**
Grand Total, Broadcasting Board of Governors Appropriated/Request	**545,457**	**514,490**	**563,500**	**49,100**

\1 Includes all funding provided in P.L. 107-77 ($478.7 million), P.L. 107-38 ($38.9 million), P.L. 107-117 ($19.2 million), and P.L. 107-206 ($7.7 million Supplemental Funding for MW in Tunisia).

\2 Includes funding provided in P.L. 107-206 for FY 2003 operational costs of Radio Free Afghanistan ($5.4 million for RFE/RL and $2.0 million for IBB Engineering related transmission costs). Does not include $10.5 million for employer costs related to CSRS included in the FY 2003 budget request.

Broadcasting Board of Governors
Summary of Increases and Decreases
FY 2003 - 2004
($ in thousands)

FY 2003 Estimate	+	**514,400**

This represents the FY 2003 request for all BBG elements and funding provided in P.L. 107-206 for the FY 2003 operational costs of Radio Free Afghanistan.

Wage Increase: Domestic/American	+	**6,098**

This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.

Wage Increase: FSNs	+	**616**

This cost represents anticipated wage increases for overseas foreign service national employees.

Other Wage Requirements	+	**3,954**

This increase provides for annualization of salary and benefits to continue current programming into FY 2004 and the cost of pay for one extra day.

Inflation	+	**5,114**

This cost reflects a 1.5% inflation increase for general operating expenses for 2004.

Built-in Requirements	+	**15,649**

This includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following:

a) International Cooperative Administrative Support Services (ICASS).	**280**
b) Rent/Renovations/Utilities.	**2,935**
c) Annualization of on-going leases.	**2,375**
d) Internet streaming and satellite increases.	**609**
e) Operational costs for new transmitting facilities.	**3,444**
f) On-going security maintenance requirements.	**1,696**
g) Consolidated research contract.	**2,800**
h) Other built-in cost increases.	**1,510**

Non-Recurring Costs		**(7,139)**

The following one-time costs are non-recurred in FY 2004:

a) Belize closing costs.	**(29)**
b) Station mandatory adjustments.	**(24)**
c) Net adjustment for power requirements.	**(208)**
d) Home Leave and Transfer costs.	**(369)**
e) One-time capital equipment costs.	**(1,104)**
f) Change to annual payment of transmission agreement.	**(905)**
g) VOA digital conversion costs.	**(4,500)**

Continuing Operations	**538,692**

Broadcasting Board of Governors
Summary of Increases and Decreases
FY 2003 - 2004
($ in thousands)

Program Decreases		**(12,802)**
Reflects the following reductions to base operations:		
a) VOA and RFE/RL broadcast reductions (including related support costs).	(8,838)	
b) Management and administrative efficiencies.	(3,964)	
Program Increases	**+**	**37,610**
Reflects the increase above base operations to fund the following enhancements:		
a) Middle East Television Network.	30,000	
b) VOA Indonesian Expansion - Radio and TV.	3,460	
c) Audience Development.	2,900	
d) Security requirements for Poro Relocation.	1,250	
TOTAL FY 2004 BROADCASTING BOARD OF GOVERNORS REQUEST		**563,500**

Broadcasting Board of Governors
Summary Explanation of Change
FY 2003 - FY 2004
($ in thousands)

	FY 2003 Estimate \1	FY 2004 Requirements: Wage Requirements	Inflation	Other Net Built-in Changes	FY 2004 Continuing Operations	Program Decreases	Program Increases	FY 2004 Request
International Broadcasting Operations								
International Broadcasting Bureau								
Voice of America	155,343	4,898	664	160	161,065	(1,893)	3,020	162,192
Engineering and Technical Services	122,184	1,332	1,150	4,886	129,552	(1,129)	440	128,863
Agency Direction	19,730	462	285	3,080	23,557	(632)	-	22,925
Management	48,348	747	487	2,657	52,239	(1,169)	-	51,070
Program Support	24,123	605	1,272	15	26,015	(1,320)	2,900	27,595
Independent Grantee Organizations								
Radio Free Europe/Radio Liberty	78,486	954	873	100	80,413	(6,425)	-	73,988
Radio Free Asia	27,084	1,103	130	488	28,805	(234)	-	28,571
Middle East Television Network	-	-	-	-	-	-	30,000	30,000
Subtotal, International Broadcasting Operations	**475,298**	**10,101**	**4,861**	**11,386**	**501,646**	**(12,802)**	**36,360**	**525,204**
Broadcasting to Cuba	25,362	567	139	833	26,901	-	-	26,901
Broadcasting Capital Improvements	13,740	-	114	(3,709)	10,145	-	1,250	11,395
Total, Broadcasting Board of Governors	**514,400**	**10,668**	**5,114**	**8,510**	**538,692**	**(12,802)**	**37,610**	**563,500**

\1 Includes funding provided in P.L. 107-206 for FY 2003 operational costs of Radio Free Afghanistan ($5.4 million for RFE/RL and $2.0 million for IBB Engineering related transmission costs). Does not include $10.5 million for employer costs related to CSRS included in the FY 2003 budget request.

Broadcasting Board of Governors
Summary of Positions and FTE
FY 2002 - FY 2004

	[illegible]		[illegible]		[illegible]	
	Positions	FTE	Positions	FTE	Positions	FTE
International Broadcasting Bureau						
Agency Direction	**77**	**68.3**	**97**	**86.7**	**93**	**84.0**
American Salaries	77	68.3	97	86.7	93	84.0
Foreign Nationals	-	-	-	-	-	-
Management	**153**	**154.0**	**168**	**163.5**	**161**	**161.0**
American Salaries	153	154.0	168	163.5	161	161.0
Foreign Nationals	-	-	-	-	-	-
Program Support	**74**	**65.1**	**91**	**86.6**	**86**	**84.8**
American Salaries	67	58.1	78	73.6	75	73.8
Foreign Nationals	7	7.0	13	13.0	11	11.0
Voice of America	**1,276**	**1,258.9**	**1,364**	**1,329.2**	**1,350**	**1,318.9**
American Salaries	1,250	1,233.9	1,336	1,301.2	1,322	1,291.9
Foreign Nationals	26	25.0	28	28.0	28	27.0
Engineering and Technical Services	**657**	**648.7**	**692**	**687.0**	**689**	**688.3**
American Salaries	192	186.1	207	202.0	207	206.3
Foreign Nationals	465	462.6	485	485.0	482	482.0
Subtotal, Int'l Broadcasting Bureau	**2,237**	**2,195.0**	**2,412**	**2,353.0**	**2,379**	**2,337.0**
Broadcasting to Cuba	**156**	**155.0**	**163**	**163.0**	**163**	**163.0**
American Salaries	156	155.0	163	163.0	163	163.0
Foreign Nationals	-	-	-	-	-	-
Subtotal, BBG Federal Employees	**2,393**	**2,350.0**	**2,575**	**2,516.0**	**2,542**	**2,500.0**
Grantees						
Radio Free Europe/Radio Liberty	**600**	**-**	**602**	**-**	**550**	**-**
American Salaries	600	-	602	-	550	-
Radio Free Asia	**266**	**-**	**262**	**-**	**262**	**-**
American Salaries	258	-	256	-	256	-
Foreign Nationals	8	-	6	-	6	-
Middle East Television Network	**-**	**-**	**-**	**-**	**17**	**-**
American Salaries	-	-	-	-	17	-
Subtotal, Grantees Employees	**866**	**-**	**864**	**-**	**829**	**-**
Total, Broadcasting Board of Governors	**3,259**	**2,350.0**	**3,439**	**2,516.0**	**3,371**	**2,500.0**

Broadcasting Board of Governors
FY 2004 Budget Request

Developing a U.S. Middle East Television Network

In the aftermath of September 11th, 2001, it has become clear that Arab understanding of who Americans are, and for what we stand, is abysmal. We must continue to develop ways to communicate effectively with these populations, to provide them the truth about the U.S., its policies and people, and provide an objective picture of news events as they unfold in the Middle East and around the world. To extend our reach into this region and ability to communicate with these populations directly, the Broadcasting Board of Governors proposes to create a new U.S. Middle East Television Network.

BACKGROUND

Television is the single most important information source in the Middle East. Daily television viewership is over 90% in almost all countries of the region where statistics are available. More than three-quarters of the populations surveyed reported "yesterday viewing."

Satellite television, in particular, has an already large and still growing impact on the region. Satellite television, and particularly Al Jazeera, has played a major role in delivering the message of Osama Bin Laden to Arabs throughout the region. Islamic fundamentalists abetted by sympathetic talk show hosts now have a platform that reaches directly into millions of Arab households, and if public opinion polls are an indication, their message resonates with many viewers.

Eighty to ninety percent of the households in the wealthier Gulf countries have access to satellite television. Given the pervasive satellite dish ownership within the region, direct-to-home (DTH) satellite transmission is highly effective and can be free of government controls. The implications of this new trans-border broadcast medium are enormous -- for the first time Arab populations can see television programs that are not regulated by their governments.

The BBG's Radio Sawa has afforded us a giant step in providing a broad platform from which to communicate with young populations in the region. Early indications are that this new network -- using commercial radio techniques, drawing audiences with attractive radio formats, and providing balanced news and information -- is a success. But we can do more. Given that television plays a major role in the formulation of public opinion in the region, the creation of a U.S. Middle East television network is a crucial component of this nation's public diplomacy outreach to the Arab world.

From our research in creating Radio Sawa and examining the TV environment, we have learned much about the Arab perspective and the programming that's currently available

in the region. By combining this research with private sector programming expertise, we can provide Arabic-speaking audiences with programming that reflects American values of freedom and democracy, and provide news and information in the Western journalistic tradition. A U.S. satellite TV network would complement the new Radio Sawa, utilize and build on the research and news-gathering infrastructure that already exists for Radio Sawa, and allow cross-promotion between radio, television, and the Internet.

THE NETWORK

The television network proposed is an 18 to 24 hour a day, seven day a week service presenting an American-style news and information program in the Arabic language. The network would present news programming in a format similar to CNN/MSNBC/Fox (but in Arabic), tailored for Arabic information-seekers of all ages, and uniquely designed to resonate with its audience. Its programming would be unique in that it would communicate the opportunities inherent in a democratic system of government, promote individual freedom, and address the anti-American misinformation that permeates the region. It would provide a wide Arabic-speaking audience with a means to better understand America, its policies and people.

Such a network could not only serve as a counter to the biased reporting on local stations such as Al Jazeera, but could also become a model against which other regional broadcasters would have to compete – a model of accuracy and credibility whose news and information its viewers can trust. When successful, such a station would compel local media to measure up to the truth that would be displayed in the homes of Arab households on U.S.-sponsored television broadcasting.

CONTROLLING THE MESSAGE AND MEANS OF DELIVERY

Although most would agree with the need to tap into the vast TV audience in the Middle East with our message of political and economic freedom, there are some who believe that this can be accomplished by providing assistance to indigenous media. Such assistance is certainly needed. But it is a long-term proposition to train independent journalists in Western journalistic practices and to assist them in developing the kind of media organization that can support the distribution of the product. Once done, there is no guarantee that the independent media entity can survive in a state-controlled environment.

Given the immediacy of the problem of terrorism, the U.S. must develop and control its own product, even as this product helps set a new journalistic standard in the Arab world and provides on the job training for would-be journalists. BBG entities, such as RFE/RL, have long served to set a standard for journalism in the regions to which they broadcast. Just recently, RFE/RL was awarded a medal by the President of Lithuania for its role as an example of a free press in that country. Through the employment and training of local stringers throughout the world, BBG broadcast entities help create a cadre of journalists

who pursue the standard of accurate, objective, and comprehensive news and information. A new television entity would serve a similar purpose.

THE NETWORK V. SYNDICATION MODEL

Some advocates of U.S. international television broadcasting favor distribution of a U.S. television product via a "syndication" rather than a "network" model. This would establish the U.S. Government as a program provider, rather than a network that produces and delivers its product. The BBG has learned in its experience with radio programming that, controlling the means of transmission is critical. We ensure that our programming is aired in the time period that attracts its target audience, is not edited, and is not undermined by the placement of objectionable programming juxtaposed with ours.

Although syndication appears to be a simple and cost-effective solution, it has clear drawbacks. An example in point is the effort attempted by the BBC to establish a co-venture with the Saudi satellite company "Orbit". The BBC was to provide the programming to be distributed by the satellite company. The co-venture fell apart when the distributor failed to air programming that was deemed objectionable by Saudi officials. The BBC could not maintain its editorial integrity when the transmission entity could control the program distribution and the project failed.

A U.S. Middle East Television Network must be a full television channel, not simply a syndicator offering programs for other stations to consider for broadcast or to sandwich into their existing program streams. If the U.S. Government provides programming through a syndication model, it will not be available around the clock, when our audiences want us and when breaking news occurs. To date, we have not found suitable "pro-American" partners who could air daily U.S. public diplomacy programs. We do not believe any existing Middle East network would carry totally uncensored U.S.-produced news and information.

Television is still primarily state-owned and state-run throughout the Arab world. Self-censorship is thus common throughout the Arab world, and it is not an attractive marketplace for the syndication of U.S. Government products.

SATELLITE DELIVERY

A new Middle East satellite network could use a constellation of communication satellites that already host popular radio and TV program services of interest to target audiences. A new service must appear in the satellite channel "neighborhood" of other popular services so that the audience can easily tune in without having to acquire more equipment or re-orient their dish antennas. For any new U.S.-sponsored TV channel to be successful, it must be carried on the satellite(s) that large numbers of people are already "watching." BBG's Office of Engineering has recommended that any new service be on five satellites: Eurobird, Eutelsat Hot Bird 3, Asiasat 2, Nilesat and Arabsat. A number

of these are already carrying programming for Radio Sawa, and would be cost-effective and accessible for television as well.

Direct-To-Home (DTH) satellite television is increasingly the information medium of choice in the Middle East, reaching people of all ages. As a DTH branded channel, the U.S. would control the means of distribution. No gatekeepers could censor programs or adjust program schedules. No unsuitable programs would precede or follow our programs.

BRINGING THE BEST U.S. MEDIA EXPERTISE TO BEAR

We propose to invite prominent individuals from the U.S. television industry and other media to assist in launching the new network. It is always easier to engage "Hollywood" when there is a solid proposal on the table to which they can directly contribute. With the establishment of the new network as a platform, we can leverage American private industry expertise to an extent unprecedented to date in international broadcasting.

The BBG Board would seek to establish a pro-bono blue-ribbon advisory council to the new television network. These successful media experts could include some of the top people this country has in fields such as TV programming, delivery, news and production. This group would be an invaluable resource in designing a channel to compete effectively with other satellite channels reaching the Middle East. BBG Board members have already had preliminary discussions with prominent members of the broadcasting, communications, and entertainment communities in the U.S., and there is significant interest in assisting the war on terrorism.

PROGRAMMING

Those familiar with Radio Sawa know that it has the most heavily researched programming of any constructed by the BBG. Built on the foundation of popular music to draw an audience, its news and information programming has been developing in stages, with new program layers added, as guided by research. Modern radio broadcasting techniques demand that we carefully construct the program formats that will attract the largest possible audience to hear the message we want to send. Programming for television should be built in a similar fashion -- based on a news format, with the introduction of feature programming that is compelling to our viewers, will develop their loyalty and trust, and will become a channel of communication with moderate Arabs to convey American ideals of freedom and democracy.

U.S. commercial television series are available in syndication all over the world, and they are extremely popular. When Americans view them, they understand the context, and do not understand them as representing reality. Often when foreigners see U.S. programs that push the envelope on sex, violence and crime they assume they have a window into American society. We cannot rely solely on the export of commercial series to explain

this country. To attract a television audience in the Middle East, we must research and develop our own unique viewing proposition. We must offer viewers something that they need and no other network provides.

As Radio Sawa is a virtual laboratory for creating dialogue with the people of the Middle East, so must any new television product act as such a laboratory for opening communication. Focus groups in the region would help us refine our television concept. A "demo" that could be tested with focus groups, and field surveys in the region would help us identify key programming opportunities.

The BBG has considerable experience in producing, transmitting, and syndicating television programming in many parts of the world. Voice of America Arabic television programming could be aired on the network. As mentioned above, programming on the proposed new TV channel would be information-rich, in a CNN/MSNBC/Fox-style format, but adapted to the Middle East. Feature programming could be developed with the cooperative expertise of the U.S. private sector and U.S. public diplomacy professionals. It would not be our goal to fill airtime with acquired programming that is not relevant to our mission or our audiences.

An all news format, however, is not what we propose. With television a medium of "appointment" programming, we would program the network in a manner that would best attract an audience targeted for a given time slot – much like the programming rhythm of an American domestic network. The non-news programs would emphasize certain values and concepts: mutual respect, religious tolerance, democracy, freedom, the rights of women and the rule of law. Program topics could include discussions of U.S. foreign policy, global events, and social issues; business and finance; science, technology, and health; education and individual achievement; and sports and entertainment.

The network's news should come from the region, the United States and the world. It should be specifically targeted for the interests of an Arab audience, and follow the dictum that guides U.S. international broadcasting now: "accurate, objective and comprehensive." Analysis, providing the meaning behind the news, would be a strong part of this programming as would access to U.S. officials. A rough outline of a daily program schedule could look as follows:

Time (Cairo)	Program Type
0600-0900	Morning Show, based on audience flow ("Today"-like)
0900-1200	All-news (CNN-like)
1200-1700	Family entertainment, including some children's programs
1700-2100	CNN-style news
2100-2400	Entertainment and information programs

STAFFING

We propose to establish the network as a stand-alone grantee of the BBG. A phased-in programming approach, using contract employees with substantial experience in television production and on-air reporting would get a new network on the air as quickly as possible. We would estimate the need for a staff of approximately 17 full-time employees and 143 contractors, including editors, reporters, production support and technical/computer support. A number of these employees should be located in the region.

The development of satellite TV in the Arab world has stimulated the growth of production centers in those cities where technical expertise is concentrated, notably Cairo, Beirut, Damascus and Amman. Dubai Media City, the Egyptian Media Production City, and the Jordanian Media City Company are experimental zones. All three offer advantages in establishing an overseas presence: lower costs and greater freedom of speech than in other parts of the region.

The proposed staffing for a Middle East Television Network, once fully operational, might look as follows:

	Americans	Contract	Total
Broadcast Center	4	73	77
Bureaus	13	70	83
Total	17	143	160

REGIONAL OPERATIONS

In order to be credible, the TV network must be prepared to do many of its interviews, talk shows and news coverage live. It is the element of spontaneity and the resulting high credibility that set Al Jazeera apart from the state TV networks and other satellite channels in the Middle East. For a U.S. Middle East TV Network to achieve this, it is important that it have a home base in the Middle East.

A local site would facilitate access to local newsmakers at times when audience reach can be maximal. A Middle East location also guarantees that the staff will remain in touch with the surrounding area, its culture and language. Almost certainly the candidates for a regional site will be the same "media-free zones" that BBG explored for Radio Sawa: Amman, Cairo and Dubai. Candidate cities for the regional bureaus include Jerusalem, Amman, Cairo and a Gulf state.

FUNDING ESTIMATES

The budget request includes $30 million for start-up operations costs to establish the network. Additional funding of $37 million will be required to launch the network and reflects annual recurring operational costs of the network.

Proposed Budget for U.S. Middle East Television Network
($ in thousands)

Total Start-Up Costs	**$30,000**
Broadcast Center	**8,550**
Infrastructure Construction/Furnishings/Office Equipment	
Studios	
Graphics Unit/Equipment	
Edit Suites	
Control Room Equipment & Construction	
Reporting and Video Journalist Equipment	
Bureaus	**7,675**
Infrastructure Construction/Furnishings/Office Equipment	
Studios	
Edit Suites	
Connectivity Equipment	
T-1 for Connectivity Among Bureaus	
Control Room	
Reporting and Video Journalist Equipment	
Transmission	**7,300**
Satellite Gateways: Arabsat-2A, Nilesat, Eutelsat Hot Bird, Eurobird, Asiasat-2	
Bandwidth from Broadcast Center to Gateways	
Equipment at Gateways	
Uplink Equipment for Broadcast Center and Bureaus	
Bandwidth and hardware for Transmission to/from Headquarters	
Start Up Operations	**6,475**
Core staff salary (8 positions)	
Start up training and contractor hires	
Rent/utilities/security	
Research	
Pilot acquired programming and versioning	
Other start up costs	

In Sum

No other medium can match the impact of television, which is accessed by virtually everyone in the Middle East region, and which serves as the number one source of news and information everywhere we have surveyed in the region. The BBG's mission in establishing a television network to the Arab world would be to broadcast accurate, timely and relevant news and information about the region, America and the world to a broad, Arabic-speaking audience, and thereby to promote freedom, democracy and mutual understanding. In order to do this effectively, the U.S. should control the network and its content, and have the ability to react to changing news events in the region.

The logical way to deliver a television channel in the Middle East is direct-to-home satellite TV, which offers a clear, uncensored path to viewers. A U.S. Middle East Television Network should broadcast 18 to 24 hours a day, seven days per week. Its programs would fill an informational niche, offering content that will promote understanding of America, and an appreciation of the benefits of freedom, democracy and a civil society. In a market where more than three-quarters of those populations surveyed report "yesterday viewing", we can't afford not to be part of the immediacy of television's message, as well as the evolution of the medium in the region.

Broadcasting Board of Governors
FY 2004 Budget Request

VOA Indonesian Enhancement
($3.46 million)

With 220 million people, Indonesia is the world's fourth largest country. Of that population, 90% are Muslim – giving Indonesia the largest Muslim population of any country in the world. Anti-American sentiment in Indonesia is at an all-time high. While Indonesians have traditionally been known for their moderation and tolerance, fundamentalist Islamic teaching has been making inroads and links between militant Indonesian Muslim groups and Al Qaeda have been discovered. Militant Muslim organizations operate extensively in Indonesia, as shown by the Bali bombing, which was the largest-scale terrorist attack since September 11th.

Under former President Wahid the Ministry of Information was closed, giving the press and media unprecedented freedom to grow and express themselves. Radio stations proliferated between 1998 and 2002. Television stations grew from one government and two private stations under Suharto to one government and ten private stations by 2002. However, the increased competition, partisan control of some newspapers and stations, and lack of professionally trained journalists have resulted in sensational, unreliable and biased reporting. In addition, one of President Megawati's first acts as President was to establish a ministerial position for information and communications. This action has given rise to fears by the press and the media of a return to Suharto-period censorship and control over the press – although, thus far this hasn't happened.

America's leading role in the War on Terrorism continues to cause some Indonesians to rethink their view of U.S.-Indonesian relations, resulting in a growing feeling of alienation from the U.S. and American foreign policy goals. Large segments of the population interpret the War on Terrorism as a war on Islam. The local media are still unable to provide the people of Indonesia with comprehensive, reliable or balanced news.

Television and radio penetration are extremely high in Indonesia (90.2% and 83.4% of adults nationwide, respectively). Daily TV use (91.9%) outpaces daily radio use (63.5%). Only 5.8% nationwide are weekly shortwave radio listeners, which means local affiliation with FM stations is a necessity.

With its strong radio and television reach to all corners of Indonesia, VOA is in position to be a major provider of balanced news and information to the people of Indonesia. VOA's combined weekly reach for television and radio programming has grown from 4.5% of adults nationwide in 2001 to 6.1% in 2002. This translates into an audience of more than 4.9 million adult listeners and viewers in the sampled areas. Nationwide this projects to 9.5 million adults.

Although awareness of international radio broadcasters is generally low in Indonesia, VOA's awareness has increased in the past year, from 6% in 2001 to 9.4% in 2002. Much of this

increase can be attributed to VOA's affiliate network. In Jakarta, where VOA has 14 affiliates, VOA has 17.8% awareness.

VOA's network of over 150 radio affiliates reaches virtually every island and its close working relationship with Indonesia's main television stations gives it a nationwide impact. For the last two years, VOA's Indonesian Service has doubled and redoubled its reach and impact.

To build on the progress made over the past few years, the BBG proposes to double VOA daily radio broadcasts, expand VOA television programming from 1.5 hours to five hours a week, and launch additional youth-oriented programming into a significant stream appealing to the 60% of Indonesians who are under the age of 30.

Proposed Budget for VOA Indonesian Radio and TV Enhancement ($ in thousands)

Total Costs	**$3,460**
Salaries and Benefits	1,630
General Operating Expenses	1,390
Transmission	440
Number of Positions	**22**

Broadcasting Board of Governors
FY 2004 Budget Request

Audience Development Initiative
($2.9 million)

For decades, our international radio programming was carried principally on shortwave frequencies. While it is a powerful medium -- one of the few methods of penetrating borders and reaching shortwave areas cut off by either government policy (as in China) or the lack of a communications infrastructure (as in many parts of Africa) -- it is not a surprise that in many regions, TV and FM radio have eclipsed medium wave (AM) and shortwave as the sources from which people get their information.

Local rebroadcasting through affiliate stations allows the BBG to broadcast directly in a local market and reach a large concentration of listeners and/or viewers on their medium of choice. We are dedicated to ensuring that international broadcasting has an impact on the largest possible segment of our target audience. If we are not broadcasting in media relevant in our target regions, we are not expending resources effectively. We have expanded and will continue to expand our worldwide affiliate network as resources are available.

However, making our programming available in FM and AM is not enough. Marketing and promotion are an integral part of an FM broadcasting strategy. Marketing and promotion will influence the growth of new delivery systems and bring new audiences, which is paramount to our effectiveness. We recognize that we are moving into new terrain in that marketing and promotion have not traditionally been emphasized as an integral part of our international broadcasting strategy.

The War on Terrorism and related foreign policy initiatives require focused audience development efforts to increase the impact of U. S. international broadcasting in high priority regions of the world. The BBG must increase awareness among information-seekers regarding the identity and availability of U. S. international broadcasters and their programs. High-priority broadcast languages will be the focus of local marketing efforts to increase the impact of BBG programming.

The BBG proposes an audience development initiative to augment marketing and affiliate relations programs by $2.9 million globally, to bring those efforts in line with the push to make programs available on popular local FM and AM stations in foreign markets. The audience development initiative will be carefully coordinated and utilize audience research to determine both the potential for success of media awareness campaigns and audience development efforts.

The amount requested for advertising and promotion is less than one percent of the total budget request. An average commercial radio station in this country spends just over eight percent of its annual budget on advertising.

The costs of conducting an effective television advertising campaign in high-priority areas, such as Indonesia, are not insignificant. One study conducted for Indonesia during August of 2002 indicated that a single television advertising campaign for our affiliates in Jakarta would run $50,000 in production costs, and $150,000 for advertising placement. To be effective in reaching the potential audience, however, such advertising needs to be placed.

Increased awareness on the part of local audiences is a critical component to the success of BBG's efforts to develop new audiences, and retain current ones. To achieve this increased awareness, commensurate effort must be made to reach potential audiences through existing local media – newspapers, radio and television, and other means such as billboards. An increased investment in promotion will directly affect the impact and reach of our programming as media environments demand local transmission to retain a voice in key regions.

Proposed Budget for BBG Audience Development Initiative
($ in thousands)

General Operating Expenses $2,900

Broadcasting Board of Governors
International Broadcasting Bureau
Voice of America

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	**147,588**	**155,343**	**162,192**
USAID Transfer		300	
Total	**147,588**	**155,643**	**162,192**
Positions	**1,276**	**1,364**	**1,350**

VOA and Its Charter

The Voice of America (VOA) was chartered by Congress to be a comprehensive and authoritative source of news and information to audiences worldwide. VOA broadcasts more than 1,000 hours of radio programs weekly in 53 languages to an estimated audience of nearly 100 million listeners. VOA also broadcasts an average 45 hours of weekly television programming. The 1976 charter governs all VOA programs, including its Internet outreach.

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

VOA programs represent all three aspects of the charter.

The Voice of America tells America's story. From news reports of political developments in the United States to discussion of social issues, VOA tells the rest of the world how America works, the reasons behind our policies, the thinking of our opinion makers, and what motivates us. VOA's music, education and cultural features, along with call-in shows and English-teaching programs, all contribute to the matrix of American coverage – in 53 languages.

VOA's news and feature programs, gathered via 19 bureaus worldwide and augmented by original material from VOA's language divisions, provide audiences around the globe with objective and comprehensive news. VOA news and information programs are especially important in areas where the flow of information is restricted or distorted – in closed or repressive societies, developing countries or countries where anti-American sentiment is on the rise, and regions in crisis or even nascent democracies.

VOA's coverage of United States policies is extensive and diverse. Daily editorials representing the views of the U.S. Government are prepared by the BBG's Office of Policy in coordination with the Department of State and broadcast by VOA. Further presentation and discussion of these policies, along with relevant bilateral issues in other regions, are included in VOA's growing number of call-in shows and other programs. All major pronouncements by officials of the executive, legislative or judicial branches of our government are broadcast worldwide.

The Changing Face of VOA

VOA has recast itself as a true multi-media organization and is increasingly utilizing new technology to reach our international audience. In 2002, VOA expanded its 24-hours-a-day, seven-days-a-week Internet news service, voanews.com. Officially launched in November 2000, voanews.com now includes content and audio in all 53 languages. VOA's News Now web page was given the Standard of Excellence Award by the Web Marketing Association. The page was recognized for both its content and its structure. The judges said it contained highly relevant information presented in an intuitive way. More than 30 language services post news and feature content daily. The most popular VOA language websites include English Worldwide, Special English, Persian, Albanian, Horn of Africa, Chinese and Vietnamese. In addition to their web sites, several language services provide email news services to their regions. For example, VOA Mandarin has established 400,000 email news subscriptions inside China, where broadcasting is still subject to government jamming efforts. In mid-2002, VOA's Indonesian Service launched a weekly electronic newsletter, with more than 3,500 subscribers signing up the first week.

VOA is committed to reaching its audience via media appropriate to the market, and for increasing numbers of the audience, that means television. VOA continues to make available by satellite a 24-hour television service in English and vernacular programs. Additionally, VOA has created television products in more than 20 languages, including Mandarin, Persian, Indonesian, Serbian, Bosnian, Albanian, Russian, Ukrainian, and English and French to Africa, within available resources. In September 2002, VOA Persian launched a new weekly 60-minute television magazine program, *Next Chapter*, aimed at Iranian youth. It complements the Persian Service's highly successful *Roundtable With You* program, a 90-minute show designed to appeal

to opinion shapers and an older demographic. Also new are weekly television feeds in Azerbaijani, Dari, and Pashto, all of which are placed locally via signed agreements with TV affiliates.

The new VOA Director has refined and made final decisions on a long-delayed plan to merge Worldnet TV with VOA. Once final consultations with the Administration and Congress are complete, and approval of the final implementation plan is granted, we will complete the merger.

While VOA's multimedia advances will continue, VOA is committed to ensuring that all of its programs, regardless of the medium, adhere to the Charter and inform audiences about U.S., regional and world news, American thought and institutions, and U.S. policy.

Radio Sawa (MERN)

As a result of the regional situation in the Middle East, the war on terrorism, Israeli-Palestinian developments and the confrontation with Iraq, Radio Sawa accelerated its broadcast schedule in FY 2002. Instead of inaugurating its broadcasts in July, broadcasting began in March. By April, Radio Sawa was on the air seven days a week, twenty-four hours a day, and broadcasting its news twice an hour. As staff members completed training and additional stringers were hired, Radio Sawa expanded its newscasts and added policy and features elements to the news. These elements include full texts of major policy addresses on Arab-Israeli issues and Iraq by President Bush, significant excerpts of Middle East-related speeches by the President, Vice President Cheney and others, and interviews with Secretary of State Colin Powell, Deputy Secretary of State Richard Armitage, Secretary of Defense Donald Rumsfeld, Deputy Secretary of Defense Paul Wolfowitz, Under Secretary of Defense for Policy Douglas Feith and others. Radio Sawa has also launched another policy-related feature broadcast three times a week, Ask The World Now, which provides answers to key questions that listeners have about the United States. These features include excerpts from statements by President Bush and senior policymakers which are used to answer questions about U.S. policy toward terrorism, Iraq, Israel, the Palestinians, North Korea, Islam in America, and numerous other issues of concern to listeners in the Middle East.

Medium wave broadcasts to Iraq began in June, with Iraq-related news interspersed during programming of several daily prime listening hours. Radio Sawa inaugurated a special feature for its Iraq newscasts, called *The View from Washington*, which provides a summary of U.S. policy-related developments of the previous 24 hours.

On the one-year anniversary of September 11th, Radio Sawa broadcast an hour-long special containing excerpts of interviews conducted with 52 leading Arab opinion-shapers expressing sympathy for the United States and urging an end to violence. Highlights of the interviews were also broadcast hourly throughout the 24-hour broadcasting clock on September 11th.

VOA Arabic on the Internet

In January 2003, the Voice of America launched a new Arabic-language website to reach the growing number of Arabic speakers online. In some Arab countries, up to a third of the adult population now go online on a regular basis, and an even higher percentage of opinion shapers, such as academics, journalists, and officials, look for news and information online. The site offers a place for them to find international news, accurate information about the United States, and informed discussions of American policy. The site includes translations of news written by VOA journalists as well as portions of press briefings at the White House, the State Department, and the Pentagon. It also includes Arabic translations of VOA editorials and policy discussions. The site also allows visitors to request daily email of VOA Arabic news reports. The new site, located at www.voanews.com/Arabic, has already attracted many visitors who have emailed VOA to say how much they appreciate the site.

Persian Broadcasting

Persian TV -- VOA's Persian Service currently airs a weekly 90-minute TV-Radio simulcast, call-in program, *Roundtable With You*, which targets opinion shapers in Iran. This flagship show has met with major success in attracting viewers – 34% of respondents in four Iranian cities surveyed say they regularly watch the show – and it is recognized as the leading quality TV program viewed in Iran. Six phone lines are regularly lit up with callers during the show and at least 20 callers are accommodated though many more calls are received each week. The show also regularly receives emails during the broadcast from viewers wanting to contribute to the discussion.

The Persian Service has also launched an innovative weekly magazine show, *Next Chapter*, which is a fast-paced, one hour TV program aimed at Iranian youth. Television is the major source of news for Iranian youth, which make up more than 50% of the population. Reaching out to Iranian youth is especially important now in light of reports that urban youth are increasingly dissatisfied with the current Iranian regime. The response to this new youth-oriented show has been overwhelming, with the service receiving more than 500 phone calls and numerous emails since the September, 2002 launch. A majority of the calls and emails have been from young Iranians, male and female, inside and outside Iran. VOA's Persian Service has learned that the morning after the show's launch, tapes of the show were already available on the black market in Tehran. The show's staff and producers have been interviewed by *The New York Times* and CBS' *60 Minutes* about their exciting new approach in broadcasting to Iran.

Persian Radio – VOA Persian radio currently broadcasts four hours of daily shortwave programming to Iran, including the 90-minute, weekly radio-TV simulcast of *Roundtable With You*.

Radio Farda -- December 2002 marked the launching of Radio Farda, a 24-hour Persian language station that replaces Radio Free Europe/Radio Liberty's previous broadcasts. Radio Farda – to which VOA contributes programming -- is a unique, Persian-language radio service designed to give Iranians additional news, information, public affairs and entertainment. It is aimed at Iranians under 30 who make up 70 percent of the population. Radio Farda, which means

"Radio Tomorrow" in Persian, broadcasts 46 newscasts a day for a total of 313 minutes of daily original news and substantive content. It replaces RFE/RL's previous Persian broadcasting format.

Internet -- VOA is also building up its Persian Internet site, already one of VOA's most successful and frequently visited sites, with about 70,000 hits every week. To reach the growing Internet audience, VOA Persian television and radio programs are streamed, in both video and audio, on the VOA Persian web site.

Afghanistan

Another major initiative undertaken by VOA this year in response to the global war against terrorism was working in coordination with RFE/RL's Radio Free Afghanistan to launch a 24-hour, seven-day-a-week radio broadcast stream to Afghanistan in Dari and Pashto. The programs include hourly news and information reports from around the world, as well as feature reports on issues such as health, education, women's rights and economic reconstruction. VOA was given a USAID grant to assist in the expansion of its stringer network and coverage from Afghanistan, Pakistan, Tajikistan, Uzbekistan and Iran. Intensive journalism training sessions were conducted by VOA on the ground in Afghanistan for Dari and Pashto stringers with these funds. Both VOA Dari and Pashto Services also instituted rotational correspondent assignments in Afghanistan, further enhancing VOA's coverage of the region. Recent research findings from September, 2002 indicate that these efforts have been successful, with VOA garnering a weekly audience of 75% in Kabul.

Other surge broadcast efforts in the region last year include the expansion of VOA Urdu programming to three hours daily, and of VOA Uzbek and VOA Turkish programming to one hour daily each. Stringer networks in these areas were also greatly expanded to enhance VOA regional coverage.

Kurdish

The Kurds, estimated at 30 million, represent one of the most important target audiences VOA has in the war on terrorism. They are concentrated in four key Middle Eastern countries and form approximately 20% of the population of Iraq (in the Northern No-Fly Zone) and nearly 15% of the populations of Turkey, Iran and Syria. The Kurdish communities in these countries are diverse in terms of social, political, and economic development and are separated by linguistic differences. Reaching the Kurds of Iraq in their own language is vital for the U.S. effort to change the regime in Iraq and help build a peaceful, democratic country. As a result of the Iraq crisis, VOA is recasting some of its Kurdish programming and increasing coverage of local and regional developments. The Service has introduced a weekly call-in show, a daily U.S. press roundup on Iraq, and daily interviews on the Iraq crisis. Until recently, VOA Kurdish was broadcasting one hour per day in two dialects. The service is now in the process of expanding its broadcasts from one to four hours daily.

North Korean Initiative

In keeping with President George W. Bush's policies toward Pyongyang, VOA's Korean Service is redirecting part of its programs to reach more North Koreans. On September 30, 2002 the service began airing a special daily program called *North Korean Periscope*, and on October 17, it launched a new series, *North Korean Defectors' Odyssey*, to provide a forum for those who have fled the north to tell their stories to their fellow Koreans. In late January, VOA's Korean Service doubled its hours of broadcast into North Korea. The programming contains many new features designed for North Korean listeners including news, current events and trends in and around North Korea, profiles of Korean Americans in the U.S., and in-depth reports on U.S.-North Korea relations with commentary and discussion by U.S. officials and members of Congress.

In addition, South Korea's largest daily newspaper, *Chosun Ilbo*, has provided a direct link on its Internet site to VOA Korean's newly established website at www.voaKorea.com. The link on Digital Chosun will significantly expand VOA's access to Korean Internet users.

Mandarin

VOA Mandarin Service currently broadcasts one hour of television programming per day, seven days per week. These daily TV programs have resulted in significant increases in VOA Chinese's impact and reach inside China. Nine PRC TV production houses and provincial and municipal TV stations are distributing or rebroadcasting VOA Mandarin's *Cultural Odyssey* program and more are lining up to sign agreements, including an international Chinese satellite broadcaster with reach into China. Taiwan's most popular TV station also broadcasts *Cultural Odyssey* and the island's most popular cable news channel broadcasts VOA Mandarin's *Issues and Opinions* program.

VOA China Branch now emails news bulletins every day to nearly 400,000 subscribers inside the PRC. VOA's Chinese web site is blocked by the PRC government, so VOA now posts its web content on an unblocked "mirror site" (using a different web address) that provides text as well as audio and video streaming of VOA Chinese programming. Many other Chinese-language news web sites access our site, lift pieces of its content and re-post it on their web sites. First-hand accounts from PRC officials indicate that they have direct access to the VOA web site and use it daily to keep informed.

Cantonese

In January 2003, VOA Cantonese launched a new all-news format specially designed for audiences in the bustling region of southern China. It features regional and local news alternating with world news every 15 minutes during the daily two-hour broadcast. The all-news format was designed in response to listener feedback that VOA's accurate, balanced and comprehensive news was listeners' most liked programming element.

Call-in Show to Cuba

In October 2002, VOA's Spanish Branch launched a new program directed at Cuba. Called *Ventana a Cuba* [A Window on Cuba], the show has struck a positive chord with its intended audience. The program features news, information, and interviews with Cubans inside and outside the country on a wide variety of issues, including labor policy, agriculture, human rights, freedom of the press, health, education, and international law.

Other VOA highlights:

- VOA's Azerbaijani Service launched a new web site using the Persian alphabet in order to reach out to the more than 25 million ethnic Azerbaijanis in Iran. Email messages from Iran are flowing in, saying they welcome this new source of news and information. Azerbaijan's ANS-TV sent its thanks to VOA's Azerbaijani Service for the cooperation between the two stations. VOA currently prepares four original television stories per month for ANS. The stories are aired by the popular Baku channel in prime time each week.

- Since October 26, Russians have been able to hear VOA Russian broadcasts by tuning in to RDV 105.2 FM in Moscow. The RDV network has a powerful FM signal that blankets Moscow and reaches 13 other cities in Russia. The new affiliation promises to greatly enhance VOA's ability to reach areas of the country with its comprehensive, timely news and information about the ongoing crisis in Afghanistan and the U.S.-led fight against global terrorism. RDV audiences can now listen to one hour daily of VOA Russian news, analysis, and programming of special interest.

- Moldovan TV has started re-broadcasting VOA Russian's television news magazine show *Window on the World* on its main nationwide channel, which offers the most comprehensive coverage and enjoys the highest audience ratings in Moldova. *Window on the World* is broadcast every Thursday from 6:30-7:00 p.m. local time. Moldovan TV is also running two promotional spots for the VOA program.

- In September, 2002 the Africa Division successfully concluded its year-long USAID-funded Nigeria Project that provided enhanced coverage to Nigerian audiences, as well as hands-on teaching and coaching in VOA style and objectives to over 40 stringers. As a result of the Nigeria Project, VOA was able to hire 34 new stringers. In addition, the Africa Division produced discussion panels, television programs, and held a live town hall meeting in northern Nigeria. The project also funded programming that examined the political, economic, ethnic and religious issues facing Nigeria as it prepared for a presidential election in 2002.

- A recent survey shows that VOA Albanian television attracts 25 percent of Albanians who watch TV on a weekly basis. The half-hour *Diary* news program is VOA's most popular offering in Albania, ranking eighth among all television programs available in the country. Most watch *Diary* on local TV stations. Overall, VOA now reaches 38 percent of Albanian adults weekly on radio and/or television.

- On Monday, May 13, 2002, VOA officially launched its daily 30-minute Spanish broadcast to the Americas, *Enfoque Andino.* The program, which covers Andean regional news and issues, is being carried by more than 60 AM and FM affiliates in the Andean region.

FY 2003-2004 Priorities and Goals

A Partner in the War on Terrorism

The Voice of America responded to the September 11th attacks on the World Trade Center Towers and the Pentagon by immediately expanding broadcasts in crisis-related languages -- Arabic, Dari, Pashto, Persian, Turkish, Urdu and Uzbek. This expansion was funded as part of the President's fiscal year 2001 emergency response funding allocation. The VOA Charter outlines the mission clearly – "...present a balanced and comprehensive projection of significant American thought and institutions...(and) present the policies of the United States clearly and effectively." As a critical element of our nation's public diplomacy, VOA will continue to advance U.S. interests abroad by providing accurate and objective information about events to people who do not have access to unbiased news. Just as VOA countered the lies of Nazi Germany and Stalin's Soviet Union, VOA will continue to provide the truth to our listeners and viewers. In the war on terrorism, the most important battle will continue to be the battle of ideas.

To this end, VOA is continuing to focus its efforts on those countries identified as sponsors of terror. Radio Sawa has successfully drawn a young audience in a region of strategic importance. Now, more than ever, there is a great need to have America's voice heard in the Middle East, bringing a much-needed objective news and information source to the media climate there. Utilizing a combination of FM-style programming streams with news and information from around the region, plus improved medium wave transmission, Radio Sawa is increasing the impact of U.S. broadcasting to audiences in the Middle East.

Follow-up to Language Service Review

VOA continues its efforts to implement the changes and enhancements of the Congressionally-mandated BBG Language Service Review process. VOA has worked in close cooperation with the BBG and IBB and has made improvements in programs, transmissions and marketing to the Middle East, Afghanistan, Iran, Indonesia, and the Andean region in Spanish. VOA is committed to continuing to streamline some services in order to enhance others, according to regional priorities. Language Service Review will continue to be a key tool for VOA as it strives to allocate resources in an efficient manner that fulfills its charter obligations.

Transition of Equipment and Staff into the Twenty-First Century

With the merger of WORLDNET Television, VOA will be poised to bring audiences more of the programming and content that they want, in a variety of formats. However, to make programming even more timely and relevant, VOA must fully join the digital age. It is no longer acceptable to use equipment that is deemed a decade beyond its commercially useful life.

Having begun the investment with the deployment of the Dalet-based Integrated Digital Audio Production System (IDAPS), VOA must be enabled to continue pursuing technology that will allow personnel to efficiently and effectively produce, edit, distribute and broadcast programs. The Digital Project and IDAPS have been significant investments, but now that the infrastructure is in place, VOA needs to be able to continue the overhaul and change its processes. To ensure VOA's continued leadership in the delivery of news and information on a global scale and within an increasingly complex international media environment, VOA needs to take full advantage of the development of the Internet and incorporate new telecommunications technology to further enhance the quality of its programming and reduce its overall costs.

Program Changes:

Program Reductions-The FY 2004 budget request for VOA reflects efforts to focus funding on the highest priority programs through the redirection of funding from lower priority programs to Central and Eastern Europe. Focusing resources on the Middle East, and Central and Southeast Asia, VOA plans to eliminate broadcasts to countries that are now, or will soon be, NATO and European Union members and have made significant advances in democracy and press freedoms. These languages are Estonian, Czech, Hungarian, Latvia, Lithuanian, Polish, Slovene, Slovak, Bulgarian and Romanian. VOA will also consolidate its Armenian programming with RFE/RL, and reduce broadcasts to the Ukraine. These steps will yield a combined savings of $1.86 million in FY 2004.

FY 2004 VOA Enhancement Request

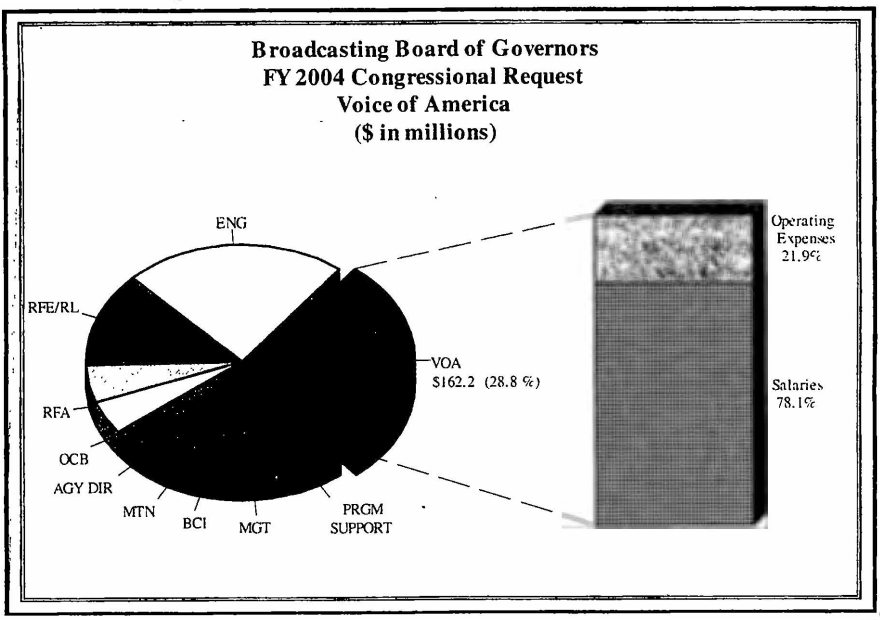
VOA is requesting an enhancement to increase broadcasting to fight the War on Terrorism.

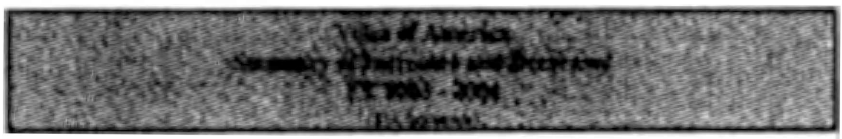
To build on its already strong presence, we propose to double VOA daily Indonesian radio broadcasts, expand VOA Indonesian television programming to five hours a week, and launch additional youth-oriented programming into a significant stream appealing to the 60% of Indonesians who are under the age of 30. In this manner, VOA would be able to make an even more decisive contribution to the War on Terrorism and the promotion of democracy. $3.02 million is included in the request for VOA to support this expansion of Indonesian programming.

Summary

The need for America to communicate to the world has never been more important. VOA will continue to fulfill its charter obligations as it pursues this mission. While there are many challenges, VOA is prepared to meet them and continue to provide audiences with vital news and information.

For FY 2004, we are requesting $162.2 million for the Voice of America.





FY 2003 Estimate + 155,243

This represents the FY 2003 request for offices within the Voice of America.

Wage Increase: Domestic/American + 2,797

This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.

Wage Increase: FSNs + 64

This cost represents an anticipated wage increase for overseas foreign service national employees.

Other Wage Requirements + 2,037

This increase provides for annualization of salary and benefits to continue current programming into FY 2004 and the cost of pay for one extra day.

Inflation + 664

This cost reflects a 1.5% inflation increase for general operating expenses for 2004.

Built-in Requirements + 267

This includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following:

a) TV Newsfeed contract increase.	3
b) Costs for Persian television.	264

Non-Recurring Costs (107)

The following one-time costs are non-recurred in FY 2004:

a) Capital and one-time equipment costs.	(107)

Program Decreases (1,393)

Reflects the following reductions to base operations:

a) Management and administrative efficiencies.	(36)
b) Elimination of broadcasts in Estonian, Czech, Hungarian, Latvian, Lithuanian, Polish, Slovene, Slovak, Bulgarian and Romanian languages.	(1,302)
c) Reduction to broadcasts in Armenian and Ukrainian.	(555)

Program Increases + 3,020

Reflects the increase above base operations to fund the following enhancements:

a) Enhancement to VOA Indonesian broadcasts: double radio broadcasts to 5 hours/day and increase television broadcasts to 5 hours/week.	3,020

TOTAL FY 2004 VOICE OF AMERICA REQUEST 162,192

[redacted]

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
Domestic Operations				
Office of the Director	3,746	4,918	3,585	(1,333)
Broadcast Operations	16,404	17,369	17,877	508
Latin American Division	3,624	3,875	4,033	158
European Division	8,171	8,359	7,298	(1,061)
East Asia & Pacific Division	19,939	21,670	24,979	3,309
South & Central Asia Division	7,971	8,460	8,722	262
Africa Division	9,529	10,769	9,492	(1,277)
Eurasia Division	6,854	8,191	7,640	(551)
Near East & North Africa Division	4,977	6,410	6,832	422
Radio Sawa	8,637	10,869	11,204	335
English Programs Division	7,563	6,918	7,176	258
Special English & Music Division	4,087	4,668	4,902	234
News Division	14,302	15,624	16,147	523
Subtotal, Domestic Operations	**115,804**	**128,100**	**129,887**	**1,787**
Domestic Bureaus	807	919	967	48
Overseas Bureaus	8,154	9,832	10,218	386
VOA TV				
Director	1,064	1,074	1,049	(25)
Programming	1,247	1,084	1,112	28
Production	8,920	8,614	8,769	155
Technical Operations	12,814	10,900	11,190	290
Subtotal, VOA TV	**24,045**	**21,672**	**22,120**	**448**
TOTAL, VOICE OF AMERICA	**148,810**	**160,523**	**163,192**	**2,669**
Reconciliation:				
(-) Balances In	(1,378)	(1,455)	-	1,455
(+) Balances Out	1,455	-	-	-
(-) Transfer In from USAID	-	(300)	-	300
(-) Reimbursements	(1,299)	(3,425)	(1,000)	2,425
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Broadcasting Board of Governors
Radio Free Europe/Radio Liberty

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	**79,127**	**73,086**	**73,988**
Radio Free Afghanistan P.L. 107-206	-	**5,400**	-
Total	**79,127**	**78,486**	**73,988**
Positions	**600**	**602**	**550**

Now in its second half-century of service, Radio Free Europe/Radio Liberty (RFE/RL) continues as a non-profit international communications organization broadcasting in 33 languages to Central, Eastern and Southeastern Europe; the Caucasus; and Central and Southwestern Asia.

Even before the September 11th, 2001 terrorist attacks on the United States, RFE/RL was emphasizing new information products for countries and regions that now are in the front line of the U.S.-led war against terrorism. Since then this trend has accelerated, and as of January, 2003, 18 of RFE/RL's language broadcasts – more than half the total – were to countries or regions where the majority populations are Muslim.

Funded by the U.S. Congress through a grant from the Broadcasting Board of Governors, RFE/RL is a comprehensive news and information operation in its broadcast region, with 30 bureaus throughout Europe and Eurasia and more than 1,500 freelancers reporting local, regional and international news.

RFE/RL's continuing mission is to promote democratic values by disseminating accurate and objective news, information, and ideas that many in its broadcast region have long been denied. It continues to focus 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, reaching more than 23 million listeners per week. The organization's corporate headquarters are located in Washington, D.C. Some broadcasts are transmitted by shortwave stations that belong to or are leased by the International Broadcasting Bureau, but increasingly programs are carried on 470 local AM and FM frequencies of more than 200 affiliated radio organizations in all but five of the broadcast countries.

More than 1.3 million visitors access RFE/RL's Web site monthly. This represents more than 7 million page views and more than 650,000 requests to listen to 1.3 million megabytes of Internet-based audio programming. In addition, RFE/RL distributes monthly by email some 750,000 copies of information and analyses about the countries to which it broadcasts.

Achievements in 2002 – 2003

RFE/RL continues to expand and enrich its mix of news and information products, with special emphasis on broadcasts to countries and regions most affected by the U.S.-led war on terrorism.

In the past year RFE/RL began broadcasting in five languages to countries and regions where the majority populations are Muslim. Radio Free Afghanistan, broadcasting a total of 12 hours daily in Pashto and Dari, operates in cooperation with the Voice of America to produce a 24-hour stream of programming to Afghanistan. Radio Free Afghanistan maintains a bureau in Kabul and a network of more than 30 correspondents in Afghanistan to provide detailed, current domestic news and information. At the request of Congress, RFE/RL began broadcasting in three languages – Avar, Chechen and Circassian – of the war-torn North Caucasus region of the Russian Federation.

In addition, RFE/RL increased from 40 to 60 hours daily broadcasts to Iran and Iraq – two of the three countries cited by President George W. Bush as the "axis of evil" – and to Central Asia (Uzbekistan, Tajikistan, Kazakhstan, Kyrgyzstan, Turkmenistan and Azerbaijan).

In December 2002, RFE/RL launched, together with VOA, a new, round-the-clock radio station for Iran, Radio Farda, which means "Radio Tomorrow" in Persian. Radio Farda replaced RFE/RL's Iranian Service and is designed to give Iranians additional news, information, public affairs and entertainment programming. Its programming is targeted for the youth in Iran and the programming mix has proven successful in reaching new audiences. Radio Farda provides more than five hours of original news and substantive programming daily, compared to three hours of original news on RFE/RL's Iranian Service. Radio Farda's news and analytical programming will expand by an additional 90 minutes weekly in February 2003, with further expansion planned later.

At the request of the Latvian government, RFE/RL added a weekly broadcast about Latvian issues in Russian, which is aired on Latvian public radio's Russian-language channel. The Russian Service began a joint television project with a local station in St. Petersburg featuring RFE/RL journalists in a talk-show format.

RFE/RL's Internet presence now includes 21 websites in the local languages of the broadcast region, including many of the languages of Afghanistan, Central Asia, Iran and Iraq. Emphasis is being given to continued diversification of Internet-based information products. RFE/RL's South Slavic and Albanian Language Service, for instance, is providing Internet distribution of the live streaming video with Albanian audio of the UN's International Criminal Tribunal for the former Yugoslavia, sitting in The Hague. In addition to the daily "RFE/RL Newsline" and 16 weekly English-language publications produced by RFE/RL's Regional Analysis unit, seven daily and weekly English-language publications are produced by various RFE/RL language services and available by email or on the website. The creation of a website (radiofarda.com) to support the Persian language "Radio Farda" project has brought unprecedented numbers of visitors to both RFE/RL's website and its Internet-based audio programming.

RFE/RL ended financial and technical support for Czech-language broadcasts on September 30, 2002, in order to make resources available for higher-priority broadcasts.

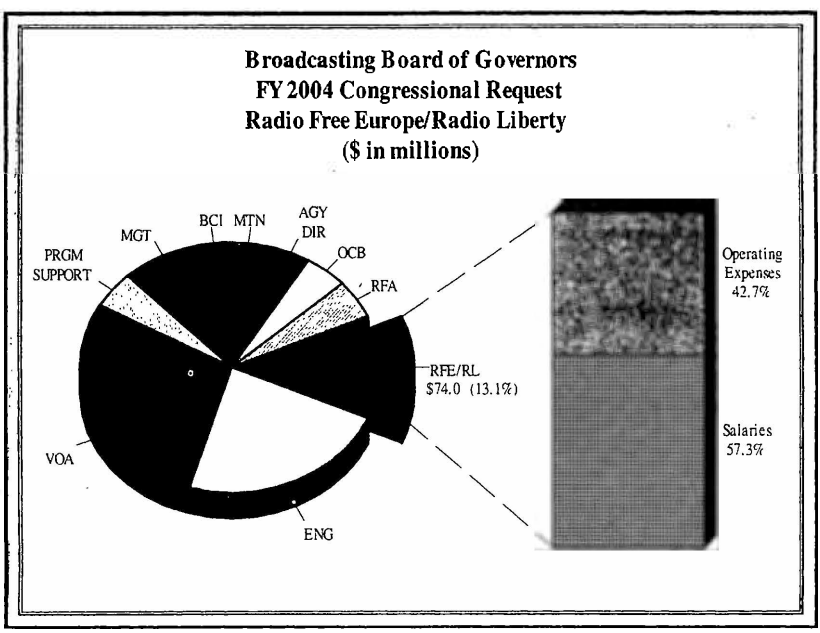
FY 2004 Program Changes

Program Decreases

RFE/RL will continue as an active participant in the U.S.-led war on terrorism through the dissemination of accurate, objective news and information. In order to concentrate available resources on this priority in countries and regions where the majority populations are Muslim, RFE/RL will eliminate lower priority broadcasting to Bulgaria, Croatia, Estonia, Latvia, Lithuania, Romania, and Slovakia. Additionally, RFE/RL will achieve savings by modifying its programming to Armenia, Georgia, Serbia and Ukraine. These cost reductions will be borne by shifting more resources to local bureaus and eliminating some staff positions from these services in the broadcast center in Prague. This will yield $5.3 million in savings in FY 2004.

RFE/RL's FY 2004 budget also includes a decrease of $1.1 million in management and administrative efficiencies that includes the elimination of six positions and reductions in operational expenses.

For FY 2004, we are requesting $74 million for RFE/RL.



Radio Free Europe/Radio Liberty
Summary of Increases and Decreases
FY 2003 - 2004
($ in thousands)

FY 2003 Estimate	+	**78,486**

This represents the FY 2003 request for Radio Free Europe/Radio Liberty and funding provided in P.L. 107-206 for the FY 2003 operational costs of Radio Free Afghanistan.

Wage Increases: Domestic/American	+	**954**

This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.

Inflation	+	**873**

This cost reflects a 1.5% inflation increase for general operating expenses for 2004.

Built-in Requirements	+	**100**

This includes built-in requirements to continue on-going projects. These mandatory built-in requirements include the following:

a) Finance/Administrative systems support costs.	100

Program Decreases	+	**(6,425)**

Reflects the following reductions to base operations:

a) Elimination of broadcasts in Estonian, Latvian, Lithuanian, Slovak, Bulgarian and Croatian languages and reduction in Romanian.	(4,757)
b) Efficiencies resulting from the relocation of language service staff.	(568)
c) Management and administrative efficiencies.	(1,100)

TOTAL FY 2004 RADIO FREE EUROPE/RADIO LIBERTY REQUEST	**73,988**

[redacted]

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
Broadcasting Division				
Office of Director	2,178	2,469	2,466	(3)
Marketing & Affiliates	1,564	1,800	1,699	(101)
Broadcast Services:				
Armenian	993	1,020	882	(138)
Azerbaijani	842	852	872	20
Belarusian	1,522	1,790	1,832	42
Bulgarian	1,125	1,164	286	(878)
Estonian	823	856	264	(592)
Georgian	946	917	885	(32)
Kazakh	1,167	1,173	1,201	28
Kyrgyz	1,144	1,143	1,171	28
Latvian	807	853	268	(585)
Lithuanian	884	870	268	(602)
Persian - *Radio Farda*	2,581	3,319	2,676	(643)
Radio Free Afghanistan	7,077	5,523	5,510	(13)
Radio Free Iraq	2,061	2,090	2,140	50
Romania - Moldova	1,680	1,646	795	(851)
Russian	8,405	9,003	8,759	(244)
North Caucasus Unit	956	790	809	19
South Slavic/Albanian	3,878	4,172	3,966	(206)
Slovak	813	892	226	(666)
Tajik	1,237	1,238	1,268	30
Tatar-Bashkir	726	766	784	18
Turkmen	834	860	880	20
Ukrainian	2,381	2,415	2,238	(177)
Uzbek	1,043	1,042	1,067	25
News & Current Affairs	4,156	3,942	4,037	95
Czech Broadcasting	630	-	-	-
Subtotal, Broadcasting	**52,453**	**52,605**	**47,249**	**(5,356)**
Office of President	1,108	1,666	1,610	(56)
Program Evaluation	326	615	590	(25)
Administration	5,275	5,834	5,641	(193)
Human Resources	1,631	1,778	1,731	(47)
Finance	6,373	4,795	4,695	(100)
Communications	2,594	3,169	2,995	(174)
Technology Systems	10,112	9,519	9,477	(42)
Subtotal, Offices	**27,419**	**27,376**	**26,739**	**(637)**
TOTAL, RADIO FREE EUROPE/ RADIO LIBERTY	**79,872**	**79,981**	**73,988**	**(5,993)**
Reconciliation:				
(-) Balances In	(2,240)	(1,495)	-	1,495
(+) Balances Out	1,495	-	-	-
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Broadcasting Board of Governors
Radio Free Asia

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	25,785	27,084	28,571
Positions	266	262	262

Radio Free Asia (RFA) is a private, nonprofit news organization which broadcasts to Asian countries whose governments do not tolerate a free press. Its mission is to act as a substitute for an open media, providing objective in-country news and information in the language(s) of the country. RFA fills news and information gaps left vacant by authoritarian or transitional governments that fear a free press.

The creation of RFA was authorized in the 1994 International Broadcasting Act. As stated in the Act, the objectives of RFA are 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."

In 1996 RFA was incorporated in Washington, D.C. where it is headquartered. RFA broadcasts to China, Burma, Cambodia, Laos, North Korea, Tibet, and Vietnam. Broadcast languages and dialects are: Mandarin (includes Shanghaiese); Tibetan (includes Lhasa, Amdo, and Kham dialects); Cantonese; Uyghur; Korean (to North Korea); Vietnamese; Lao; Khmer (to Cambodia); and Burmese. All RFA programming is streamed on the Internet.

RFA broadcasts 25 hours per day to China in seven languages and dialects in order to reach the largest possible audience. Its Korean, Vietnamese, Lao, Khmer, and Burmese services broadcast two hours of programming per day.

Fiscal Year 2002 Highlights

September 11th Attacks
RFA covered the terrorist attacks on Washington and New York with factual reporting as it broke. In the hours and days that followed, RFA found unique angles aimed at allowing Asian listeners to connect with the news. RFA's nine language services managed to locate an astonishing array of Asian-born witnesses, victims, emergency medical personnel, and others connected to the attacks, underscoring the truly global nature of the tragedy. From the first day, RFA broadcast excerpts of public remarks by all major U.S. officials.

War on Terrorism
After the war began in Afghanistan in October, RFA dispatched correspondents to Afghanistan, Tajikistan, and Pakistan. RFA sent one of its most experienced Mandarin service reporters first to Islamabad and then to Afghanistan. Daily reports described not only military action but also the ordeals suffered by those opposed to the Taliban. One of many highlights was RFA's exclusive interview with the 12-year-old son of Afghanistan's slain opposition commander, Ahman Shah Massoud, who was killed just before the September 11th attacks.

RFA also sent a Uyghur service reporter, who grew up in Afghanistan and is fluent in two of the principal languages of the country, to the war zone. With these skills he was able to move freely among Northern Alliance military officers, Afghan refugees, and local people. RFA's reporter was with two French radio reporters and a German magazine journalist shortly before the three were killed while traveling with Northern Alliance forces. He had moved on to another position an hour before the Taliban attacked the journalists. Once reaching Kabul, reports were filed on the rebirth of the city under its liberators and the role of Afghan women emerging from the tyranny of the burqa.

RFA's Cambodian service sent a reporter to cover the war from Islamabad who produced stories on topics such as attacks on Christian churches, refugee relief efforts, and negotiations to form a post-Taliban government. The difficulties facing Afghan women organizing underground support networks in Pakistan were also reported.

Washington-based reports focused heavily on Bush Administration statements and think tank analyses. Stringers in Central Asia, Turkey, and East Asia reported on widespread support for the war. RFA broadcast statements from Muslim scholars condemning the terrorist attacks on the U.S. as contrary to Islamic teaching.

Internet Anti-jamming
Jamming continues to affect RFA broadcasts. In FY 2002, RFA received a one-time funding allocation for efforts to combat Internet jamming of RFA internet broadcasts. These funds enabled RFA to take advantage of technologies that help users overcome jamming and provide a web site attractive to large audiences. The RFA web site, www.rfa.org, is transforming from an internet site centered on audio re-broadcasts of its hour-long program blocks to a full-featured site with richer text content and more usable audio features and better interaction with users. This is being accomplished by hiring web editors to add site features, improving email response and improving web analysis software. For optimal efficiency, broadcasters will be trained to assist the web editors place web content on the RFA web site when preparing their radio stories. Administration interfaces and basic content management software will be put in place to allow for a web content review process.

Burmese Junta Releases Aung San Suu Kyi
Two exclusive interviews with Aung San Suu Kyi were aired after her release from 19 months of house arrest. She said that the unconditional release of all political prisoners is a top priority for her and emphasized the need for the ethnic nationalities to be involved in the resolution of Burma's political problems. RFA also broadcast an exclusive telephone interview with Norway's Prime Minister, who commented on Suu Kyi's release. Norway has been a staunch

supporter of the exiled Burmese government. On June 26, RFA was the first to broadcast Suu Kyi's speech in Mandalay, her first trip outside the capital since her release.

Interview with Former Khmer Rouge
An exclusive interview was conducted with Noun Chea, the second in command in the Khmer Rouge regime. It was probably the first time that Cambodians have heard Chea's voice in almost three decades. The 74-year-old Chea admitted that the Khmer Rouge was indirectly responsible for some deaths in Cambodia while in power, but denied the regime was guilty of genocide. The report contained strong reactions to his remarks from government officials, political leaders, and representatives of civil society.

North Korean Refugee Crisis
The Korean service gained special access to 25 North Korean asylum-seekers before they stormed the Spanish Embassy in Beijing in the largest North Korean mass defection since the Korean War. The refugees said that they would rather commit suicide than return to life under Kim Jong-Il's Stalinist government. Reports on four North Korean refugees who stormed a Japanese Consular office in China, seeking political asylum were also aired. In a related story, RFA reported on the difficulties faced by refugees starting over in South Korea.

A series was conducted on North Korean refugee stories of escape from an oppressive regime and famine plagued country. Reports from the Third International Conference on North Korean Human Rights and Refugees held in Tokyo contained an interview with an escapee from a political prison who said he "heard RFA radio programs many times (in China)...we learn how China treats other Korean refugees."

Cambodian Election Coverage
RFA coverage of Cambodia's February communal elections was comprehensive. RFA committed to broadcasting all six debates scheduled before the election. Cambodia's National Election Committee declined to air any of the debates on government-run television or radio. RFA/Khmer began expanded election coverage five weeks before the election, increasing its broadcasts from two to four hours per day.

Tibet's Longest-Serving Political Prisoner Freed/Dalai Lama's Brother Visits Tibet
Tanak Jigme Zangpo, 73-years-old, was freed after 37 years in Chinese-run jails and labor camps. In a telephone interview with RFA he said since his arrest in 1965 "I have made the rounds of prisons. There were still nine years left of my jail time but I was told that I was being released for medical treatment." Zangpo was last convicted in 1983 for putting up "counter-revolutionary" posters, and then his sentence was extended in 1991 after he shouted "Free Tibet!" during a prison visit by a Swiss delegation.

In an exclusive story, RFA reported that the elder brother of Tibet's spiritual leader, the Dalai Lama, had received permission to travel to Tibet for the first time in 50 years. Gyalo Thondup has acted as an envoy between Beijing and the Dalai Lama in the past.

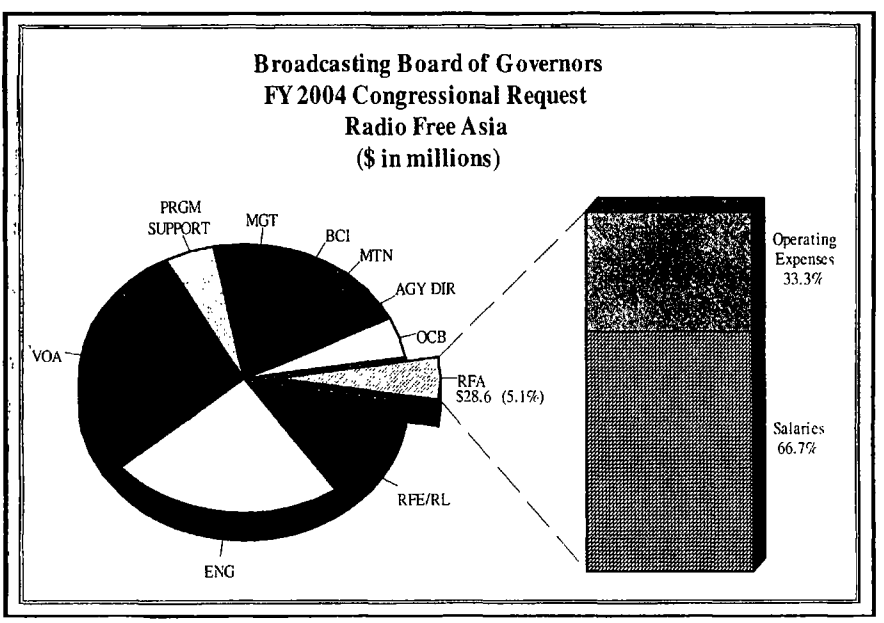
Massive Labor Protests in China

Labor analyst Han Dongfang reported on massive labor protests at oil fields in Daqing and Liaoyang, monitoring the situation with daily updates and interviews with workers, protest organizers, union officials, and government officials. Han Dongfang has cited these protests as "probably the largest protests over labor issues since 1949."

Program Decreases

RFA's request includes a $234,000 reduction from base operations resulting from management and administrative efficiencies.

In FY 2004, we are requesting $28.6 million for Radio Free Asia.





FY 2003 Estimate	+	**27,084**

This represents the FY 2003 request for Radio Free Asia.

Wage Increases: Domestic/American	+	**814**

This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.

Other Wage Requirements	+	**289**

Increased costs for health care costs and other benefits.

Inflation	+	**130**

This cost reflects a 1.5% inflation increase for general operating expenses for 2004.

Built-in Requirements	+	**488**

This includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following:

a) Rent/Renovations/Utilities.	278
b) Contract Services.	100
c) Communications & Newswires.	110

Program Decreases	-	**(234)**

Reflects the following reductions to base operations:

a) Management and administrative efficiencies.	(234)

TOTAL FY 2004 RADIO FREE ASIA REQUEST	**28,571**

[redacted]

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
Programming Division				
Executive Editor	1,569	1,625	1,698	73
Mandarin Service	3,842	4,092	4,317	225
Cantonese Service	874	802	844	42
Tibetan Service	2,741	2,748	2,838	90
Uyghur Service	1,200	1,189	1,254	65
Burmese Service	1,314	1,348	1,420	72
Vietnamese Service	1,347	1,387	1,435	48
Korean Service	1,196	1,357	1,430	73
Cambodian Service	1,174	1,070	1,108	38
Laotian Service	1,106	1,090	1,148	58
Phnom Penh Office	174	211	221	10
Seoul Office	62	79	84	5
Hong Kong Office	604	531	551	20
Bangkok Office	148	170	179	9
Dharamsala Office	15	32	33	1
Ankara Office	40	32	33	1
Taipei Office	167	158	174	16
Tokyo Office	191	223	231	8
Subtotal, Programming	**17,764**	**18,144**	**18,998**	**854**
Administration, Management, & Finance				
Office of the President	606	696	721	25
Audience Research	397	471	497	26
Technical Operations	4,322	4,514	4,303	(211)
Program Delivery	498	660	966	306
Communications	248	321	343	22
Project Management	882	651	742	91
Finance & Administration	1,189	1,512	1,592	80
Human Resources	372	406	409	3
Subtotal, Admin, Mgt & Finance	**8,514**	**9,231**	**9,573**	**342**
TOTAL, RADIO FREE ASIA	**26,278**	**27,375**	**28,571**	**1,196**
Reconciliation:				
(-) Balances In	(784)	(291)	-	291
(+) Balances Out	291	-	-	-
Enacted/Request Level	**25,785**	**27,084**	**28,571**	**1,487**

Broadcasting Board of Governors
International Broadcasting Bureau
Engineering and Technical Services

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	**116,622**	**120,184**	**128,863**
Radio Free Afghanistan P.L. 107-206	-	**2,000**	-
Total	**116,622**	**122,184**	**128,863**
Positions	**657**	**692**	**689**

The ***Office of Engineering and Technical Services*** (Engineering), 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 24 other transmitting facilities located in 15 countries, with additional facilities under consideration. 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 2,100 satellite earth stations located in over 200 countries and a major and rapidly 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, RFE/RL, RFA, and OCB) to nearly any place in the world on a moment's notice. This worldwide transmission system also provides the special broadcasting services of the Middle East Radio Network and Radio Farda. In addition, Engineering transmits the television signals of the Department of State to U.S. embassies worldwide on the American Embassy Television Network. The Engineering Office also supports construction and monitoring functions overseas; plans, develops, and implements renovations and new technical facility projects throughout the world; maintains, repairs, and upgrades equipment and technology for modern, cost-effective transmissions; and 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. The organization 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.

Major Program Accomplishments

To enable the BBG to fulfill its broadcast mission, the Office of Engineering achieved significant accomplishments in the following critical areas:

Radio Farda (Persian Language Programming to Iran)

- Installed a 150 kW medium wave transmitter in Kuwait
- Initiated lease operation for an interim 60 kW medium wave transmitter in the United Arab Emirates (UAE)
- Negotiated a lease for a 800 kW medium wave transmitter in the UAE
- Expanded shortwave coverage
- Implemented a satellite direct to home (users) service
- Provided transmission leasing

Radio Sawa (Middle East Radio Network)

- Installed FMs in seven locations
- Implemented a satellite direct to home (users) service
- Renovated a transmitting facility in Cyprus and began broadcasting with a 600 kW medium wave transmitter
- Began use of an existing 600 kW medium wave transmitter in Kuwait for 24 hour broadcasting
- Commenced construction of the Djibouti high-power medium wave facility
- Leased and equipped a news/production facility in Dubai
- Expanded satellite distribution capability
- Provided transmission leasing

Afghanistan

- Installed FM station pair in Kabul
- Began renovating a war-ravaged facility in Kabul for two 400 kW medium wave transmitters
- Began installation of Kandahar FM station transmitter pair
- Relocated three shortwave transmitters from the existing network and awarded a contract for a new shortwave facility in Kuwait
- Provided transmission leasing from Tajikistan and Germany

Internet

- Continued efforts to counter blocking of RFA and VOA websites
- Increased the effectiveness of direct emailings of information into China
- Streamed BBG radio and TV programming

FY 2002 – FY 2003 Highlights

Responding to Terrorism
In the aftermath of the terrorist attacks of September 11, Engineering received Emergency Response Funds (ERF) to support VOA and RFE/RL surge broadcasting to the Middle East, North Africa, and Central Asia. By using a combination of BBG transmitting stations and leased transmitting facilities, Engineering has increased shortwave transmission hours by 21 percent in the affected languages. Engineering also is 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 are complete, and the station assumes the increased shortwave programming load. Three additional 250 kW shortwave transmitters will be added by March 2004 to increase coverage of Afghanistan.

The lease of two additional shortwave facilities in Germany has enabled the BBG to meet some of its new broadcasting demands. By transferring programming to the newly leased Julich facility in Germany, the BBG was able to increase its surge broadcasting capability. The lease of the powerful Wertachtal facility with its 500 kW shortwave transmitters allowed the BBG to carry RFE/RL's Radio Free Afghanistan programming. These transmitters have augmented the IBB's own equipment and provided a strong, clear signal to the region. An increase in transmission hours from a leased facility in Tajikistan also has enabled the BBG to meet some of its surge broadcasting demands and to carry more Radio Free Afghanistan programming into the region. This past year an additional lease with Tajikistan brought a clear, strong signal from a powerful megawatt medium wave transmitter to listeners in Afghanistan for 12 hours daily.

Engineering has facilitated the procurement of two high-power medium wave transmitters in Kabul, Afghanistan. Serving as the technical authority and project manager, Engineering is supporting an initiative to install transmitters and refurbish Radio/TV Afghanistan's transmission facility in Kabul. The BBG will operate one of the medium wave transmitters exclusively. The target on-air date for these transmitters is April 2003.

In addition, the BBG provided FM transmitters in Kabul; these have been operational since May 2002. By the summer of 2003, a pair of FM transmitters should be in operation in Kandahar, Afghanistan.

Radio Sawa
Engineering is involved in the continued implementation of the new Radio Sawa which includes broadcasts by FM and medium wave radio stations and the use of regional satellite systems for direct-to-user service. Support for this initiative includes operating a new high power medium wave broadcasting facility from Cyprus, which began broadcasting in the fourth quarter of FY 2002. Resources were used, and continue to be needed, for testing and commissioning activities for the operation of new medium wave transmitting facilities in Djibouti scheduled to be on the air in September 2003. A 5 kW FM transmitter, operated by the Kuwait Transmitting Station, also began broadcasting from Kuwait City on January 15, 2003.

Engineering is responsible for purchasing the equipment and for leasing the satellite transmission segments associated with Radio Sawa, along with direct-to-home satellite distribution. Engineering continues to play a central role in the design and construction of the Radio Sawa production center in Dubai, United Arab Emirates, and to provide technical support for the installation of new BBG-owned or controlled 24 hour/day FM transmitters in Arab-speaking capitals and population centers in the region.

Radio Farda

On December 18, 2002, the BBG launched an exciting new Persian-language service called Radio Farda. The Persian language service is modeled after the highly acclaimed Radio Sawa. Engineering has supported this new service by relocating a medium wave transmitter from the Germany Transmitting Station to Kuwait with AM transmissions into Iran. To augment these new Radio Farda broadcasts into Iran, a high-power medium wave service from a leased facility in the UAE is expected to come on the air in April 2003. This 800 kW medium wave transmitter will replace the temporary 60 kW medium wave transmitter that is now broadcasting the new Persian language service. Radio Farda also includes expanded 21 hour a day shortwave transmissions and full-time satellite circuits throughout the region.

Closure of Belize

On September 15, 2002, the IBB ceased broadcasting from its Belize Transmitting Station. Full savings from the station closure are not anticipated until FY 2004 because of severance and other station closing costs.

East Asia Anti-Jamming Program

Using funding for anti-jamming efforts in East Asia provided in FY 2002, Engineering has implemented an email distribution program to support VOA and RFA. By the end of FY 2002, nearly 400,000 emails have been sent to China each day. Contracts also have been awarded to allow users secure channels out of China for web browsing of BBG sites and other sites of interest to the user. A recently established test network allows Engineering to test China Internet café software used to block web browsing by café patrons and to test new promising peer-to-peer technologies that facilitate web browsing without routing through a central control point. Funds also are used to work with commercial firms that specialize in defeating Internet censorship software and hardware systems.

Increasing VOA and RFA Transmission into Asia

With funds appropriated in FY 2001 for international broadcasting to China and Russia and surrounding areas, Engineering has continued the increased leased transmitter time for the Tibetan and Uyghur languages. The BBG will continue to fight jamming aggressively by expanding the number and diversity of transmission sites where possible.

Negotiations are underway with officials to provide new high power transmission equipment. This capability will enable the IBB to provide additional service for Radio Free Asia. BBG is currently adding new low band antennas at the Tinian Transmitting Station to increase the broadcasting capacity and scheduling flexibility from this versatile station to serve large audiences in the Far East.

Expansion efforts at the Sri Lanka Transmitting Station continued with the addition of three more 250 kW shortwave transmitters that had been removed from closed IBB stations. Broadcasting started on two of these transmitters in early 2002. Changes in the country-to-country agreement and switchbay modifications now allow operation of the third shortwave transmitter. In FY 2002, the Government of Sri Lanka agreed to allow the station to carry formerly denied RFA programming in Vietnamese, Uyghur, and Burmese to Asian audiences. This permission has enabled the station to address critical RFA broadcasting priorities.

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. About 70 FM projects are in various stages of planning and completion. As part of this effort, the BBG has successfully installed 24-hour FM broadcasting systems in 19 locations worldwide. Installations of BBG-owned or controlled FM systems have been completed in: Kabul, Afghanistan; Manama, Bahrain; Ougadougou, Burkina Faso; Arta and Djibouti City, Djibouti; Abidjan, Ivory Coast; Amman, Jordan; Nairobi, Kenya; Pristina, Kosovo; Kuwait City and Kuwait transmitting station; Ulaanbaatar, Mongolia; Doha, Qatar; Resita, Romania; Kigali, Rwanda; Sao Tome transmitting station; Freetown, Sierra Leone; and Abu Dhabi and Dubai, United Arab Emirates.

Since early FY 2000, Engineering has been streaming VOA and OCB programs on the Internet in audio and video broadcasts. Over 200 hours of on-demand broadcasts a day are available in this growing service, which includes all 53 VOA languages. In addition, ten 24-hour live audio streams are available 7 days a week. These include Radio Marti, VOA News Now, VOA Music Mix, two Radio Sawa feeds, a Radio Farda (Persian) feed, and three channels for special events and programming. One 24-hour live video stream for VOA also is available 7 days per week. Additionally, Engineering provides broadcast quality MP3 files that are downloaded directly to Affiliates and Real Audio files that can then be downloaded to regular users.

Engineering continued to convert major segments of its international satellite transmission network from analog to the digital electronic format. This conversion, which began in FY 1997 and was completed in FY 2002, increases the IBB's broadcast channel capacity and dramatically improves the quality of radio and television reception worldwide. The IBB does, however, have to provide occasional analog video transmission to the Balkans to accommodate the technology available in the region.

The installation of additional satellite earth stations in FY 2002 brought the total number of IBB-installed earth stations to over 2,000 worldwide. These satellite receiving systems permit the IBB's growing radio and television affiliate network to broadcast VOA, 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 2003, the IBB will have nearly 2,100 earth stations worldwide to support the IBB's Office of Marketing and Program Placement, the Department of State, and others. To enable affiliate stations to receive IBB programming, the IBB provides equipment for new affiliate stations as required.

FY 2004 Program Decreases

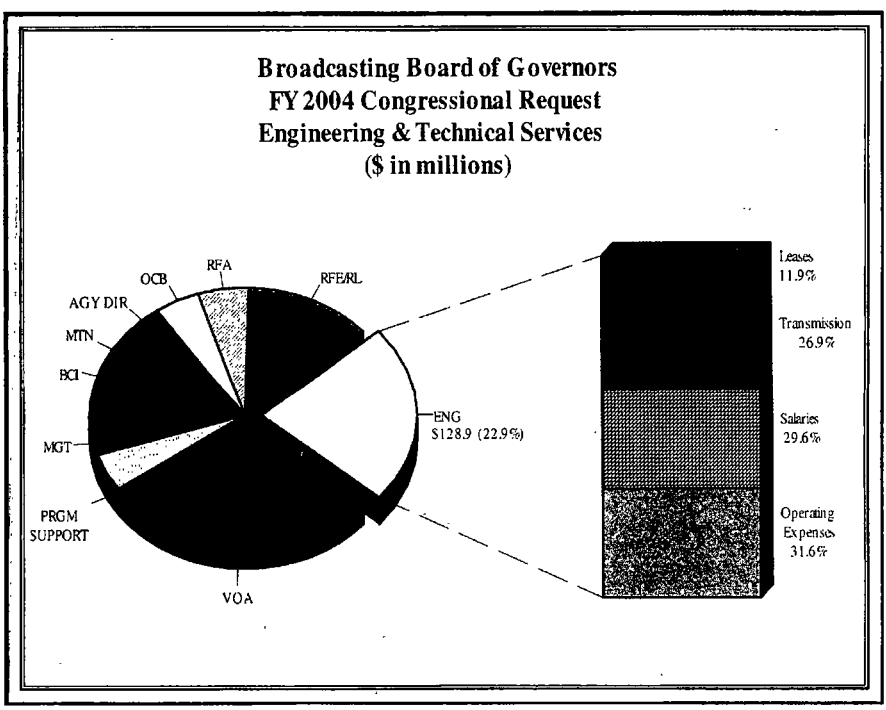
Engineering's FY 2004 budget includes a decrease of $1,000,000 for management and administrative efficiencies including streamlines in inventory costs, and reductions in transmitting station travel, training, and local contracts. In addition, this request includes transmission savings of $129,000 associated with the elimination and reduction of language services within the BBG.

FY 2004 Enhancement

Transmission Costs Related to Programming Enhancements ($.4 million)

Transmission cost associated with the VOA radio and television Indonesian programming enhancement are included in Engineering and Technical Services' FY 2004 request.

For FY 2004, we are requesting $128.9 million for Engineering and Technical Services.



Engineering and Technical Services
Summary of Increases and Decreases
FY 2003 - 2004
($ in thousands)

FY 2003 Estimate	+	**122,184**

This represents the FY 2003 request for offices within Engineering and Technical Services and funding for IBB Engineering related transmission costs.

Wage Increases: Domestic/American	+	**500**

This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.

Wage Increase: FSNs	+	**540**

This cost represents an anticipated wage increase for overseas foreign service national employees.

Other Wage Requirements	+	**292**

This increase provides for annualization of salary and benefits to continue current programming into FY 2004 and the cost of pay for one extra day.

Inflation	+	**1,150**

This cost reflects a 1.5% inflation increase for general operating expenses for 2004.

Built-in Requirements	+	**6,413**

This includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following:

a) Operational costs for new transmitting facilities.	**3,444**
b) Annualization of on-going leases.	**2,360**
c) Internet streaming and satellite requirements.	**609**

Non-Recurring Costs		**(1,527)**

The following one-time costs are non-recurred in FY 2004:

a) One-time capital equipment costs.	**(897)**
b) Home, Leave and Transfer costs.	**(369)**
c) Net adjustment for power requirements.	**(208)**
d) Belize closing costs.	**(29)**
e) Station mandatory adjustments.	**(24)**

Program Decreases	**(1,129)**

Reflects the following reductions to base operations:

a) Management and administrative efficiencies.	**(1,000)**
b) Transmission savings associated with the elimination of broadcasts to nine languages and the reduction of broadcasts in two languages.	**(129)**

Program Increases	**+ 440**

Reflects the increase above base operations to fund the following enhancements:

a) Transmission costs associated with the enhancement for VOA Indonesian broadcasts.	**440**

TOTAL FY 2004 ENGINEERING REQUEST	**128,863**

[redacted]

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
Domestic Headquarters				
Director	397	499	512	13
Resource Management	1,722	1,644	1,682	38
Home Leave and Transfer	841	1,037	684	(353)
Operations	6,952	7,787	7,877	90
VOA Transmissions	1,448	1,923	2,219	296
RFE/RL Transmissions (including RFAfghanistan)	5,718	5,487	5,352	(135)
RFA Transmissions	5,984	6,080	6,080	-
Host Government Transmissions	1,602	1,805	1,795	(10)
Worldwide Procurement (WWP)	8,050	9,539	8,304	(1,235)
Technical	9,928	9,159	9,469	310
Satellite Transmissions	18,897	16,286	16,635	349
Subtotal, Domestic Headquarters	**61,539**	**61,246**	**60,609**	**(637)**
Transmitting Stations				
Delano	2,126	2,302	2,348	46
Greenville	4,794	5,113	5,180	67
Tinian	5,678	6,090	6,304	214
Belize	522	259	-	(259)
Greece	8,209	9,259	9,478	219
Germany	8,278	9,227	9,219	(8)
Pals	2,390	-	-	-
Philippines	4,692	5,113	5,349	236
Thailand	3,094	3,118	3,425	307
Sri Lanka	2,389	3,446	3,687	241
Kuwait	1,052	1,262	1,399	137
Morocco	5,824	6,437	6,676	239
Botswana	1,251	1,545	1,641	96
Sao Tome	2,480	2,847	2,631	(216)
Cyprus	985	2,260	2,292	32
Djibouti	-	498	1,750	1,252
Egypt	-	2,100	2,100	-
Afghanistan AM	-	1,600	1,600	-
Tunisia	-	-	2,100	2,100
Subtotal, Transmitting Stations	**53,764**	**62,476**	**67,179**	**4,703**
Monitors	**981**	**1,054**	**1,075**	**21**
TOTAL, ENGINEERING	**116,284**	**124,776**	**128,863**	**4,087**
Reconciliation:				
(-) Balances In	(2,104)	(2,592)	-	2,592
(+) Balances Out	2,592	-	-	-
(-) Reimbursements	(150)	-	-	-
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Broadcasting Board of Governors
BBG/International Broadcasting Bureau
Agency Direction

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	**17,640**	**19,730**	**22,925**
Positions	**77**	**97**	**93**

Offices under the heading ***Agency Direction*** consist of:

- The ***Broadcasting Board of Governors (BBG)***-- 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.

- 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, 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 BBG 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.

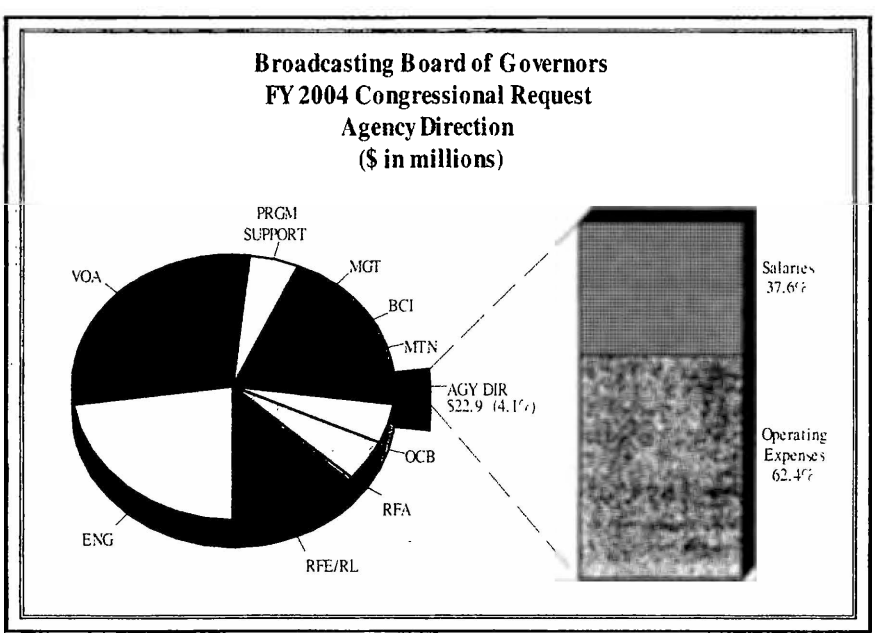
- The ***Office of Policy*** -- produces daily editorials and other programs that convey official U.S. government policies for use by all VOA language services and television. This office is also responsible for the International Crime Alert Programming.

- 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.

FY 2004 Program Decreases

The FY 2004 budget for Agency Direction includes a decrease of $380,000 for management and administrative efficiencies including the elimination of four positions and a reduction in operating expenses. In addition, the request includes research savings of $252,000 associated with the elimination of language services within the BBG.

For FY 2004, we are requesting $22.9 million for Agency Direction.



Agency Direction
Summary of Increases and Decreases
FY 2003 - 2004
(In thousands)

FY 2003 Estimate	+	**19,730**

This represents the FY 2003 request for offices within Agency Direction.

Wage Increases: Domestic/American	+	**193**

This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.

Other Wage Requirements	+	**269**

This increase provides for annualization of salary and benefits to continue current programming into FY 2004 and the cost of pay for one extra day.

Inflation	+	**285**

This cost reflects a 1.5% inflation increase for general operating expenses for 2004.

Built-in Requirements	+	**3,080**

This includes built-in requirements to continue on-going projects. These mandatory built-in requirements include the following:

a) International Cooperative Administrative Support Services (ICASS).	**280**
b) Consolidated Research Contract.	**2,800**

Program Decreases		**(632)**

Reflects the following reductions to base operations:

a) Management and administrative efficiencies.	**(380)**
b) Research savings associated with the elimination of nine BBG language services.	**(252)**

TOTAL FY 2004 AGENCY DIRECTION REQUEST	**22,925**

Agency Direction
Summary of Funds
FY 2002 - 2004
($ in thousands)

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
Broadcasting Board of Governors	7,386	7,292	9,639	2,347
General Counsel	775	1,064	1,133	69
Director, Int'l Broadcasting Bureau	724	1,486	1,407	(79)
Policy	894	1,075	1,103	28
Civil Rights	1,019	917	967	50
Chief Financial Officer	2,424	4,907	3,097	(1,810)
Dept of State Cross Servicing Agreement - Accounting and Payroll	1,144	1,204	1,222	18
International Cooperative Administrative Support Services	3,045	3,885	4,357	472
TOTAL, AGENCY DIRECTION	**17,411**	**21,830**	**22,925**	**1,095**
Reconciliation:				
(-) Balances In	(2,186)	(2,047)	-	2,047
(+) Balances Out	2,531	-	-	-
(-) Reimbursements	(116)	(53)	-	53
Enacted/Request Level	**17,640**	**19,730**	**22,925**	**3,195**

Broadcasting Board of Governors
International Broadcasting Bureau
Management Directorate

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	**46,876**	**48,348**	**51,070**
Positions	**153**	**168**	**161**

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, property, travel, record management, and administrative operations.

- The ***Office of Personnel*** -- provides the full range of personnel services necessary for an independent agency 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.

- 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.

FY 2002 – FY 2003 Highlights

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

The Management Directorate has developed the structure of a comprehensive Human Capital Strategy based upon four goals: Recruit, Train, Retain/Reward, and Link Performance to Organizational Goals. Using the results of the OMB-initiated Workforce Analysis, the Personnel Office has developed a wide range of initiatives intended to meet the challenges of an aging workforce and the need to position the agency for effective future growth. A new visa was pursued and approved in the last year that expedites our ability to acquire scarce language skills. In addition, legislative authority was recently received 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 rapidly respond to new or emerging broadcast needs and/or augment broadcast services. Recruiting efforts were expanded by seeking partnerships with universities and professional organizations.

To meet the need for changing skills, a new training program has been developed that incorporates the results of a Training Needs Assessment of the agency. Training dollars are prioritized to needs of the agency and a leadership competency matrix was published that outlines the skills needed for service at increasing levels of responsibility. This provides cohesion to individual growth planning, agency hiring directives, and supervisor performance counseling. Training priorities now include an expanded focus on management and technical skill requirements to better meet our future management and skill needs.

A new Performance Appraisal system was introduced for managers and supervisors to link individual performance with organizational goals. Union negotiations are proceeding to expand its use by our employees. A new Medal Award Program to recognize superior individual performance achievements was implemented and received enthusiastic support within the agency.

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. Progress has been made in meeting our workplace space obligations under union agreements that will enhance the effectiveness of our employees. Efforts continue to consolidate agency elements that are not co-located in the Cohen Building - a situation that has existed since the independence of the agency - to enhance efficiency. We are modernizing our newsroom complex and developing plans for further space renovations to more efficiently use our limited space and create a more effective and attractive work environment without disrupting broadcast schedules. Long-term planning and coordination has begun with GSA for the renovation of the Cohen Building, anticipated to begin in FY 2006/7.

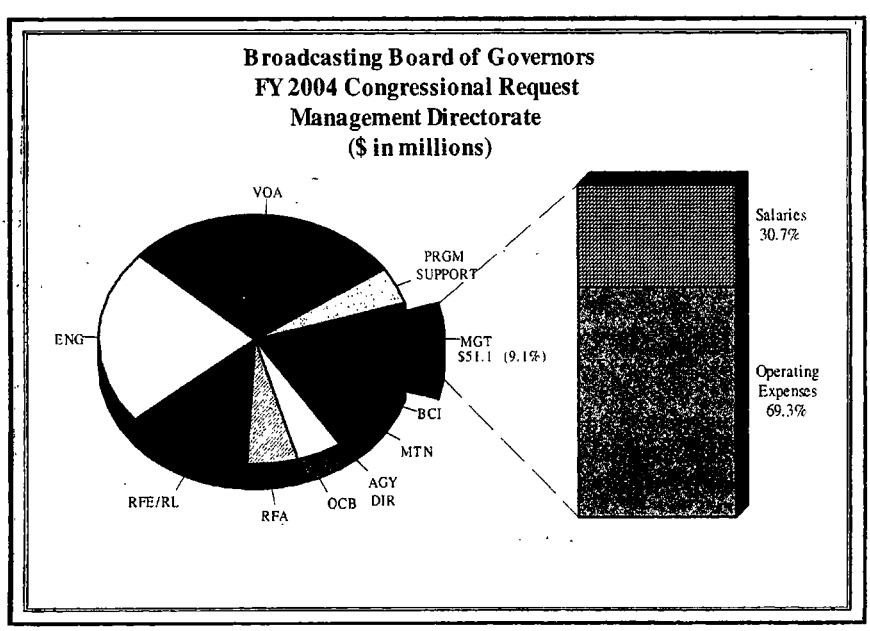
Incremental progress has been made in modernizing the agency telephone networks to improve broadcast journalism. Call-in talk shows, reporter and stringer reports, and program sharing are all dependent upon modern connectivity. Likewise, the computing infrastructure has been progressively digitized and the infrastructure modernized within the available budget to enhance program production, system stability and security. The agency established and chairs a Building Security Committee to coordinate effective security procedures for the employees. This has been well received by all tenants of the Cohen Building.

Competitive Sourcing
The agency's FAIR Act submission this past year reflects a commitment to finding the best possible means of accomplishing our mission. As mentioned above, the agency received legislative authority for the use of domestic Personal Services Contracts. Procedures are being developed to implement this program most effectively for the broadcast mission. Contracting has been embraced as a major means of accomplishing a number of broadcasting initiatives that are being implemented this coming year.

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. 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 has been installed that greatly enhances the effectiveness of our analysts in the Office of Personnel. Automated travel management is also being upgraded across the organization.

FY 2004 Program Decreases
Management's FY 2004 budget includes a decrease of $656,000 for management and administrative efficiencies, including the elimination of seven positions, and a reduction in administrative services. In addition, the elimination of ten VOA language services will achieve rent savings of $513,000.

For FY 2004, we are requesting $51.1 million for the Management Directorate.



Management Directorate
Summary of Increases and Decreases
FY 2003 - 2004
($ in thousands)

FY 2003 Estimate	+	**48,348**

This represents the FY 2003 request for offices within the Management Directorate.

Wage Increases: Domestic/American	+	**324**

This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.

Other Wage Requirements	+	**423**

This increase provides for annualization of salary and benefits to continue current programming into FY 2004 and the cost of pay for one extra day.

Inflation	+	**487**

This cost reflects a 1.5% inflation increase for general operating expenses for 2004.

Built-in Requirements	+	**2,657**

This includes built-in requirements to continue on-going projects. These mandatory built-in requirements include the following:

a) Rent/Renovation/Utilities.	**2,657**

Program Decreases		**(1,169)**

Reflects the following reductions to base operations:

a) Management and administrative efficiencies.	**(656)**
b) Rent savings associated with the elimination of ten VOA language services.	**(513)**

TOTAL FY 2004 MANAGEMENT REQUEST	**51,070**

Management Directorate
Summary of Funds
FY 2002 - 2004
($ in thousands)

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
Associate Director	175	210	216	6
Personnel	7,258	7,683	7,510	(173)
Administration	27,966	28,221	30,520	2,299
Security	3,012	2,766	2,860	94
Contracting and Procurement	1,440	1,554	1,587	33
Computing Services	7,419	8,138	8,377	239
TOTAL, MANAGEMENT	**47,270**	**48,572**	**51,070**	**2,498**
Reconciliation:				
(-) Balances In	(618)	(224)	-	224
(+) Balances Out	224	-	-	-
Enacted/Request Level	**46,876**	**48,348**	**51,070**	**2,722**

Broadcasting Board of Governors
International Broadcasting Bureau
Program Support Directorate

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	**18,557**	**24,123**	**27,595**
USAID Transfer	1,005	-	-
Total	**19,562**	**24,123**	**27,595**
Positions	**74**	**91**	**86**

The offices under the direction of the ***Associate Director for Program Support*** provide support to the BBG and its broadcast services. These offices include:

- The ***Office of Marketing and Program Placement (OMPP)*** – responsible for the marketing and placement of programming through local FM, medium wave (AM) and television stations and networks, and the Internet. In FY 2002, OMPP completed its transition from the Office of Affiliate Relations, Media Training and Research, and took another major step in shifting its focus to field operations by opening an East African Marketing Office in Johannesburg, South Africa. In support of its effort to initiate and enhance relationships with indigenous broadcast affiliates around the world, OMPP facilitates international media training programs for journalists, station managers, and broadcast engineers.

- The ***Office of Performance Review*** – responsible for obtaining and processing audience data and market research from outside contractors, and for making it available and usable through the program review process to broadcast services in the IBB. In FY 2002 the BBG received Congressional approval to merge the Office of Research and the Office of Program Review into the Office of Performance Review. The principal goal of the merger is to ensure optimum utility of market research by broadcast services. The Office of Performance Review continues to work in collaboration with VOA and OCB management to ensure that programming adheres to the highest standards of broadcast journalism, complies with applicable laws and guidelines, and effectively serves the information needs of intended audiences. Toward these ends the Office fully employs performance review and performance measurement procedures as developed by the BBG and the IBB, and as required by GPRA and OMB. Methodologies created in FY 2002 – to conduct field research in every target area, and to review programming by every broadcast service on an annual basis – will be continued into FY 2003 and FY 2004.

- The ***Office of Internet Development*** – provides Internet-specific support and policy guidance primarily to Voice of America in the enhancement of Web pages in indigenous languages.

- The ***Office of External Affairs*** – plans and conducts a comprehensive public affairs and outreach programs for IBB and its broadcasters; coordinates activities with the BBG Communications Director, the IBB Director, and 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. Services include providing public tours, managing the VOA Visitor Center, drafting, editing, and graphic design as well as photography for printed and web-based public information.

Audience Trends in Media Usage

Responding to the imperatives of the War on Terrorism, and the changing international media environment, the BBG broadcast entities have focused on ways to increase audience impact in the Middle East, West Asia, South and Southeast Asia, China, Russia, and all other strategically important countries and regions. Research data derived from studies of specific Middle East capitals show substantial gains in the region, attributed to the sign-on of Radio Sawa on local FM frequencies and high-power cross-border medium wave. Viewing of IBB's television products, and target-area access to IBB Web pages, has remained stable; these are regarded as media with high potential, but accompanied by future high costs. Worldwide, television remains the medium of choice in the majority of developed and developing countries, while FM enjoys growing popularity in urban areas. Medium wave and shortwave broadcasting remain viable options for cross-border transmission, especially to information-deprived areas, though radio listening continues its slow decline in many media environments.

In this changing international media environment – and in an effort to deal successfully with jamming by hostile governments and competition in open societies – the Program Support Directorate is coordinating its efforts with broadcast entities to meet these challenges in FY 2003 and FY 2004.

Expand Program Placement

A new strategy aims at developing rebroadcasting relationships with affiliate radio and television stations and networks in key capitals and regions of the world. This effort includes the establishment of broadcasting partnerships, and also makes expanded use of 24/7 capability through the placement of BBG FM transmitters in urban areas.

Recent examples of placement of programming in strategically important areas include:

- After the September 11th attack, about 20 affiliates in Russia, Bosnia, Albania, Indonesia, Nigeria, Thailand, Australia and New Zealand agreed to rebroadcast a special TV program, "America's Most Wanted Terrorists."

- **Afghanistan:** A formal agreement was signed granting the 100.5MHz frequency in Kabul for exclusive use by VOA and RFE/RL for 24-hour programming in Pashto and Dari. IBB Engineering began installation of additional facilities, including two 400kW AM transmitters to achieve nationwide medium wave coverage in Afghanistan. Rebroadcasts of VOA and RFE/RL Afghan programs from a 500kW medium wave transmitter (972kHz) in Tajikistan started on April 8, 2002.

- **Democratic Republic of the Congo:** VOA affiliate Raga FM began its transmission in Mbuji Mayi, one of the largest and most politically influential provinces in the DRC.

- **Hong Kong:** Phoenix TV agreed to rebroadcast Tech Now. Carried by cable operators in China, Phoenix TV can be seen in hotels and VIP compounds, as well as on cable networks in Singapore, Malaysia, Hong Kong, Brunei – and, via Asiasat 3, in dozens of other countries.

- **Indonesia:** Installation of IBB transmitting equipment at MsTri in Jakarta is complete and increased the broadcast signal of MsTri from 1 kW to 10 kW.

- **Kyrgyzstan/Uzbekistan:** IBB-Prague finalized arrangements for placing two hours of RFE/RL Uzbek, one hour of VOA Uzbek, and several hours of RFE/RL Kyrgyz, RFE/RL Russian, and VOA Russian and English on an FM frequency in Osh, Kyrgyzstan. Also, medium wave rebroadcasts of VOA Uzbek (30 min. at 1730 local time) and RFE/RL Uzbek (60 min. at 1800 local time) started on 1143kHz from a transmitter in Tajikistan in March, 2002.

- **Russia:** IBB-Prague successfully placed VOA's weekly television program "Window on the World" on Russian television network TV3, a popular outlet with more than 100 stations across Russia.

- **South Asia:** Bangladesh Betar and VOA began implementation of a nine-city FM collaboration, using IBB equipment and local frequencies. VOA now broadcasts on 96.7 FM in Dacca.

- **Vietnam:** Ho Chi Minh TV agreed to rebroadcast VOA programs. The External Affairs department of HTV agreed to show the VOA logo on-air.

Expand Internet Capabilities & Delivery

The Office of Internet Development (OID) designs, creates, and administers web sites. Its first major project was supporting the launch of the new multilingual, multimedia Web site voanews.com. In addition to VOA's 53 language sites, the office supports Web infrastructure for Radio Sawa and public relations Web sites like voa.gov, ibb.gov, and bbg.gov. Structured as an integrated team, OID includes specialized units in project management, Web design, Internet technology, and systems administration.

Web Site Upgrades: OID worked with the VOA language services and IBB and BBG public relations units to introduce state-of-the-art database and Web content management technology. As a result of these innovations:

- Web content editors are no longer required to master HTML coding. They now produce multimedia Web pages with a form-based system run by a Cold Fusion Web application.
- Dozens of VOA language services now share multimedia resources via their common database.
- The site search engine is far more powerful.

Template Design Upgrades for voanews.com, voa.gov and bbg.gov: Templates for VOA's news sites, the VOA public relations site, and the BBG site were all redesigned. The new designs are more attractive and easily navigable. Common motifs create the visual sense of related entities on a shared web platform.

Radio Sawa Web Site: OID created and enhanced Internet outlets for BBG in Arabic, with a Radio Sawa web site featuring news text and sound files.

Other Highlights:

- Offering special assistance to language services involved in the War on Terrorism, OID upgraded sites for languages targeted to Afghanistan, Pakistan, and Central Asia.
- OID contracted a specialized service to distribute email newsletters produced by VOA language services.
- In response to requests from VOA and IBB Research, OID obtained a more user-friendly, flexible web measurement service.
- In keeping with federal regulations to make government web sites more accessible, OID added text-only functions to appropriate agency web sites.

FY 2004 Program Decreases

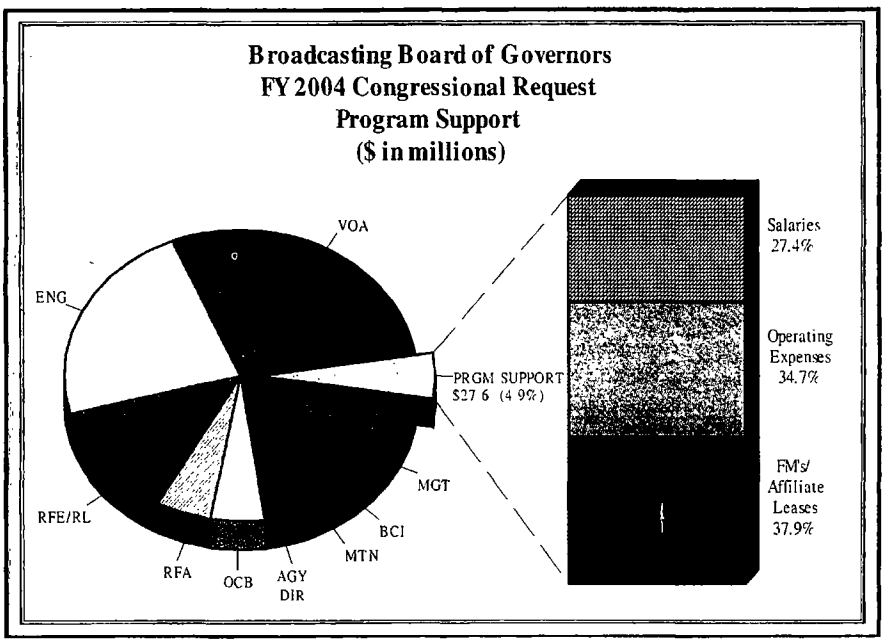
The FY 2004 budget for Program Support includes a decrease of $558,000 for management and administrative efficiencies, including the elimination of five positions (three Americans, and two Foreign Service Nationals) and a reduction in operating expenses. In addition, the request includes affiliate lease savings of $762,000 associated with the elimination and reduction of BBG language services.

FY 2004 Enhancements

Audience Development ($2.9 million)

The request includes funds for a new carefully coordinated marketing strategy that utilizes audience research to develop advertising and promotion campaigns. The BBG proposes an audience development initiative to augment marketing and affiliate relations programs by $2.9 million globally, to support the effort to "go local" via FM and AM stations in foreign markets.

For FY 2004, we are requesting $27.6 million for Program Support.



Program Support
Summary of Increases and Decreases
FY 2003 - 2004
($ in thousands)

FY 2003 Estimate	+	**24,123**
This represents the FY 2003 request for offices within Program Support.		
Wage Increases: Domestic/American	+	**159**
This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.		
Wage Increase: FSNs	+	**12**
This cost represents an anticipated wage increase for overseas foreign service national employees.		
Other Wage Requirements	+	**434**
This increase provides for annualization of salary and benefits to continue current programming into FY 2004 and the cost of pay for one extra day.		
Inflation	+	**1,272**
This cost reflects a 1.5% inflation increase for general operating expenses for 2004.		
Built-in Requirements	+	**15**
This includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following:		
a) Costs associated with on-going leases. 15		
Program Decreases		**(1,320)**
Reflects the following reductions to base operations:		
a) Management and administrative efficiencies. (558)		
b) Lease savings associated with the elimination of broadcasts in nine languages and reduction of broadcasts in two languages. (762)		
Program Increases	+	**2,900**
Reflects the increase above base operations to fund the following enhancement:		
a) Audience Development. 2,900		
TOTAL FY 2004 PROGRAM SUPPORT REQUEST		**27,595**

Program Support
Summary of Funds
FY 2002 - 2004
($ in thousands)

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
Associate Director	429	591	631	40
External Affairs	1,945	1,485	1,357	(128)
Performance Review	2,126	2,844	2,849	5
Internet Unit	1,687	2,254	2,301	47
International Media Training	1,915	456	464	8
Marketing and Program Placement	2,712	4,000	7,023	3,023
Worldwide Networking	7,755	10,169	10,458	289
Regional Offices	2,670	2,606	2,512	(94)
TOTAL, PROGRAM SUPPORT	**21,239**	**24,405**	**27,595**	**3,190**
Reconciliation:				
(-) Balances In	(1,959)	(282)	-	282
(+) Balances Out	282	-	-	-
(-) Transfers from USAID	(1,005)	-	-	-
Enacted/Request Level	**18,557**	**24,123**	**27,595**	**3,472**

Broadcasting Board of Governors
Broadcasting to Cuba

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	**24,872**	**25,362**	**26,901**
Positions	**156**	**163**	**163**

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 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 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. In addition, a wide variety of programs address topics such as public affairs, culture, music, and entertainment.

FY 2002 – FY 2003 Highlights

OCB Website

A complete redesign and redeployment of Radio and TV Marti's Spanish language website was completed in May 2002. The website has enhanced visual appeal and a streamlined daily content management process.

Radio News

News programming was expanded in FY 2002 to include four one hour daily newscasts. Emphasis was given to the war on terrorism, elections, democratic transitions around the world, and advances in the area of human rights. Coverage of Cuba related stories included President Bush's remarks and visit to Miami in May, as well as former President Carter's visit to Cuba that same month. This coverage highlighted the emergence of a civil society in the island and provided extensive coverage of the human rights efforts of prominent Cuban opposition leader Oswaldo Payá Sardiñas. In December 2002, Radio Marti presented a live broadcast of the 2002 Sakharov Prize for Freedom of Thought from Strasbourg, France, awarded this year to Mr. Payá Sardiñas. In addition, Radio Marti also provided live coverage of the National Democratic Institute W. Averell Harriman Democracy Award ceremony in September 2002.

OCB has been broadcasting the weekly radio address of President Bush, followed by the Democratic response, every Saturday. Coverage for this period has included the electoral process throughout Latin America, the Ibero-American summit, the War on Terrorism in Afghanistan, and Hurricane Michelle in Cuba, and the President's visit to Miami. Radio Marti has recently begun broadcasting Major League baseball games during the weekends, which are extremely popular with our Cuban audience.

For FY 2003, Radio Marti will implement fundamental changes in our news programming to incorporate live reports and special coverage in our newscasts, and news briefs from stringers and international correspondents.

Radio Programming

During FY 2002, Radio Marti introduced a number of new programs, including *En Marcha*, a program in which different military personnel versed in Cuban issues discuss the military perspective in a democracy. Radio Marti also introduced a cultural program called *De Todo En Arte*, an informative program called *En Sintonia*, and *Ache*, a program presenting Afro-Cuban music.

For FY 2003, the first phase of new Radio Marti programming, is geared toward women and

youth. The new youth oriented programs, introduced on December 2, 2002, are: *Alto Voltaje* (High Voltage), which airs Monday through Friday afternoons, *Rapeando* (rap music), which airs during the weekends, and *The Hot 20* (Top 40 songs in English and Spanish), which also broadcasts during the weekend. The new program dedicated to our female audience is called *Con Voz Propia* (With My Own Voice). For this program, the concept of the popular TV show "The View" was adapted to radio with three female hosts.

Improvements have also been made to some of our long standing programs such as the ever popular informational morning show, *Tempranito y de Manana* (Early in the Morning), which has been expanded by one hour with many new features added. *Destinos Turisticos* (Travel Destinations) and *Para Ser Contado* (Worthy of Being Told) have undergone new format changes for FY 2003. *Destinos Turisticos* takes the listener on adventures to interesting and exotic places, while *Para Ser Contado* tells stories of unusual events and happenings. To capture the interest of our listeners, the formats were modified from one half hour segment to five short, action packed segments. The segments are also packaged individually, and air as daily features in *A Media Mañana* and *Dos a las Dos.*

Digital Studio Conversion
During FY 2002, OCB completed its three-year program to modernize Radio Marti's program production and on-air operations capabilities through conversion to digital audio, video, and computer networking technologies. Initiated in FY 2000, this effort required total renovation of physical facilities, construction of new multi-use news facilities, and replacement of antiquated analog equipment with art digital hardware and software systems.

120 Hours Per Day Broadcast Schedule
Radio Marti has continued to maintain its aggressive four frequencies per hour (96 hours per day) shortwave broadcast schedule during FY 2002. The combined 96-hour per day shortwave schedule and 24-hour per day medium wave schedule (120 hours total) continues to be effective in reaching Cuban listeners. During FY 2003, Radio Marti will continue to actively seek cost-effective means for increasing signal penetration to Cuba in order to maximize its listening audience.

Cuba Radio Monitoring
Through the acquisition of advanced digital and computer-controlled receiver technology, Radio Marti further enhanced its capabilities for monitoring the two primary radio networks in Cuba in FY 2002. 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 produces a half-hour newscast five days a week, and a weekend summary newscast. Special news programs are produced periodically on topics of major importance. Other programs featured on TV Marti are produced in-house or are acquired, and include topics such as 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 tethered aerostat balloon carries TV Marti's UHF transmission system and operates at an altitude of up to 12,000 feet and under wind speeds as high as 65 knots. A specially designed antenna fully protects U.S. domestic television broadcasts from interference.

TV Marti is also broadcast on 176 cable stations throughout Latin America and is available worldwide on the Internet. Cuban citizens anywhere in the world with access to the Internet can visit the site 24 hours a day.

FY 2002 – FY 2003 Highlights

TV Marti Now Broadcasting in Primetime

TV Marti moved its broadcast schedule to primetime evening hours on May 2002. Anecdotal reports and phone calls from the island suggest that Cubans, especially those living outside Havana, are now able to tune in and watch. Callers to TV Marti from Matanzas Province, areas of Colon and elsewhere have provided detailed descriptions of programs, topics and guests.

Another significant event this year was the broadcast of the Major League Baseball playoff games and the World Series. Baseball is the national pastime in Cuba and the addition of Major League Baseball to our programming was a very important accomplishment.

TV Marti news specials planned for FY 2003 include in depth coverage of the development of the civil society in Cuba with emphasis on the diverse projects of the Opposition Movement and the internal dissidents on the Island. The War on Terrorism continues to be in the forefront of news coverage, with special emphasis on the situations in Iraq and North Korea. The United Nations Human Rights Commission in Geneva will also be given full coverage.

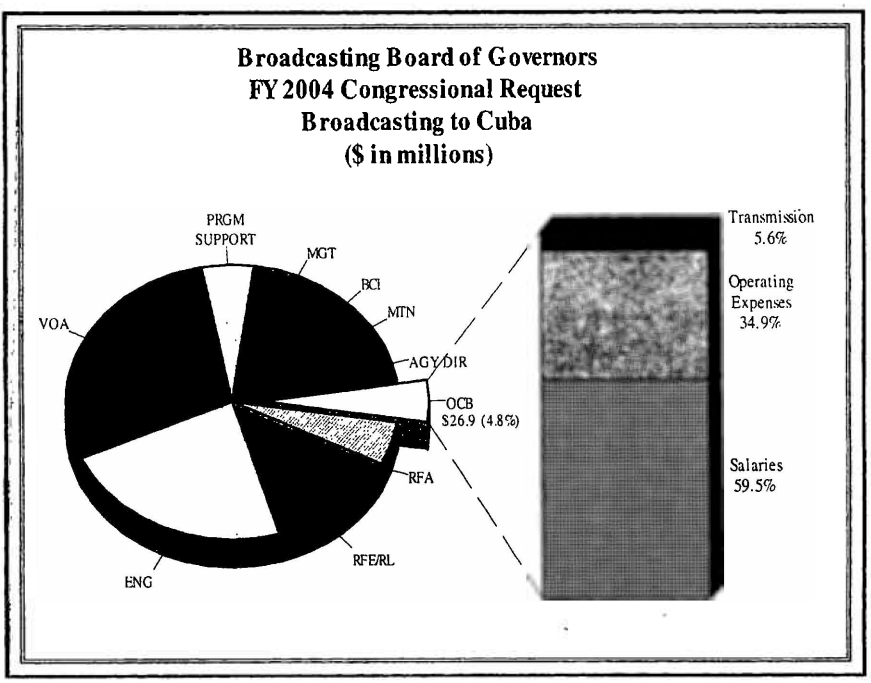
The TV Marti Programs Department's new feature, *Enterese*, informs the Cuban audience of new developments in areas such as medical research and weather technology, and presents profiles of Cuban businessmen who have successfully developed their own businesses. A new program, *Conversemos*, will incorporate a different approach to Cuban issues and interests, such as the arts, politics, and even controversial topics like abortion. *Panorama*, a new in-depth analysis program will replace *Mesa Redonda* and will include a wider range of topics and guests. TV Marti's Programs Department will continue to produce 10 in-house programs and will acquire new material including music and entertainment. A special series, *Americana*, will describe our nation, its political and judicial systems and its culture. Another special program planned for FY 2003 is *Nuestra Gente*, a monthly feature that spotlights the Cuban community in various cities throughout the United States. Plans also include broadcasting two Major League baseball games per week, as well as the playoffs and World Series for 2003.

Digital Enhancements

In FY 2001, TV Marti purchased digital tape machines in keeping with its goal of moving toward an all-digital facility. A digital router was purchased and installed in FY 2002, and a digital production switcher is scheduled for purchase in FY 2003, along with other associated

digital support equipment. The goal is to continue the transition to a largely digital facility over the next several years.

For FY 2004, we are requesting $26.9 million for Cuba Broadcasting.



Broadcasting to Cuba
Summary of Increases and Decreases
FY 2003 - 2004
($ in thousands)

FY 2003 Estimate	+	**25,362**
This represents the FY 2003 request for the Office of Cuba Broadcasting, including Radio Marti and TV Marti.		
Wage Increases: Domestic/American	+	**357**
This provides for the annualization of a 3.1% increase effective January 2003, and the projected 2.0% increase for January 2004.		
Other Wage Requirements	+	**210**
This increase provides for annualization of salary and benefits to continue current programming into FY 2004 and the cost of pay for one extra day.		
Inflation	+	**139**
This cost reflects a 1.5% inflation increase for general operating expenses for 2004.		
Built-in Requirements	+	**933**
This includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following:		
a) Operational requirements funded by FY 2002 carry-over.	700	
b) Programming and News requirements.	233	
Non-Recurring Costs		**(100)**
The following one-time costs are non-recurred in FY 2004:		
a) Capital and one-time equipment costs.	(100)	
TOTAL FY 2004 BROADCASTING TO CUBA REQUEST		**26,901**

Broadcasting to Cuba
Summary of Funds
FY 2002 - FY 2004
($ in Thousands)

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
Radio Marti				
Directorate	445	599	661	62
Administration & Personnel	2,374	2,319	2,370	51
Programs	3,197	3,267	3,392	125
News	4,283	4,162	4,329	167
Technical & ADP	4,357	5,329	4,554	(775)
Information Center	287	255	272	17
Media Monitoring & Research	340	602	618	16
Advisory Board	12	122	159	37
Subtotal, Radio Marti	**15,295**	**16,655**	**16,355**	**(300)**
TV Marti				
Directorate	581	647	664	17
Administration & Personnel	1,250	1,337	1,361	24
Engineering & ADP	2,374	2,577	2,643	66
Programs	1,093	1,105	1,160	55
News	2,326	2,323	2,396	73
Technical Operations	2,021	2,242	2,322	80
Subtotal, TV Marti	**9,645**	**10,231**	**10,546**	**315**
TOTAL, BROADCASTING TO CUBA	**24,940**	**26,886**	**26,901**	**15**
Reconciliation:				
(-) Balances In	(1,592)	(1,524)	-	1,524
(+) Balances Out	1,524	-	-	-
Enacted/Request Level	**24,872**	**25,362**	**26,901**	**1,539**

Broadcasting Board of Governors
Broadcasting Capital Improvements

($ in thousands)

	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Request
Funding	**59,700**	**13,740**	**11,395**
P.L. 107-206 (Tunisia MW)	7,700	-	-
Total	**67,400**	**13,740**	**11,395**

Broadcasting Capital Improvements provides no-year funding for large-scale capital purchases and to improve and maintain the operating efficiency and reach of the organization's global network. The BBG is requesting $11.4 million for these activities in FY 2004; these funds also will enable the BBG to maintain its current transmission infrastructure.

FY 2002 – FY 2003 Highlights

In the aftermath of the terrorist attacks of September 11, 2001, the BBG received $26.4 million of Emergency Response Fund (ERF) appropriations for capital projects to support surge programming of VOA and RFE/RL and to establish the Radio Free Afghanistan service of RFE/RL. Of these funds, $7.7 million was allocated to construct a medium wave (AM) transmitting facility in Djibouti. The Djibouti station will have a 600 kilowatt medium wave transmitter, associated facilities, and a versatile antenna array. When this facility becomes fully operational, the BBG will increase its ability to deliver the innovative Arabic programming of Radio Sawa to target audiences in the Middle East and North Africa.

Afghanistan
The BBG is helping to reconstruct radio communications within Afghanistan through the use of $8.6 million in Emergency Response Funds to refurbish the Afghanistan radio transmitting facility near Kabul. The BBG is providing two high power medium wave transmitters at this facility.

Djibouti
The high power medium wave transmission facility in Djibouti will dramatically improve the quality of signal reception and directional broadcast coverage to Sudan and parts of Yemen. Currently, listeners in Sudan and Yemen can only receive BBG shortwave broadcasts with more limited and varying levels of reception quality. In FY 2002, contracts were awarded for a new transmitter and facility installation. A contract award for the new station's antenna array followed in FY 2003. Broadcasting from this new medium wave site is expected to begin in the fall of 2003.

Kuwait Shortwave Expansion Project
To meet the broadcasting requirements of Radio Free Afghanistan in an economical and effective manner, the BBG is installing three existing 250-kilowatt shortwave transmitters, radio frequency (RF) transmission lines, and a switch matrix at the BBG's current transmitting station in Kuwait. The BBG also is purchasing two new antenna pairs for the station.

In January 2003, contract work began to expand the station's existing transmitter building, assemble the three shortwave transmitters and associated broadcast equipment relocated from closed transmitting stations, and furnish and install two high/low antenna pairs. FY 2003 plans included bringing an additional power feeder onsite, replacing any missing or damaged parts needed for the relocated broadcast equipment, and procuring operating spare parts for the new shortwave facility.

Radio Sawa
The BBG has established medium wave transmission capabilities from Cape Greco in Cyprus to support Radio Sawa 24 hours a day, seven days a week in the AM band. The transmitter and related broadcasting equipment at the Cyprus site started broadcasting in September 2002. Nighttime transmissions from the station provide a strong medium wave signal to parts of Egypt, the Levant, and the surrounding areas.

Anti-Jamming Initiative for China and East Asia
In FY 2002, the BBG received funds for an initiative to overcome the jamming of its programming to China and East Asia. The BBG is planning to augment the existing Tajik radio facility near Dushanbe with a high-power shortwave transmitter and associated antenna system to enhance the BBG's broadcast capability to East Asia and to establish a long-term commitment with Tajikistan.

The BBG also is installing two more shortwave antennas at its transmitting site on the island of Tinian in the Commonwealth of the Northern Marianas. These new low band shortwave antennas will improve the BBG's ability to reach Asia during the night and during the increasingly difficult radio propagation conditions of the low sun spot cycle from 2004 to 2009. The BBG's Tinian facility is vital to the Far East anti-jamming efforts. The station has provided excellent signals into Asia since opening in January 1999. Moreover, the station's location on U.S. territory allows the BBG to avoid broadcast restrictions on programming, such as those directed against RFA broadcasts from Thailand and the Philippines and against RFA and RFE/RL broadcasts from Sri Lanka.

The BCI program includes the following FY 2004 requirements:

Upgrade of Existing Facilities - Greek Agreement ($1.8 million): This funding is mandatory to meet current obligations under the previously negotiated country-to-country agreement for BBG broadcasting from the Kavala and Rhodes transmission sites in Greece. This requested amount includes the additional funding required to extend RFE/RL broadcasts from Greece from March 2001 to March 2007.

Maintenance, Improvements, Replacements and Repairs (MIRR) ($7.5 million): This activity continues essential maintenance and repair projects including security throughout the transmitting station network and headquarters Internet, radio, and television production facilities. The continuing maintenance and repair program attends to the ongoing needs of the BBG's worldwide network of 21 transmitting sites, extensive satellite feed systems, and capital plant and equipment at headquarters in Washington, D.C. As equipment and facilities age, particular attention must be paid to maintaining and repairing assets. 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 to maintain operational effectiveness. These stations include those located in Botswana, the Commonwealth of the Northern Marianas, Sao Tome, Sri Lanka, and Thailand.

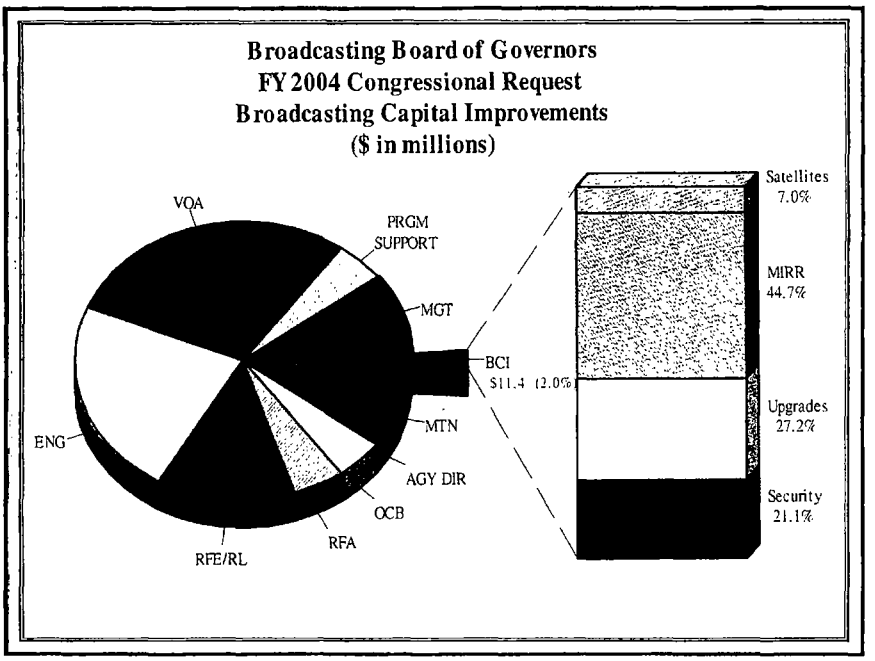
Satellite and Terrestrial Program Feeds ($0.8 million): As in previous years, these funds will be used to maintain and enhance BBG satellite distribution facilities worldwide. These include more than 2,100 satellite dishes, major satellite gateway facilities in Washington, D.C.; Greenville, North Carolina; Delano, California; Munich, Germany; Kuwait; Prague, Czech Republic; and Tinang, Philippines, and a variety of mid-sized two-way earth station facilities at BBG transmitting station locations.

FY 2004 Enhancement

The BCI program includes the following FY 2004 enhancement request:

Upgrade of Existing Facilities - Continuing Poro Relocation Activities ($1.3 million): The BBG requests additional funds for the completion of the relocation of its medium wave facility formerly at Poro Point to a new site at the vacated Wallace Air Station in the Philippines. The enhancement would fund remaining security requirements in FY 2004. The medium wave relocation activities are anticipated to be completed by September of FY 2004.

For FY 2004, we are requesting $11.4 million for Broadcasting Capital Improvements.



Broadcasting Capital Improvements
Summary of Increases and Decreases
FY 2003 - 2004
($ in thousands)

FY 2003 Estimate	+	**13,740**

This represents the FY 2003 request for Broadcasting Capital Improvements.

Inflation	+	**114**

This cost reflects a 1.5% inflation increase for general operating expenses for 2004.

Built-in Requirements	+	**1,696**

This includes built-in requirements to continue on-going projects and technical operations. This mandatory built-in requirement includes the following:

a) To meet OSPB overseas and Justice Department counter terrorism security requirements at existing sites.	**1,696**

Non-Recurring Costs		**(5,405)**

The following costs are non-recurred in FY 2004:

a) VOA digital conversion costs.	**(4,500)**
b) Annual payment of transmission agreement.	**(905)**

Program Increases	+	**1,250**

Reflects the increase above base operations to fund the following enhancements:

a) Security requirements for Poro relocation.	**1,250**

TOTAL FY 2004 BROADCASTING CAPITAL IMPROVEMENTS REQUEST	**11,395**

Broadcasting Capital Improvements
Summary of Funds
FY 2002 - FY 2004
($ in thousands)

	2002 Actuals	2003 Estimate	2004 Request	Increase or Decrease (-)
New Construction	15,448	19,772	-	(19,772)
Maintenance, Improvements, Replace and Repair	6,921	4,541	4,335	(206)
Digital Project	3,284	6,327	-	(6,327)
Cuba Broadcasting	10	-	-	-
VOA TV	781	756	765	9
Security	811	713	2,410	1,697
Facility Leases and Land Rentals	200	800	-	(800)
Upgrade of Existing Facilities	2,412	26,246	3,085	(23,161)
Satellite & Terrestrial Program Feeds	701	2,786	800	(1,986)
TOTAL, BROADCASTING CAPITAL IMPROVEMENTS	**30,568**	**61,941**	**11,395**	**(50,546)**
Reconciliation:				
(-) Balances In	(8,583)	(48,201)	-	48,201
(+) Balances Out	48,201	-	-	-
(-) Recoveries	(2,786)	-	-	-
Enacted/Request Level	**67,400**	**13,740**	**11,395**	**(2,345)**

BROADCASTING BOARD OF GOVERNORS
FY 2002 OPERATIONS
($ in thousands)

	[illegible]	On Board		[illegible]	[illegible]	TOTAL FY 2002
	[illegible]	Domestic	FSN	[illegible]	[illegible]	
VOICE OF AMERICA						
VOA Director						
Director		16		1,375	1,678	3,053
Audience Mail		3		391	302	693
Total, VOA Director	**0.00**	**19**	**0**	**1,766**	**1,980**	**3,746**
Broadcast Operations						
Operations Management Division		142		12,389	2,271	14,660
Broadcast Operations		17		1,647	97	1,744
Total, Broadcast Operations	**0.00**	**159**	**0**	**14,036**	**2,368**	**16,404**
Latin American Division						
Division Chief		7		571	10	581
Spanish Service	27.25	14		1,313	369	1,682
Creole Service	9.50	9		773	30	803
Production		5		558		558
Total, Latin American	**36.75**	**35**	**0**	**3,215**	**409**	**3,624**
European Division						
Division Chief		5		404	139	543
Estonian Service	3.75	4		324	16	340
Serbian Service	14.00	13		1,104	307	1,411
Croatian Service	10.50	8		623	191	814
Albanian Service	11.75	12		1,054	266	1,320
Greek Service	4.25	5		356	18	374
Bosnian Service	5.00	5		385	194	579
Macedonian Service	5.75	2		152	224	376
Subtotal, European	**55.00**	**54**	**0**	**4,402**	**1,355**	**5,757**
Multimedia Unit					65	65
Czech	1.75	3		273		273
Hungarian	1.83	3		287		287
Latvian	0.83	2		186		186
Lithuanian	0.83	2		165		165
Polish	1.75	3		303		303
Slovene	0.85	2		168		168
Slovak	1.83	3		342		342
Bulgarian	1.25	3		365		365
Romanian	1.25	3		260		260
Subtotal, MultiMedia Unit	**12.17**	**24**	**0**	**2,349**	**65**	**2,414**
Total, European	**67.17**	**78**	**0**	**6,751**	**1,420**	**8,171**
East Asia & Pacific Division						
Division Chief/Research Information Ctr.		7		521	269	790
Thai Service	8.50	4		376	87	463
Burmese Service	10.50	11		975	72	1,047
Indonesian Service	25.75	21		1,713	466	2,179
Khmer Service	10.50	12		995	90	1,085
Korean Service	10.50	12		1,075	138	1,213
Lao Service	3.50	6		530	25	555
Tibetan Service	28.00	22		1,785	221	2,006
Vietnamese Service	17.50	15		1,198	248	1,446
Cantonese Service	14.12	7		463	288	751
China Branch/Mandarin Service	84.50	68		5,763	2,641	8,404
Total, East Asia & Pacific	**213.37**	**185**	**0**	**15,394**	**4,545**	**19,939**
South & Central Asia Division						
Division Chief		7		701	7	708
Hindi Service	10.50	12		1,017	138	1,155

	[illegible]	On Board		[illegible]	[illegible]
		Domestic	Foreign		
Urdu Service	21.00	16		1,286	120	1,406
Bangla Service	10.50	12		944	73	1,017
Dari Service	42.00	16		1,328	222	1,550
Pashto Service	42.00	14		1,281	238	1,519
Uzbek Service	7.00	7		535	81	616
Total, South & Central Asia	**133.00**	**84**	**0**	**7,092**	**879**	**7,971**
Africa Division						
Division Chief		9		898	149	1,047
English To Africa Service	28.50	20		1,764	165	1,929
French To Africa Service	22.50	17		1,349	73	1,422
Hausa Service	9.50	11		939	105	1,044
Portugese Service	16.50	12		1,106	475	1,581
Central Africa (Kinyarwanda,Kirundi)	7.00	8		620	24	644
Horn Of Africa (Amharic,Tigrigna,Oromiffa)	7.00	12		1,023	141	1,164
Swahili Service	9.00	8		634	64	698
Total, Africa	**100.00**	**97**	**0**	**8,333**	**1,196**	**9,529**
Eurasian Division						
Division Chief		8		718	45	763
Russian Service	32.00	40		3,491	209	3,700
Ukrainian Service	14.50	15		1,378	82	1,460
Armenian Service	3.50	6		477	23	500
Georgian Service	3.50	6		418	13	431
Total, Eurasian	**53.50**	**75**	**0**	**6,482**	**372**	**6,854**
Near East & North Africa						
Division Chief		4		358	9	367
Persian Service	42.50	26		2,291	494	2,785
Azerbajani Service	3.50	6		478	43	521
Kurdish Service	7.00	8		565	52	617
Turkish Service	7.00	8		622	65	687
Total, Near East & North Africa	**60.00**	**52**	**0**	**4,314**	**663**	**4,977**
Radio Sawa	**168.00**					
Washington		27		3,018	5,307	8,325
Amman		1	1	190	122	312
Total, Radio Sawa	**168.00**	**28**	**1**	**3,208**	**5,429**	**8,637**
English Programs Division						
Division Chief		1		65	100	165
VOA News Now	164.00	45		4,886	145	5,031
Public Affairs		3		113		113
Talk To America	5.00	4		376	25	401
Broadcast Production		20		1,791	62	1,853
Total, English Programs	**169.00**	**73**	**0**	**7,231**	**332**	**7,563**
Special English & Music Division						
Division Chief		22		1,769	172	1,941
Music Programs	168.00	9		812	1	813
Music Library		4		269	23	292
Special English	34.33	11		999	42	1,041
Total, Special English & Music	**202.33**	**46**	**0**	**3,849**	**238**	**4,087**
News Division						
Division Chief		8		711	2,230	2,941
Central News File		50		4,703	764	5,467
Assignments		39		3,782	1,052	4,834
Webdesk		11		815		815
Chicago		1		105	16	121
Los Angeles		2		162	25	187
Miami		1		105	20	125
New York		4		359	15	374
Home Leave & Transfer (HLT)					245	245
Total, News	**0.00**	**116**	**0**	**10,742**	**4,367**	**15,109**

	[illegible]	On Board		[illegible]	[illegible]	TOTAL PERSONNEL
	[illegible]	Domestic	Foreign	[illegible]	[illegible]	
Correspondent Bureaus						
Mexico		1		122	98	220
Rio		1	1	149	159	308
Brussels		1		161	72	233
London		3	4	658	1,250	1,908
Paris			3	173	19	192
Geneva		1		103	95	198
Moscow		2		425	288	713
Hong Kong		3	5	656	772	1,428
Beijing		2		206	284	490
Tokyo		1		123	169	292
Bangkok		1	3	192	133	325
Cairo		1	3	271	202	473
New Delhi		1	1	142	136	278
Jerusalem		1	1	228	184	412
Islamabad		1	1	8	96	104
Abidjan		1	1	131	119	250
Nairobi		1	1	61	99	160
Johannesburg		1	1	100	70	170
Total, Correspondent Bureaus	**0.00**	**23**	**25**	**3,909**	**4,245**	**8,154**
SUBTOTAL, VOICE OF AMERICA	**1,203.12**	**1,070**	**26**	**96,322**	**28,443**	**124,765**
VOA TV	**18.25**					-
Director		8		871	193	**1,064**
Programming		9		947	300	**1,247**
Production		87		6,223	2,697	**8,920**
Technical Operations		96		8,120	4,694	**12,814**
Subtotal, VOA TV	**18.25**	**180**	**0**	**16,161**	**7,884**	**24,045**
TOTAL, VOICE OF AMERICA	**1,221.37**	**1,250**	**26**	**112,483**	**36,327**	**148,810**

RADIO FREE EUROPE RADIO LIBERTY						
Broadcasting Division						
Director	0.00	17		1,027	1,151	2,178
Marketing & Affiliate Development	0.00	5		376	1,188	1,564
Broadcast Services:						
Armenian	28.00	7		742	251	993
Azerbaijani	38.50	8		615	227	842
Belarus	70.00	14		1,194	328	1,522
Bulgarian	32.32	8		839	286	1,125
Estonian	9.92	7		587	236	823
Georgian	21.00	7		734	212	946
Kazakh	56.00	10		829	338	1,167
Kyrgyz	35.00	9		821	323	1,144
Latvian	8.42	7		605	202	807
Lithuanian	17.55	7		703	181	884
Persian	91.00	21		1,547	1,034	2,581
Radio Free Iraq	84.00	21		1,328	733	2,061
Romania - Moldova	27.30	11		1,049	631	1,680
Russian	168.00	45		3,729	4,676	8,405
North Caucasus Unit	14.00	9		505	451	956
South Slavic/Albanian	92.67	30		2,365	1,513	3,878
Slovak	11.75	7		516	297	813
Tajik	42.00	11		902	335	1,237
Tatar-Bashkir	28.00	6		527	199	726
Turkmen	42.00	8		577	257	834
Ukrainian	35.00	18		1,600	781	2,381
Uzbek	56.00	9		762	281	1,043
Radio Free Afghanistan	84.00	47		1,748	5,329	7,077
News and Current Affairs	0.00	32		2,802	1,354	4,156
Czech Broadcasting	91.00	0		0	630	630
Subtotal	1,183.43	**381**	**0**	**29,029**	**23,424**	**52,453**

	Basic Weekly Schedule Hours	On Board Domestic	On Board FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2002
Office of President	0.00	9		783	325	1,108
Program Evaluation	0.00	2		150	176	326
Administration Division	0.00	58		1,742	3,533	5,275
Human Resources	0.00	18		847	784	1,631
Finance Division	0.00	25		3,562	2,811	6,373
Communications Division	0.00	28		2,130	464	2,594
Technology Systems Division	0.00	79		3,199	6,913	10,112
Subtotal	0.00	**219**	**0**	**12,413**	**15,006**	**27,419**
TOTAL, RADIO FREE EUROPE / RADIO LIBERTY	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RADIO FREE ASIA						
Programming Division						
Executive Editor		13		1,100	469	1,569
Mandarin Service	84.00	37		2,423	1,419	3,842
Cantonese Service	21.00	10		549	325	874
Tibetan Service	56.00	34		2,081	660	2,741
Uyghur Service	14.00	15		790	410	1,200
Burmese Service	14.00	16		939	375	1,314
Vietnamese Service	14.00	16		901	446	1,347
Korean Service	14.00	15		922	274	1,196
Cambodian Service	14.00	12		764	410	1,174
Laotian Service	14.00	13		809	297	1,106
Phnom Penh Office			1	47	127	174
Seoul Office					62	62
Hong Kong Office		1	6	295	309	604
Bangkok Office		1		37	111	148
Dharamsala Office					15	15
Ankara Office					40	40
Taipei Office			1	72	95	167
Tokyo Office		1		70	121	191
Subtotal, Programming	**245.00**	**184**	**8**	**11,799**	**5,965**	**17,764**
Administrative/Management/Finance						
Office of the President		5		506	100	606
Audience Research & Evaluation		2		173	224	397
Technical Operations		41		3,016	1,306	4,322
Program Delivery		4		279	219	498
Communications		2		51	197	248
Project Management		6		394	488	882
Finance & Administration		11		945	244	1,189
Human Resources		3		255	117	372
Subtotal, Operations	0.00	**74**	**0**	**5,619**	**2,895**	**8,514**
TOTAL, RADIO FREE ASIA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING AND TECHNICAL SERVICES						
Engineering Director						
Director		3		397		397
Resource Management		14		1,162	560	1,722
Home Leave & Transfer (HLT)					841	841
Total, Engineering Director	**0.00**	**17**	**0**	**1,559**	**1,401**	**2,960**
Engineering Operations						
Operations		40		4,248	2,704	6,952
VOA Transmissions					1,448	1,448
RFE/RL Transmissions (including RFAF)					5,718	5,718
RFA Transmissions					5,984	5,984
Host Government Transmissions					1,602	1,602
Worldwide Procurement (WWP)					8,050	8,050
Total, Engineering Operations	**0.00**	**40**	**0**	**4,248**	**25,508**	**29,754**

	[illegible]	On Board		[illegible]	[illegible]	TOTAL FY 2002
	[illegible]	Domestic	FSN	[illegible]	[illegible]	
	[illegible]	American		[illegible]	[illegible]	
Engineering Technical						
Technical		41		4,568	5,360	9,928
Satellite Transmissions					18,897	18,897
Total, Engineering Technical	**0.00**	**41**	**0**	**4,568**	**24,257**	**28,825**
Transmitting Stations						
Delano		19		1,440	686	2,126
Greenville		42		3,204	1,590	4,794
Tinian		3		221	5,457	5,678
Belize		1	6	406	116	522
Greece		4	96	4,171	4,038	8,209
Germany		2	60	4,247	4,031	8,278
Pals		0	0	429	1,961	2,390
Philippines		6	93	1,838	2,854	4,692
Thailand		4	54	1,281	1,813	3,094
Sri Lanka		3	43	579	1,810	2,389
Kuwait		2	5	746	306	1,052
Morocco		3	60	1,742	4,082	5,824
Botswana		1	18	598	653	1,251
Sao Tome		4	18	1,069	1,411	2,480
Cyprus					985	985
Total, Transmitting Stations	**0.00**	**94**	**453**	**21,971**	**31,793**	**53,764**
Monitoring Offices			**12**	**455**	**526**	**981**
TOTAL, ENGINEERING AND TECHNICAL SERVICES	**0.00**	**192**	**465**	**32,901**	**83,483**	**116,284**

AGENCY DIRECTION						
Broadcasting Board of Governors		15		1,388	5,998	7,386
General Counsel		9		658	117	775
Director, Int'l Broadcasting Bureau		9		659	65	724
Policy		11		873	21	894
Civil Rights		8		600	419	1,019
Chief Financial Officer		25		2,396	28	2,424
Dept of State Cross Servicing Agreement -						
Accounting and Payroll					1,144	1,144
ICASS					3,045	3,045
TOTAL, AGENCY DIRECTION	**0.00**	**77**	**0**	**6,574**	**10,837**	**17,411**

MANAGEMENT						
Associate Director of Management		1		162	13	175
Personnel		44		4,619	2,639	7,258
Administration		36		2,766	25,200	27,966
Security		16		1,291	1,721	3,012
Contracting and Procurement		17		1,417	23	1,440
Computing Services		39		3,938	3,481	7,419
TOTAL, MANAGEMENT	**0.00**	**153**	**0**	**14,193**	**33,077**	**47,270**

PROGRAM SUPPORT						
Associate Director of Program Support		4		410	19	429
External Affairs		14		1,033	912	1,945
Performance Review		19		1,487	639	2,126
Internet Unit		12		1,014	673	1,687
International Media Training		2		192	1,723	1,915
Marketing and Program Placement		11		970	1,688	2,658
Worldwide Networking		0			4,147	4,147
VOA Leases		0			1,259	1,259
RFE/RL Leases		0			2,349	2,349
Home Leave & Transfer (HLT)		0			54	54
Subtotal	0.00	**62**	**0**	**5,106**	**13,463**	**18,569**

	Total Worldwide Positions	On Board Domestic	On Board FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2002
Regional Offices						
East and South Asia						
Bangkok, Thailand		1	2	116	451	567
Manila, Philippines			1	9	7	16
Ulaanbaatar, Mongolia					14	14
Jakarta, Indonesia					29	29
Jamshedpur, India					47	47
Kuala Lumpur, Malaysia					16	16
Phnom Penh, Cambodia					7	7
Total, East and South Asia	0.00	**1**	**3**	**125**	**571**	**696**
West Africa						
Abidjan, Ivory Coast		1	1	155	190	345
Lagos, Nigeria				9	25	34
Total, West Africa	0.00	**1**	**1**	**164**	**215**	**379**
East Africa						
Nairobi, Kenya					40	40
Johannesburg, South Africa		1			40	40
Total, East Africa	0.00	**1**	**0**	**0**	**80**	**80**
Eurasia						
Prague, Czech Republic		2	3	298	1,039	1,337
Moscow, Russia					83	83
St. Petersburg, Russia					15	15
Belgrade, Federal Republic of Yugoslavia					80	80
Total, European	0.00	**2**	**3**	**298**	**1,217**	**1,515**
Subtotal, Regional Offices	0.00	**5**	**7**	**587**	**2,083**	**2,670**
TOTAL, PROGRAM SUPPORT	0.00	**57**	**7**	**5,693**	**16,546**	**21,239**

CUBA BROADCASTING						
Radio Marti	162.00					
Radio Directorate		4		427	18	445
Administration & Personnel		5		523	1,851	2,374
Programs		27		2,424	773	3,197
News		35		3,243	1,040	4,283
Technical & ADP		23		1,804	2,553	4,357
Information Center		3		267	20	287
Media Monitoring & Research		5		340		340
Advisory Board				12		12
Total, Radio Marti	**162.00**	**102**	**0**	**9,040**	**6,255**	**15,295**
TV Marti	31.50					
TV Directorate		4		564	17	581
Administration & Personnel		3		209	1,041	1,250
Engineering & ADP		4		412	1,962	2,374
Programs		7		664	429	1,093
News		17		1,593	733	2,326
Technical Operations		19		1,558	463	2,021
Total, TV Marti	**31.50**	**54**	**0**	**5,000**	**4,645**	**9,645**
TOTAL, CUBA BROADCASTING	**193.50**	**156**	**0**	**14,040**	**10,900**	**24,940**

BROADCASTING CAPITAL IMPROVEMENTS						
New Construction					15,448	15,448
Major Improvements, Repairs & Replacements					6,921	6,921
Digital Project					3,284	3,284
Cuba Broadcasting					10	10
VOA TV					781	781
Security					811	811
Facility Leases and Land Rental					200	200

	Work-years, Direct-hire Authorized Only	On Board		Salaries & Benefits	Other Operating Expenses	TOTAL FY 2002
		Overseas American	FSN			
Upgrade of Existing Facilities					2,412	2,412
Satellite & Terrestrial Program					701	701
TOTAL, CAPITAL IMPROVEMENTS	0.00	0	0	0	30,006	30,006
GRAND TOTAL, EXS	2,843.30	2,753	506	244,150	300,317	544,467

Reconciliation:			
(-) Balances Carried In	(410)	(21,034)	(21,444)
(-) Less Transfer from USAID		(1,005)	(1,005)
(+) Balances Carried Out	164	58,432	58,596
(-) Reimbursements	(248)	(1,318)	(1,566)
(-) Recoveries		(2,786)	(2,786)
2002 Enacted Appropriation	2,843.30	2,753	506	244,150	300,317	544,467

BROADCASTING BOARD OF GOVERNORS
FY 2003 OPERATIONS
($ in thousands)

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2003
VOICE OF AMERICA						
VOA Director						
Director		13		1,489	2,908	4,397
Audience Mail		4		230	211	441
Home Leave & Transfer (HLT)					80	80
Total, VOA Director	**0.00**	**17**	**0**	**1,719**	**3,199**	**4,918**
Broadcast Operations						
Operations Management Division		145		13,676	2,150	15,826
Broadcast Operations		17		1,462	81	1,543
Total, Broadcast Operations	**0.00**	**162**	**0.0**	**15,138**	**2,231**	**17,369**
Latin American Division						
Division Chief		7		592	5	597
Spanish Service	27.25	15		1,499	419	1,918
Creole Service	9.50	10		797	28	825
Production		7		535		535
Total, *Latin American*	**36.75**	**39**	**0**	**3,423**	**452**	**3,875**
European Division						
Division Chief		5		306	108	414
Estonian Service	3.75	4		340	22	362
Serbian Service	14.00	15		1,204	333	1,537
Croatian Service	10.50	8		681	221	902
Albanian Service	11.75	12		1,113	292	1,405
Greek Service	6.65	4		410	32	442
Bosnian Service	5.00	5		423	203	626
Macedonian Service	5.75	2		179	249	428
Subtotal, European	**57.40**	**55**	**0**	**4,656**	**1,460**	**6,116**
Multimedia Unit					92	92
Czech	1.75	3		288		288
Hungarian	1.83	3		294		294
Latvian	2.08	2		190		190
Lithuanian	0.83	2		169		169
Polish	1.75	3		308		308
Slovene	0.83	2		180		180
Slovak	1.83	3		281		281
Bulgarian	1.25	3		278		278
Romanian	1.25	3		163		163
Subtotal, MultiMedia Unit	**13.40**	**24**	**0**	**2,151**	**92**	**2,243**
Total, European	**70.80**	**79**	**0**	**6,807**	**1,552**	**8,359**
East Asia & Pacific Division						
Division Chief/Research Information Ctr.		7		686	318	1,004
Thai Service	8.50	4		406	82	488
Burmese Service	10.50	12		1,025	76	1,101
Indonesian Service	26.25	23		1,880	453	2,333
Khmer Service	10.50	12		1,030	62	1,092
Korean Service	21.00	13		1,140	205	1,345
Lao Service	3.50	6		555	23	578
Tibetan Service	28.00	22		1,901	265	2,166
Vietnamese Service	17.50	16		1,318	225	1,543
Cantonese Service	14.12	7		488	226	714
China Branch/Mandarin Service	84.50	75		6,501	2,805	9,306
Total, East Asia & Pacific	**224.37**	**197**	**0**	**16,930**	**4,740**	**21,670**

	Weekly Radio/TV Broadcast Hours	Authorized		Salaries & Benefits	General Operating Expenses	TOTAL FY 2003
		Domestic/ American	FSN			
South & Central Asia Division						
Division Chief		5		664	1	665
Hindi Service	10.50	13		1,134	83	1,217
Urdu Service	21.00	17		1,464	227	1,691
Bangla Service	10.50	12		981	50	1,031
Dari Service	42.00	18		1,583	157	1,740
Pashto Service	42.00	18		1,285	172	1,457
Uzbek Service	7.00	7		588	71	659
Total, South & Central Asia	**133.00**	**90**	**0**	**7,699**	**761**	**8,460**
Africa Division						
Division Chief		9		885	160	1,045
English To Africa Service	29.50	20		1,859	39	1,898
French To Africa Service	22.50	18		1,470	39	1,509
Hausa Service	9.50	11		991	27	1,018
Portugese Service	16.50	12		1,167	328	1,495
Central Africa (Kinyarwanda,Kirundi)	7.00	8		652	254	906
Horn Of Africa (Amharic,Tigrigna,Oromiffa)	7.00	12		1,058	143	1,201
Swahili Service	9.00	8		669	28	697
Shona/Ndebele/English (funded by USAID)	7.00				1,000	1,000
Total, Africa	**108.00**	**98**	**0**	**8,751**	**2,018**	**10,769**
Eurasian Division						
Division Chief		8		731	45	776
Russian Service	32.00	52		4,494	385	4,879
Ukrainian Service	14.50	16		1,460	64	1,524
Armenian Service	3.50	6		511	29	540
Georgian Service	3.50	6		456	16	472
Total, Eurasian	**53.50**	**88**	**0**	**7,652**	**539**	**8,191**
Near East & North Africa						
Division Chief		14		1,152	7	1,159
Persian Service	28.50	27		2,429	781	3,210
Azerbaijani Service	4.00	6		502	28	530
Kurdish Service	28.00	8		617	58	675
Turkish Service	7.50	8		714	122	836
Total, Near East & North Africa	**68.00**	**63**	**0**	**5,414**	**996**	**6,410**
Radio Sawa	**168.00**					
Washington		47		3,940	2,882	6,822
Dubai		1	2	296	3,587	3,883
Amman			1	78	86	164
Total, Radio Sawa	**168.00**	**48**	**3**	**4,314**	**6,555**	**10,869**
English Programs Division						
Division Chief		1		55	31	86
VOA News Now	139.00	40		3,968	124	4,092
Public Affairs				366	31	397
Talk To America	5.00	4		395		395
Broadcast Production		20		1,887	61	1,948
Total, English Programs	**144.00**	**65**	**0**	**6,671**	**247**	**6,918**
Special English & Music Division						
Division Chief/Americana	25.00	21		2,107	175	2,282
Music Programs	168.00	10		903	2	905
Music Library		4		284	46	330
Special English	21.50	12		1,114	37	1,151
Total, Special English & Music	**214.50**	**47**	**0**	**4,408**	**260**	**4,668**
News Division						
Division Chief		9		632	2,459	3,091
Central News File		58		5,320	1,133	6,453
Assignments		38		4,076	439	4,515
Webdesk		10		1,141		1,141
Chicago		1		110	15	125
Los Angeles		2		171	28	199

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2003
Miami		1		111	21	132
New York		5		446	17	463
Home Leave & Transfer (HLT)					424	424
Total, News	**0.00**	**124**	**0**	**12,007**	**4,536**	**16,543**
Correspondent Bureaus						
Mexico		1		124	156	280
Rio		1	1	179	191	370
Brussels		1		172	153	325
London		3	4	800	1,006	1,806
Paris			3	187	27	214
Geneva		1		112	85	197
Moscow		3		380	295	675
Hong Kong		3	5	772	1,005	1,777
Beijing		3		319	432	751
Tokyo		1		136	216	352
Bangkok		2	3	372	170	542
Shanghai				53	151	204
Cairo		1	3	283	221	504
New Delhi		1	1	146	162	308
Jerusalem		1	1	294	193	487
Islamabad		1	1	85	137	222
Abidjan		1	1	186	154	340
Nairobi		1	1	162	113	275
Johannesburg		1	1	110	93	203
Total, Correspondent Bureaus	**0.00**	**26**	**25**	**4,872**	**4,960**	**9,832**
SUBTOTAL, VOICE OF AMERICA	**1,220.92**	**1,143**	**28**	**105,805**	**33,046**	**138,851**
VOA TV	**22.25**					
Director		8		648	426	1,074
Programming		10		885	199	1,084
Production		81		6,522	2,092	8,614
Technical Operations		94		8,743	2,157	10,900
Subtotal, VOA TV	**22.25**	**193**	**0**	**16,798**	**4,874**	**21,672**
TOTAL, VOICE OF AMERICA	**1,243.17**	**1,336**	**28**	**122,603**	**37,920**	**160,523**
RADIO FREE EUROPE RADIO LIBERTY						
Broadcasting Division						
Director		18		1,364	1,105	2,469
Marketing & Affiliate Development		5		385	1,415	1,800
Broadcast Services:						
Armenian	24.50	7		747	273	1,020
Azerbaijani	38.50	8		680	172	852
Belarus	56.00	14		1,189	601	1,790
Bulgarian	35.15	8		853	311	1,164
Estonian	9.92	7		618	238	856
Georgian	21.00	7		708	209	917
Kazakh	56.00	10		892	281	1,173
Kyrgyz	35.00	9		887	256	1,143
Latvian	8.42	7		607	246	853
Lithuanian	18.07	7		712	158	870
Persian - *Radio Farda*	112.00	21		1,903	1,416	3,319
Radio Free Iraq	84.00	21		1,632	458	2,090
Romania - Moldova	21.55	11		992	654	1,646
Russian	168.00	45		4,296	4,707	9,003
North Caucasus Unit	14.00	9		665	125	790
South Slavic/Albanian	98.00	30		2,687	1,485	4,172
Slovak	14.55	6		620	272	892
Tajik	42.00	11		1,080	158	1,238
Tatar-Bashkir	28.00	6		541	225	766
Turkmen	42.00	8		687	173	860
Ukrainian	37.00	18		1,509	906	2,415

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2003
Uzbek	56.00	9		804	238	1,042
Radio Free Afghanistan	84.00	47		3,298	2,225	5,523
News and Current Affairs	0.00	32		2,834	1,108	3,942
Subtotal	1,103.66	381	0	33,190	19,415	52,605
Office of President	0.00	11		1,238	428	1,666
Program Evaluation	0.00	2		244	371	615
Administration Division	0.00	58		2,051	3,783	5,834
Human Resources	0.00	18		954	824	1,778
Finance Division	0.00	25		1,720	3,075	4,795
Communications Division	0.00	28		2,430	739	3,169
Technology Systems Division	0.00	79		3,787	5,732	9,519
Subtotal	0.00	221	0	12,424	14,952	27,376
TOTAL, RADIO FREE EUROPE / RADIO LIBERTY	1,103.66	602	0	45,614	34,367	79,981
RADIO FREE ASIA						
Programming Division						
Executive Editor		13		1,122	503	1,625
Mandarin Service	84.00	37		2,588	1,504	4,092
Cantonese Service	14.00	8		529	273	802
Tibetan Service	56.00	34		2,068	680	2,748
Uyghur Service	14.00	15		786	403	1,189
Burmese Service	14.00	16		981	367	1,348
Vietnamese Service	14.00	16		978	409	1,387
Korean Service	14.00	15		931	426	1,357
Cambodian Service	14.00	12		776	294	1,070
Laotian Service	14.00	13		822	268	1,090
Phnom Penh Office			1	59	152	211
Seoul Office					79	79
Hong Kong Office		1	4	196	335	531
Bangkok Office		1		46	124	170
Dharamsala Office					32	32
Ankara Office					32	32
Taipei Office			1	53	105	158
Tokyo Office		1		83	140	223
Subtotal, Programming	238.00	182	6	12,018	6,126	18,144
Administrative/Management/Finance						
Office of the President		5		567	129	696
Audience Research & Evaluation		2		242	229	471
Technical Operations		41		3,181	1,333	4,514
Program Delivery		4		361	299	660
Communications		2		139	182	321
Project Management		6		371	280	651
Finance & Administration		11		1,093	419	1,512
Human Resources		3		286	120	406
Subtotal, Operations	0.00	74	0	6,240	2,991	9,231
TOTAL, RADIO FREE ASIA	238.00	256	6	18,258	9,117	27,375
ENGINEERING AND TECHNICAL SERVICES						
Engineering Director						
Director		3		499		499
Resource Management		12		1,066	578	1,644
Home Leave & Transfer (HLT)					1,037	1,037
Total, Engineering Director	0.00	15	0	1,565	1,615	3,180
Engineering Operations						
Operations		45		4,793	2,994	7,787
VOA Transmissions					1,923	1,923
RFE/RL Transmissions (including RFAF)					5,487	5,487

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2003
RFA Transmissions					6,080	6,080
Host Government Transmissions					1,805	1,805
Worldwide Procurement (WWP)					9,539	9,539
Total, Engineering Operations	**0.00**	**45**	**0**	**4,793**	**27,828**	**32,621**
Engineering Technical						
Technical		47		5,725	3,434	9,159
Satellite Transmissions					16,286	16,286
Total, Engineering Technical	**0.00**	**47**	**0**	**5,725**	**19,720**	**25,445**
Transmitting Stations						
Delano		21		1,637	665	2,302
Greenville		42		3,536	1,577	5,113
Tinian		3		251	5,839	6,090
Belize		1	3	230	29	259
Greece		6	99	4,993	4,266	9,259
Germany		3	63	5,019	4,208	9,227
Philippines		6	96	1,896	3,217	5,113
Thailand		3	59	1,200	1,918	3,118
Sri Lanka		4	49	790	2,656	3,446
Kuwait		3	5	932	330	1,262
Morocco		3	62	1,986	4,451	6,437
Botswana		2	19	807	738	1,545
Sao Tome		3	18	1,081	1,766	2,847
Cyprus					2,260	2,260
Djibouti					498	498
Egypt					2,100	2,100
Afghanistan AM					1,600	1,600
Total, Transmitting Stations	**0.00**	**100**	**473**	**24,358**	**38,118**	**62,476**
Monitoring Offices			**12**	**480**	**574**	**1,054**
TOTAL, ENGINEERING AND TECHNICAL SERVICES	**0.00**	**207**	**485**	**36,921**	**87,855**	**124,776**
AGENCY DIRECTION						
Broadcasting Board of Governors		22		1,657	5,635	7,292
General Counsel		10		1,002	62	1,064
Director, Int'l Broadcasting Bureau		12		1,245	241	1,486
Policy		11		1,064	11	1,075
Civil Rights		9		627	290	917
Chief Financial Officer		33		2,951	1,956	4,907
Dept of State Cross Servicing Agreement - Accounting and Payroll					1,204	1,204
ICASS					3,885	3,885
TOTAL, AGENCY DIRECTION	**0.00**	**97**	**0**	**8,546**	**13,284**	**21,830**
MANAGEMENT						
Associate Director of Management		1		174	36	210
Personnel		45		4,698	2,985	7,683
Administration		40		3,093	25,128	28,221
Security		16		1,388	1,378	2,766
Contracting and Procurement		18		1,528	26	1,554
Computing Services		48		4,585	3,553	8,138
TOTAL, MANAGEMENT	**0.00**	**168**	**0**	**15,466**	**33,106**	**48,572**
PROGRAM SUPPORT						
Associate Director of Program Support		5		541	50	591
External Affairs		14		1,192	293	1,485
Performance Review		20		1,996	848	2,844
Internet Unit		12		1,234	1,020	2,254

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2003
International Media Training		2		149	307	456
Marketing and Program Placement		17		1,290	2,605	3,895
Worldwide Networking					6,499	6,499
VOA Leases					1,274	1,274
RFE/RL Leases					2,396	2,396
Home Leave & Transfer (HLT)					105	105
Subtotal	0.00	**70**	**0**	**6,402**	**15,397**	**21,799**
Regional Offices						
East and South Asia						
Bangkok, Thailand		2	3	202	216	418
Manila, Philippines			1	9	11	20
Ulaanbaatar, Mongolia					18	18
Hong Kong, Hong Kong					80	80
Jakarta, Indonesia					27	27
Jamshedpur, India					50	50
Kuala Lumpur, Malaysia					20	20
Phnom Penh, Cambodia					10	10
Total, East and South Asia	0.00	**2**	**4**	**211**	**432**	**643**
West Africa						
Abidjan, Ivory Coast		1	2	186	138	324
Lagos, Nigeria				24	23	47
Total, West Africa	0.00	1	**2**	**210**	**161**	**371**
East Africa						
Nairobi, Kenya			1	35	42	77
Johannesburg, South Africa		2	2	108	160	268
Maputo, Mozambique					21	21
Kinshasa, Congo					21	21
Total, East Africa	0.00	**2**	**3**	**143**	**244**	**387**
Eurasia						
Prague, Czech Republic		2	3	332	347	679
Moscow, Russia					52	52
Bishkek, Kyrgystan					48	48
St. Petersburg, Russia					52	52
Belgrade, Federal Republic of Yugoslavia					95	95
Kiev, Ukraine					52	52
Total, European	0.00	**2**	**3**	**332**	**646**	**978**
Middle East						
Dubai, United Arab Emirates		1	1	89	138	227
Total, Middle East	0.00	**1**	**1**	**89**	**138**	**227**
Subtotal, Regional Offices	0.00	**8**	**13**	**985**	**1,621**	**2,606**
TOTAL, PROGRAM SUPPORT	**0.00**	**78**	**13**	**7,387**	**17,018**	**24,405**
CUBA BROADCASTING						
Radio Marti	162.00					
Radio Directorate		5		584	15	599
Administration & Personnel		6		504	1,815	2,319
Programs		29		2,603	664	3,267
News		33		3,399	763	4,162
Technical & ADP		26		1,998	3,331	5,329
Information Center		3		180	75	255
Media Monitoring & Research		4		576	26	602
Advisory Board		2		103	19	122
Total, Radio Marti	**162.00**	**108**	**0**	**9,947**	**6,708**	**16,655**
TV Marti	31.50					
TV Directorate		7		622	25	647
Administration & Personnel		3		259	1,078	1,337
Engineering & ADP		4		409	2,168	2,577
Programs		6		700	405	1,105

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2003
News		17		1,614	709	2,323
Technical Operations		18		1,850	392	2,242
Total, TV Marti	**31.50**	**55**	**0**	**5,454**	**4,777**	**10,231**
TOTAL, CUBA BROADCASTING	**193.50**	**163**	**0**	**15,401**	**11,485**	**26,886**
BROADCASTING CAPITAL IMPROVEMENTS						
New Construction					19,772	19,772
Major Improvements, Repairs & Replacements					4,541	4,541
Digital Project					6,327	6,327
VOA TV					756	756
Security					713	713
Facility Leases and Land Rental					800	800
Upgrade of Existing Facilities					26,246	26,246
Satellite & Terrestrial Program					2,786	2,786
TOTAL, CAPITAL IMPROVEMENTS	**0.00**	**0**	**0**	**0**	**61,941**	**61,941**
GRAND TOTAL BBG	**2,778.33**	**2,907**	**532**	**270,196**	**306,093**	**576,289**
Reconciliation:						
(-) Balances Carried In				(164)	(57,948)	(58,112)
(-) Less Transfer from USAID					(300)	(300)
(-) Reimbursements				(115)	(3,362)	(3,477)
2003 Appropriation	**2,778.33**	**2,907**	**532**	**269,917**	**244,483**	**514,400**

BROADCASTING BOARD OF GOVERNORS
FY 2004 OPERATIONS
($ in thousands)

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2004
VOICE OF AMERICA						
VOA Director						
Director		13		1,585	1,490	3,075
Audience Mail		4		251	197	448
Home Leave & Transfer (HLT)					62	62
Total, VOA Director	**0.00**	**17**	**0**	**1,836**	**1,749**	**3,585**
Broadcast Operations						
Operations Management Division		145		14,112	2,182	16,294
Broadcast Operations		17		1,501	82	1,583
Total, Broadcast Operations	**0.00**	**162**	**0**	**15,613**	**2,264**	**17,877**
Latin American Division						
Division Chief/Production		14		1,177	4	1,181
Spanish Service	27.25	15		1,583	426	2,009
Creole Service	9.50	10		820	23	843
Total, Latin American	**36.75**	**39**	**0**	**3,580**	**453**	**4,033**
European Division						
Division Chief		4		314	110	424
Estonian Service	0.00			71		71
Serbian Service	14.00	15		1,254	338	1,592
Croatian Service	10.50	8		699	224	923
Albanian Service	11.75	12		1,143	296	1,439
Greek Service	6.65	4		421	33	454
Bosnian Service	5.00	5		435	206	641
Macedonian Service	5.75	2		183	253	436
Subtotal, European	**53.65**	**50**	**0**	**4,520**	**1,460**	**5,980**
Multimedia Unit						
Czech	0.00			272		272
Hungarian	0.00			284		284
Lithuanian	0.00			237		237
Polish	0.00			255		255
Slovene	0.00			11		11
Slovak	0.00			26		26
Bulgarian	0.00			233		233
Subtotal, MultiMedia Unit	**0.00**	**0**	**0**	**1,318**	**0**	**1,318**
Total, European	**53.65**	**50**	**0**	**5,838**	**1,460**	**7,298**
East Asia & Pacific Division						
Division Chief/Research Information Ctr.		7		730	323	1,053
Thai Service	8.50	4		417	83	500
Burmese Service	10.50	12		1,078	77	1,155
Indonesian Service	47.75	45		3,592	1,850	5,442
Khmer Service	10.50	12		1,058	63	1,121
Korean Service	21.00	13		1,170	208	1,378
Lao Service	3.50	6		570	24	594
Tibetan Service	28.00	22		1,952	269	2,221
Vietnamese Service	17.50	16		1,368	229	1,597
Cantonese Service	14.12	7		501	229	730
China Branch/Mandarin Service	84.50	75		6,365	2,823	9,188
Total, East Asia & Pacific	**245.87**	**219**	**0**	**18,801**	**6,178**	**24,979**
South & Central Asia Division						
Division Chief		5		682	1	683
Hindi Service	10.50	13		1,163	84	1,247
Urdu Service	21.00	17		1,505	230	1,735
Bangla Service	10.50	12		1,007	51	1,058

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2004
Dari Service	42.00	18		1,625	159	1 784
Pashto Service	42.00	18		1.365	174	1 539
Uzbek Service	7 00	7		603	73	676
Total, South & Central Asia	**133.00**	**90**	**0**	**7,950**	**772**	**8.722**
Africa Division						
Division Chief		9		909	162	1.071
English To Africa Service	29.50	20		1.916	40	1 956
French To Africa Service	22.50	18		1.521	40	1.561
Hausa Service	9 50	11		1.018	27	1.045
Portugese Service	16.50	12		1.197	28	1.225
Central Africa (Kinyarwanda,Kirundi)	7.00	8		669	19	688
Horn Of Africa (Amharic.Tigrigna.Oromiffa)	7.00	12		1.086	145	1 231
Swahili Service	7.00	8		687	28	715
Total, Africa	**99.00**	**98**	**0**	**9,003**	**489**	**9.492**
Eurasian Division						
Division Chief		8		779	46	825
Russian Service	32 00	52		4.498	268	4.766
Ukrainian Service	7 50	13		1.249	66	1.315
Armenian Service	0 00	2		220	30	250
Georgian Service	3.50	6		468	16	484
Total, Eurasian	**43.00**	**81**	**0**	**7.214**	**426**	**7.640**
Near East & North Africa						
Division Chief		14		1.183	8	1.191
Persian Service	28.50	27		2.493	1.056	3.549
Azerbajani Service	4.00	6		516	28	544
Kurdish Service	28 00	8		634	58	692
Turkish Service	7.50	8		732	124	856
Total, Near East & North Africa	**68.00**	**63**	**0**	**5,558**	**1,274**	**6.832**
Radio Sawa	168.00					
Washington		47		4.476	2.660	7.136
Dubai		1	2	312	3.587	3.899
Amman			1	80	89	169
Total, Radio Sawa	**168.00**	**48**	**3**	**4,868**	**6,336**	**11.204**
English Programs Division						
Division Chief		1		433	63	496
VOA News Now/Public Affairs	139 00	40		4.149	125	4 274
Talk To America	5.00	4		406		406
Broadcast Production		20		1.938	62	2.000
Total, English Programs	**144.00**	**65**	**0**	**6,926**	**250**	**7.176**
Special English & Music Division						
Division Chief/Americana	25.00	20		2.188	176	2.364
Music Programs	168.00	10		951	3	954
Music Library		4		291	47	338
Special English	21 50	13		1.208	38	1.246
Total, Special English & Music	**214.50**	**47**	**0**	**4.638**	**264**	**4.902**
News Division						
Division Chief		9		649	2.497	3.146
Central News File		58		5.594	1 150	6.744
Assignments		38		4 210	445	4.655
Webdesk		10		1.171		1 171
Chicago		1		113	15	128
Los Angeles		2		176	28	204
Miami		1		114	21	135
New York		5		483	17	500
Home Leave & Transfer (HLT)					431	431
Total, News	**0.00**	**124**	**0**	**12,510**	**4,604**	**17.114**

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2004
Correspondent Bureaus						
Mexico		1		128	163	291
Rio		1	1	185	200	385
Brussels		1		177	155	332
London		3	4	822	1,030	1,852
Paris			3	190	27	217
Geneva		1		116	86	202
Moscow		3		400	336	736
Hong Kong		3	5	792	1,028	1,820
Beijing		3		329	445	774
Tokyo		1		139	218	357
Bangkok		2	3	383	175	558
Shanghai				108	155	263
Cairo		1	3	295	233	528
New Delhi		1	1	151	171	322
Jerusalem		1	1	303	199	502
Islamabad		1	1	89	146	235
Abidjan		1	1	190	154	344
Nairobi		1	1	168	119	287
Johannesburg		1	1	114	99	213
Total, Correspondent Bureaus	**0.00**	**26**	**25**	**5,079**	**5,139**	**10,218**
SUBTOTAL, VOICE OF AMERICA	**1,205.77**	**1,129**	**28**	**109,414**	**31,658**	**141,072**
VOA TV	**22.25**					
Director		8		617	432	1,049
Programming		10		909	203	1,112
Production		81		6,723	2,046	8,769
Technical Operations		94		8,998	2,192	11,190
SUBTOTAL, VOA TV	**22.25**	**193**	**0**	**17,247**	**4,873**	**22,120**
TOTAL, VOICE OF AMERICA	**1,228.02**	**1,322**	**28**	**126,661**	**36,531**	**163,192**
RADIO FREE EUROPE RADIO LIBERTY						
Broadcasting Division						
Director	0.00	17		1,373	1,093	2,466
Marketing & Affiliates Development	0.00	5		396	1,303	1,699
Broadcast Services:						
Armenian	24.50	7		604	278	882
Azerbaijani	38.50	8		696	176	872
Belarus	56.00	14		1,218	614	1,832
Bulgarian	0.00	0		241	45	286
Estonian	0.00	0		219	45	264
Georgian	21.00	7		672	213	885
Kazakh	56.00	10		914	287	1,201
Kyrgyz	35.00	9		909	262	1,171
Latvian	0.00	0		223	45	268
Lithuanian	0.00	0		223	45	268
Persian - *Radio Farda*	112.00	21		1,847	829	2,676
Radio Free Afghanistan	84.00	47		3,366	2,144	5,510
Radio Free Iraq	84.00	21		1,672	468	2,140
Romanian	0.00	0		243	50	293
Romanian to Moldova	5.00	4		339	163	502
Russian	168.00	45		4,211	4,548	8,759
North Caucasus Unit	14.00	9		681	128	809
South Slavic/Albanian	91.35	27		2,571	1,395	3,966
Slovak	0.00	0		181	45	226
Tajik	42.00	11		1,106	162	1,268
Tatar-Bashkir	28.00	6		555	229	784
Turkmen	42.00	8		704	176	880
Ukrainian	37.00	18		1,314	924	2,238

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2004
Uzbek	56.00	9		824	243	1,067
News and Current Affairs	0.00	32		2,907	1,130	4,037
Subtotal	994.35	**335**	**0**	**30,209**	**17,040**	**47,249**
Office of President	0.00	10		1,173	437	1,610
Program Evaluation	0.00	2		250	340	590
Administration Division	0.00	58		2,028	3,613	5,641
Human Resources	0.00	17		966	765	1,731
Finance Division	0.00	24		1,663	3,032	4,695
Communications Division	0.00	27		2,404	591	2,995
Technology Systems Division	0.00	77		3,724	5,753	9,477
Subtotal	0.00	**215**	**0**	**12,208**	**14,531**	**26,739**
TOTAL, RADIO FREE EUROPE / RADIO LIBERTY	994.35	550	0	42,417	31,571	73,988
RADIO FREE ASIA						
Programming Division						
Executive Editor		13		1,161	537	1,698
Mandarin Service	84.00	37		2,713	1,604	4,317
Cantonese Service	14.00	8		553	291	844
Tibetan Service	56.00	34		2,113	725	2,838
Uyghur Service	14.00	15		824	430	1,254
Burmese Service	14.00	16		1,029	391	1,420
Vietnamese Service	14.00	16		999	436	1,435
Korean Service	14.00	15		977	453	1,430
Cambodian Service	14.00	12		795	313	1,108
Laotian Service	14.00	13		863	285	1,148
Phnom Penh Office			1	59	162	221
Seoul Office					84	84
Hong Kong Office		1	4	197	354	551
Bangkok Office		1		48	131	179
Dharamsala Office					33	33
Ankara Office					33	33
Taipei Office			1	63	111	174
Tokyo Office		1		83	148	231
Subtotal, Programming	**238.00**	**182**	**6**	**12,477**	**6,521**	**18,998**
Administrative/Management/Finance						
Office of the President		5		584	137	721
Audience Research & Evaluation		2		254	243	497
Technical Operations		41		3,329	974	4,303
Program Delivery		4		373	593	966
Communications		2		147	196	343
Project Management		6		440	302	742
Finance & Administration		11		1,141	451	1,592
Human Resources		3		291	118	409
Subtotal, Operations	0.00	74	0	**6,559**	**3,014**	**9,573**
TOTAL, RADIO FREE ASIA	238.00	256	6	19,036	9,535	28,571
Middle East Television Network						
Grant to MTN		17			30,000	30,000
ENGINEERING AND TECHNICAL SERVICES						
Engineering Director						
Director		3		512		512
Resource Management		12		1,095	587	1,682
Home Leave & Transfer (HLT)					684	684
Total, Engineering Director	**0.00**	**15**	**0**	**1,607**	**1,271**	**2,878**

	Weekly Radio/TV Broadcast Hours	Authorized Domestic/ American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2004
Engineering Operations						
Operations		44		4,962	2,915	7,877
VOA Transmissions					2,219	2,219
RFE/RL Transmissions (including RFAF)					5,352	5,352
RFA Transmissions					6,080	6,080
Host Government Transmissions					1,795	1,795
Worldwide Procurement (WWP)					8,304	8,304
Total, Engineering Operations	**0.00**	**44**	**0**	**4,962**	**26,665**	**31,627**
Engineering Technical						
Technical		47		5,781	3,688	9,469
Satellite Transmissions					16,635	16,635
Total, Engineering Technical	**0.00**	**47**	**0**	**5,781**	**20,323**	**26,104**
Transmitting Stations						
Delano		21		1,691	657	2,348
Greenville		42		3,631	1,549	5,180
Tinian		3		258	6,046	6,304
Greece		6	99	5,126	4,352	9,478
Germany		3	63	5,145	4,074	9,219
Philippines		6	96	2,004	3,345	5,349
Thailand		3	59	1,321	2,104	3,425
Sri Lanka		4	49	884	2,803	3,687
Kuwait		4	5	1,071	328	1,399
Morocco		4	62	2,141	4,535	6,676
Botswana		2	19	861	780	1,641
Sao Tome		3	18	1,115	1,516	2,631
Cyprus					2,292	2,292
Djibouti					1,750	1,750
Egypt					2,100	2,100
Afghanistan AM					1,600	1,600
Tunisia					2,100	2,100
Total, Transmitting Stations	**0.00**	**101**	**470**	**25,248**	**41,931**	**67,179**
Monitoring Offices			**12**	**490**	**585**	**1,075**
TOTAL, ENGINEERING AND TECHNICAL SERVICES	**0.00**	**207**	**482**	**38,088**	**90,775**	**128,863**
AGENCY DIRECTION						
Broadcasting Board of Governors		22		1,700	7,939	9,639
General Counsel		10		1,069	64	1,133
Director, Int'l Broadcasting Bureau		10		1,162	245	1,407
Policy		11		1,091	12	1,103
Civil Rights		9		673	294	967
Chief Financial Officer		31		2,936	161	3,097
Dept of State Cross Servicing Agreement - Accounting and Payroll					1,222	1,222
ICASS					4,357	4,357
TOTAL, AGENCY DIRECTION	**0.00**	**93**	**0**	**8,631**	**14,294**	**22,925**
MANAGEMENT						
Associate Director of Management		1		179	37	216
Personnel		43		4,671	2,839	7,510
Administration		39		3,137	27,383	30,520
Security		15		1,364	1,496	2,860
Contracting and Procurement		17		1,536	51	1,587
Computing Services		46		4,771	3,606	8,377
TOTAL, MANAGEMENT	**0.00**	**161**	**0**	**15,658**	**35,412**	**51,070**

	Weekly Radio/TV Broadcast Hours	Authorized Domestic American	Authorized FSN	Salaries & Benefits	General Operating Expenses	TOTAL FY 2004
PROGRAM SUPPORT						
Associate Director of Program Support		5		580	51	631
External Affairs		13		1,059	298	1,357
Performance Review		19		1,977	872	2,849
Internet Unit		12		1,266	1,035	2,301
International Media Training		2		153	311	464
Marketing and Program Placement		17		1,592	5,324	6,916
Worldwide Networking					6,634	6,634
VOA Leases					1,445	1,445
RFE/RL Leases					2,379	2,379
Home Leave & Transfer (HLT)					107	107
Subtotal	0.00	**68**	**0**	**6,627**	**18,456**	**25,083**
Regional Offices						
East and South Asia						
Bangkok, Thailand		2	3	231	222	453
Manila, Philippines			1	9	11	20
Ulaanbaatar, Mongolia					19	19
Hong Kong, Hong Kong					82	82
Jakarta, Indonesia					27	27
Jamshedpur, India					51	51
Kuala Lumpur, Malaysia					21	21
Phnom Penh, Cambodia					10	10
Total, East and South Asia	0.00	**2**	**4**	**240**	**443**	**683**
West Africa						
Abidjan, Ivory Coast				40	4	44
Lagos, Nigeria				25	29	54
Total, West Africa	0.00	**0**	**0**	**65**	**33**	**98**
East Africa						
Nairobi, Kenya			1	38	46	84
Johannesburg, South Africa		2	2	113	177	290
Maputo, Mozambique					23	23
Kinshasa, Congo					23	23
Total, East Africa	0.00	**2**	**3**	**151**	**269**	**420**
European						
Prague, Czech Republic		2	3	341	355	696
Moscow, Russia					54	54
Bishkek, Kyrgystan					55	55
St. Petersburg, Russia					59	59
Belgrade, Federal Republic of Yugoslavia					108	108
Kiev, Ukraine					59	59
Total, European	0.00	**2**	**3**	**341**	**690**	**1,031**
Middle East						
Dubai, United Arab Emirates		1	1	140	140	280
Total, Middle East	0.00	**1**	**1**	**140**	**140**	**280**
Subtotal, Regional Offices	0.00	**7**	**11**	**937**	**1,575**	**2,512**
TOTAL, PROGRAM SUPPORT	0.00	**75**	**11**	**7,564**	**20,031**	**27,595**
CUBA BROADCASTING						
Radio Marti	162.00					
Radio Directorate		5		646	16	661
Administration & Personnel		6		517	1,853	2,370
Programs		29		2,673	719	3,392
News		33		3,511	817	4,329
Technical & ADP		26		2,069	2,485	4,554
Information Center		3		196	76	272
Media Monitoring & Research		4		591	26	618
Advisory Board		2		140	20	159
Total, Radio Marti	**162.00**	**108**	**0**	**10,343**	**6,012**	**16,355**

	Weekly Radio/TV Broadcast Hours	Authorized		Salaries & Benefits	General Operating Expenses	TOTAL FY 2004
		Domestic/ American	FSN			
TV Marti	31.50					
TV Directorate		7		638	26	664
Administration & Personnel		3		266	1,095	1,361
Engineering & ADP		4		420	2,223	2,643
Programs		6		719	441	1,160
News		17		1,657	739	2,396
Technical Operations		18		1,924	398	2,322
Total, TV Marti	**31.50**	**55**	**0**	**5,624**	**4,922**	**10,546**
TOTAL, CUBA BROADCASTING	193.50	163	0	15,967	10,934	26,901
BROADCASTING CAPITAL IMPROVEMENTS						
New Construction						-
Major Improvements, Repairs & Replacements					4,335	4,335
VOA TV					765	765
Security					2,410	2,410
Facility Leases and Land Rental						-
Upgrade of Existing Facilities					3,085	3,085
Satellite & Terrestrial Program					800	800
TOTAL, CAPITAL IMPROVEMENTS	0.00	0	0	0	11,395	11,395
GRAND TOTAL BBG	2,653.87	2,844	527	274,022	290,478	564,500
Reconciliation:						
(-) Reimbursements					(1,000)	(1,000)
2004 Request	2,653.87	2,844	527	274,022	289,478	563,500

United States Department of State

CONGRESSIONAL PRESENTATION DOCUMENT



Fiscal Year 2004

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BUDGET SUMMARY

> We must choose between a world of fear and a world of progress. We cannot stand by and do nothing while dangers gather. We must stand up for our security and for the permanent rights and the hopes of mankind. By heritage and by choice, the United States of America will make that stand.
>
> President George W. Bush
> Address to the United Nations General Assembly
> September 12, 2002

Overview

The United States is today fully engaged in a campaign against global terrorism and the spread of weapons of mass destruction. In the context of this campaign, the conduct of the nation's foreign affairs has taken on greater urgency and increased importance.

The Department of State has helped maintain American leadership of the international coalition against terror, while at the same time advancing a broad array of other U.S. interests around the world. This has required the application of intense, sustained diplomatic force – and demonstrated the necessity of having a State Department with the capacity to deliver it.

Resources mean the difference between a proactive U.S. foreign policy and one that is, by necessity, reactive. The FY 2004 budget request provides funding that will meet the President's foreign policy commitments. The request also funds the third year of the Secretary's concerted effort to rebuild and ready American diplomacy – the first line of offense against threats to the security and prosperity of the American people.

FY 2004 Budget Request

The President's FY 2004 request for Department of State appropriations totals $8.081 billion. This request builds on initiatives to get the right people, construct secure facilities, and apply information technology to serve the nation's interests worldwide. The request provides for key components of the Department's operations and infrastructure, as well as for vigorous U.S. engagement abroad through public diplomacy and international organizations.

Specifically, the State Department request includes funding to:

- **Support the war on terrorism**

  The budget request provides support for the war on terrorism through increased security for diplomatic personnel and facilities and through aggressive public diplomacy to deny terrorists succor and safe haven. Requested funding includes $646.7 million to sustain Worldwide Security Upgrades. The program will continue to enhance security equipment and technical support, information and systems security, perimeter security, and security personnel, including hiring 85 additional security professionals. Funding also includes $296.9 million for public diplomacy efforts to inform and influence foreign publics. Overseas missions, supported by public diplomacy personnel in the Department's regional and functional bureaus, will target information and cultural programs to further U.S. policies, particularly opposition to terrorism and the spread of weapons of mass destruction.

BUDGET SUMMARY

- **Enhance protection of U.S. borders**

The budget request provides $736 million in Machine Readable Visa (MRV) fee revenues for the Border Security Program. Funding will permit continuous improvements in systems, processes, and programs to protect U.S. borders against the illegal entry of terrorists and other individuals who would do us harm.

- **Continue to recruit, hire, train, and deploy the right workforce**

The budget request provides $97 million to complete the Secretary's Diplomatic Readiness Initiative by hiring 399 additional foreign affairs professionals beyond attrition. Foreign policy is carried out by people, and rebuilding America's diplomatic readiness in staff will ensure that the Department can respond to crises and emerging foreign policy priorities. This is the third year of funding for this initiative, which will add a total of 1,158 new staff from FY 2002 through FY 2004.

- **Continue to upgrade the security of diplomatic facilities**

The budget request provides $1.514 billion to support major security-related construction projects and address the major physical security and rehabilitation requirements of U.S. embassies and consulates. Requested funding includes $761.4 million for construction of new, secure embassy compounds in seven countries, as well as $128.3 million for construction of a new embassy building in Germany.

- **Realize investments in information technology**

The budget request provides $157 million to ensure that the investments made in FY2002 and FY 2003 for classified connectivity and expansion of desktop access to the Internet keep pace with increased demand from users for functionality and speed. Combined with $114 million in estimated Expedited Passport fees, requested funding will make available a total of $271 million for information technology investments. These include the State Messaging and Archive Retrieval Toolset (SMART) initiative to replace outdated systems for cables and messages with a unified system that adds information sharing and document archiving.

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

The budget request provides $1.010 billion to fund U.S. assessments to 44 international organizations, including $71.4 million to support renewed U.S. membership in the United Nations Educational, Scientific, and Cultural Organization (UNESCO). Meeting obligations to these organizations is essential for building coalitions and gaining support for U.S. goals and policies in the war on terrorism.

- **Participate in international peacekeeping missions**

The budget request provides $550.2 million to pay projected UN peacekeeping assessments for missions to end conflicts, restore peace, and strengthen regional stability in Europe, Africa, the Middle East, and Asia. U.S. participation in these peacekeeping activities strengthens American leadership in shaping the international community's response to developments that threaten world peace and stability.

BUDGET SUMMARY

❑ **Conduct strategic educational and cultural exchanges**

The budget request provides $345.3 million for educational and cultural exchanges, including projects in Eastern Europe and the states of the former Soviet Union, to engage foreign publics and win their understanding. These activities establish the trust, confidence, and international cooperation necessary to advance the full range of American national interests.

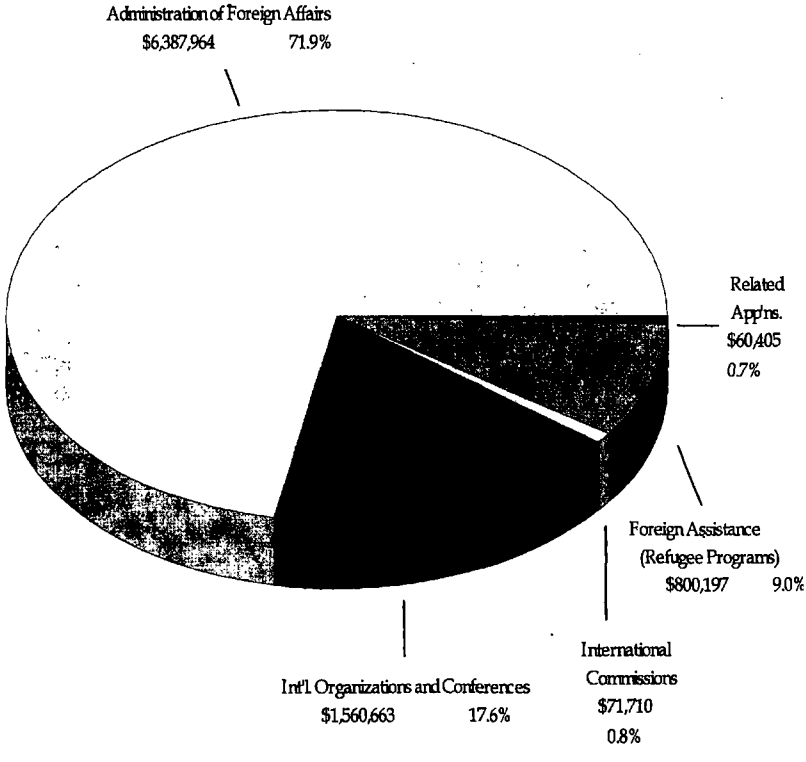
Budget Details

Graphs and tables detailing the FY 2004 request, including funds and positions by appropriation account, appear in the following sections of this document.

FY 2004 State Department Request

Distribution by Title

(dollars in thousands)



Total Request $8,880,939

BUDGET SUMMARY

SUMMARY OF FUNDS
($ in thousands)

Appropriations		FY 2002 Estimate		FY 2003 Estimate	FY 2004 Request		Increase/ (Decrease)
Administration of Foreign Affairs		$5,971,165		$5,886,985	$6,387,964		$500,979
State Programs:							
Diplomatic & Consular Programs		$3,781,062		$3,937,179	$4,163,544		$226,365
Ongoing Operations		3,245,427	/a	3,364,179	3,516,843		152,664
Pacific Salmon		–		20,000	–		(20,000)
Worldwide Security Upgrades		535,635	/b	553,000	646,701		93,701
Capital Investment Fund		210,500	/c	177,000	157,000		(20,000)
Subtotal, State Programs		3,991,562		4,114,179	4,320,544		206,365
Embassy Security, Construction & Maintenance		1,517,326		1,305,000	1,514,400		209,400
Ongoing Operations		443,000		500,000	524,700		24,700
Non-Security Construction		15,000		50,000	128,300		78,300
Worldwide Security Upgrades		1,059,326		755,000	861,400		106,400
Security Construction		865,516	/d	608,550	761,400		152,850
Compound Security		179,530	/e	146,450	100,000		(46,450)
Other Security Support Costs		14,280		–	–		–
Office of Inspector General		29,000		29,264	31,703		2,439
Educational and Cultural Exchanges		247,000	/f	245,306	345,346	/k	100,040
Representation Allowances		6,485		9,000	9,000		-
Prot. of Foreign Missions & Officials		9,400		11,000	10,000		(1,000)
Emerg. in the Dipl. & Consular Service		16,500	/g	15,000	1,000		(14,000)
Repatriation Loans Program Account		1,219		1,219	1,219		–
American Institute in Taiwan		17,044		18,817	19,773		956
F.S. Retirement & Disability Fund (mandatory)		135,629		138,200	134,979		(3,221)
International Organizations		1,724,173		1,617,359	1,560,663		(56,696)
Contributions to Int'l. Organizations		899,206	/h	891,378	1,010,463		119,085
Contr. for Int'l. Peacekeeping Activities		824,967	/i	725,981	550,200		(175,781)
International Commissions		60,546		67,267	71,710		4,443
Int'l. Boundary & Water Comm.-S&E		24,705		27,404	31,562		4,158
Int'l. Boundary & Water Comm.-Construction		5,450		9,401	8,901		(500)
International Fisheries Commissions		20,480		19,780	20,043		263
American Sections:		9,911		10,682	11,204		522
Int'l. Boundary Commission		989		1,143	1,261		118
Int'l. Joint Commission		6,882		7,456	7,810		354
Border Environment Cooperation Commission		2,040		2,083	2,133		50
Related Appropriations		57,625		60,599	60,405		(194)
The Asia Foundation		9,250		9,444	9,250		(194)
National Endowment for Democracy		33,500		36,000	36,000		-
East-West Center		14,000		14,280	14,280		-
Eisenhower Exchange Fellowship Program		500		500	500		-
Israeli Arab Scholarship Program		375		375	375		-
STATE APPROPRIATIONS ACT		$ 7,813,509		$ 7,632,210	$ 8,080,742		$ 448,532
Foreign Assistance							
Migration & Refugee Assistance		805,000	/j	705,000	760,197		55,197
Emergency Refugee/Migration Assistance		15,000		15,000	40,000		25,000
STATE AUTHORIZATION ACT		8,633,509		8,352,210	8,880,939		528,729

Additional footnotes are on the page opposite

BUDGET SUMMARY

/a Includes $29.55 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206)and $73.6 million transferred from the Emergency Response Fund.
/b Includes $17.9 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206) and $30.0 million transferred from the Emergency Response Fund.
/c Include $7.5 million transferred from the Emergency Response Fund.
/d Includes $200.516 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206).
/e Includes $42.85 million transferred from the Emergency Response Fund.
/f Includes $10.0 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206).
/g Includes $100.0 million form the Emergency Response Fund
/h Includes $42.206 million reprogrammed from Contributions for International Peacekeeping Activities and $7.0 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206).
/i Includes $42.206 million reprogrammed to Contributions to International Organizations and $23.034 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206).
/j Includes $100.0 million from the Emergency Response Fund.
/k Includes $100.0 million for exchanges focused on Russia and the New Independent States and Central and Southern Europe previously funded from the FREEDOM Support Act (FSA) and Support for Eastern European Democracy Act (SEED) accounts within the Foreign Operations Appropriation Act.

BUDGET SUMMARY

SUMMARY OF DIRECT FUNDED POSITIONS

Appropriations	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ Decrease
Administration of Foreign Affairs				
State Programs:				
Diplomatic & Consular Programs	16,695 /a	16,867 /b	17,334 /c	467
Worldwide Security Upgrades	912	1,045	1,130	85
Subtotal, State Programs	17,607	17,912	18,464	552
Embassy Security, Construction & Maintenance	747	797	797	–
Worldwide Security Upgrades	40	–	–	–
Subtotal, Embassy Security	787	797	797	–
Other Administration of Foreign Affairs				
Office of Inspector General	314	314	314	–
Educational and Cultural Exchanges	309	309	309	–
Subtotal, Admin. of Foreign Affairs	19,017	19,332	19,884	552
International Commissions				
Int'l. Boundary & Water Comm.-S&E	280	280	295	15
Int'l. Boundary & Water Comm.-Construction	33	33	18	(15)
American Sections:				
Int'l. Boundary Commission	8	8	8	–
Int'l. Joint Commission	24	24	24	–
Subtotal, International Commissions	345	345	345	–
STATE APPROPRIATIONS ACT	**19,362**	**19,677**	**20,229**	**552**

/a Position levels do not include 2,157 positions being funded by MRV fees in FY 2002.

/b Position levels do not include 2,441 positions to be funded by MRV fees in FY 2003, including 233 positions that were previously funded in the Diplomatic & Consular Programs appropriation in FY 2002.

/c Position levels do not include 2,566 positions to be funded by MRV fees in FY 2004, including 233 positions that were previously funded in the Diplomatic & Consular Programs appropriation in FY 2002.

BUDGET SUMMARY

COSTS OF FULLY FUNDING PENSION AND HEALTH ACCRUAL COSTS

($ in thousands)

Appropriations	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Amount	FY03 TO 04 Incr/(Decr) Amount	FY03 TO 04 Incr/(Decr) Percent
Administration of Foreign Affairs:	**84,671**	**88,139**	**101,571**	**13,432**	**15.2%**
Diplomatic & Consular Programs	78,506	81,844	94,393	12,549	15.3%
Embassy Security Construction & Maint.	2,944	3,011	3,427	416	13.8%
Office of the Inspector General	1,503	1,527	1,735	208	13.6%
Educational & Cultural Exchange Programs	1,718	1,757	2,016	259	14.7%
State Appropriations Act, Function 150	**84,671**	**88,139**	**101,571**	**13,432**	**15.2%**
International Commissions (Function 300):	**1,161**	**1,201**	**1,395**	**194**	**16.2%**
Int'l Boundary & Water Commission - S&E	949	983	1,160	177	18.0%
Int'l Boundary & Water Commission - Const.	112	116	116	-	0.0%
American Sections:	100	102	119	17	16.7%
International Boundary Commission	13	14	17	3	21.4%
International Joint Commission	87	88	102	14	15.9%
STATE APPROPRIATIONS ACT, TOTAL	**85,832**	**89,340**	**102,966**	**13,626**	**15.3%**

BUDGET SUMMARY

SUMMARY OF
EMERGENCY RESPONSE FUND (ERF) TRANSFERS
($ in thousands)

Appropriations	FY 2001	FY 2002	Total
Administration of Foreign Affairs	**48,890**	**163,950**	**212,840**
Diplomatic & Consular Programs	390	73,600	73,990
Worldwide Security Upgrades	-	30,000	30,000
Capital Investment Fund	7,500	7,500	15,000
Embassy Security, Construction & Maintenance	-	42,850	42,850
Emerg. in the Dipl. & Consular Service	41,000	10,000	51,000
Total	**48,890**	**163,950**	**212,840**

BUDGET SUMMARY

SUMMARY OF
FY 2002 EMERGENCY SUPPLEMENTAL ACT
(P.L. 107-206)

($ in thousands)

	Appropriations
Administration of Foreign Affairs	**257,966**
Diplomatic & Consular Programs	47,450
Ongoing Operations	29,550
Worldwide Security Upgrades	17,900
Embassy Security, Construction & Maintenance	200,516
Worldwide Security Construction	200,516
Educational & Cultural Exchange Programs	10,000
International Organizations	**30,034**
Contributions for International Organizations	7,000
Contributions to International Peacekeeping	23,034
Total	**288,000**

DEPARTMENT OF STATE
History of Appropriations
(Dollars in thousands)

APPROPRIATIONS	FY95 Actual	FY96 Actual	FY97 Actual	FY98 Actual	FY99 Actual	FY00 Actual	FY01 Actual	FY02 Estimate	FY03 Request	FY04 Request
Administration of Foreign Affairs										
State Programs:										
Diplomatic & Consular Programs	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	3,516,843
Worldwide Security Upgrades	--	--	--	--	785,700	254,000	409,098	487,735	553,000	646,701
Salaries & Expenses	367,407	367,898	352,300	353,905	354,187	--	--	--	--	--
Arms Control & Disarmament Agency						--	--	--	--	--
Int'l Information Programs (USIA)	--	--	--	450,220	453,761	--	--	--	--	--
Technology Fund (USIA)	--	--	--	5,050	11,562	--	--	--	--	--
Subtotal	*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*	*4,163,544*
Capital Investment Fund	478	16,384	24,600	86,000	158,571	80,843	96,787	203,000	177,000	157,000
Subtotal, State Programs	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	4,320,544
Office of Inspector General	23,807	27,330	27,495	27,495	28,465	27,382	29,891	30,503	30,791	31,703
Educational & Cultural Exchanges	--	--	--	197,731	200,500	204,155	233,242	238,718	247,063	345,346
Representation Allowances	4,780	4,500	4,490	4,200	4,350	5,826	6,485	6,485	9,000	9,000
Buying Power Maintenance	--	--	11,725	--	(3,892)	5,178	--	--	--	--
Prot. of Foreign Missions & Officials	9,101	8,579	8,332	7,900	8,100	8,067	15,433	9,400	11,000	10,000
Embassy Security, Construction & Main.	409,898	385,760	389,320	397,943	454,061	425,741	418,923	475,224	553,011	653,000
Worldwide Security Upgrades	--	--	--	--	627,000	300,000	513,867	665,000	608,550	761,400
Perimeter Security/Support Costs	--	--	--	--	--	13,617	147,674	136,680	146,450	100,000
Subtotal, Embassy Security	409,898	385,760	389,320	397,943	1,081,061	739,358	1,080,464	1,276,904	1,308,011	1,514,400
Emerg. in the Dipl. & Consular Service	6,500	5,896	5,800	5,356	17,479	5,477	5,465	6,500	15,000	1,000
Repatriation Loans Program Account	776	880	1,256	1,344	1,200	1,195	1,192	1,219	1,219	1,219
American Institute in Taiwan	15,423	15,145	14,490	14,000	14,730	15,312	16,309	17,044	18,817	19,773
F.S. Retirement & Disability Fund	129,321	125,402	126,491	129,935	132,500	128,541	131,224	135,629	138,200	134,979
Subtotal, *Admin. of Foreign Affairs*	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	6,387,964
International Organizations										
Contributions to Int'l Organizations	872,661	892,000	902,102	888,883	933,550	880,505	868,917	850,000	891,378	1,010,463
Contr. for Int'l Peacekeeping Actv.	518,687	359,000	334,780	210,632	219,450	498,100	844,139	844,139	725,981	550,200
CIO & CIPA Arrearages	--	--	--	100,000	475,000	351,000	--	--	--	--
Int'l Conferences & Contingencies	5,942	2,996	7,518	12,000	--	--	--	--	--	--
Subtotal, International Organizations	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	1,560,663

(Continued)

DEPARTMENT OF STATE
History of Appropriations
(Dollars in thousands)

APPROPRIATIONS	FY95 Actual	FY96 Actual	FY97 Actual	FY98 Actual	FY99 Actual	FY00 Actual	FY01 Actual	FY02 Estimate	FY03 Request	FY04 Request
International Commissions										
Int'l Boundary & Water Comm-S&E	12,841	12,044	15,490	17,490	19,521	19,470	7,233	25,654	28,387	31,562
Int'l Boundary & Water Comm-Constr.	6,638	6,625	6,463	6,463	5,939	5,915	23,810	5,562	9,517	8,901
American Sections: IBC	740	639	606	761	761	758	988	1,002	1,157	1,261
American Sections: IJC	3,540	3,355	3,181	3,189	3,432	5,568	3,839	6,969	7,544	7,810
American Sections: BECC	1,510	1,797	1,703	1,540	1,540	1,534	1,996	2,040	2,083	2,133
Subtotal, American Sections	*5,790*	*5,791*	*5,490*	*5,490*	*5,733*	*7,860*	*6,823*	*10,011*	*10,784*	*11,204*
International Fisheries Commissions	14,669	14,666	14,549	14,549	14,549	15,485	19,349	20,480	19,780	20,043
Subtotal, International Commissions	39,938	39,126	41,992	43,992	45,742	48,730	57,215	61,707	68,468	71,710
Related Appropriations										
The Asia Foundation	15,000	5,000	8,000	8,000	8,250	8,216	9,230	9,250	9,444	9,250
National Endowment for Democracy	–	–	–	30,000	31,000	30,872	30,931	33,500	36,000	36,000
East-West Center	–	–	–	12,000	12,500	12,449	13,470	14,000	14,280	14,280
North-South Center	–	–	–	1,500	1,750	1,743	–	–	–	–
Eisenhower Exch. Fellowship Program	–	–	–	570	525	523	499	500	500	500
Israeli Arab Scholarship Program	–	–	–	400	350	346	374	375	375	375
U.S. Bilateral S&T Agreements	–	–	–	–	–	–	–	–	–	–
Russian, E. European Research/Training	–	–	–	–	–	–	–	–	–	–
Fisherman's Guaranty Fund	–	–	–	–	–	–	–	–	–	–
Fishermen's Protective Fund	–	–	–	–	–	–	–	–	–	–
Subtotal, Related Appropriations	15,000	5,000	8,000	52,470	54,375	54,149	54,504	57,625	60,599	60,405
STATE APPROPRIATIONS ACT	**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**	**8,080,742**
Foreign Assistance										
Migration & Refugee Assistance	671,000	670,983	650,000	650,384	905,970	622,625	699,002	705,556	705,565	760,197
Emergency Refugee/Migration Assist.	50,000	50,000	50,000	50,000	195,000	12,453	14,967	15,000	15,000	40,000
STATE AUTHORIZATION ACT	**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**	**8,880,939**

SUMMARY OF PUBLIC DIPLOMACY RESOURCES
($ in thousands)

	FY 2002 a/				FY 2003				FY 2004			
Diplomatic and Consular Programs	**Positions**	**American Salaries**	**Bureau Managed**	**Total**	**Positions**	**American Salaries**	**Bureau Managed**	**Total**	**Positions**	**American Salaries**	**Bureau Managed**	**Total**
Regional Bureaus	2,308	68,644	145,049	213,693	2,308	72,066	154,223	226,289	2,308	73,800	159,880	233,680
Office of International Info. Programs	284	24,230	25,570	49,800	284	25,037	21,378	46,415	284	25,639	21,883	47,522
Functional Bureaus/Other Support	30	3,664	11,642	15,306	30	3,778	9,700	13,478	30	3,869	9,928	13,797
Payment - FSNSLTF	-	-	1,460	1,460	-	-	1,511	1,511	-	-	1,564	1,564
Total, Public Diplomacy (D&CP)	2,622	96,538	183,721	280,259	2,622	100,881	186,812	287,693	2,622	103,308	193,255	296,563
Sec. 810 USI & EE Act Fees b/	-	-	8,000	8,000			8,000	8,000			8,000	8,000
Representation Allowances	-	-	1,562	1,562	-	-	1,800	1,800	-	-	1,800	1,800
Educational & Cultural Exchanges c/	309	24,527	222,473	247,000	309	26,385	218,921	245,306	309	29,771	315,575	345,346
National Endowment for Democracy	-	-	33,500	33,500	-	-	36,000	36,000	-	-	36,000	36,000
East-West Center	-	-	14,000	14,000	-	-	14,280	14,280	-	-	14,280	14,280
Eisenhower Exch. Fellowship Prog.	-	-	500	500	-	-	500	500	-	-	500	500
Israeli-Arab Scholarship Prog.	-	-	375	375	-	-	375	375	-	-	375	375
Total, Public Diplomacy	2,930	121,065	464,131	585,196	2,930	127,266	466,688	593,954	2,930	133,079	569,785	702,864

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 2002 total includes $20 million for the FY 2002 Supplemental Appropriation for Further Recovery from and Response to Terrorist Attacks on the United States (as enacted in P.L. 107-206).

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

c/ The FY 2004 request for the ECE appropriation includes $100,040,000 for exchange programs focused on Russia and the New Independent States and Central and Southeastern Europe, which were previously funded from the FSA and SEED accounts within the Foreign Operations appropriations act.

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.

DEPARTMENT OF STATE FEE COLLECTIONS

BUREAU OF ECONOMIC AND BUSINESS AFFAIRS

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

BUREAU OF POLITICAL MILITARY AFFAIRS

Defense Trade Control Fees. Registration fees are charged by the Office of Defense Trade Controls, in accordance with Section 45 of the State Department Basic Authorities Act 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

Department of State Fee Collection ($ in Thousands)			
Revenue Source	**FY 2002 Actual**	**FY 2003 Estimate**	**FY 2004 Request**
Machine Readable Visas Processing Fees			
Carryforward Allocations	21,928	32,811	-
Prior Year Collections Unallocated	148,050	65,740	44,947
Current Year Collections Projected (Net)	338,780	582,000	782,000
Total Collections Available	508,758	680,550	826,947
Carryforward Allocations Planned	2,806	18,783	-
Current Year Allocation Plan	440,212	616,821	736,013
Total Allocations	443,018	635,604	736,013
Carryforward Allocations Returned	19,122	14,028	-
Unallocated Collections	46,618	30,919	90,934
Ending Unallocated Collections	65,740	44,947	90,934
Expedited Passport Fees			
Carryforward Allocations	-	16,361	-
Prior Year Collections Unallocated	14,413	14,473	30,834
Current Year Collections Projected (Net)	63,060	99,500	114,000
Total Collections Available	77,473	130,334	144,834
Current Year Allocation Plan	63,000	99,500	114,000
Total Allocations	63,000	99,500	114,000
Carryforward Allocations Returned	-	16,361	-
Unallocated Collections	14,473	14,473	30,834
Ending Unallocated Collections	14,473	30,834	30,834
Commercial Service Fees			
Prior Year Collections Unallocated	-	2	2
Current Year Collections Projected (Net)	8	12	12
Total Collections Available	8	14	14
Current Year Allocation Plan	6	12	12
Total Allocations	6	12	12
Unallocated Collections	2	2	2
Ending Unallocated Collections	2	2	2
Visa Fingerprint Fees			
Carryforward Allocations	560	92	-
Prior Year Collections Unallocated	1,180	2,371	2,813
Current Year Collections Projected (Net)	981	1,200	1,200
Total Collections Available	2,721	3,663	4,013
Current Year Allocation Plan	350	850	850
Total Allocations	350	850	850
Carryforward Allocations Returned	560	92	-
Unallocated Collections	1,811	2,721	3,163
Ending Unallocated Collections	2,371	2,813	3,163

DEPARTMENT OF STATE FEE COLLECTIONS

Department of State Fee Collection ($ in Thousands)			
Revenue Source	**FY 2002 Actual**	**FY 2003 Estimate**	**FY 2004 Request**
Affidavit of Support Fees			
Prior Year Collections Unallocated	1,914	9,042	7,542
Current Year Collections Projected (Net)	7,128	6,500	6,500
Total Collections Available	9,042	15,542	14,042
Current Year Allocation Plan	-	8,000	8,000
Total Allocations	-	8,000	8,000
Unallocated Collections	9,042	7,542	6,042
Ending Unallocated Collections	9,042	7,542	6,042
Diversity Lottery Fees			
Carryforward Allocations	500	104	-
Prior Year Collections Unallocated	1,984	1,858	3,062
Current Year Collections Projected (Net)	4,074	5,500	5,500
Total Collections Available	6,558	7,462	8,562
Carryforward Allocations Planned	500	-	-
Current Year Allocation Plan	4,200	4,400	4,400
Total Allocations	4,700	4,400	4,400
Carryforward Allocations Returned	-	104	-
Unallocated Collections	1,858	2,958	4,162
Ending Unallocated Collections	1,858	3,062	4,162
Defense Trade Control Fees			
Prior Year Collections Unallocated	12	1,495	1,495
Current Year Collections Projected (Net)	4,585	4,000	4,000
Total Collections Available	4,597	5,495	5,495
Current Year Allocation Plan	3,102	4,000	4,000
Total Allocations	3,102	4,000	4,000
Unallocated Collections	1,495	1,495	1,495
Ending Unallocated Collections	1,495	1,495	1,495
Sec. 810 USI & EE Act Fees *			
Carryforward Allocations	-	294	-
Prior Year Collections Unallocated	3,526	3,526	3,820
Current Year Collections Projected (Net)	8,000	8,000	8,000
Total Collections Available	11,526	11,820	11,820
Current Year Allocation Plan	8,000	8,000	8,000
Total Allocations	8,000	8,000	8,000
Carryforward Allocations Returned	-	294	-
Unallocated Collections	3,526	3,526	3,820
Ending Unallocated Collections	3,526	3,820	3,820

** Includes USI and EE fees collected under both DCP 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 avail-able 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 in-creased 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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

ADMINISTRATION OF FOREIGN AFFAIRS
OVERVIEW

This section contains the FY 2004 appropriations in the Administration of Foreign Affairs title.

SUMMARY STATEMENT

($ in thousands)

Appropriations	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
State Programs	**$3,991,562**	**$4,114,179**	**$4,320,544**	**$ 206,365**
Diplomatic & Consular Programs	$3,781,062	$3,937,179	$4,163,544	$226,365
Ongoing Operations	3,245,427 /a	3,364,179	3,516,843	152,664
Pacific Salmon	--	20,000	--	(20,000)
Worldwide Security Upgrades	535,635 /b	553,000	646,701	93,701
Capital Investment Fund	210,500 /c	177,000	157,000	(20,000)
Embassy Security, Construction & Maintenance	**1,517,326**	**1,305,000**	**1,514,400**	**209,400**
Ongoing Operations	443,000	500,000	524,700	24,700
Non-Security Construction	15,000	50,000	128,300	78,300
Worldwide Security Upgrades	1,059,326 /d	755,000	861,400	106,400
Security Construction	865,516 /d	608,550	761,400	152,850
Compound Security	179,530 /e	146,450	100,000	(46,450)
Other Security Support Costs	14,280	--	--	0
Office of Inspector General *	29,000	29,264	31,703	2,439
Educational and Cultural Exchanges *	247,000 /f	245,306	345,346 /h	100,040
Representation Allowances	6,485	9,000	9,000	0
Protection of Foreign Missions & Officials	9,400	11,000	10,000	(1,000)
Emergencies in the Diplomatic & Consular Service	16,500 /g	15,000	1,000	(14,000)
Repatriation Loans Program Account	1,219	1,219	1,219	--
Payment to the American Institute in Taiwan	17,044	18,817	19,773	956
F.S. Retirement & Disability Fund (mandatory)	135,629	138,200	134,979	(3,221)
TOTAL, ADMIN OF FOREIGN AFFAIRS	**5,971,165**	**5,886,985**	**6,387,964**	**$500,979**

footnotes opposite page

/a. Includes $29.55 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206) and $73.6 million transferred from the Emergency Response Fund.

/b. Includes $17.9 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206) and $30.0 million transferred from the Emergency Response Fund.

/c. Include $7.5 million transferred from the Emergency Response Fund.

/d. Includes $200.516 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206).

/e. Includes $42.85 million transferred from the Emergency Response Fund.

/f. Includes $10.0 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206).

/g. Includes $10.0 million transferred from the Emergency Response Fund.

/h. Includes $100.0 million for exchanges focused on Russia and the New Independent States and Central and Southern Europe previously funded from the FREEDOM Support Act (FSA) and Support for Eastern European Democracy Act (SEED) accounts within the Foreign Operations Appropriation Act.

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 inter-national 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, $3,516,843,000: 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.

In addition, not to exceed $1,371,000 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, $646,701,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

CAPITAL INVESTMENT FUND

For necessary expenses of the Capital Investment Fund, $157,000,000, to remain available until expended, as authorized: Pro-vided, That section 135(e) of Public Law 103–236 shall not apply to funds available under this heading.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

STATE PROGRAMS

2004 Overview

Summary Statement

(dollars in thousands)

Appropriation/Fund	2002 Actual	2003 Estimate	2004 Request	Increase or Decrease (-)
Diplomatic & Consular Programs *a/*	$3,245,427	$3,384,179	$3,516,843	$132,664
Worldwide Security Upgrades *b/*	535,635	553,000	646,701	93,701
Subtotal, Diplomatic & Consular Programs	**$3,781,062**	**$3,937,179**	**$4,163,544**	**$226,365**
Capital Investment Fund *c/*	210,500	177,000	157,000	(20,000)
Subtotal, State Programs Appropriations	**$3,991,562**	**$4,114,179**	**$4,320,544**	**$206,365**
Border Security Program/MRV Fees d/	*440,212*	*616,821*	*736,013*	*119,192*
IRM Central Fund/Expedited Passport Fees d/	*63,000*	*99,500*	*114,000*	*14,500*
Other Fees d/	*13,658*	*23,262*	*23,262*	*0*
Total	***4,508,432***	***4,853,762***	***5,193,819***	***340,057***

/a FY 2002 includes $73,600,000 transferred from the Emergency Response Fund and $29,550,000 transferred from the Emergency Supplemental. FY2003 includes funding for the Pacific Salmon Program in the amount of $20,000,000.

/b FY 2002 includes $30,000,000 transferred from the Emergency Response Fund and $17,900,000 transferred from the Emergency Supplemental.

/c FY 2002 includes $7,500,000 transferred from the Emergency Response Fund.

/d The funding for these fee programs represents annual program spending estimates from current collections and carryforward balances, not annual fee collections.

State Programs Summary

The Department of State requires sufficient resources to carry out U.S. foreign policy effectively 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 U.S. national interests. More than one year after the events of September 11, the demand on the Department's knowledge, capacity, and leadership is more intense than ever. The Department must expand its capacity to deliver diplomatic and economic force wherever they are required more rapidly than ever before.

The need to sustain a high level of commitment to the global war on terrorism strengthens the argument 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 FY2004 appropriations request sustains these initiatives for Diplomatic and Consular Programs and the Capital Investment Fund with $4,320,544,000. 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

STATE PROGRAMS

- Operate and maintain Department of State presence domestically, at overseas missions, in the interagency process, and in international organizations;

The FY 2004 budget request includes increased funding for:

- **People.** The FY 2004 request includes increases for: hiring 399 new Foreign Service and Civil Service staff over attrition — the final year of the Department's Diplomatic Readiness Initiative.
- **Security/War on Terrorism/Border Security.** The FY 2004 request continues to ensure that the Department's employees have the appropriate level of protection in all locations around the world; that the war on terrorism is fully supported; and that the nation's borders are safeguarded by a thorough passport and visa issuance program.
- **Foreign Policy Support.** The FY 2004 request includes needed funding increases for supporting international commitments to host the 2004 Summit of Industrialized Nations, rejoin UNESCO, and provide security and assist with the 2004 summer Olympic Games in Athens, Greece.

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 U.S. foreign policy at home and abroad. The Department's network of more than 260 posts not only carries out our diplomatic relations with foreign governments, it also assists American citizens, supports U.S. businesses, conducts public diplomacy, and develops the extensive local contacts that are essential to effective diplomacy. The FY 2004 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 30,000 employees with about 60% of those working overseas. These employees, of whom about 20,000 are Americans and 10,000 are foreign nationals (FSNs), manage America's overseas diplomatic interests patriotically and professionally.

Highlights of the State Programs budget request by account follow:

Diplomatic And Consular Programs - Ongoing Operations

The FY 2004 request of $3,516,843,000 for Diplomatic and Consular Programs is a net increase of $132,664,000 from the FY 2003 President's Request. 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 2004 request for Worldwide Security Upgrades is $646,701,000, an increase of $93,701,000 above the FY 2003 President's Request, and provides funding to continue ongoing Worldwide Security Upgrade programs; continue perimeter security upgrades; ensure effective and efficient electronic communication with intelligence and law enforcement entities; establish a lifecycle replacement program for armored vehicles; protect facilities in Kabul, Afghanistan and Dushanbe, Tajikistan; establish a formal program for compliance with the National Information Assurance Certification and Accreditation Process requirements; add 85 security and support professionals; and enhance domestic security.

STATE PROGRAMS

Capital Investment Fund

The FY 2004 request of $157,000,000 for the Capital Investment Fund sustains the Department's program of investment in information technology. The FY 2004 Information Resource Management (IRM) Central Fund, which includes the Capital Investment Fund combined with $114,000,000 in estimated Expedited Passport Fees, will provide a total of $271,000,000 to support the Department's information technology and communications systems initiatives.

Border Security Program

The FY 2004 request for the Border Security Program, which is funded by increased Machine Readable Visa (MRV) Fees, is $736,013,000, an increase of $119,192,000 from FY 2003 program levels of $616,821,000. The Border Security Program funding will implement a comprehensive strategy to strengthen U.S. Border Security by improving consular systems, programs, and investments in human capital. The program will continue to provide the technology backbone, personnel and support needed to carry out the functions vital to U.S. homeland security. Major initiatives funded within the FY 2004 program include: operation of the domestic and international passport and visa adjudication services, collection and processing of a biometric from applicants seeking U.S. travel documents, continued expansion of the Consular Consolidated Database, and enhanced security processing of visa applicants overseas.

Other Fees

Diversity Lottery, Fingerprint Fees, and Other Consular Fees - The FY 2004 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 successful applicants for the Diversity Lottery Program to ensure that the costs of administering the lottery and allocating diversity visas are recovered from actual users. These fee collections are available to provide consular services and are used to recover the cost to the State Department of the Diversity Lottery Program. In addition, the FY 2004 program includes an estimate of $850,000 for the FBI Immigrant Visa Fingerprint Fee program. The request also includes $8,000,000 for the Affidavit of Support (AOS) Program that is funded from a fee collected from persons submitting AOS documentation.

Defense Trade Control Fees - The FY 2004 program includes an estimate of $4,000,000 for Defense Trade Control Registration Fees in accordance with Section 45 of the State Department Basic 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 2004 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 30th of the fiscal year following the fiscal year in which the funds were deposited.

STATE PROGRAMS

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 Summary Tables Section.

STATE PROGRAMS

Program Descriptions

State Programs funding of $5,193,819,000, including $4,320,544,000 from appropriation requests and $873,275,000 from fee collections, 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 ($282,747,000)** – 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 ($626,426,000 including $618,954,000 from direct appropriations, $3,460,000 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 260 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 ($302,930,000 including $296,930,000 from direct appropriations and $6,000,000 from U.S.I. fees)** – Public diplomacy activities of the U.S. Government are intended to engage, 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.

- Even before September 11, substantial changes had occurred in the way that governments conduct their business, enact policies, and make decisions. Fundamental to that change is the role 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.

- In the wake of September 11, we recognized that the U.S. Government and its people had become isolated from a large group of people who hold different views about our beliefs values, policies, and behavior. A 2002 Gallup poll reported an "overwhelming view of the Islamic world that a decadent, undisciplined and irreligious lifestyle has accompanied the West's success." This gap has proven to be seriously dangerous and creates a negative environment for the work of the State Department on a variety of national security policy fronts.

- To maintain U.S. leadership in this profoundly changed international environment, the Department implements a vigorous program of public diplomacy that engages influential individuals and organizations from both inside and outside the orbit of government whose work affects the policy-making process. 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.

- Public diplomats 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 ($790,930,000 including $101,435,000 from direct appropriations, $676,245,000 from MRV fees, $4,400,000 from Diversity Lottery Fees, and $850,000 from FBI Fingerprint Fees and $8,000,000 from the Affidavit of Support Fee)** – The events of September 11 demonstrate the national security importance of a robust and sophisticated system to process persons seeking visas to travel to the United States. Furthermore, the reaction of the traveling public to those events have combined with the continued international economic situation to decrease significantly the

demand for international travel. At the same time, the Department of State is experiencing major increases in the cost of providing consular services as a result of enhanced security measures implemented to strengthen U.S. homeland security. All of these factors combine to place a heavy burden on Department of State operations:

- Non-immigrant visa requests from foreign tourists, students, business people, investors, and government officials require substantial effort at missions abroad. In FY2003, the Department projects that 6 million persons will apply for non-immigrant visas that generate an MRV fee. All of these applicants will undergo a thorough screening to help ensure U.S. homeland security. The State Department expects that demand for non-immigrant visa services will remain at this same level in FY2004.
- Persons seeking immigrant visas to the United States also undergo comprehensive screening involving the combined efforts of the Immigration and Naturalization Service and the Department of State. In FY 2003, the Department projects total immigrant visa workload of consisting of 715,000 applicants. This workload is expected to remain at the same level in FY 2004.
- Routine and emergency assistance must be provided to American citizens in distress. In FY 2003 and FY 2004, the Department projects that it will respond to 2 million citizen services requests worldwide each year.
- American travelers and the U.S. travel industry need to be kept aware of dangerous situations abroad. This is done through Consular Information Sheets, Travel Warnings, and helpful tips to travelers through the Consular Affairs World Wide Web Site available at the Internet Web address: http://travel.state.gov.
- Passport applications in the millions must be adjudicated, and passports must be issued or denied for U.S. citizens wanting to travel abroad. In FY 2003, the Department projects a demand of 7.1 million passport applications growing to 7.6 million applications in FY2004.
- The worldwide Border Security Program supports all areas of the President's Management Agenda through programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management and Training. These cross-cutting programs are required to secure the borders of the United States against travel here by terrorists, international criminals, or persons whose presence in the U.S. would violate United States immigration law. Border Security plans include continuing to enhance and refresh the equipment and systems that support worldwide consular activities. It also includes continuing modernization of the hardware and software systems that support visa name checks, operating the Border Crossing Card Program in Mexico, implementing biometric collection from visa applicants, strengthening cooperation between the consular and United States law enforcement and intelligence communities, enhancing American Citizen Services, and providing for the staff and operating costs of the Border Security Program. The Border Security Program relies on dedicated funding from increased MRV fees.

❑ **Supporting Multilateral Diplomacy ($48,157,000)** – 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 ($971,613,000 including $947,371,000 from direct appropriations [$300,670,000 for Diplomatic Security/Law Enforcement Cooperation and $646,701,000 from Worldwide Security Upgrades] and $24,242,000 from MRV Fees)** – These activities provide resources, allocated by application of risk management principles, necessary to meet security responsibilities, both foreign and domestic. Included in these activities are:

  - protection of overseas U.S. government employees through local guards, technical security measures, residential security measures, and armored vehicles;
  - protection of the Secretary and visiting or resident foreign dignitaries;
  - counter-terrorism policy formulation, coordination, and research and development as well as investigations to detect passport, visa, and federal benefits fraud;
  - management of security operations at missions;
  - 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 and attempted attack on the Consulate in Karachi, Pakistan 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 eliminates physical security vulnerabilities at our diplomatic missions. The security program enhancements, funded first by the FY 1999 Emergency Security Supplemental and now with the $646,701,000 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 ($824,423,000 including $526,547,000 from Diplomatic and Consular Programs, $157,000,000 from the Capital Investment Fund, $26,876,000 from MRV Fees, and $114,000,000 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 ($111,891,000 including $106,701,000 from direct appropriations and $5,190,000 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 ($26,937,000)** – The Medical Program promotes the health of all under its care by encouraging prevention of illness and facilitating access to health care. This activity encompasses medical programs for the Department of State and the Foreign Service as well as other U.S. Government departments and agencies overseas. Approximately 31,000 employees and their eligible family members receive medical care at about 190 overseas health units overseas and in Washington, DC.

❑ **Rental Payments to GSA ($143,479,000)** – 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 ($466,131,000)** – This activity includes administrative activities at more than 260 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 ($458,266,000)** – 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 ($139,889,000)** – 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.

On the following pages are a series of tables and graphs depicting the distribution by program activity of the FY 2004 requests for Diplomatic and Consular Programs and the Capital Investment Fund.

STATE PROGRAMS

Program Activities Summary

Funds
Summary Statement
(dollars in thousands)

Activities	2002 Estimate	2003 Estimate	2004 Request	2003/2004 Increase/ Decrease
Policy Formulation, Public Affairs and Executive Direction	265,735	272,973	282,747	$9,774
Diplomatic Relations (e.g., Arms Control, Political and Economic Reporting, Trade Promotion, Global Environmental and Scientific Reporting)	525,374	579,224	626,426	$47,202
Public Diplomacy	286,259	293,843	302,930	$9,087
Consular Relations (e.g., Passports, Visas, Services to American Citizens Overseas)	529,086	642,883	790,930	$148,047
Supporting Multilateral Diplomacy	47,736	49,134	48,157	-$977
Diplomatic Security/Law Enforcement Cooperation	308,102	318,270	324,912	$6,642
Worldwide Security Upgrades	535,635	605,000	646,701	$41,701
Information Resource Management	795,458	816,528	824,423	$7,895
Training Services	85,914	90,081	111,891	$21,810
Medical Services	31,858	25,977	26,937	$960
Rental Payments to GSA	103,941	117,785	143,479	$25,694
Overseas Program Support	436,831	465,037	466,131	$1,094
Domestic Infrastructure and Program Support	421,352	441,638	458,266	$16,628
Post Assignment Travel	136,055	135,389	139,889	$4,500
Total	$4,509,336	$4,853,762	$5,193,819	$340,057

STATE PROGRAMS

STATE PROGRAMS

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

Program Activities Summary

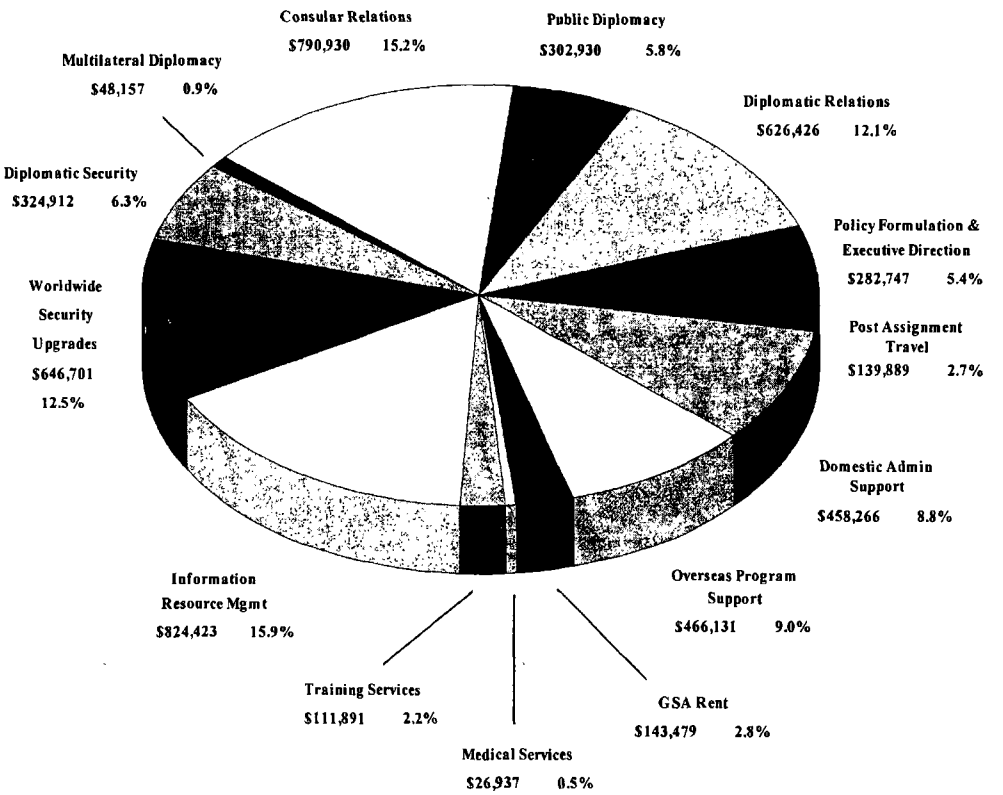
Positions
Summary Statement

Activities	2002 Estimate	2003 Estimate	2004 Request	2003/2004 Increase/ Decrease
Policy Formulation, Public Affairs and Executive Direction	1,982	2,022	2,024	2
Diplomatic Relations (e.g., Arms Control, Political and Economic Reporting, Trade Promotion, Global Environmental and Scientific Reporting)	3,693	3,774	4,016	242
Public Diplomacy	2,622	2,625	2,625	0
Consular Relations (e.g., Passports, Visas, Services to American Citizens Overseas)	3,776	3,831	4,024	193
Supporting Multilateral Diplomacy	305	313	313	0
Diplomatic Security/Law Enforcement Cooperation	1,592	1,595	1,595	0
Worldwide Security Upgrades	912	1,045	1,130	85
Information Resource Management	1,912	1,930	1,979	49
Training Services	555	559	657	98
Medical Services	65	84	90	6
Rental Payments to GSA	0	0	0	0
Overseas Program Support	380	406	406	0
Domestic Infrastructure and Program Support	1,974	2,169	2,171	2
Post Assignment Travel	0	0	0	0
Total	19,768	20,353	21,030	677

* Increase of 677 positions includes 399 for Diplomatic Readiness, 68 for Consular Associates Replacement, 85 for Worldwide Security Upgrades, and 125 for the Border Security Program

FY 2004 State Programs Request
Program Activities Distribution

(dollars in thousands)



Total Request $5,193,819

STATE PROGRAMS

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 2002	**3,245,427**	**535,635**	**210,500**	**3,991,562**
FY 2003 President's Budget	**3,384,179**	**553,000**	**177,000**	**4,114,179**
Current Services				
Base Adjustments				
Pacific Salmon Treaty Implementation	(20,000)	-	-	(20,000)
Charleston Financial Services Center	(21,544)	-	-	(21,544)
Perimeter Security Enhancements	-	(30,600)	-	(30,600)
Transfer 2002/03 Dip Readiness Lease Costs to ESCM	(17,009)	-	-	(17,009)
Center for Anti-Terrorism and Security Training	(52,000)	-	-	(52,000)
International Conference Costs	(2,321)	-	-	(2,321)
FY 2003 Diplomatic Readiness One -Time Costs	(30,329)	(5,271)	-	(35,600)
Capital Investment Fund	-	-	(20,000)	(20,000)
Biological Weapons Convention Reduction	(450)	-	-	(450)
Subtotal, Base Adjustments	**(143,653)**	**(35,871)**	**(20,000)**	**(199,524)**
Annualization of 2003 Requirements				
FY 2003 Hiring Increases Annualization	24,243	4,089	-	28,332
FY 2003 American Cost of Living Adjustment Annualization	9,175	695	-	9,870
Subtotal, Annualization	**33,418**	**4,784**	**-**	**38,202**
Anticipated 2004 Wage Requirements				
American Cost of Living Adjustment	23,194	1,835	-	25,029
FSN Wage Increases	15,567	-	-	15,567
Subtotal, Wage	**38,761**	**1,835**	**-**	**40,596**
Anticipated 2004 Price Requirements				
Overseas Inflation	20,890	7,811	-	28,701
Domestic Price	17,062	3,539	-	20,601
GSA Rent	25,694	-	-	25,694
Local Guard Program and Other Global Inflation	3,238	4,300	-	7,538
Domestic Guard Inflation	1,186	8,600	-	9,786
Workers Compensation	566	-	-	566
Subtotal, Price	**68,636**	**24,250**	**-**	**92,886**
Total Increases	**140,815**	**30,869**	**-**	**171,684**
Net Total, Built-In Changes	**(2,838)**	**(5,002)**	**(20,000)**	**(27,840)**
FY 2004 Current Services	**3,381,341**	**547,998**	**157,000**	**4,086,339**

STATE PROGRAMS

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 2004 Current Services	**3,381,341**	**547,998**	**157,000**	**4,086,339**
People	**97,027**	**-**	**-**	**97,027**
Diplomatic Readiness - 399 New Hires	97,027	-	-	97,027
War on Terrorism/Security/Border Security	**22,572**	**95,940**	**-**	**118,512**
Diplomatic Security Personnel - 85 New Hires	-	7,952	-	7,952
Amored Vehicle Lifecycle Replacements	-	12,400	-	12,400
Certification and Accreditation	-	28,300	-	28,300
Other Worldwide Security Upgrades	-	10,608	-	10,608
Kabul/Dushanbe	-	36,680		36,680
Border Security - Consular Affairs Associates	22,572	-	-	22,572
Policy Support	**15,903**	**2,763**	**-**	**18,666**
2004 Summit of the Industrial Nations	10,930	-	-	10,930
Athens Olympics	1,723	2,763	-	4,486
UNESCO US Mission Operations	3,250	-	-	3,250
Total, Program Increases	**135,502**	**98,703**	**-**	**234,205**
FY 2004 President's Budget Request	**3,516,843**	**646,701**	**157,000**	**4,320,544**

CURRENT SERVICES

STATE PROGRAMS CURRENT SERVICES

Explanation of Current Estimate

The FY 2003 current estimate for State Programs appropriations of $4,114,179,000 consists of the following amounts:

- $3,384,179,000 estimated for Diplomatic and Consular Programs.
- $553,000,000 estimated for Worldwide Security Upgrades.
- $177,000,000 estimated for the Capital Investment Fund.

Explanation Of 2004 Built-In Changes - Decreases

Decreases (non-recurring costs and adjustments) total $199,524,000 for Department of State Programs appropriations including $143,653,000 for Diplomatic and Consular Programs, $35,871,000 for Worldwide Security Upgrades, and $20,000,000 for the Capital Investment Fund as follows:

- **Pacific Salmon Treaty Implementation: -$20,000,000.** FY 2003 was the fourth and final year of the treaty-based obligation for the U.S. under the Pacific Salmon Act of 1999. These funds will no longer be required.
- **Charleston Financial Services Center: -$21,544,000.** This reduction is due to a decrease of financial consolidation activities and for one time FY 2003 costs.
- **Perimeter Security Enhancements: -$30,600,000.** This request reflects completion of the initial multi-year perimeter security enhancements program while maintaining required funding levels for additional technical security upgrades and scheduled modernization.
- **Diplomatic Readiness Leasehold Costs Transfer to Embassy Security and Construction and Maintenance (ESCM) Appropriation: -$17,009,000.** Realignment to regularize funding responsibility for leasehold costs for FY 2002 and FY 2003 Diplomatic Readiness Initiative positions within the ESCM appropriation.
- **Center for Anti-Terrorism and Security Training: -$52,000,000.** This reduction reflects one-time costs to establish the CAST training facility.
- **International Conference Costs: -$2,321,000.** Reduction in FY 2004 funding available to support international conferences.
- **One-time Hiring Plan Costs: -$35,600,000 including -$30,329,000 for D&CP and -$5,271,000 for Worldwide Security Upgrades.** This amount represents funding for one-time hiring plan costs for 399 new hires under the Diplomatic Readiness Initiative, and the one-time costs requirements for 134 new hires under the Worldwide Security Upgrades program.
- **Information Technology/Capital Investment Fund: -$20,000,000.** This amount reflects a decrease in appropriated funding levels due to non-recurring investments.
- **Biological Weapons Convention Costs Reduction: -$450,000.** A change in administration policy concerning its involvement in Biological Weapons Convention negotiations will permit a reduction in funds committed to this effort.

STATE PROGRAMS CURRENT SERVICES

Explanation Of 2004 Built-In Changes - Increases

The total increases for FY 2004 built-in changes are $171,684,000. This amount provides for the base adjustments detailed below including a 1.5 percent increase for domestic inflation and an overall average 3.8 percent increase for overseas non-wage inflation. The FY 2004 request reflects the proposed 2 percent American pay increase and overall FSN wage increases of 3.3 percent consistent with anticipated rates of overseas consumer price inflation. The breakdown of the total increase is as follows:

- **Annualization of 2003 Requirements: $38,202,000** reflects the full-year cost of the following:
  - Annualization of FY 2003 Diplomatic Readiness Initiative Hiring Increases: $28,332,000 ($24,243,000 for Diplomatic and Consular Programs (D&CP) and $4,089,000 for Worldwide Security Upgrades (WSU)). This amount represents the additional cost in FY 2004 from FY 2003 hiring increases.
  - 2003 American Cost-of-Living Adjustment: $9,870,000 ($9,175,000 for D&CP and $695,000 for WSU). Additional funding is required to annualize the FY 2004 cost of the 2003 American Pay Raise.
- **Anticipated 2004 Wage Requirements: $40,596,000** is required for the following anticipated wage increases during FY 2004:
  - American Cost-of-Living Adjustment: $25,029,000 ($23,194,000 for D&CP and $1,835,000 for WSU). This amount reflects an anticipated 2 percent general American cost-of-living increase in 2004.
  - FSN Wage: $15,567,000. This increase includes FSN salary adjustments consistent with local prevailing wage rates, needed to keep the Department competitive with other foreign countries' embassies and private firms in order to retain competent staff and to comply with local law, as required.
- **Anticipated 2004 Price Requirements: $92,886,000** is required for the following anticipated price increases during FY 2004:
  - Overseas Price: $28,701,000 ($20,890,000 for D&CP and $7,811,000 for WSU). This amount will fund an estimated average 3.8 percent increase in overseas utilities, supplies, and contractual services. The rates of overseas inflation are generally higher than that 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: $20,601,000 ($17,062,000 for D&CP and $3,539,000 for WSU). This amount will fund an estimated 1.5 percent increase in domestic inflation for such items as:
    - Government Printing Office and other printing services;
    - Military Postal Service Agency;
    - 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

STATE PROGRAMS CURRENT SERVICES

- Equipment purchases.

- GSA Rental Payment: $25,694,000. This increase results from estimated increases in rental rates for buildings occupied by the Department.
- Overseas Local Guard Program and Other Global Inflation: $7,538,000 ($3,238,000 for D&CP and $4,300,000 for WSU). This amount represents the overseas wage and price increases including those required to maintain the Department's numerous contracts for local guard services at overseas posts.
- Domestic Guard Program: $9,786,000 ($1,186,000 for D&CP and $8,600,000 for WSU). This amount represents the mandatory contractual increase to fund guard services domestically.
- Workers Compensation: $566,000. 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 Department requests funding for the final year of the Diplomatic Readiness Initiative. 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 objectives.

Under the three-year Initiative, the Department plans to hire a total of 1,158 additional employees to staff overseas positions and to respond to crises and meet dynamic training and staffing requirements for the Civil Service, Foreign Service Specialists, and Foreign Service Officers. In addition, the Department has separate initiatives to meet workforce requirements for security and consular needs.

The workforce requirements are based on mission needs identified by the President and the Department leadership, workforce analysis of existing skills and gaps, predictions of coming needs, training plans, and estimates of the strength needed to respond to crises.

The first year, FY 2002, of the three-year plan was a success. The Department was able to attract the talent needed to fill the new, higher targets. To do that effectively, we reengineered the hiring process to reduce the time it takes to hire Foreign Service employees from 27 months to less than one year and expanded outreach to attract the needed talent, getting record high levels of applicants to the Department. Based on staffing models and senior leadership decisions about mission priorities, the initial 360 new positions have been directed to the most critical hiring needs, predominately overseas.

In FY 2003, the Department plans to provide the second complement of diplomatic readiness positions to meet the remainder of overseas needs identified in the Overseas Staffing Model (OSM), provide resource support for new or emerging priorities such as the opening of Embassy Kabul, and enhance our professional training for Civil and Foreign Service employees. We also plan to turn our attention in FY2003 to reengineering of the Civil Service hiring process.

To realize the full benefit of this initial down payment, we must continue building on this success. Successful foreign policy resource management requires nothing less than obtaining the Department's full diplomatic readiness resource requirements. This final increase of 399 positions will enable the Department to finish the task envisioned by the Diplomatic Readiness Initiative. It will provide the flexible and responsive staffing needed to not only fill immediate needs but to prepare for the future and create a workforce that can meet the mission, get needed training, and be prepared to respond to unforeseen events. Our new mandatory leadership and management training initiative can succeed only with additional personnel to prevent training from creating untenable staffing gaps. With a higher employment level, staffing shortages at hardship posts will be reduced.

PROGRAM CHANGE JUSTIFICATION

Diplomatic Readiness: 399 Positions and $97,027,000.

To bring 399 new employees on board in FY 2004 (over attrition), the Department requires an increase of $97,027,000 to fund salaries and benefits, expedite security and medical clearance processing, and provide training — including specialized skills training and language training — to prepare new hires for their new assignments. The Department must also fund the travel to initial posts of assignment as well as routine support costs.

FY 2004 Request

SUMMARY STATEMENT

Human Resources Initiative	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2003 Estimate	0	0	0	0	$0	$0	$0
FY 2004 Current Services	0	0	0	0	$0	$0	$0
FY 2004 Program Changes							
Diplomatic Readiness Initiative	80	319	0	399	$64,765	$32,262	$97,027
Total Program Changes	80	319	0	399	$64,765	$32,262	$97,027
FY 2004 Request	80	319	0	399	$64,765	$32,262	$97,027

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Human Resources Initiative	FY 2002 Actual	FY 2003 Estimate	FY 2004 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**$0**	**$0**	**$48,592**	**$48,592**
Political Affairs	$0	$0	$24,100	$24,100
Political Diplomacy	$0	$0	$24,100	$24,100
Economic/Trade Affairs	$0	$0	$10,469	$10,469
Country Coordination	$0	$0	$14,023	$14,023
Diplomatic Security	**$0**	**$0**	**$1,296**	**$1,296**
Investigations and Counterintelligence	$0	$0	$1,296	$1,296
Information Resource Management	**$0**	**$0**	**$9,481**	**$9,481**
Infrastructure Systems	$0	$0	$9,481	$9,481
ADP Communications and Message Centers	$0	$0	$9,481	$9,481
Training Services	**$0**	**$0**	**$19,752**	**$19,752**
Professional Development/Area Studies	$0	$0	$19,752	$19,752
Medical Services	**$0**	**$0**	**$1,067**	**$1,067**
Overseas Health Units	$0	$0	$988	$988
Medical Examinations and Clearances	$0	$0	$79	$79
Overseas Administrative Support	**$0**	**$0**	**$6,434**	**$6,434**
Overseas Administrative Management	$0	$0	$6,434	$6,434
Post Assignment Travel	**$0**	**$0**	**$10,405**	**$10,405**
Total	$0	$0	$97,027	$97,027

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Human Resources Initiative	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Conduct of Diplomatic Relations	**50**	**196**	**0**	**246**	**$28,701**	**$19,891**	**$48,592**
Political Affairs	50	72	0	122	$14,235	$9,865	$24,100
Political Diplomacy	50	72	0	122	$14,235	$9,865	$24,100
Economic/Trade Affairs	0	53	0	53	$6,183	$4,286	$10,469
Country Coordination	0	71	0	71	$8,283	$5,740	$14,023
Diplomatic Security	**0**	**0**	**0**	**0**	**$1,296**	**$0**	**$1,296**
Investigations and Counterintelligence	0	0	0	0	$1,296	$0	$1,296
Information Resource Management	**0**	**48**	**0**	**48**	**$5,600**	**$3,881**	**$9,481**
Infrastructure Systems	0	48	0	48	$5,600	$3,881	$9,481
ADP Communications and Message Centers	0	48	0	48	$5,600	$3,881	$9,481
Training Services	**30**	**70**	**0**	**100**	**$11,667**	**$8,085**	**$19,752**
Professional Development/Area Studies	30	70	0	100	$11,667	$8,085	$19,752
Medical Services	**0**	**5**	**0**	**5**	**$662**	**$405**	**$1,067**
Overseas Health Units	0	5	0	5	$583	$405	$988
Medical Examinations and Clearances	0	0	0	0	$79	$0	$79
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$6,434**	**$0**	**$6,434**
Overseas Administrative Management	0	0	0	0	$6,434	$0	$6,434
Post Assignment Travel	**0**	**0**	**0**	**0**	**$10,405**	**$0**	**$10,405**
Total	80	319	0	399	$64,765	$32,262	$97,027

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Human Resources Initiative	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$22,823	$22,823
1200	Personnel Benefits	$0	$0	$15,491	$15,491
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	$15,198	$15,198
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	$97,027	$97,027

IRM CENTRAL FUND

Summary Statement

($ in thousands)

Appropriation/Fund	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Capital Investment Fund	$210,500	$177,000	$157,000	($20,000)
IRM Investment/Expedited Passport Fees	$63,000	$99,500	$114,000	$14,500
Total, IRM Central Fund	$273,500	$276,500	$271,000	($5,500)
Emergency Response Fund	$7,500	$0	$0	$0

Note: 1/ This section discusses requests for the Capital Investment Fund and Expedited Passport Fees, together called the IRM Central Fund. The IRM Central Fund is only one component of agency IT spending. IT investments funded in other accounts are discussed in the appropriate sections.

OVERVIEW

The IRM Central Fund, comprised of the Capital Investment Fund and Expedited Passport Fees, allows the Department to develop robust, secure, and integrated Information Technology (IT) systems for its world-wide users and to maintain the global infrastructure that undergirds the Department's IT systems. The 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. E-Diplomacy is the Department's implementation of e-Government.

The Department's global IT assets are in the best shape they have ever been. The completion of the OpenNet Plus initiative (May 2003) that provides secure Internet access, and the deployment of Classified IT equipment at all eligible posts through the Classified Connectivity Program (CCP) (scheduled for completion December 2003) signal the completion of the IT infrastructure spelled out in Goal One of the Department's current IT strategic plan.

The Department's highest priority for FY 2004 will be completing the security certification and accreditation of all IT systems, begun in FY 2003. IT security has always been of paramount importance at the Department, where the security of information in any form is a firmly entrenched principle. Defense-in-depth, consisting of numerous firewalls, a robust intrusion detection system, redundancy of key assets, and user security training requirements attest to the Department's recognition of the seriousness of IT security. With IT security as a top priority, we will focus extensive effort and resources on certification and accreditation activities, using resources from Worldwide Security Upgrades. The Department is aligning its management and reporting of IT security to conform to Federal Information Security Management Act of 2002 (FISMA) standards. All systems will be certified and accredited by the end of FY2004. The Department is also taking concerted action to ensure that IT security is an integral part of a system's life cycle from its inception.

In FY 2002, in alignment with the President's Management Agenda and the possibilities of increased performance to be gained from technology, the focus expanded from deploying modern infrastructure to involvement of users in the creation of improved tools. Users were polled for requirements and Assistant Secretaries became active in charting the course for a new messaging system. In this effort, the Under Secretary for Management's policy staff became involved in the business architecture and a management team was established to guide these efforts. A new task force for e-Diplomacy was created. The staff that had historically been involved in IT was challenged to involve more users, address security issues in new ways that unleash the potential of IT, utilize more performance-based contracting, and be more judicious in the use of IT resources. Project Managers received training to use the Information Technology Investment

Portfolio System (I-TIPS). Acronyms like BCA, ROI, NPV and EVMS are becoming part of their vocabulary. (BCA - Benefit Cost Analysis, ROI - Return on Investment, NPV - Net Present Value, EVMS -Earned Value Management System).

During FY 2003, we are beginning a formal process to pursue e-Government and carry out all required e-Government action items. We have begun development of an e-Gov strategy, establishment of an organization focused on e-Gov activities and initiatives, and are incorporating e-Gov requirements explicitly in the Department's IT Capital Planning process. We will also be developing a new e-Gov/IT strategic plan this year.

The Enterprise Architecture is also being rewritten - with the requisite involvement of those who will benefit. The increased focus of the Department on Information Technology, improvements in capital planning, and the attempt to manage the rush of new user demands has increased awareness of the critical importance that this document will have as a guide for IT investments.

By FY 2004, we will have the necessary IT infrastructure in place to support the knowledge management, 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.

In addition to certifying and accrediting IT systems (an activity not funded in this account), the highest IT priorities for FY 2004 will be developing the State Messaging and Archive Retrieval Toolset (SMART); and implementing e-Diplomacy/e-Government.

- SMART will replace the Department's outmoded telegram system with a modern, Internet-like system that integrates all the means through which people exchange information: replacing today's cables, emails, Department notices, and memoranda with *e-documents*. SMART will replace the fragmented processes, systems, and paper and automated documents in use today in a single web-based system.
- E-Diplomacy is supported by a new Task Force on e-Diplomacy (M/eDip) headed by an ambassador and reporting directly to the Under Secretary for Management. The e-Diplomacy office will ensure that the Department's IT investments are focused on the business practices of modern diplomacy and the needs of users; and on optimal use of our substantial knowledge resources, especially the expertise and experience of our employees. E-Gov will be addressed through a concerted effort under the direction of State's IT investment review board, supported by the Offices of the CIO, CFO, and E-Diplomacy; and with extensive involvement by the business and diplomatic bureaus and users throughout the Department.

The programs described below were formulated in our five-year IT Strategic Plan in FY2001. The tragic events of September 11 serve to emphasize the importance and urgency of the programs required to improve our voice and data security. 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. These plans will then be incorporated into the Enterprise Architecture.

The Central Fund investments planned during FY 2004 will contribute directly 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

IRM CENTRAL FUND

- Leveraging IT to Streamline Operations
- Sustaining a Trained Productive Workforce

The following table summarizes the FY 2004 funding needed by the Department to achieve its strategic IT goals and objectives:

IRM CENTRAL FUND

CURRENT PROGRAMS

IT Central Fund
(dollars in thousands)

Program Initiatives	FY2002 Actual	FY2003 Estimate	FY2004 Request
State Messaging and Archive Retrieval Toolset (SMART)	**2,949**	**10,000**	**15,000**
Foreign Affairs Systems Integration (FASI)	**650**	**5,000**	**0**
A Secure Global Network and Infrastructure*	**$257,099**	**$195,146**	**$188,567**
Modernization World-wide IT Infrastructure/1	216,231	130,735	134,159
OpenNet Plus	*109,631*	*36,500*	*0*
Worldwide OpenNet Infrastructure			*59,855*
Classified Connectivity Program	*106,600*	*94,235*	*0*
Worldwide Classnet Infrastructure			*24,304*
Bandwidth			*50,000*
Infrastructure Initiatives	40,868	64,411	54,408
Secure Voice Program/2	*11,066*	*4,570*	*1,057*
Post High Frequency Communications	*1,000*	*5,057*	*720*
Public Key Infrastructure	*1,345*	*7,345*	*7,345*
Centrally Managed Infrastructure	*14,070*	*26,367*	*24,917*
Other IT Infrastructure	*13,387*	*21,072*	*20,369*
Applications and Software Development	**29,736**	**62,196**	**63,085**
Integrated Logistics Management System (ILMS)	*14,367*	*21,937*	*23,951*
Global Financial Management System (GFMS)	*3,640*	*7,350*	*5,548*
Integrated Personnel Management System (IPMS)	*3,000*	*11,166*	*11,900*
Other Applications	*8,729*	*21,743*	*21,686*
			0
Project Management and Training	**2,095**	**4,158**	**4,348**
Sustaining a Trained Productive Workforce*			
Total, IRM Central Fund/3	**$292,529**	**$276,500**	**$271,000**

* Strategic Goal from Information Technology Strategic Plan (FY 2001-FY 2005)

/1 Total budgetary resources for OpenNet Plus and the Classified Connectivity Program in FY 2002 and FY 2003 include equipment refresh, bandwidth and network management costs.

/2 $7,500,000 provided for Secure Voice Program from Emergency Response Fund in FY 2002.

/3 Total for FY 2002 includes unallocated carry-forward from prior years.

IRM CENTRAL FUND

State Messaging and Archive Retrieval Toolset (SMART) - $15,000,000

The Department depends heavily on a fragmented collection of outmoded manual and automated systems to support foreign policy activities on a worldwide basis. The cable system, which is the main communication vehicle for substantive information exchange, dates back to World War II and suffers numerous limitations. Compounding the problems is the use of email for official and unofficial business, resulting in fragmented, inaccessible information on topics of great importance to the Department's mission. These key systems cannot meet the Department's requirements for high-speed information exchange and collaborative processing.

SMART is intended to meet three critical business needs of users: modern messaging, dynamic archiving, and information sharing at the desktop. This initiative will replace State's telegram and e-mail systems with a modern system allowing web-based transmission, receipt, and retrieval of messages. Users will access a single, global repository of e-Documents via standard web browsers or personal digital assistants from anywhere in the world. SMART will have many of the characteristics of systems people use at home: portals, remote access, powerful search & retrieval, etc.

During FY 2002 we completed the Business Process Reengineering (BPR) study required for such a major undertaking, established a program management office (PMO) and steering committee to ensure user and management oversight, and developed an initial prototype. We are committed to ensuring that SMART is a user-driven project and system.

As of December 31, 2002, the Department had successfully developed and evaluated a prototype of the system that provided a proof of concept and clarified user requirements. The plan is to fully develop the system solution through a design demonstration competition in FY2003 followed by a phased deployment beginning in FY 2004. In parallel, we will be planning and establishing redundant network and processing facilities to ensure that SMART will be sufficiently reliable and available. We will provide adequate capacity to meet the Department's global messaging requirements in accordance with the phased deployment.

The Department has decided to converge the Foreign Affairs System Integration (FASI) program with the SMART initiative to maximize the Department's investment and interagency collaboration. The FASI pilot reinforced the consensus among interagency colleagues of the need for interagency connectivity and collaboration — a requirement identified by the Overseas Presence Advisory Panel (OPAP) report. The FASI pilot also developed software applications and acquired experience that can be useful in improving Department systems. An interagency working group has been formed under the SMART project to use the FASI lessons learned to explore cost-effective and secure methods of interagency collaboration at post.

IRM CENTRAL FUND

Worldwide Infrastructure Support
Worldwide OpenNet Infrastructure -$ 59,855,000
Worldwide Classnet Infrastructure -$24,304,000

During FY 2003, the OpenNet Plus program will have extended Internet access to all unclassified machines worldwide. By early FY 2004 we will have fully deployed modern classified IT systems worldwide extending the Classnet system. In FY 2004, the Department must maintain a funding base to keep its worldwide computer and communications infrastructure up-to-date.

Through the Worldwide OpenNet Infrastructure refresh program, we are centrally managing a technology refresh program to periodically replace unclassified desktop computers, servers, network equipment and circuits at overseas posts. OpenNet Plus brought the domestic unclassified systems under the centralized refresh umbrella and standardized the systems connected to the OpenNet network. The global network assets are in the best state they have ever been.

Management of the domestic portion of these assets has historically been done on an ad hoc basis by the bureaus. The completion of the OpenNet Plus program affords the Department an opportunity to centrally manage these global assets. Likewise, the investment in CCP should be centrally managed to maintain consistency. The extra security requirements for the handling of this equipment make it unsuitable for ad hoc bureau or post management.

The FY 2004 request will enable the Department to fully transition to the new standard operating system in FY 2004, taking advantage of the benefits of the enhancements in security and systems management afforded by the new operating system. The need for comprehensive vendor support also mandates completion of the operating system upgrade in FY 2004.

Bandwidth - $50,000,000
This request funds the Department's FY 2004 bandwidth requirements. In FY 2002 and FY 2003, the requirements for bandwidth were funded through the OpenNet Plus and CCP programs. These programs provide the access to information, but it is the bandwidth that underlies the Department's ability to ensure immediate worldwide communications. As the demand for the flow of information increases for meeting our nation's foreign policy objectives, basic bandwidth circuits of sufficient size must be provided and funded.

Secure Voice Program - $1,057,000
The U.S. 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 replacing STU-III units with funding provided in FY 2002 and FY 2003. The STE is a secure voice device designed to encrypt voice and data for media transmission. In addition to ensuring that the Department maintains the ability to inter-operate with its federal government partners, this request will allow the Department to quickly and securely communicate, particularly in crisis environments, with our overseas locations.

Post High Frequency Communications - $720,000
Funding for FY 2004 is required for equipment maintenance and refresh for the Department's High Frequency (HF) radio program. These 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.

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 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 will also help satisfy provisions set forth by the Government Paperwork Elimination Act (GPEA) by using digital certificates in electronic transactions, thereby reducing the amount of paper produced for physical signature. Other needs for secure communication include contractor information between overseas secure Embassy construction sites and the Department; investigative reports by Diplomatic Security; and protection of sensitive and personal medical records that must be transmitted electronically to serve members of the Foreign Service and others stationed overseas.

Centrally Managed Infrastructure - $24,917,000

This request will enable the Department to continue to manage the Department's networks. Important improvements have been made in the last few years in supplying secure central facilities for shared equipment and providing the licensing required for consistent systems. This is a significant task when the systems are deployed in environments that range from technologically mature countries to third world countries with inconsistent infrastructure. Central management of the infrastructure enables the Department to develop maintain standards of equipment and authorized activities by system managers every place the network extends, as well to promptly respond to circuit outages.

Other IT Infrastructure - $20,369,000

In addition to network oversight, numerous programs support anti-virus systems, specific network connection equipment at post, digital copiers at posts, as well as radio, video collaboration and telephone systems.

Applications and Software Development - $63,085,000

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 2004 the Department will continue to 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. In addition to the major administrative systems, there are also systems for medical information, export licensing and Public Diplomacy. This request will also enable the Department to web-enable applications, create more useful reports and improve the ability of data sharing.

- Integrated Logistics Management System (ILMS) - $23,951,000. A major reengineering and development effort to create a modern, user-oriented system for all logistics functions, including purchasing, supply, transportation, warehousing and inventory management. The ILMS solution will emphasize operations streamlining and self-service.
- Global Financial Management System (GFMS) - $5,548,000. The Department of State's overseas and domestic financial management will be integrated into one worldwide system. The ultimate goal is to obtain a single integrated view of financial data through data standardization, common business processes, and the seamless exchange of information through the Department's financial management and administrative environments.

IRM CENTRAL FUND

- Integrated Personnel Management System (IPMS) - $11,900,000. Supports the Department's overall strategic human resources goals. It is instrumental in ensuring we have the "right people, with the right training, in the right place, at the right time". The long-term mission of IPMS is to plan, implement and deploy world-class support systems and technology, providing the Department with superior human capital management in support of its diplomatic mission.

Project Management and Training - $4,348,000
The Department is increasing its coordination of its world-wide Information Technology and e-Government programs. An Enterprise Architecture is being written that can guide the creating of systems that increase productivity for Department employees. This request will also fund the replacement of outdated equipment at the Foreign Service Institute, which is essential to a trained and productive workforce.

FY 2004 Request
SUMMARY STATEMENT

IRM Central Fund	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	0	0	0	0	$210,500	$0	$210,500
FY 2003 Estimate	0	0	0	0	$177,000	$0	$177,000
FY 2004 Current Services	0	0	0	0	$177,000	$0	$177,000
FY 2004 Program Changes							
IT Investment	0	0	0	0	($20,000)	$0	($20,000)
Total Program Changes	0	0	0	0	($20,000)	$0	($20,000)
FY 2004 Request	0	0	0	0	$157,000	$0	$157,000

IRM CENTRAL FUND

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

IRM Central Fund	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Information Resource Management	**$210,500**	**$177,000**	**$157,000**	**($20,000)**
Infrastructure Systems	$176,131	$115,990	$82,637	($33,353)
Central Management Functions	$176,131	$115,990	$82,637	($33,353)
Corporate Information Systems and Services	$24,209	$56,499	$69,852	$13,353
Core Foreign Affairs Systems	$3,650	$28,766	$33,586	$4,820
Financial Systems	$7,559	$11,733	$12,315	$582
Administrative Systems	$13,000	$16,000	$23,951	$7,951
Office Automation	$10,160	$4,511	$4,511	$0
Other Office Automation	$10,160	$4,511	$4,511	$0
Total	$210,500	$177,000	$157,000	($20,000)

FY 2004 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**	**$157,000**	**$0**	**$157,00**
Infrastructure Systems	0	0	0	0	$82,637	$0	$82,63
Central Management Functions	0	0	0	0	$82,637	$0	$82,63
Corporate Information Systems and Services	0	0	0	0	$69,852	$0	$69,85
Core Foreign Affairs Systems	0	0	0	0	$33,586	$0	$33,58
Financial Systems	0	0	0	0	$12,315	$0	$12,31
Administrative Systems	0	0	0	0	$23,951	$0	$23,95
Office Automation	0	0	0	0	$4,511	$0	$4,51
Other Office Automation	0	0	0	0	$4,511	$0	$4,51
Total	0	0	0	0	$157,000	$0	$157,00

IRM CENTRAL FUND

FUNDS BY OBJECT CLASS
($ in thousands)

	IRM Central Fund	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
2100	Travel & Trans of Persons	$12,650	$14,800	$4,000	($10,800)
2200	Transportation of Things	$8,900	$15,400	$2,200	($13,200)
2500	Other Services	$91,500	$115,500	$97,800	($17,700)
2600	Supplies and Materials	$3,200	$2,800	$1,100	($1,700)
3100	Personal Property	$94,250	$28,500	$51,900	$23,400
Total		$210,500	$177,000	$157,000	($20,000)

FY 2004 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 2002 Actual	0	0	0	0	$63,000	$0	$63,000
FY 2003 Estimate	0	0	0	0	$99,500	$0	$99,500
FY 2004 Current Services	0	0	0	0	$99,500	$0	$99,500
FY 2004 Program Changes							
Increase in anticipated Expedited Passport Fees	0	0	0	0	$14,500	$0	$14,500
Total Program Changes	0	0	0	0	$14,500	$0	$14,500
FY 2004 Request	0	0	0	0	$114,000	$0	$114,000

IRM CENTRAL FUND

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

IRM Investment/Expedited Passport Fees	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Information Resource Management	**$63,000**	**$99,500**	**$114,000**	**$14,500**
Infrastructure Systems	$51,425	$80,377	$95,672	$15,295
DTS Leased Lines	$28,175	$39,400	$50,000	$10,600
Other Telecommunications Abroad	$0	$4,700	$5,800	$1,100
Mainframe Computer Centers	$0	$2,300	$0	($2,300)
Central Management Functions	$7,163	$22,127	$26,737	$4,610
Infrastructure Maintenance	$0	$2,400	$2,600	$200
Information Management Security Implementation	$7,700	$9,450	$9,478	$28
ADP Communications and Message Centers	$650	$0	$0	$0
Voice Communications Programs	$7,737	$0	$1,057	$1,057
Corporate Information Systems and Services	$2,509	$5,190	$11,848	$6,658
Core Foreign Affairs Systems	$900	$0	$0	$0
Financial Systems	$1,000	$3,500	$5,548	$2,048
Administrative Systems	$609	$1,690	$6,300	$4,610
Office Automation	$9,066	$8,917	$3,659	($5,258)
Other Office Automation	$9,066	$8,917	$3,659	($5,258)
Other Information Resource Management	$0	$5,016	$2,821	($2,195)
Total	$63,000	$99,500	$114,000	$14,500

IRM CENTRAL FUND

FY 2004 Request
PROGRAM ACTIVITIES

IRM Investment/Expedited Passport Fees	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Information Resource Management	**0**	**0**	**0**	**0**	**$114,000**	**$0**	**$114,000**
Infrastructure Systems	0	0	0	0	$95,672	$0	$95,672
DTS Leased Lines	0	0	0	0	$50,000	$0	$50,000
Other Telecommunications Abroad	0	0	0	0	$5,800	$0	$5,800
Central Management Functions	0	0	0	0	$26,737	$0	$26,737
Infrastructure Maintenance	0	0	0	0	$2,600	$0	$2,600
Information Management Security Implementation	0	0	0	0	$9,478	$0	$9,478
Voice Communications Programs	0	0	0	0	$1,057	$0	$1,057
Corporate Information Systems and Services	0	0	0	0	$11,848	$0	$11,848
Financial Systems	0	0	0	0	$5,548	$0	$5,548
Administrative Systems	0	0	0	0	$6,300	$0	$6,300
Office Automation	0	0	0	0	$3,659	$0	$3,659
Other Office Automation	0	0	0	0	$3,659	$0	$3,659
Other Information Resource Management	0	0	0	0	$2,821	$0	$2,821
Total	0	0	0	0	$114,000	$0	$114,000

IRM CENTRAL FUND

FUNDS BY OBJECT CLASS
($ in thousands)

	IRM Investment/Expedited Passport Fees	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
2100	Travel & Trans of Persons	$3,550	$3,800	$5,200	$1,400
2200	Transportation of Things	$950	$2,300	$1,204	($1,096)
2400	Printing & Reproduction	$1,085	$1,085	$1,085	$0
2500	Other Services	$41,370	$68,230	$79,382	$11,152
2600	Supplies and Materials	$2,095	$1,283	$3,429	$2,146
3100	Personal Property	$13,950	$22,802	$23,700	$898
Total		$63,000	$99,500	$114,000	$14,500

DIPLOMATIC & CONSULAR PROGRAMS

Secure Operations

OVERVIEW STATEMENT

To further enhance the nation's security, the Department has determined that certain consular section roles must be reoriented and has begun implementing a multi-year strategy for the evolution of roles of Consular Associates and Foreign Service Nationals (FSNs). The Department's goal is to staff consular sections with sufficient numbers of commissioned Consular Officers to meet core citizenship and visa adjudicating responsibilities, specifically: interviewing applicants, evaluating Consular Lookout and Support System (CLASS) hits, and adjudicating visas and citizenship entitlement. The FY 2004 request includes increases to establish 68 Foreign Service Consular Officer positions to support this effort. The FY 2004 request also non-recurs one-time costs that supported the fielding of a new Center for Anti-Terrorism Security Training (CAST) in FY 2003.

PROGRAM CHANGE JUSTIFICATION

Border Security – Consular Associates Replacements: 68 Positions and $22,572,000

The Department of State is committed to an aggressive effort to rationalize its overseas staffing responsible for visa adjudication. A key element of this strategy will be to shift responsibility for visa adjudication currently held by Consular Associates to Foreign Service Officers. Consistent with this strategy, the Department of State will establish 68 new positions in FY2004. These positions will be funded as part of the Diplomatic and Consular Programs appropriation. This step will help ensure that all prospective visitors or immigrants to the U.S. are carefully screened by well-trained and language qualified Foreign Service personnel as part of the visa adjudication process. Establishing these 68 new positions is another step in the Department of State's on-going effort to rationalize its overseas consular staffing, consistent with the overriding mission to strengthen U.S. homeland security.

The Department of State will also establish additional positions as part of the Border Security Program funded by Machine-Readable Visa (MRV) fees. These positions will help meet the increased on-going consular workload, especially the enhanced national security requirements established as part of U.S. homeland security initiatives. They will also help ensure the integrity of biometric collection programs that will be established consistent with the nation's commitment to strengthen U.S. homeland security. These positions will supervise biometric collection in both on-site collection facilities and at contractor-operated facilities established consistent with this critical homeland security effort.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Secure Operations	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2003 Estimate	0	0	0	0	$52,000	$0	$52,000
FY 2004 Built-in Changes							
Center for Anti-Terrorism Security Training (CAST)	0	0	0	0	($52,000)	$0	($52,000)
Total Built-in Changes	0	0	0	0	($52,000)	$0	($52,000)
FY 2004 Current Services	0	0	0	0	$0	$0	$0
FY 2004 Program Changes							
Consular Associates Replacements	0	68	0	68	$16,890	$5,682	$22,572
Total Program Changes	0	68	0	68	$16,890	$5,682	$22,572
FY 2004 Request	0	68	0	68	$16,890	$5,682	$22,572

FY 2004 Request
PROGRAM ACTIVITIES

Secure Operations	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Conduct of Consular Relations	**0**	**68**	**0**	**68**	**$16,890**	**$5,682**	**$22,572**
Overseas Visa Services	0	68	0	68	$16,890	$5,682	$22,572
Total	0	68	0	68	$16,890	$5,682	$22,572

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Secure Operations	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$3,977	$3,977
1200	Personnel Benefits	$0	$0	$4,371	$4,371
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$0	$0	$1,587	$1,587
2200	Transportation of Things	$0	$0	$1,500	$1,500
2300	Rents, Comm & Utilities	$0	$0	$2,879	$2,879
2400	Printing & Reproduction	$0	$0	$0	$0
2500	Other Services	$0	$52,000	$2,379	($49,621)
2600	Supplies and Materials	$0	$0	$303	$303
3100	Personal Property	$0	$0	$5,576	$5,576
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	$52,000	$22,572	($29,428)

WORLDWIDE SECURITY UPGRADES

Summary Statement

($ in thousands)

Appropriation/Fund	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Diplomatic and Consular Programs	$487,735	$553,000	$646,701	$93,701
Emergency Response Fund	$30,000	$0	$0	$0
War on Terrorism Supplemental	$17,900	$0	$0	$0

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 technological attacks directed at those facilities, some as flagrant as the car bomb attack directed at the Consulate General in Karachi and some as subtle as numerous documented 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. emphasize the importance of continuing and expanding the programs operated with Worldwide Security Upgrades funds and augmenting those programs with additional domestic initiatives.

The FY 2004 request of $646,701,000 is an increase of $93,701,000 and 85 positions over the $553,000,000 requested for Worldwide Security Upgrades in the FY 2003 President's Budget.

The FY 2003 President's Budget included funds to finance the continuation of the comprehensive perimeter security enhancement program, an increase in the Department's cadre of security professionals by 134 positions, and programs to keep security vulnerabilities low and maintain defensive countermeasures to help thwart attacks or mitigate their effects.

The FY 2004 request is summarized in the following table:

WORLDWIDE SECURITY UPGRADES

CURRENT PROGRAMS

Worldwide Security Upgrades
(dollars in thousands)

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request
Worldwide Security Upgrades			
Ongoing Security Activities			
Guards – Worldwide Protection	$139,101	$137,046	$181,649
Physical Security Equipment	18,395	18,912	19,234
Technical Support/Infrastructure	84,003	68,932	66,337
Information/Systems Security	50,684	51,825	54,640
Armored Vehicles	10,320	10,536	10,715
Personnel /Training	99,048	119,780	150,126
Chemical/Biological Program	3,944	4,057	14,332
Radio Program	8,240	7,413	7,565
Domestic Technical & Physical Security Upgrades 1/	--	21,000	--
Response to Terrorist Attacks 1/	--	17,302	--
Strengthened Security Programs (134 positions) 1/	--	22,197	--
Subtotal	**413,735**	**479,000**	**504,598**
Perimeter Security Enhancements	74,000	74,000	43,400
Sub-total	**487,735**	**553,000**	**547,998**
Post-9/11 Staffing Requirements (85 positions)	--	--	7,952
Physical Security – Armored Vehicle Lifecycle	--	--	12,400
National Information Assurance Certification & Accreditation Process (NIACAP)	--	--	28,300
Protection of Domestic Facilities	--	--	2,685
Investigations Infrastructure	--	--	7,923
Overseas Facility Protection (Kabul & Dushanbe)	--	--	36,680
Athens Olympics Security	--	--	2,763
Total – Worldwide Security Upgrades	**$487,735**	**$553,000**	**$646,701**
Emergency Response Funds (203 Agents) 2/	**30,000**	--	--
War on Terrorism Supplemental	**17,900**	--	--

1/ FY 2003 program increases are integrated within the applicable program activities in FY2004.
2/ FY 2002 Emergency Response Fund transfers are integrated within the applicable program activities in FY 2003.

WORLDWIDE SECURITY UPGRADES

Maintaining Ongoing Security Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	1,045	0	$504,598	$86,097

The FY 2003 base for the ongoing worldwide security upgrades is $479,000,000. The increase of $25,598,000 to $504,598,000 for ongoing activities includes adjustments for a reduction of $5,271,000 for one-time costs associated with hiring 134 new security personnel in FY2003 and an increase of $30,869,000 to fund FY 2003 annualized and FY 2004 anticipated wage and price increases including mandatory contract wage increases of $8,600,000 for domestic uniformed guards and $4,300,000 for overseas local guards.

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 since FY 1999 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: Beginning in FY 1999, 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 871 state-of-the-art walk-through metal detectors and 304 X-ray equipment units in service around the world.
- Maintenance and repair of closed circuit cameras that operate at night and 366 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.

WORLDWIDE SECURITY UPGRADES

- 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, Miami, 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 FY2000 under the Emergency Security Appropriation 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:

- Certify 100 applications and 120 overseas and domestic sites.
- Maintain and upgrade automation security support domestically and at 178 posts overseas.
- Provide computer security training to employees and contractors throughout the Department.
- Conduct training for about 800 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. This program ensures that armored vehicles are available to provide safe transport of U.S. personnel overseas by funding maintenance and repair costs for more than 1,100 armored vehicles. To keep these vehicles operational and fully functioning, repair teams are sent to posts around the world to replace damaged doors, windows, and windshields. In some cases, it is necessary to completely replace a vehicle if it suffers severe damage or destruction in an accident or through some act of intentional violence. In addition, a schedule is being established that will provide for the replacement of 72 aging vehicles in FY 2003 as the Department moves toward establishing a five-year lifecycle replacement

program covering the entire overseas armored vehicle fleet. Continuation of the program at this level in FY 2004 and beyond will allow for the replacement of 72 aging vehicles each year, but will not provide for the additional 153 that need to be replaced each year to fully implement the five-year cycle. A request is included in the initiatives section that will allow the Department to establish the full five-year replacement program.

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 1,045 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 Appropriation, 92 positions added in 2001, 203 security agents funded by Emergency Response Funds, 186 new security positions approved in FY 2002, and 134 additional security professionals requested in the FY 2003 President's Budget. 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 by Worldwide Security Upgrades in subsequent fiscal years. 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 (over 100,000) and suits (over 3,000) for use by personnel and local guards overseas and domestically in the event of a chemical or biological attack.
- Replacement of any equipment or gear used in practice exercises.
- 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 medical supplies to be stored offsite at posts overseas.
- 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.

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 Appropriation 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. OWP activities include post visits to verify and validate radio coverage of OWP systems; purchase and installation of repeaters, antennas, and peripheral equipment to correct for loss of coverage at existing locations; purchase and installation of equipment at any new locations as necessary; on-going evaluation to identify any weaknesses not detected in the early planning and implementation of the OWP; and establishment of a lifecycle replacement plan for equipment and systems. The radio program also provides for communication requirements of the local guard program around the world. In FY 2002 the Department began the process of replacing its 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 2007. To meet this requirement, the Department's diplomatic security (DS) and law enforcement

wireless equipment infrastructure was replaced at 8 DS field offices across the country with another 9 field offices scheduled for conversion in FY 2003. In FY 2003 the program will begin the process of converting the wireless networks in the Washington, DC area, a process which is expected to continue through FY 2004.

Perimeter Security

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$43,400	($30,600)

To address critical vulnerabilities in perimeter security, the Department is requesting $43,400,000 to upgrade security at those facilities not included in prior upgrade efforts and to establish a lifecycle maintenance and replacement program for the upgrades installed over the last four years. The last of the initial 243 posts/chancery buildings identified in the multi-year program of perimeter security enhancement initiated under the 1999 Emergency Supplemental Appropriation will be completed during FY2004 with funding provided through FY 2003. This request will fund technical upgrades at 30 annexes and other buildings not included in the original program, but that remain at significant risk. This request will also fund the initiation of a phased modernization schedule for the 243 original installations. The scheduled life-cycle replacement and state-of-the-art upgrades for equipment such as cameras and recording devices will keep them technically effective in providing the highest possible level of protection for our personnel and facilities around the world.

WORLDWIDE SECURITY UPGRADES

Post-9/11 Staffing Requirements

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	85	0	$7,952	$7,952

The Department is seeking $7,952,000 to finance 85 additional security professionals to increase its ability to address crucial domestic and overseas security needs. The single most important factor in the deterrence of and response to terrorist acts continues to be 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. The Department received resources from the Emergency Response Fund to support the addition of 203 Special Agents in FY 2002 and has requested 134 additional positions in the FY 2003 President's Budget. However, further security support is still needed as the deep and pervasive threat of global terrorism and the need for homeland security continue to grow. The addition of these professionals will allow the Department to further strengthen the following activities:

- terrorism investigations conducted by domestic field offices;
- overseas support for overextended regional security officers;
- site security management in support of accelerated embassy construction;
- counterintelligence; and
- Joint Terrorism Task Force participation.

Special Agents - $6,020,000: A total of 70 Special Agents are needed to perform a variety of tasks. First, 29 are needed throughout the 20 domestic field and resident offices to meet workload increases concerning law enforcement activities, on-site coordination with local police authorities, and homeland security requirements. Second, 11 Special Agents are needed as site security managers to support the Department's accelerated schedule for construction and renovation of embassies. Third, another 15 special agents are needed to provide additional security officer support to overextended Regional Security Officers abroad as overseas workload continues to increase dramatically. These RSO support positions would be stationed domestically and deployed abroad on TDY as needed. The remaining 15 agents would be used for Joint Terrorism Task Forces, Foreign Emergency Support Teams, and protection management.

Civil Servants and Office Management Specialists - $1,932,000: The Department request includes 15 additional security professionals to provide professional and administrative support to the worldwide security program. Primary among these are 11 civil servants to strengthen countermeasures, field office operations, intelligence analysis, overseas operations, industrial security, and facilities protection efforts. In addition, the request seeks to increase overseas support for Regional Security Officers by adding 4 Office Management Specialists and assigning them to posts with the greatest current need.

WORLDWIDE SECURITY UPGRADES

Physical Security - Armored Vehicle Lifecycle

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$12,400	$12,400

To maintain the current level of overseas transportation security provided to Chiefs of Mission and other U.S. personnel the Department is seeking $12,400,000 to fund the armored vehicle replacement cycle in FY 2004. In the aftermath of the embassy bombings in 1998, the Department reassessed threats to U.S. personnel worldwide and determined that increased availability of armored vehicles was essential not only to protect Chiefs of Mission, but other personnel as well. An intensive program to acquire and ship over 1,100 fully and lightly armored vehicles to posts was funded by the FY 1999 Emergency Supplemental Appropriation. Since the implementation of the Armored Vehicle Program under the supplemental, threat levels have increased requiring the Department to maintain the program at its current level. The established lifecycle for armored vehicles overseas is five years. The requested funding will allow the Department to increase the annual replacement by 153 vehicles bringing the annual total to 225 per year and establishing an on-going cycle that will replace each of the 1,100 vehicles in the pool every five years.

National Assurance Certification & Accreditation Process (NIACAP)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$28,300	$28,300

The Department is requesting $28,300,000 to implement certification and accreditation requirements of the National Information Assurance Certification and Accreditation Process (NIACAP) and OMB Circular A-130. These require the certification and accreditation of all Department information technology systems, networks, applications, domains and sites over a two-year period. The program includes documentation, certification, accreditation, remediation, and training.

Certification and accreditation programs reduce the risk that sensitive data will be compromised, protect the integrity and the reliability of the data, and secure the timely availability of the information technology networks' resources, as well as the data that they contain. The Department is implementing an aggressive program to certify and accredit systems and applications. Applying the NIACAP methodology to the full range of Department systems and sites will be a major undertaking, requiring nearly constant deployment of teams to over 360 sites.

WORLDWIDE SECURITY UPGRADES

Protection of Domestic Facilities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,685	$2,685

The Department is requesting $2,685,000 for projects to increase the security of key domestic facilities. Recent events demonstrate that the Department must continue strengthening its domestic security posture to sustain support of the worldwide security program essential to our diplomatic mission around the world. The following initiatives will strengthen overall security and eliminate specific vulnerabilities at key domestic facilities:

- Closed Circuit Television (CCTV) equipment and cameras - $345,000: These funds provide for the purchase and installation of new CCTV equipment and cameras to more effectively monitor the perimeter areas of the Harry S Truman building. This will replace the current outdated system with state-of-the-art equipment capable of providing maximum resolution in all light conditions, withstanding severe weather, and displaying in color for the most accurate differentiation among objects and persons.

- Perimeter Security Barriers - $1,690,000: The Inspector General and the Information Assurance Task Force have identified the open moat areas (window wells) around the perimeter of the Harry S Truman building as significant vulnerability points for potential bomb attacks and/or physical break-ins. The proposed remedy is to cover these moats with grates which will enhance the protection of lives and property by minimizing the potential damage that would result from an explosion in the confined area of these moats as well as reduce the potential for unauthorized entry through moat windows.

- Perimeter Fence Upgrade - $650,000: To better protect employees teaching and attending classes at the National Foreign Affairs Training Center (NFATC) and children enrolled in the NFATC Childcare Center against potential harm related to unauthorized access to the property, the Department will install 7,500 linear feet of 8-foot high anti-climb fencing and gates. This anti-climb fence will extend the existing perimeter protection at NFATC to the parking area and childcare center.

WORLDWIDE SECURITY UPGRADES

Investigations Infrastructure

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$7,923	$7,923

The Department is requesting $6,300,000 to upgrade and broaden its infrastructure related to a variety of inter-agency databases, applications and networks that support domestic and overseas law enforcement, intelligence, and anti-terrorism activities and programs. Under the present threat environment it is critical that the Department's law enforcement, intelligence, and counter-terrorism operations be able to rapidly and accurately exchange information with a wide range of law enforcement and intelligence entities throughout the government. A delay or error in transmission of critical data could have catastrophic effects. The Department must be able to exchange law enforcement and intelligence data in real-time and be truly interoperable with the networks, applications, and databases of the law enforcement and intelligence communities as a whole. This includes the Bureau of Customs' Treasury Enforcement Communications System (TECS); the FBI's National Crime Information Center (NCIC), Integrated Automated Fingerprint Identification System (IAFIS), and Law Enforcement Online (LEO); and the National Law Enforcement Telecommunications System (NLETS) used by state and local law enforcement. In addition to these systems, the Department needs to expand connectivity to Interpol. The need to enhance access and performance on these systems is not limited to domestic security personnel, but is also essential to Regional Security Officers at overseas posts.

Currently, the systems and networks that support DS law enforcement and investigative operations are outmoded, and a series of related initiatives are required to enhance law enforcement operations using the latest technology. For example, connectivity to the law enforcement and intelligence agencies is limited to single, slow connections – often dial-up modem communications - that are unacceptable for user access to existing applications and databases. This request will improve interoperability between the Department and these other entities and ensure coordinated data sharing and communications.

In addition, the Department is requesting $1,623,000 to reduce the processing time and overall cost of conducting background investigations by allowing electronic exchange of case information. The processing of single scope background investigations for all Department employees is a labor intensive and geographically dispersed process. In FY 2002 the Department opened over 19,000 background investigation cases and physically transmitted copies of those investigative files between offices in Washington, DC and locations throughout the world. Each case file must be sent – usually by Federal Express – to multiple destinations and then back to Washington. The use of Extranet technology will provide accurate, secure, and rapid electronic transmission of the sensitive information in these case files among DS offices and investigators. This will reduce the time required to process these investigations, expedite the hiring process, and result in significant savings to the Department.

WORLDWIDE SECURITY UPGRADES

Overseas Facility Protection

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$36,680	$36,680

To adequately protect the Embassy and Annex in Kabul, Afghanistan, the Department is requesting $33,680,000 to hire highly trained American contract guards. Because of the extreme danger in Kabul, very robust security efforts are needed to protect these two facilities. This protection is currently provided by U.S. Marines, but they will be turning this responsibility over to the State Department at the end of calendar year 2003. A number of factors combine in this highly volatile and unique situation that dictate the use of American contract personnel instead of local nationals to guard these two U.S. facilities. To adequately address these, 93 American contractor guards costing $11,400,000 are required to secure the Embassy and 68 American contractor guards costing $8,280,000 are necessary to secure the Annex. In addition, $14,000,000 is required to install a residential compound with 60 support staff (including mechanics, cleaning crew and food service providers) to house and provide services for the 161 guards.

The Department is also requesting $3,000,000 to continue security efforts begun in FY 2002 to protect our Embassy in Dushanbe, Tajikistan. These resources will be used for local guards and to maintain armored and other vehicles.

Athens Olympics Security

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,763	$2,763

The Department is requesting $2,763,000 to provide additional security for the United States Olympic Team participating in the 2004 Summer Olympics in Athens, Greece. This protection is above and beyond normal levels provided by State for such events and is based on an assessment of available security resources and other factors related to the size and site of the event. To meet the requirement, 150 Special Agents will be assigned on temporary duty to Athens and environs prior to and during the Olympic games. The requested funding will cover airfare, per diem, lodging, shipment of armored vehicles, local transportation, and other support costs.

WORLDWIDE SECURITY UPGRADES

FY 2004 Request
SUMMARY STATEMENT

Wordwide Security Upgrade	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	590	322	0	912	$480,416	$55,219	$535,635
FY 2003 Estimate	675	370	0	1,045	$477,790	$75,210	$553,000
FY 2004 Built-in Changes							
Establish WSG Supplemental to Bureaus	0	0	0	0	($63)	$63	$0
One-Time Staffing Increase Costs	0	0	0	0	($5,271)	$0	($5,271)
Perimeter Security Enhancements	0	0	0	0	($30,600)	$0	($30,600)
2003 American Cost of Living Adjustments	0	0	0	0	$0	$695	$695
Annualization of FY 03 New Positions	0	0	0	0	$0	$4,089	$4,089
American Cost of Living Adjustment	0	0	0	0	$0	$1,835	$1,835
Overseas Inflation	0	0	0	0	$7,811	$0	$7,811
Domestic Price	0	0	0	0	$3,539	$0	$3,539
Local Guard Program & Other Global Inflation	0	0	0	0	$4,300	$0	$4,300
Domestic Guard Inflation	0	0	0	0	$8,600	$0	$8,600
Total Built-in Changes	0	0	0	0	($11,684)	$6,682	($5,002)
FY 2004 Current Services	675	370	0	1,045	$466,106	$81,892	$547,998
FY 2004 Program Changes							
Certification and Accrediation (NIACAP)	0	0	0	0	$28,300	$0	$28,300
Investigations Infrastructure	0	0	0	0	$7,923	$0	$7,923
Armored Vehicles	0	0	0	0	$12,400	$0	$12,400
Athens 2004 Olympics	0	0	0	0	$2,763	$0	$2,763
Facility Protection in Dushanbe	0	0	0	0	$3,000	$0	$3,000
Facility Protection in Kabul	0	0	0	0	$33,680	$0	$33,680
Post 9/11 Staffing Requirements	81	4	0	85	$5,571	$2,381	$7,952
Protection of Domestic Facilities	0	0	0	0	$2,685	$0	$2,685
Total Program Changes	81	4	0	85	$96,322	$2,381	$98,703
FY 2004 Request	756	374	0	1,130	$562,428	$84,273	$646,701

WORLDWIDE SECURITY UPGRADES

STAFF BY PROGRAM ACTIVITY
(positions)

WordlWide Security Upgrades	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Maintaining Ongoing Security Activities	**912**	**911**	**1,045**	**134**
Personnel/Training	912	911	1,045	134
Strengthened Security Programs Through Security Staffing	**0**	**134**	**0**	**(134)**
Post-9/11 Staffing Requirements	**0**	**0**	**85**	**85**
Total	912	1,045	1,130	85

WORLDWIDE SECURITY UPGRADES

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Worldwide Security Upgrades	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Maintaining Ongoing Security Activities	**$461,635**	**$418,501**	**$504,598**	**$86,097**
Guards - Worldwide Protection	$139,101	$137,046	$181,649	$44,603
Physical Security Equipment	$18,395	$18,912	$19,234	$322
Armored Vehicles	$10,320	$10,536	$10,715	$179
Technical Support/Infrastructure	$84,003	$68,932	$66,337	($2,595)
Personnel/Training	$147,048	$119,780	$150,126	$30,346
Radio Program	$8,240	$7,413	$7,565	$152
Information/Systems Security	$50,684	$51,825	$54,640	$2,815
Chemical/Biological Program	$3,844	$4,057	$14,332	$10,275
Perimeter Security	**$74,000**	**$74,000**	**$43,400**	**($30,600)**
Domestic Technical & Physical Security Upgrades	**$0**	**$21,000**	**$0**	**($21,000)**
Response to Terrorist Attacks	**$0**	**$17,302**	**$0**	**($17,302)**
Strengthened Security Programs Through Security Staffing	**$0**	**$22,197**	**$0**	**($22,197)**
Post-9/11 Staffing Requirements	**$0**	**$0**	**$7,952**	**$7,952**
Physical Security - Armored Vehicle Lifecycle	**$0**	**$0**	**$12,400**	**$12,400**
National Assurance Certification & Accreditation Process (NIACAP)	**$0**	**$0**	**$28,300**	**$28,300**
Protection of Domestic Facilities	**$0**	**$0**	**$2,685**	**$2,685**
Investigations Infrastructure	**$0**	**$0**	**$7,923**	**$7,923**
Overseas Facility Protection	**$0**	**$0**	**$36,680**	**$36,680**
Athens Olympics Security	**$0**	**$0**	**$2,763**	**$2,763**
Total	$535,635	$553,000	$646,701	$93,701

WORLDWIDE SECURITY UPGRADES

FY 2004 Request
PROGRAM ACTIVITIES

Worldwide Secuity Upgrades	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Maintaining Ongoing Security Activities	**675**	**370**	**0**	**1,045**	**$422,706**	**$81,892**	**$504,598**
Guards - Worldwide Protection	0	0	0	0	$181,649	$0	$181,649
Physical Security Equipment	0	0	0	0	$19,234	$0	$19,234
Armored Vehicles	0	0	0	0	$10,715	$0	$10,715
Technical Support/Infrastructure	0	0	0	0	$66,337	$0	$66,337
Personnel/Training	675	370	0	1,045	$68,234	$81,892	$150,126
Radio Program	0	0	0	0	$7,565	$0	$7,565
Information/Systems Security	0	0	0	0	$54,640	$0	$54,640
Chemical/Biological Program	0	0	0	0	$14,332	$0	$14,332
Perimeter Security	**0**	**0**	**0**	**0**	**$43,400**	**$0**	**$43,400**
Post-9/11 Staffing Requirements	**81**	**4**	**0**	**85**	**$5,571**	**$2,381**	**$7,952**
Physical Security - Armored Vehicle Lifecycle	**0**	**0**	**0**	**0**	**$12,400**	**$0**	**$12,400**
National Assurance Certification & Accreditation Process (NIACAP)	**0**	**0**	**0**	**0**	**$28,300**	**$0**	**$28,300**
Protection of Domestic Facilities	**0**	**0**	**0**	**0**	**$2,685**	**$0**	**$2,685**
Investigations Infrastructure	**0**	**0**	**0**	**0**	**$7,923**	**$0**	**$7,923**
Overseas Facility Protection	**0**	**0**	**0**	**0**	**$36,680**	**$0**	**$36,680**
Athens Olympics Security	**0**	**0**	**0**	**0**	**$2,763**	**$0**	**$2,763**
Total	756	374	0	1,130	$562,428	$84,273	$646,701

WORLDWIDE SECURITY UPGRADES

FUNDS BY OBJECT CLASS
($ in thousands)

	Worldwide Security Upgrades	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$47,243	$62,770	$70,686	$7,916
1200	Personnel Benefits	$17,169	$21,295	$23,759	$2,464
1300	Benefits Former Personnel	$3	$3	$4	$1
2100	Travel & Trans of Persons	$17,792	$17,673	$20,851	$3,178
2200	Transportation of Things	$2,881	$2,820	$3,314	$494
2300	Rents, Comm & Utilities	$6,246	$5,977	$6,849	$872
2400	Printing & Reproduction	$8	$8	$10	$2
2500	Other Services	$399,904	$398,503	$470,301	$71,798
2600	Supplies and Materials	$8,958	$8,879	$10,245	$1,366
3100	Personal Property	$35,361	$35,008	$40,606	$5,598
4100	Grants, Subsidies & Contrb	$54	$51	$55	$4
9000	Other	$0	$0	$6	$6
9100	Unvouchered	$16	$13	$15	$2
Total		$535,635	$553,000	$646,701	$93,701

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Secretary	381	$72,138	386	$71,262	0	$1,643	386	$72,905	0	$0	386	$72,905
Counter-Terrorism	0	$1,800	0	$1,800	0	$0	0	$1,800	0	$0	0	$1,800
Chief of Protocol	56	$5,928	56	$5,918	0	$132	56	$6,050	0	$0	56	$6,050
Management	26	$6,082	26	$5,849	0	$163	26	$6,012	0	$0	26	$6,012
Non-Proliferation	177	$23,609	177	$24,352	0	$527	177	$24,879	0	$0	177	$24,879
Political-Military Affairs	190	$26,888	193	$26,896	0	$680	193	$27,576	0	$0	193	$27,576
Medical Director	115	$32,718	133	$29,239	0	$583	133	$29,822	0	$0	133	$29,822
Democracy, Human Rights and Labor	98	$11,302	99	$11,705	0	$296	99	$12,001	0	$0	99	$12,001
International Criminal Justice	9	$1,041	9	$1,071	0	$26	9	$1,097	0	$0	9	$1,097
Trafficking in Persons	14	$3,706	15	$3,679	0	$102	15	$3,781	0	$0	15	$3,781
Oceans and International Envir and Sci Affairs	158	$21,596	158	$41,641	0	($19,214)	158	$22,427	0	$0	158	$22,427
Population	0	$506	0	$486	0	$7	0	$493	0	$0	0	$493
Legal Adviser	231	$36,115	238	$36,845	0	$1,071	238	$37,916	0	$0	238	$37,916
Economic and Business Affairs	202	$25,645	204	$26,978	0	$683	204	$27,661	0	$0	204	$27,661
Intelligence and Research	302	$40,489	305	$43,377	0	$1,135	305	$44,512	0	$0	305	$44,512
Legislative Affairs	69	$7,311	71	$7,674	0	$244	71	$7,918	0	$0	71	$7,918
Resource Management	395	$86,271	402	$102,592	0	($21,154)	402	$81,438	0	$0	402	$81,438
Public Affairs	211	$45,154	215	$30,190	0	$636	215	$30,826	0	$0	215	$30,826
Western Hemisphere Affairs	2,194	$244,770	2,218	$250,458	0	$9,004	2,218	$259,462	0	$0	2,218	$259,462
European Affairs	2,708	$505,483	2,760	$532,557	0	$10,955	2,760	$543,512	0	$1,723	2,760	$545,235

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
East Asian and Pacific Affairs	1,534	$226,458	1,559	$242,794	0	$5,285	1,559	$248,079	0	$0	1,559	$248,079
Near Eastern Affairs	959	$148,988	977	$155,145	0	$2,972	977	$158,117	0	$0	977	$158,117
South Asian Affairs	778	$69,895	787	$70,321	0	$2,930	787	$73,251	0	$0	787	$73,251
African Affairs	1,236	$214,195	1,264	$239,781	0	$6,745	1,264	$246,526	0	$0	1,264	$246,526
International Organizational Affairs	368	$47,743	377	$50,731	0	$997	377	$51,728	0	$3,250	377	$54,978
International Conferences	0	$5,330	0	$5,360	0	($2,238)	0	$3,122	0	$0	0	$3,122
Diplomatic Security	881	$231,154	881	$234,246	0	$4,906	881	$239,152	0	$0	881	$239,152
Foreign Missions	0	$4,794	0	$4,273	0	$87	0	$4,360	0	$0	0	$4,360
Information Resource Management	530	$161,166	532	$165,287	0	$2,914	532	$168,201	0	$0	532	$168,201
Arms Control	108	$22,335	108	$22,969	0	$21	108	$22,990	0	$0	108	$22,990
Verification and Compliance	76	$13,601	76	$14,069	0	$314	76	$14,383	0	$0	76	$14,383
Administration	672	$367,053	682	$341,871	0	$34,957	682	$376,828	0	$10,930	682	$387,758
Diplomatic Telecommunications Service	53	$47,664	53	$47,765	0	$745	53	$48,510	0	$0	53	$48,510
Human Resources	427	$108,155	434	$109,304	0	$2,961	434	$112,265	0	$0	434	$112,265
Post Assignment Travel	0	$136,055	0	$135,389	0	($5,905)	0	$129,484	0	$0	0	$129,484
Human Resources Special Complement	371	$36,779	529	$76,046	0	$80	529	$76,126	0	$0	529	$76,126
Education and Cultural Affairs	0	$0	0	$1,000	0	$0	0	$1,000	0	$0	0	$1,000
International Information Programs	284	$49,800	284	$46,415	0	$1,107	284	$47,522	0	$0	284	$47,522
Foreign Service Institute	637	$102,097	643	$104,515	0	$2,432	643	$106,947	0	$0	643	$106,947
Consular Affairs	249	$45,936	16	$2,383	0	$55	16	$2,438	0	$0	16	$2,438
FSN Separation Liability Trust Fund Payment	0	$7,677	0	$7,946	0	$278	0	$8,224	0	$0	0	$8,224
Secure Operations	0	$0	0	$52,000	0	($52,000)	0	$0	68	$22,572	68	$22,572

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Human Resources Initiative	0	$0	0	$0	0	$0	0	$0	399	$97,027	399	$97,027
Total	16,699	$3,245,427	16,867	$3,384,179	0	($2,838)	16,867	$3,381,341	467	$135,502	17,334	$3,516,843

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Political-Military Affairs	0	$1,275	0	$1,302	0	$22	0	$1,324	0	$0	0	$1,324
Medical Director	0	$244	0	$249	0	$4	0	$253	0	$0	0	$253
Intelligence and Research	4	$320	4	$253	0	$8	4	$261	0	$0	4	$261
Western Hemisphere Affairs	41	$3,990	43	$4,577	0	$162	43	$4,739	0	$0	43	$4,739
European Affairs	68	$9,463	70	$7,771	0	$276	70	$8,047	0	$0	70	$8,047
East Asian and Pacific Affairs	28	$4,547	29	$3,624	0	$130	29	$3,754	0	$0	29	$3,754
Near Eastern Affairs	33	$4,693	34	$4,152	0	$149	34	$4,301	0	$0	34	$4,301
South Asian Affairs	14	$1,908	14	$1,804	0	$65	14	$1,869	0	$0	14	$1,869
African Affairs	43	$6,343	45	$5,473	0	$197	45	$5,670	0	$0	45	$5,670
Diplomatic Security	650	$481,021	784	$503,975	0	($4,062)	784	$499,913	85	$96,106	869	$596,019
Information Resource Management	16	$7,020	7	$6,569	0	$119	7	$6,688	0	$0	7	$6,688
Administration	13	$1,572	13	$1,383	0	$38	13	$1,421	0	$0	13	$1,421
Human Resources	1	$80	1	$63	0	$3	1	$66	0	$0	1	$66
Post Assignment Travel	0	$9,560	0	$8,008	0	($1,572)	0	$6,436	0	$2,294	0	$8,730
Foreign Service Institute	1	$3,599	1	$3,797	0	($541)	1	$3,256	0	$303	1	$3,559
Total	912	$535,635	1,045	$553,000	0	($5,002)	1,045	$547,998	85	$98,703	1,130	$646,701

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
IRM Central Fund	0	$210,500	0	$177,000	0	$0	0	$177,000	0	($20,000)	0	$157,000
Total	0	$210,500	0	$177,000	0	$0	0	$177,000	0	($20,000)	0	$157,000

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Intelligence and Research	0	$4,125	0	$3,360	0	$0	0	$3,360	0	$100	0	$3,460
Western Hemisphere Affairs	417	$37,442	427	$58,209	0	$0	427	$58,209	14	$5,238	441	$63,447
European Affairs	208	$18,295	218	$41,148	0	$0	218	$41,148	15	$4,294	233	$45,442
East Asian and Pacific Affairs	171	$15,491	178	$28,990	0	$0	178	$28,990	7	$2,440	185	$31,430
Near Eastern Affairs	67	$6,404	69	$12,153	0	$0	69	$12,153	21	$6,933	90	$19,086
South Asian Affairs	54	$5,359	56	$10,228	0	$0	56	$10,228	16	$5,271	72	$15,499
African Affairs	55	$4,711	63	$11,850	0	$0	63	$11,850	7	$1,660	70	$13,510
Diplomatic Security	122	$21,185	122	$23,258	0	$0	122	$23,258	0	$984	122	$24,242
Information Resource Management	37	$31,699	37	$26,705	0	$0	37	$26,705	0	$171	37	$26,876
Administration	0	$4,966	0	$1,700	0	$0	0	$1,700	0	$50	0	$1,750
Post Assignment Travel	0	$2,585	0	$2,855	0	$0	0	$2,855	0	$555	0	$3,410
Foreign Service Institute	0	$2,706	0	$5,059	0	$0	0	$5,059	0	$131	0	$5,190
Consular Affairs	1,026	$285,244	1,271	$391,306	0	$0	1,271	$391,306	45	$91,365	1,316	$482,671
Total	2,157	$440,212	2,441	$616,821	0	$0	2,441	$616,821	125	$119,192	2,566	$736,013

Note: FY 2003 and FY 2004 includes the shift of 233 positions and $100,000,000 in consular operating expenses from the D&CP appropriation to funding by MRV fees in accordance with the FY 2003 President's Budget request.

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
IRM Central Fund	0	$63,000	0	$99,500	0	$0	0	$99,500	0	$14,500	0	$114,000
Total	0	$63,000	0	$99,500	0	$0	0	$99,500	0	$14,500	0	$114,000

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
International Information Programs	0	$6,000	0	$6,000	0	$0	0	$6,000	0	$0	0	$6,000
Total	0	$6,000	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 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Consular Affairs	0	$4,200	0	$4,400	0	$0	0	$4,400	0	$0	0	$4,400
Total	0	$4,200	0	$4,400	0	$0	0	$4,400	0	$0	0	$4,400

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Political-Military Affairs	0	$3,102	0	$4,000	0	$0	0	$4,000	0	$0	0	$4,000
Total	0	$3,102	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 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Consular Affairs	0	$350	0	$850	0	$0	0	$850	0	$0	0	$850
Total	0	$350	0	$850	0	$0	0	$850	0	$0	0	$850

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 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 also includes the personnel and financial resources for five of the six Under Secretaries (which direct the operation of all Department bureaus and offices), and special-mission offices that report directly to the Secretary and other Department principals. Note that resources for the Under Secretary for Management are budgeted within a separate budget unit within Diplomatic and Consular Programs.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

As the senior officials charged with developing and implementing the President's foreign policy, the Secretary's and Deputy Secretary's policy priorities are reflected in the priorities of all other Department of State bureaus and organizations. Six Under Secretaries and their staffs direct the operation of all Department bureaus and offices.

A small number of special-function offices report directly to the Secretary or another Department of State principal, carrying out high-priority, sensitive, or unusual important work. These offices include the Office of Policy Planning, which provides independent policy advice and analysis to the Secretary; the Office of Civil Rights, which fosters the creation of a work environment free of discrimination; the Office of War Crimes Issues, which advises the Secretary on U.S. efforts to address serious violations of international humanitarian law; and others.

Support for the Secretary, Deputy Secretary, Under Secretaries, and special offices in performing their duties is provided by the Department's Executive Secretariat (S/ES).. S/ES is the Secretary's central mechanism for communication, coordination, and policy control, and is responsible for managing the process by which the Secretary discharges his policy responsibilities and runs the Department. The support provided by the Executive Secretariat can be described under the rubric of three broad categories: Executive Direction and Policy Formulation; Information Resource Management; and Domestic Administrative Support.

Executive Direction and Policy Formulation (including for Public Diplomacy)

As the operational link between the Secretary and his closest advisors, and the rest of the Department and the interagency foreign affairs community, the Executive Secretariat plays a unique role in coordinating and advancing U.S. national interests and international affairs strategic goals. In FY 2004, S/ES will stay focused on its core mission – providing direct policy and administrative support to the Secretary, the Deputy Secretary, and other Department Principals, and providing guidance and structure to the Department's regional and functional bureaus -- contributing to advancing all the national interests and strategic goals of the Department's Strategic Plan.

S/ES's traditional and most obvious mission is its direct support of the Secretary of State.

DIPLOMATIC & CONSULAR PROGRAMS

The Executive Secretariat's priorities will focus on taking continuing advantage of emerging technologies to meet the needs of the Secretary and other Department Principals. We will seek innovative and imaginative ways to enhance cooperation with regional and functional bureaus, look for ways to streamline our operations, and effectively process information and taskings as efficiently as possible.

The Secretariat Staff (S/ES-S) will continue its outreach program to the Department with the goal of producing even higher quality memoranda for 7th floor principals in a rapid timeframe. This will involve additional briefings to desk officers and staff assistants, staff exchanges with Bureaus, increased attendance at Bureau staff meetings, and continued briefings to training courses at NFATC. Instituting a program of regular high-level briefings to S/ES-S will expand the outreach process by Bureau principals, who will describe Bureau priorities and needs and how S/ES-S can help them prepare top-quality memoranda rapidly.

In FY 2002, the Executive Secretariat staff (S/ES-S) advanced the Secretary's domestic and foreign travel, working with posts on every continent to prepare visits by the Secretary to capitals ranging from Beijing to Kabul to Moscow.

S/ES-S expanded its outreach program to Bureaus, providing eight briefings on formats and procedures that reached over two hundred desk officers, staff assistants, and office management specialists. S/ES-S personnel also briefed ten training classes at the National Foreign Affairs Training Center on formats, procedures, and travel advances. The effort to increase utilization of computer technology in S/ES-S continued. This year the entire Secretariat Handbook, including all memorandum formats, was placed on the Secretariat website and on the unclassified Opennet, providing easy, continuous access for drafters. In addition, S/ES-S ran a successful pilot operation for increasing the use of electronic transmission of memoranda from Bureaus to Department principals. S/ES-S also successfully transitioned from one-year assignments to two-year tours, allowing for more continuity and greater training opportunities.

The Operations Center (S/ES-O) handled over 400,000 phone calls, over 35,000 faxes, and prepared more than 2000 written reports in FY 2002. The Operations Center supported Department Principals during official travel on more than 30 trips during the year. The Watch and Crisis Management Support staff supported 11 Task Forces and Monitoring Groups and coordinated 12 evacuations of official and private Americans from U.S. missions abroad.

Information Resource Management

S/ES is viewed by the rest of the Department and the inter-agency foreign affairs community as the communications nerve center of the Department, whether the issue is fast response to an overseas crisis, the need to communicate with a Department Principal, or an inter-bureau policy disagreement. In order to fulfill that role, and to provide secure state-of-the-art communications facilities for the Secretary and Department Principals, we must be on the cutting edge of information technology and processes.

In FY 2004, the S/ES Information Resource Management office (S/ES-IRM) will use improved technology to allow the Secretary and principals to communicate expeditiously and securely, in Washington and on the road, and continue to explore ways to increase use of interactive web-based services and increase availability of information via the POEMS and OpenNet websites.

Personal computer, server, and printer replacement will continue on a three-year lifecycle program. The Executive Secretariat will migrate to Microsoft Windows 2000 and Office XP providing an enhanced set of tools for use by S/ES-supported customers. Classified and unclassified video teleconferencing will be expanded to the principals' offices, providing desktop access.

The Worldwide Remote Electronic Mail (WREN) system, used on the road to provide the Secretary and other principals with communications between the Department and the party, will be expanded to provide communications between POEMS and OpenNet Plus, and the Secretary's plane while traveling. EDI and WREN will also share the same communications pipe. Encrypted (Type One) wireless technology and secure global cell phones will be tested for the Secretary's communications package.

S/ES-IRM will work on electronic clearance and movement of documents to and from the principal officers and electronic distribution of documents which will place information in the hands of the decision-makers faster and more efficiently.

In FY 2002, S/ES-IRM provided computer support to approximately 900 users on the CLASSIFIED Principal Officers' Executive Management System and the SBU OpenNet Plus network. Monthly calls to the POEMS Help Desk averaged around 15,000. Internet access was provided at every desktop by installing OpenNet Plus. One third of the CLASSIFED PCs, servers and printers were replaced as part of S/ES's "three year life-cycle" program. The Special Communications group from IRM was incorporated in to S/ES-IRM, providing more effective and efficient support in meeting the information technology needs of the Secretary and his party while traveling. A web-based F-77 database was deployed providing posts with the ability to directly update the database via the OpenNet Plus Intranet.

S/ES-IRM created a team dedicated to critical infrastructure, disaster recovery and use of alternate sites providing improved preparation and readiness. S/ES's alternate operations center was provided with upgraded computers and database access in the aftermath of September 11.

WREN was revamped, resulting in a lighter and smaller package than previously used. In addition, a prototype WREN package using packet encryption was deployed as a first step in allowing EDI (remote intelligence products) and WREN to share a common circuit.

Also in FY 2002, the Correspondence and Records Office processed over 37,000 documents and handled over 22,424 signature items for Department Principals, a ten percent increase overall from the previous year. As part of its outreach program, S/ES-CR briefed over two hundred employees regarding record management procedures, and formats and procedures for the preparation of correspondence for the Secretary and Seventh Floor Principals.

Domestic Administrative Support

In FY 2004 the Office of the Executive Director (S/ES-EX) will manage the complete range of administrative services to over 40 entities and more than 400 persons, all of whom required active assistance. Those supported include 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 will provide similar administrative support to a small number of offices reporting to the Deputy Secretary and to the Under Secretary for Management.

S/ES-EX will fulfill its phased space reorganization plan, completing renovation projects underway, in addition to projects for the Office of White House Liaison, and Bureau Security Office. S/ES-EX will also renovate two Task Force rooms, creating modern facilities for managing multiple, global crises.

Improving Critical Infrastructure Protection by ensuring the capabilities of alternate sites for the continuation of operations for the Department Principals and the Executive Secretariat will remain a top priority for FY 2004.

The Bureau Security Office (BSO) will be focused on establishing more effective mechanisms to track SCI clearances and process requests for security assistance. A tracking database is in development to be used by BSO personnel to track and report SCI deadlines and productivity markers. BSO has also identified a need

for a S Bureau adjudicator to assist the Bureau of Intelligence and Research in processing the S Bureau's high number of requests.

FY 2004 Request

SUMMARY STATEMENT

Office of the Secretary	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	381	0	0	381	$33,810	$38,328	$72,138
FY 2003 Estimate	386	0	0	386	$32,074	$39,188	$71,262
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$12	$278	$290
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$126	$126
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$66	$66
American Cost of Living Adjustment	0	0	0	0	$57	$658	$715
Domestic Price	0	0	0	0	$446	$0	$446
Total Built-in Changes	0	0	0	0	$515	$1,128	$1,643
FY 2004 Current Services	386	0	0	386	$32,589	$40,316	$72,905
FY 2004 Request	386	0	0	386	$32,589	$40,316	$72,905

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Office of the Secretary	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**250**	**255**	**255**	**0**
Department Direction	250	255	255	0
Public Diplomacy	**14**	**14**	**14**	**0**
Public Diplomacy - Program Costs	14	14	14	0
Information Resource Management	**62**	**62**	**62**	**0**
Corporate Information Systems and Services	18	18	18	0
Information Services	18	18	18	0
Office Automation	44	44	44	0
Principal Officers Electronic Mail System	44	44	44	0
Domestic Administrative Support	**55**	**55**	**55**	**0**
Domestic Administrative Management	55	55	55	0
Total	381	386	386	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of the Secretary	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$38,828**	**$39,129**	**$41,655**	**$2,526**
Department Direction	$38,828	$39,129	$41,655	$2,526
Public Diplomacy	**$2,537**	**$2,744**	**$2,802**	**$58**
Public Diplomacy - Program Costs	$2,537	$2,744	$2,802	$58
Information Resource Management	**$14,547**	**$17,002**	**$16,464**	**($538)**
Infrastructure Systems	$1,055	$1,079	$1,050	($29)
Voice Communications Programs	$1,055	$1,079	$1,050	($29)
Corporate Information Systems and Services	$1,410	$1,422	$1,403	($19)
Information Services	$1,410	$1,422	$1,403	($19)
Office Automation	$12,082	$14,501	$14,011	($490)
Principal Officers Electronic Mail System	$12,082	$14,501	$14,011	($490)
Domestic Administrative Support	**$16,226**	**$12,387**	**$11,984**	**($403)**
Domestic Administrative Management	$16,226	$12,387	$11,984	($403)
Total	$72,138	$71,262	$72,905	$1,643

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request

PROGRAM ACTIVITIES

Office of the Secretary	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**255**	**0**	**0**	**255**	**$16,889**	**$24,766**	**$41,655**
Department Direction	255	0	0	255	$16,889	$24,766	$41,655
Public Diplomacy	**14**	**0**	**0**	**14**	**$968**	**$1,834**	**$2,802**
Public Diplomacy - Program Costs	14	0	0	14	$968	$1,834	$2,802
Information Resource Management	**62**	**0**	**0**	**62**	**$8,620**	**$7,844**	**$16,464**
Infrastructure Systems	0	0	0	0	$1,050	$0	$1,050
Voice Communications Programs	0	0	0	0	$1,050	$0	$1,050
Corporate Information Systems and Services	18	0	0	18	$148	$1,255	$1,403
Information Services	18	0	0	18	$148	$1,255	$1,403
Office Automation	44	0	0	44	$7,422	$6,589	$14,011
Principal Officers Electronic Mail System	44	0	0	44	$7,422	$6,589	$14,011
Domestic Administrative Support	**55**	**0**	**0**	**55**	**$6,112**	**$5,872**	**$11,984**
Domestic Administrative Management	55	0	0	55	$6,112	$5,872	$11,984
Total	386	0	0	386	$32,589	$40,316	$72,905

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of the Secretary	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Secretary	14	15	15	0
Deputy Secretary of State	11	11	11	0
Under Secretary for Global Affairs	15	14	14	0
International Council on Women	4	5	5	0
Policy Planning Staff	30	31	31	0
Civil Rights	26	26	26	0
Amb at Large for Counter-Terrorism	43	43	43	0
Under Secretary for Economic Affairs	13	12	12	0
Amb at Large for War Crimes Issues	5	5	5	0
Under Secretary for Political Affairs	14	13	13	0
Foreign Service Grievance Board	4	5	5	0
Under Secretary for Arms Control	15	15	15	0
Executive Secretariat	33	37	37	0
Executive Office	24	24	24	0
Information Resource Management	62	62	62	0
Operations Center	53	53	53	0
Under Secretary for Public Diplomacy	14	14	14	0
Civil Service Ombudsman	1	1	1	0
Total	381	386	386	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of the Secretary	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Secretary	$6,116	$6,054	$6,256	$202
Deputy Secretary of State	$1,739	$1,764	$1,707	($57)
Under Secretary for Global Affairs	$1,841	$1,805	$1,857	$52
International Council on Women	$855	$857	$820	($37)
Policy Planning Staff	$3,665	$3,731	$3,759	$28
Civil Rights	$4,690	$3,697	$4,029	$332
Amb at Large for Counter-Terrorism	$10,379	$10,397	$10,284	($113)
Under Secretary for Economic Affairs	$1,442	$1,462	$1,474	$12
Amb at Large for War Crimes Issues	$867	$922	$879	($43)
Under Secretary for Political Affairs	$1,606	$1,627	$1,610	($17)
Foreign Service Grievance Board	$1,296	$1,404	$1,337	($67)
Under Secretary for Arms Control	$2,734	$2,841	$2,825	($16)
Executive Secretariat	$2,960	$3,019	$3,031	$12
Executive Office	$10,065	$7,109	$7,956	$847
Information Resource Management	$13,492	$15,923	$16,291	$368
Operations Center	$5,679	$5,729	$5,812	$83
Under Secretary for Public Diplomacy	$2,537	$2,744	$2,802	$58
Civil Service Ombudsman	$175	$177	$176	($1)
Total	$72,138	$71,262	$72,905	$1,643

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of the Secretary	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$30,412	$31,046	$32,514	$1,468
1200	Personnel Benefits	$11,184	$11,473	$11,067	($406)
2100	Travel & Trans of Persons	$4,466	$5,350	$5,526	$176
2200	Transportation of Things	$2	$3	$3	$0
2300	Rents, Comm & Utilities	$1,887	$2,632	$2,496	($136)
2400	Printing & Reproduction	$823	$805	$849	$44
2500	Other Services	$15,777	$16,938	$17,229	$291
2600	Supplies and Materials	$1,265	$1,208	$1,212	$4
3100	Personal Property	$5,331	$1,707	$1,909	$202
4100	Grants, Subsidies & Contrb	$0	$0	$0	$0
4200	INS Claims & Indemnities	$991	$100	$100	$0
Total		$72,138	$71,262	$72,905	$1,643

DIPLOMATIC & CONSULAR PROGRAMS

Political-Military Affairs

OVERVIEW STATEMENT

The Bureau of Political-Military Affairs (PM) supports the Secretary by integrating diplomacy and military power to foster a stable and secure international environment hospitable to American interests and values. It is State's primary liaison with the Department of Defense and is State's lead on all operational military matters. It provides analytical support on defense-related foreign policy issues, coordinates peacekeeping and other military operations, and supports National Security Council crisis management efforts. PM efforts are focused in three areas.

Regional Security. All of PM's activities are formulated to assure and promote regional security. PM accomplishes this through dialogues such as the bilateral political-military talks that PM chairs with twenty-five countries, as well as through Confidence and Security Building Measures (CSBMs). One of PM's most important responsibilities is administering over $4 billion in security assistance funds, and providing policy oversight of $75 billion annually in arms transfers and defense trade controls in support of U.S. foreign policy goals. PM also works to decrease regional threats posed by small arms and light weapons (SA/LW) by managing programs to destroy excess stocks.

State-DoD Coordination. As State's strongest link to DoD, PM coordinates continuously with Defense on many projects to include serving as State's lead for USG political-military planning for complex contingency operations other than war, and as State lead for USG consequence management of chemical, biological, radiological, and nuclear (CBRN) incidents worldwide. Additionally, PM assigns Political Advisors and Exchange Officers to top military commands and to DoD and conducts outreach programs through war colleges and combatant commands, and participation through exercises and war games. Supporting U.S. troops abroad, PM heads the USG effort to exempt U.S. citizens from the International Criminal Court's jurisdiction by negotiating Article 98 Agreements with every country, and conducts burdensharing negotiations resulting in hundreds of millions of dollars of host nation support for the USG. All of these programs significantly improve cooperation among State, Defense, and the uniformed military.

USG Lead for Policy. In addition to regional security and DoD coordination, PM is the USG lead for international Critical Infrastructure Protection, international landmine policy, and for small arms and light weapons proliferation policy. The Assistant Secretary is the Special Representative of the President and Secretary of State for Mine Action, managing a wide variety of projects and initiatives, including public-private partnerships, and developing anti-personnel landmine policy.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism.**

Bureau Priority #1 **- GLOBAL WAR ON TERRORISM: The Bureau of Political-Military Affairs is the principal link between the Departments of State and Defense. During actual military operations, PM serves as the primary channel for foreign affairs support. This includes a 24/7 task force for political-military matters, facilitating Defense-State actions concerning military operations, and serving as the National Security Presidential Directive (NSPD)-17 mandated USG lead for the**

management of consequences of chemical, biological, radiological, or nuclear (CBRN) incidents abroad.

Bureau Initiatives: A. Proper foreign policy oversight and diplomatic assistance for deployment of U.S. and coalition military forces. B. U.S. forces, foreign governments, and international organizations prepared to manage the consequences of CBRN incidents overseas.

Bureau 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.

Progress (FY 2002): Since January 2002, PM has processed 74 DEPORDs, 42 State Support Cables, and 30 RFFs. The approval process is very mature. It requires a minimal amount of time (normally a few days) to process DEPORDs and RFFs from initial notification by the Joint Staff to transmittal of instruction cables to embassies. PM preparation of CM policy for the USG is approximately 35% complete. PM established new Political Advisor (POLAD) positions in Afghanistan and at U.S. Transportation Command (USTRANSCOM) to support Operation Enduring Freedom (OEF). In 2002, PM participated in 18 exercises, 100 meetings, and 52 briefings in support of CM policy and strategy; and is now in the process of establishing a new facility to serve as a CM operations center. The increasing threat of terrorism using CBRN contaminants has prompted worldwide attention on the need to prepare for the consequences of such events. PM has drafted the initial Foreign Consequence Management (FCM) strategic architecture for responding to a CBRN event which serves as the base for a national policy and strategy for FCM.

In the past year, the FCM program has developed the Planning and Response Center concept, the Consequence Management Support Team Concept, and the web-based Consequence Management Response System. Together, these three elements create the backbone of a robust architecture capable of supporting a host nation, its assisting allies, and the U.S. in a coordinated and collaborative response. In addition, over the past 12 months, the FCM program has conducted three major CM interagency exercises, attended CM conferences in each of the combatant command regions, led the U.S. delegation at a Russian-NATO exercise, and engaged the EU on international CM issues. These activities improve readiness and capabilities to address CM incidents.

Strategic Objective: **Protect the Nation**

Strategic Goal: **Regional Stability – Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.**

Bureau Priority #2 - **Virtually every aspect of the Bureau of Political-Military Affairs' mission is focused on contributing to regional stability. The Bureau strengthens defense relations through its exercise of the Department's arms transfer authority, active participation in and promotion of bilateral security dialogues and CSBMs, as well as exercises and training opportunities. Part of this entails the work of POLADs who contribute to the regional combatant command Theater Security Cooperation Plans as part of PM's effort to promote robust political-military planning. The Bureau protects sensitive U.S. technologies while encouraging productive defense trade relationships through grant assistance to augment our friends and allies' military capabilities. Enhancing the ability of our friends and allies to meet their self-defense needs, increase interoperability, and strengthen coalitions 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.**

DIPLOMATIC & CONSULAR PROGRAMS

Bureau Initiatives: A. Close, strong, and effective U.S. ties with allies, friends, and international organizations. B. Stable and secure partners worldwide. C. Existing and emergent regional conflicts are contained and/or resolved.

Bureau Indicators: 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. An increasing number of countries that have received U.S. peacekeeping training and/or assistance and are now involved in peacekeeping operations.

Progress (FY 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 and the Summit mandate to revitalize and strengthen Inter-American institutions related to security. Additionally, the U.S. has increased collaboration with neighbors and key allies in the Association of South East Asian Nations (ASEAN) Regional Forum over the past year. In the Middle East and South Asia, PM conducted critical political-military dialogues with regional allies; and through a number of Strategic Executive Sessions with Gulf Cooperation Command (GCC) nations, the U.S. successfully resolved many of the complex issues surrounding OEF. For example is PM worked with DoD to develop and support an Afghan National Army that will provide the long-term security needed for recovery and development and help ensure Afghanistan does not become again a safe haven for terrorists. PM has also helped to enhance our growing political-military relationship with India by initiating bilateral political-military talks and participating in revitalized defense policy talks with both India and Pakistan. Additionally, we have concluded 17 Article 98 Agreements with countries in numerous regions and are conducting discussions with over 15 other countries. Negotiations on base access and burden sharing have led to an estimated $8.1 billion in annual cost-sharing contributions from our global allies. The Status of Forces and Basing Agreement with our global allies, for example, ensures that U.S. Forces are able to deploy and operate where necessary. Finally, PM has contributed to regional security through proactive means such as destroying over 250,000 weapons and over 6 million pieces of ammunition through the SA/LW destruction program.

Arms transfer and military assistance programs were key in receiving support by coalition countries for both the Global War on Terrorism and OEF. Not only did they strengthen capabilities of partners in those efforts, but also promoted lasting relationships that advance U.S. security interests around the world. In FY 2002, PM approved approximately $12.3 billion in arms transfers. These transfers, in the strategically vital Middle East, helped enhance security cooperation with U.S. allies; the value of these strategic relationships, strengthened by judicious arms transfers, was clear. Looking forward, these programs will play a key role in efforts to develop a new and more stable security architecture in India and Pakistan. In Latin America, our arms transfer policy adjusts to changing realities as countries examine how to modernize their militaries. Finally, in Africa, our efforts are largely oriented toward enhancing the peace support capabilities of friendly states whose armed forces are engaged in a variety of peacekeeping missions.

In Europe, our Defense Capabilities Initiative (DCI) addresses the gap in military technology between the U.S. and Western European members of the Alliance. In addition, we are modifying our arms export regulations to expedite the transfer of key military technologies to our allies under the Defense Trade Security Initiative. A key component of this includes extending Canada-like International Traffic in Arms Regulations (ITAR) licensing exemptions to Australia and the UK for certain unclassified defense articles, technical data, and defense services. DCI and ITAR initiatives should enhance the interoperability of Alliance members. Moreover, our security assistance and Foreign Military Sales programs help new members of the Alliance upgrade capabilities and achieve greater interoperability with U.S. and other Alliance forces. As always, we continue to balance regional security concerns against the legitimate defense needs of our friends and allies when making arms transfer decisions.

DIPLOMATIC & CONSULAR PROGRAMS

In addition to arms transfers, security assistance, and political-military dialogues, U.S. peacekeeping training significantly contributes towards regional stability. The Enhanced International Peacekeeping Capabilities (EIPC) Training and Education Program is the bedrock of peacekeeping training and is only the second program to be UN-certified and contributes to a ready supply of global peacekeepers. Numerous UN peacekeeping participants (Thailand in East Timor, Uruguay in the Democratic Republic of the Congo, and the Czech Republic, and Jordan in Afghanistan) and several others offering to participate in Afghanistan, did so as a direct result of receiving EIPC assistance. Furthermore, PM maintains two POLADs with NATO SFOR in Bosnia that continues to make steady progress towards full implementation of the Dayton Peace Accords. In Africa, PM has worked with the Bureau of African Affairs to develop the African Contingency Operations Training and Assistance (ACOTA) Program, which strengthens African capabilities to prevent, mitigate, and resolve crises and regional instability. Senegal, Ghana, Mali, and Benin have participated in peace support missions, and Nigeria, Senegal, and Ghana have helped restore peace and stability in Sierra Leone. Finally, in East Asia, we also provided East Timor with extensive training to transition from a UN-secured state to one with viable police and defense forces that provide the security necessary for democratic institutions to take hold.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Humanitarian Response - Minimize the human costs of displacement, conflicts and natural disasters.**

Bureau Priority #3 - **LANDMINE PROGRAMS AND POLICY: The Assistant Secretary of State for Political-Military Affairs is the Special Representative of the President and Secretary of State for Mine Action. Within PM, the PM's Office of Humanitarian Demining Programs provides humanitarian assistance tailored to alleviate the threat of landmines to innocent civilians and to extend U.S. bilateral, regional and international influence; the Office of Mine Action Initiatives and Partnerships fosters partnerships with the private sector and supports and strengthens international organizations engaged in mine action; and the Office of Plans, Policy and Analysis helps develop anti-personnel landmine policy.**

Bureau Initiatives: Reduced threat from landmines.

Bureau Indicators: A. Host nation programs in sustainment phase (cumulative) – includes countries receiving Non-Proliferation Anti Terrorism Demining and Related (NADR) programs and International Trust Fund (ITF) funding. B. Reported civilian casualties from landmines annually. C. Land cleared and returned to productive use annually. D. Landmine Impact Surveys (LIS) completed (cumulative). E. Landmines and unexploded ordnance (UXO) destroyed annually. F - Number of Partnerships formed. G. Amount of funds raised by the private sector.

Progress (FY 2002): The U.S. continues to be a leader in bilateral and international efforts to rid the world of the threat to innocent civilians and the humanitarian burden caused by landmines. USG mine action assistance has helped lift seven NADR- or ITF-funded countries into "sustainment" – the capability to plan, manage, and execute a national mine action program. Recent surveys by international organizations reveal a continued reduction, about 28%, in the number of reported landmine casualties in countries with USG programs. Hundreds of thousands of landmines and UXO are removed each year. In response to the call for emergency mine action assistance, the USG deployed the U.S.-funded Quick Reaction Demining Force (QRDF) to protect refugees and internally displaced persons in Sri Lanka and Sudan. Steady gains in landmine clearance of agricultural land, roads, railroad lines, and other socio-economic infrastructure continue. In FY 2002, the USG supported the completion of one Land Impact Survey (LIS) in Thailand

and an additional survey is underway in Vietnam. The USG also continues to provide significant mine action assistance to Afghanistan and a growing list of coalition partners. In FY 2002, five new partnerships were established with the private sector bringing the total to 31 and close to $2 million was raised for mine action by private sector organizations. Finally, PM personnel participated in 70 public outreach and landmine awareness events.

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Bureau Priority #4 - Law and Executive Order require that, in furtherance of U.S. national security and foreign policy interests, the Secretary of State, via Defense Trade Control (DTC), regulate U.S. persons involved in the manufacture, export, temporary import, and brokering of defense articles and defense services. Continual upgrades of the ADP system in PM will enable a relatively small staff to handle a workload that is increasing in volume and complexity. Moreover, upgrades will 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.

Bureau Initiatives: Modern IT Infrastructure and Systems.

Bureau Indicators: A. Internal ADP capacity to handle workload (volume). B. Fully electronic handling of records. C. Average case processing time.

Progress (FY, 2002): About 3 percent of DTC's annual workload of 49,000 cases are being handled in a completely electronic manner. PM has used the results of a "proof of concept" effort to design and develop a pilot program for a fully electronic licensing review system. Significantly enhanced operational capabilities are
expected upon full implementation of a "paperless" licensing regime. The program is designed to support State's e-Government efforts and efficient documentation processing. With respect to average case processing times, FY 2002 median review times dropped substantially (to 8 days for cases handled internally – 70% of the caseload – and to 49 days for referrals to other agencies and statutorily-required Congressional notifications).

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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 2002 Actual	185	5	0	190	$9,865	$17,023	$26,888
FY 2003 Estimate	188	5	0	193	$9,073	$17,823	$26,896
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$2	$126	$128
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$76	$76
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$39	$39
American Cost of Living Adjustment	0	0	0	0	$7	$298	$305
Domestic Price	0	0	0	0	$132	$0	$132
Total Built-in Changes	0	0	0	0	$141	$539	$680
FY 2004 Current Services	188	5	0	193	$9,214	$18,362	$27,576
FY 2004 Request	188	5	0	193	$9,214	$18,362	$27,576

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Political-Military Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**11**	**11**	**11**	**0**
Bureau Direction	11	11	11	0
Conduct of Diplomatic Relations	**177**	**180**	**180**	**0**
International Security Affairs	177	180	180	0
Public Diplomacy	**2**	**2**	**2**	**0**
Public Diplomacy - Program Costs	2	2	2	0
Total	190	193	193	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Political-Military Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,426**	**$1,426**	**$1,426**	**$0**
Bureau Direction	$1,426	$1,426	$1,426	$0
Conduct of Diplomatic Relations	**$25,197**	**$25,197**	**$25,871**	**$674**
International Security Affairs	$25,197	$25,197	$25,871	$674
Public Diplomacy	**$265**	**$273**	**$279**	**$6**
Public Diplomacy - Program Costs	$265	$273	$279	$6
Total	$26,888	$26,896	$27,576	$680

FY 2004 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	**175**	**5**	**0**	**180**	**$8,870**	**$17,001**	**$25,871**
International Security Affairs	175	5	0	180	$8,870	$17,001	$25,871
Public Diplomacy	**2**	**0**	**0**	**2**	**$8**	**$271**	**$279**
Public Diplomacy - Program Costs	2	0	0	2	$8	$271	$279
Total	188	5	0	193	$9,214	$18,362	$27,576

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Political-Military Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	8	8	8	0
Congressional & Public Affairs	4	4	4	0
Deputy Assistant Secretary for Security Operations	2	2	2	0
Humanitarian Demining	13	13	13	0
International Security Operations	10	10	10	0
Contingency Planning and Peacekeeping	8	8	8	0
Deputy Assistant Secretary for Plans and Policy	1	1	1	0
Plans, Policy & Analysis	19	19	19	0
Regional Security & Arms Transfers	20	20	20	0
Defense Trade Controls	74	76	76	0
POLADS and SDE Officers	28	29	29	0
Mine Action Initiatives and Partnerships	3	3	3	0
Total	190	193	193	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Political-Military Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$1,927	$1,968	$2,063	$95
Congressional & Public Affairs	$530	$545	$551	$6
Deputy Assistant Secretary for Security Operations	$265	$272	$272	$0
Humanitarian Demining	$1,585	$1,631	$1,753	$122
International Security Operations	$1,191	$1,231	$1,372	$141
Contingency Planning and Peacekeeping	$1,059	$1,087	$1,087	$0
Deputy Assistant Secretary for Plans and Policy	$132	$136	$136	$0
Plans, Policy & Analysis	$2,381	$2,446	$2,631	$185
Regional Security & Arms Transfers	$2,513	$2,586	$2,760	$174
Defense Trade Controls	$11,318	$10,916	$10,873	($43)
POLADS and SDE Officers	$3,590	$3,670	$3,670	$0
Mine Action Initiatives and Partnerships	$397	$408	$408	$0
Total	$26,888	$26,896	$27,576	$680

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Political-Military Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$13,099	$13,676	$14,115	$439
1200	Personnel Benefits	$4,270	$4,460	$4,531	$71
2100	Travel & Trans of Persons	$956	$866	$861	($5)
2300	Rents, Comm & Utilities	$835	$757	$752	($5)
2400	Printing & Reproduction	$402	$364	$362	($2)
2500	Other Services	$5,340	$4,973	$5,166	$193
2600	Supplies and Materials	$390	$353	$351	($2)
3100	Personal Property	$1,596	$1,447	$1,438	($9)
Total		$26,888	$26,896	$27,576	$680

DIPLOMATIC & CONSULAR PROGRAMS

Arms Control

OVERVIEW STATEMENT

The Bureau of Arms Control (AC) is responsible for developing U.S. policy on the full range of arms control matters, negotiating and implementing international arms control agreements on conventional, chemical/biological and nuclear forces, and for developing policy on related force structure and deployment issues.

The Bureau provides policy and technical advice to Principals on the New Strategic Framework with Russia, engages with countries around the world on missile defense issues, and works to ensure that missile defense cooperation and U.S. export control policies remain compatible. The Bureau 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 has been in the forefront of USG efforts to transform traditional arms control methods to address the new threats to U.S. national security. Working cooperatively with Russia and other friends and allies, we are developing international consensus on threat perceptions and responses to provide a stable international security environment in support of U.S. national security policy. Our challenges are to develop that international consensus, and to ensure that existing arms control agreements are fully implemented and strengthened.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **Weapons of Mass Destruction - Reduce the threat of weapons of mass destruction to the United States, our allies, and friends.**

Priority: 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.

Bureau Initiatives: Our long-term goal is international stability based on cooperative strategic relationships with Russia, China, and others, supported by allies and friends. For FY 2004, our specific goals are: A. U.S. missile defense plans and programs proceed without constraints on their development, testing, deployment, or cooperation with other states. B. NATO agreement reached regarding specific missile defense deployment goals/options for the protection of Alliance deployed military forces, territory, and population centers. C. Further reductions of U.S. and Russian deployed strategic nuclear warheads toward Moscow Treaty on Strategic Offensive Reductions goals. D. Agreement on voluntary missile defense and strategic offensive transparency and predictability measures that build confidence between the U.S. and Russia. E. Cooperation with Russia in missile early warning. F. With China, work to enhance mutual understanding and transparency on strategic security issues.

Bureau Indicators: A. Status of allied/friends' cooperation, in terms of support for the New Strategic Framework and cooperation on missile defense projects. B. Status of U.S.-Russian cooperation, in terms of strategic reductions, cooperation on missile defense projects, and agreement on transparency measures. C. Status of dialogues with China and India on the New Strategic Framework.

Progress (FY 2002): During FY 2002, the USG established the basis of a New Strategic Framework for its security relationship with Russia an essential component being a strategic partnership and dialogue on offensive and defensive means of ensuring both countries' security. On missile defenses, U.S. withdrawal from the ABM Treaty took effect in June 2002, thus removing the principal legal obstacle to pursuing alternative approaches to developing an effective missile defense system. The USG used over 125 consultation visits to promote the USG position on U.S. missile defense efforts, threat assessments, and ABM Treaty withdrawal with allies, friends and others. The Bureau led the Department's effort to actively engage our allies and friends in consultations leading to forming cooperative missile defense development programs, and instituted a regular dialogue with Russia designed to increase transparency and openness in missile defense endeavors. The Bureau also undertook a major public diplomacy campaign to inform people around the world about U.S. missile defense policies. A new process for reducing strategic offensive arms was established with Russia, recorded in the May 2002 Moscow Treaty on Strategic Offensive Reductions. This Treaty requires reductions of operationally deployed strategic nuclear warheads over the next decade to between 1,700 and 2,200 each for the U.S. and Russia, approximately one-third of current limits. Consistent with recent Presidential initiatives, the AC Bureau, working with other Department bureaus, has sought new strategic dialogues with China and India.

Priority: 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.

Bureau Initiatives: A. The managerial and financial crisis in the Organization for the Prohibition of Chemical Weapons (OPCW) is resolved, enabling full implementation of Chemical Weapons Convention (CWC) provisions, including all necessary inspections. B. The Conference on Disarmament (CD) begins substantive work on WMD issues of concern to the U.S. C. An effective nuclear testing International Monitoring System (IMS) that meets U.S. standards is established. D. Our new approach to implementing the Biological Weapons Convention (BWC) is adopted by other BWC States Parties.

Bureau Indicators: A. Gaining additional States Parties to the CWC, improving OPCW management, ensuring a full OPCW inspection program, and making progress on Russian stockpile destruction. B. Progression of FMCT negotiations and creation of additional initiatives to address WMD issues of concern to the U.S. at the CD. C. Establish the IMS with 321 stations.

Progress (FY 2002): In the summer of 2002, the Department succeeded in bringing about a change in the leadership of the OPCW's Technical Secretariat, a change that will facilitate about improvements in OPCW operations across the board. The U.S. also called for additional voluntary contributions to get the OPCW out of financial crisis, and set the example by making a $2 million contribution. Because of the financial crisis, the OPCW remained unable to conduct its full schedule of inspections. It is too early to see results of the management change and added financial resources, but an increase in the number of inspections will be the crucial signaling measure of improvement. Four more states became parties to the CWC, for a total of 147 by the end of FY 2002. Libya and Thailand have announced an intention to join. Three of the six conditions imposed by Congress before granting authority for the U.S. to provide financial assistance for Russian stockpile destruction have been resolved, with limited progress on the other three. Russia has had to request extensions of all its CW stockpile destruction deadlines, and most likely will be unable to meet even these proposed extended deadlines. As a result of intense Department efforts, significant international financial assistance was obtained. The Gorniy facility expects to begin destruction operations in early 2003 and will be the first fixed operational CW destruction facility in Russia. The goal of negotiating an Fissile Materials Cutoff Treaty (FMCT) at the Geneva Conference on Disarmament (CD) was again thwarted by China, supported by several other states, which have continued to block negotiations by linking them to negotiations on outer space and negative security assurances. We protected U.S. interests on these other issues by maintaining general support in the CD for a work program package that includes negotiations of

an (FMCT), but only discussion of outer space. We again succeeded in getting consensus on a UN General Assembly resolution calling for FMCT negotiations to begin at the CD; due to effective diplomacy on the part of the U.S. CD Delegation, all members perceive China as the obstacle.

At the November 2001 BWC Review Conference, the U.S. announced it would no longer work on the draft Protocol for the BWC that was being negotiated, since it was irretrievably flawed, and introduced alternative approaches for implementing the BWC. At the continuation of the Review Conference in November 2002, the U.S. succeeded in getting consensus on a new work program based on the new U.S. ideas. International work on establishing the International Monitoring System continued. Twenty additional stations were installed this year, for a total of 140, about 37 percent of the total envisaged.

Strategic Objective: **Protect the Nation**

Strategic Goal: **Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.**

Priority: Ensure that conventional arms control remains an integral stabilizing element of the Eurasian and transatlantic security structure.

Bureau Initiatives: A. Entry into force of the Adapted Treaty on Conventional Armed Forces in Europe (CFE); implementation of the current and Adapted CFE Treaties and orderly accessions. B. Smooth implementation of the Open Skies Treaty.

Bureau Indicators: A. Status of Adapted CFE Treaty. B. Number of Open Skies Treaty flights.

Progress (FY 2002): NATO maintained solidarity on its position that all Russian implementation of all of its Istanbul Commitments is necessary before NATO would consider ratification of the Adapted CFE Treaty. This year, significant progress was made. Russia came into compliance with its Istanbul Commitment on the flank issue, reduced its flank equipment to Adapted Treaty levels, and discharged commitments relating to CFE equipment in Georgia and Moldova. However, Russia must reach agreement with Georgia on remaining issues regarding the Gudauta base and its future use and the duration of Russian presence at Batumi and Alkhalkalai. Russia also needs to continue the destruction and removal of munitions and small arms from Moldova. The Open Skies Treaty entered into force on January 1, 2002. All member states' aircraft have been certified for use, and 28 flights have taken place already. The U.S. conducted its first flight, over Russia, in December 2002. Trial flights also continued during the reporting period.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Arms Control	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	96	12	0	108	$13,148	$9,187	$22,33
FY 2003 Estimate	96	12	0	108	$13,466	$9,503	$22,96
FY 2004 Built-in Changes							
Biological Weapons Convention Costs Reduction	0	0	0	0	($450)	$0	($45(
2003 American Cost of Living Adjustments	0	0	0	0	$20	$68	$8
American Cost of Living Adjustment	0	0	0	0	$68	$161	$22
FSN Wage	0	0	0	0	$10	$0	$1
Overseas Inflation	0	0	0	0	$34	$0	$3
Domestic Price	0	0	0	0	$110	$0	$11
Total Built-in Changes	0	0	0	0	($208)	$229	$2
FY 2004 Current Services	96	12	0	108	$13,258	$9,732	$22,9
FY 2004 Request	96	12	0	108	$13,258	$9,732	$22,9

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Arms Control	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**106**	**106**	**106**	**0**
International Security Affairs	106	106	106	0
Public Diplomacy	**2**	**2**	**2**	**0**
Public Diplomacy - Program Costs	2	2	2	0
Total	108	108	108	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Arms Control	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**$22,078**	**$22,704**	**$22,719**	**$15**
International Security Affairs	$22,078	$22,704	$22,719	$15
Public Diplomacy	**$257**	**$265**	**$271**	**$6**
Public Diplomacy - Program Costs	$257	$265	$271	$6
Total	$22,335	$22,969	$22,990	$21

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of Arms Control	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Conduct of Diplomatic Relations	**94**	**12**	**0**	**106**	**$13,258**	**$9,461**	**$22,719**
International Security Affairs	94	12	0	106	$13,258	$9,461	$22,719
Public Diplomacy	**2**	**0**	**0**	**2**	**$0**	**$271**	**$271**
Public Diplomacy - Program Costs	2	0	0	2	$0	$271	$271
Total	96	12	0	108	$13,258	$9,732	$22,990

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Arms Control	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Immediate Office of the Assistant Secretary	16	16	16	0
Special Negotiator for Chemical/Biological Weapons	3	3	3	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	14	14	14	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	9	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	96	96	96	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Arms Control	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Immediate Office of the Assistant Secretary	$3,228	$3,322	$3,348	$26
Special Negotiator for Chemical/Biological Weapons	$637	$654	$659	$5
Joint Compliance and Inspection Commission/Special Verification Commissioner	$849	$873	$878	$5
Standing Consultative Commissioner	$424	$437	$441	$4
Safety Security and Disarmament Commissioner	$213	$218	$219	$1
Deputy Assistant Secretary for Strategic Affairs	$425	$437	$440	$3
Office of Strategic Negotiations and Implementation	$2,759	$2,837	$2,843	$6
Office of Strategic and Theater Defenses	$1,920	$1,964	$1,975	$11
Office of Strategic Transition	$1,697	$1,747	$1,759	$12
Deputy Assistant Secretary for Multilateral and Conventional Arms Control	$424	$437	$439	$2
Office of Conventional Arms Control	$1,910	$1,964	$1,992	$28
Office of International Security Negotiations	$2,971	$3,057	$2,932	($125)
Office of Chemical Weapons Convention/Biological Weapons Convention	$2,545	$2,620	$2,645	$25
Total	$20,002	$20,567	$20,570	$3

STAFF BY POST
(positions)

Bureau of Arms Control Country and Post	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
	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	3	0	3	3	0	3	3	0	3	0	0	0
Switzerland, Geneva	5	0	5	5	0	5	5	0	5	0	0	0
Total	12	0	12	12	0	12	12	0	12	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of Arms Control	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Austria, Vienna	$848	$874	$880	$6
The Hague	$424	$437	$441	$4
Switzerland, Geneva	$1,061	$1,091	$1,099	$8
Total	$2,333	$2,402	$2,420	$18

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Arms Control	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$9,330	$9,622	$9,753	$131
1200	Personnel Benefits	$1,654	$1,721	$1,758	$37
2100	Travel & Trans of Persons	$3,026	$3,090	$3,090	$0
2300	Rents, Comm & Utilities	$395	$405	$405	$0
2400	Printing & Reproduction	$258	$264	$264	$0
2500	Other Services	$7,214	$7,392	$7,245	($147)
2600	Supplies and Materials	$236	$245	$245	$0
3100	Personal Property	$222	$230	$230	$0
Total		$22,335	$22,969	$22,990	$21

DIPLOMATIC & CONSULAR PROGRAMS

Verification and Compliance

OVERVIEW STATEMENT

As Secretary Powell has stated: "In an age when tyrants and terrorists seek to get their hands on weapons of mass destruction, there is an urgent need to ensure that arms control and nonproliferation agreements and commitments are tough, effective and enforced." To this end, the Department, through the Verification and Compliance Bureau (VC), seeks to enhance U.S. policy by integrating verification throughout the development, negotiation, and implementation of nonproliferation commitments and arms control agreements, by leading rigorous and timely assessments of compliance with all arms control and nonproliferation agreements and commitments, by advocating needed intelligence collection and analysis, and through scrupulous implementation of inspection regimes in support of U.S. objectives.

The Verification and Compliance Bureau (VC) was created pursuant to a legislative mandate to oversee the supervision of policy and resources within the Department relating to verification of compliance with arms control, nonproliferation, and disarmament agreements and commitments and to be the principal policy community representative to the Intelligence Community on matters related to verification and compliance. The Secretary is looking to VC "to bring rigor to our analysis of other nations' fulfillment of their promises... [and] to ensure that our dialogue with Congress is both candid and timely – including all our reports that address noncompliance with proliferation commitments." These assessments are essential to inform policymakers whether other nations are complying with agreements and commitments and to develop appropriate responses to uncorrected violations. In the coming year, VC will expand and strengthen its compliance assessments by applying additional rigor and fully utilizing sensitive compartmented intelligence information regarding the relevant arms control and proliferation behavior of other nations. In addition, the Bureau will support the Department as it expands its compliance diplomacy efforts to resolve U.S. compliance concerns.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **Weapons of Mass Destruction - Reduce the threat of weapons of mass destruction to the United States, our allies, and friends.**
Bureau Priority and Initiative #1. Integrate verification into arms control and nonproliferation agreements and commitments.
Bureau Indicators:

- Develop and sustain effective verification measures for treaties and commitments.
- Work with other agencies to develop technologies necessary for meeting verification and transparency requirements.
- Develop framework for the verifiable dismantlement of the Democratic People's Republic of Korea (DPRK) nuclear weapons capability.
- Prepare and gain international support for the verifiable dismantlment of the DPRK's nuclear weapons capability.
- Make recommendations related to verification/transparency technology to support the International Atomic Energy Agency (IAEA).
- Prepare preliminary verifiability assessment for a possible Fissile Material Cut-off Treaty verification regime.
- Prepare Report on World Military Expenditures and Arms Transfers (WMEAT).

DIPLOMATIC & CONSULAR PROGRAMS

Progress (FY 2002):

- Developed framework for the verifiable dismantlement of the DPRK's nuclear weapons capability.
- Participated in Administration's review of Fissle Material Cutoff Treaty (FMCT), Non-Proliferation Treaty (NPT), Nuclear Supplier's Group, Zanggar Committee, and Russian assistance programs.
- Distribution of printed WMEAT 1999-2000 underway. The 2001-2002 edition is in progress.

Bureau Priority and Initiative #2: Rigorously assess the compliance of other countries with their arms control and nonproliferation obligations and commitments. Ensure effective implementation and enforcement of arms control and nonproliferation treaties and commitments.

Bureau Indicators:

- Prepare and coordinate the President's Annual Report on Noncompliance with Arms Control and Nonproliferation Agreements and Commitments, as well as other Chemical Weapons Convention (CWC) and Conventional Forces in Europe (CFE) compliance reports required by the Senate.
- Provide timely analysis of Weapons of Mass Destruction (WMD) activities as part of an effort to enforce compliance with nonproliferation commitments.
- Lead international initiative to advance U.S. national security through compliance diplomacy.
- Implement USG policy for the conduct of challenge inspections under the CWC.
- Improve USG ability to verify nuclear testing agreements and moratoria by implementing a nuclear verification information system in cooperation with the Intelligence Community and the rest of the interagency.

Progress (FY 2002):

- Reinvigorated the process for preparing and vetting congressionally-mandated arms control and nonproliferation reports to better reflect congressional requirements. This process overhaul has resulted in some reports not being submitted on time.
- Completed the interagency-cleared "Report to the Congress on Adherence to and Noncompliance with Arms Control and Nonproliferation Agreements and Commitments" covering 2001. This report includes an assessment of (Missile Treaty Control Regime) MTCR compliance for the first time. VC is also nearing completion of separate reports to the Congress on CWC and CFE compliance per congressional direction.
- Developed and implemented a plan for addressing U.S. concerns relative to undeclared Russian chemical weapon stocks.
- Under VC leadership, the U.S. is the only country to have requested and successfully carried out Article IX consultation visits under the CWC. These directly resulted in the resolution of compliance concerns and in presidential certifications of compliance for several countries.
- VC developed a policy for the conduct of challenge inspections under the CWC, which has been adopted as official USG policy.
- Countering the Biological Weapons (BW) threat from terrorism has become a priority. Effective measures to respond to the BW threat have obtained international support and are being adopted in various fora. The BWC Review Conference in November 2002 adopted a work program for the next several years that should facilitate implementation of U.S. initiatives. VC supplied the Deputy Head of Delegation to ensure articulation of verification and compliance concerns. The U.S. also pursued compliance concerns on a bilateral basis with certain countries.

DIPLOMATIC & CONSULAR PROGRAMS

- Significant progress was made in the Strategic Arms Reduction Talks (START) Joint Compliance and Inspection Commission (JCIC) on unresolved compliance issues with several issues concluded. Other compliance concerns remain and are being worked in appropriate channels. Transparency measures for the Moscow Treaty are being developed as necessary.
- Developed proposal to exchange visits with other nations' nuclear test sites.

Bureau Priority and Initiative #3: Preserve key verification and monitoring technology and assets. Assess and maximize interagency coordination of nonproliferation and arms control R&D to advance arms control and nonproliferation verification objectives.

Bureau Indicators:

- Ensure that intelligence community resource allocations for monitoring assets essential to effective verification and transparency are sufficient. Establish permanent funding line for some assets. Use verification funds to preserve critical assets.
- 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.

Progress (FY 2002):

- Current level of collection resources in support of verification was maintained.
- The Department worked closely with DoD and the intelligence community to fund a replacement for the COBRA JUDY radar, which is critical for START verification and missile proliferation. The Department provided $400,000 to support this effort.
- The State/VC-co-chaired NPAC TWG continued to act as a central coordinator for verification technology and identifies shortfalls in funding for critical arms control and nonproliferation R&D projects.

Bureau Priority and Initiative #4: ***Ensure that Nuclear Risk Reduction Center (NRRC) system resources, operational procedures and trained personnel are available and ready to support new arms control and nonproliferation agreements and arrangements as they are negotiated and become operational.***

Bureau Indicators:

- START partners (former Soviet nuclear states) consider completed U.S. proposal for replacement of the current Government-to-Government Communications Links (GGCL) system.
- Integrated Notification Application (INA), designed to support CFE, Open Skies and VD'99 notification exchange, in testing phase; OSCE Network Phase II Migration on track.

Progress (FY 2002):

- Secure Link Agreement with Ukraine signed in September 2001.
- Secure Link Agreement with Kazakhstan signed in December 2001.
- 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. GGCL replacement system design choices were presented to all START Treaty Parties at consultations in 2002.

- Through the NRRC's international communications systems, approximately 16,000 government-to-government exchanges are communicated yearly.

Bureau Priority and Initiative #5: Develop effective computer software applications to support verification/transparency efforts.

Bureau Indicators:

- Development and implementation of verification/transparency regimes by expanding the use of information technology and the development of computer systems.
- Achieve interagency access to arms control information in support of USG treaty implementation and verification, including open source information.
- Establish the CWC Organization for the Prohibition of Chemical Weapons (OPCW) data standards and integrity through information technology.

Progress (FY 2002):

- Upgraded the Arms Control Data Repository – the Treaty Information Portal (TIP) – by providing access to the defense and intelligence community through the Secret Internet Protocol Routed Network (SIPRNET). Over 50,000 pages and four new databases have been added to our TIP system this year.
- Provided security engineering expertise for the OPCW Technical Secretariat (TS) development and accreditation of a relational data base system to house electronic CWC declaration exchange data.
- Worked with the OPCW to implement international data transfer standards to reduces the expense of declaration data transmissions and allow timely verification of CWC data.
- Developed proof of concept system for implementation of machine translation program for multilingual data declarations.

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Bureau Priority and Initiative #6: Enhance the state of the art computer environment for the AC, NP, PM, AND VC bureaus.

Indicators:

- Provide AC, NP, PM, and VC Bureaus access to timely and accurate data. Maintain data and systems integrity. Develop and manage web sites and e-government applications for the AC, NP, PM, and VC Bureaus. Supply information processing systems and telecommunication systems support domestically and overseas.

DIPLOMATIC & CONSULAR PROGRAMS

Progress (FY 2002):

- Deployed operational videoconferencing and collaboration systems for the AC, NP, PM, and VC Bureaus. Installed video collaboration facilities in Vienna, Geneva, Main State, and State Annex 1. Installations are scheduled for USUN and The Hague.
- Extended videoconferencing collaboration systems to support communications with overseas delegations and selected U.S. facilities using ISDN, Internet, and Internet2 networks.
- Developed a relational database and document repository to support NP Office of Proliferation Threat Reduction.
- Managed the development of an electronic licensing pilot system for the PM Office of Defense Trade Controls.

FY 2004 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 2002 Actual	76	0	0	76	$6,449	$7,152	$13,601
FY 2003 Estimate	76	0	0	76	$6,636	$7,433	$14,069
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$19	$53	$72
American Cost of Living Adjustment	0	0	0	0	$65	$126	$191
Domestic Price	0	0	0	0	$51	$0	$51
Total Built-in Changes	0	0	0	0	$135	$179	$314
FY 2004 Current Services	76	0	0	76	$6,771	$7,612	$14,383
FY 2004 Request	76	0	0	76	$6,771	$7,612	$14,383

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Verification and Compliance	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**76**	**76**	**76**	**0**
International Security Affairs	76	76	76	0
Total	76	76	76	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Verification and Compliance	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**$13,601**	**$14,069**	**$14,383**	**$314**
International Security Affairs	$13,601	$14,069	$14,383	$314
Total	$13,601	$14,069	$14,383	$314

FY 2004 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**	**$6,771**	**$7,612**	**$14,383**
International Security Affairs	76	0	0	76	$6,771	$7,612	$14,383
Total	76	0	0	76	$6,771	$7,612	$14,383

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Verification and Compliance	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Verification and Compliance	10	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	76	76	76	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Verification and Compliance	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Verification and Compliance	$1,793	$1,851	$1,900	$49
Deputy Assistant Secretary for Strategic Affairs and Technology	$359	$371	$385	$14
Office of Nuclear Risk Reduction Center	$3,738	$3,888	$3,849	($39)
Office of Technology and Assessments	$1,076	$1,111	$1,146	$35
Office of Strategic & Missile Affairs	$1,076	$1,111	$1,147	$36
Deputy Assistant Secretary for Multilateral Affairs and Operations	$359	$371	$385	$14
Office of Conventional and CBW Compliance	$1,614	$1,666	$1,730	$64
Office of Nuclear Affairs	$1,255	$1,296	$1,335	$39
Office of Verification and Operations	$2,331	$2,404	$2,506	$102
Total	$13,601	$14,069	$14,383	$314

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Verification and Compliance	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$7,728	$9,080	$9,249	$169
1200	Personnel Benefits	$1,237	$1,289	$1,317	$28
2100	Travel & Trans of Persons	$800	$300	$300	$0
2300	Rents, Comm & Utilities	$50	$0	$0	$0
2400	Printing & Reproduction	$125	$0	$0	$0
2500	Other Services	$3,514	$3,387	$3,504	$117
2600	Supplies and Materials	$97	$8	$8	$0
3100	Personal Property	$50	$5	$5	$0
Total		$13,601	$14,069	$14,383	$314

DIPLOMATIC & CONSULAR PROGRAMS

Non-Proliferation

OVERVIEW STATEMENT

Preventing the spread of weapons of mass destruction (WMD) and their missile delivery systems commands special urgency. Proliferant states such as Iraq, Iran, and North Korea pose a direct threat to the U.S., our deployed forces, and our allies. In March 2002, President Bush said: "In preventing the spread of WMD, there is no margin for error, and no chance to learn from mistakes...inaction is not an option." The Buerau for Non-Proliferation's (NP) priorities include:

- Curb the access of proliferators, terrorists, and state sponsors of terrorism to material, equipment and technology for WMD and missiles.
- Discourage states from seeking to acquire WMD and missiles.
- Maintain and strengthen the international system of nonproliferation treaties, norms and standards, and their implementation.
- Promote global nuclear cooperation under the highest nonproliferation and safety standards. Constrain the transfer of advanced conventional arms to states of concern.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **Weapons of Mass Destruction - Reduce the threat of weapons of mass destruction to the United States, our allies, and friends.**

Bureau Priority and Initiative #1. **Curb the access of proliferators, terrorists, and state sponsors of terrorism to material, equipment and technology for WMD and missiles.**

Bureau Indicators:

- Progress in disposing of at least 34 megaton of excess Russian weapons plutonium.
- Progress in implementation of transparency regimes for Russian fissile material including Plutonium toward a Production Reactor Agreement (PPRA) with Russia and of transparency arrangements for Mayak fissile material storage facility.
- Number of weapons scientists redirected to economically viable civilian activities.
- Progress on China's adherence to its bilateral nonproliferation commitments.
- China's enforcement of its export control policy.
- Denial to Iran of WMD and missile technology/materials from other states, especially Russia.
- Upgrading of states with weak/ineffective export control systems via targeted U.S. assistance.

Progress (FY 2002):

- Negotiation of a plutonium disposition multilateral framework is on track. Bilateral meetings with Russia during FY 2002 solidified the Russian commitment.
- G-8 allies and Sweden began negotiations in December 2002 on plutonium disposition. Financing for $700M has been pledged. Additional pledges are likely in 2003 by G8 Summit at Evian. Target: Complete multilateral agreement in 2003.
- Implementation and transparency issues: Negotiations were completed on replacement implementing agreement to cease plutonium production under PPRA through shutdown of reactors rather than core conversion. Procedures completed for first-phase PPRA plutonium monitoring and first visit conducted. Negotiations continued on fissile material storage facility (FMSF) transparency arrangements.

- Cumulative participation at Science Centers rose to 26,000 former WMD scientists. Eight new U.S. industry partners were recruited. The Centers brought to market the Neurok TechSoft (linear differential equation solver), a laser-based flourocarbon detector and the Animatek (computer animation) technology.
- Questions remain about China's implementation of its 1997 nuclear commitments; especially on interactions between Chinese and Iranian nuclear entities. China has not fully implemented its November 2000 missile commitments. In August 2002, as part of its November 2000 commitment, China promulgated missile-related export controls and CBW and munitions controls in October 2002. U.S. and the People's Republic China (PRC) technical experts discussed China's new export controls.
- Some transfers to Iran were blocked. Iran still continued to acquire, with foreign assistance, items for WMD and missile development. We increased our consultations with friends and allies on the Iranian WMD and missile threat; resulting in EU agreement to incorporate nonproliferation in its political dialogue with Iran. Japan told Iranian leaders that economic and cultural exchanges could not advance unless Iran changes its positions on WMD/missiles and terrorism. Other countries raised nonproliferation concerns in dialogue with Iran – Ukraine, Uzbekistan, Australia, etc. We also imposed sanctions on entities that delivered WMD and missile materials to Iran.
- Russian entities still export WMD and missile technology to Iran, but international consensus not to provide potential nuclear weapons assistance to Iran has remained in place. Despite the statement this summer of possible additional Russian reactor sales to Iran, momentum toward such a deal has stopped. We are taking steps to assure that Bushehr- related Russian nuclear assistance does not lead to a weapons program. Moscow is aware of U.S. concerns.
- Central European countries are strengthening export controls. Several Central European EU candidate countries have passed export control laws or amended current laws to strengthen export control systems and enforcement mechanisms. U.S. programs have worked well there, with 'graduation' from our assistance to their own self-sustaining programs almost assured by FY 2004. Other states, especially in the former Soviet Union, are adopting legislation and implementing regulations. Law enforcement training is well under way in most WMD material producer countries and some transshipment states. U.S. assistance efforts have prompted Russia and Ukraine to increase enforcement capabilities.

Bureau Priority and Initiative#2. **Discourage states from seeking to acquire WMD and missiles.**

Bureau Indicators:

- No onward proliferation of nuclear weapons, other WMD, missiles or related equipment and technology from South Asia. Conventional Ballistic Missiles designed to reduce the risk of WMD conflict developed, proposed, negotiated and implemented.
- Iraq's admitting WMD inspectors.
- Democratic People's Republic of Korea restraint in its nuclear and missile programs, conformity to international nonproliferation norms of behavior, and reduction of tension on the Korean Peninsula.

Progress (FY 2002):

- Indian and Pakistani missile programs are moving forward as are both countries' nuclear weapons programs. The nuclear testing moratoria continue. We have been unable to promote Indian and Pakistani restraint in their respective nuclear and missile programs. Indo-Pakistani dialogue on CBMs, despite substantial investment of time by senior officials, remains modest. The U.S. and India resumed expert-level exchanges on strengthening India's export control system and agreed to activities for 2003 in legal, licensing, and enforcement areas through the State Department-funded Export Control and Related Border Security Assistance (EXBS) program. Pakistan accepted our offer export control discussions in early 2003. India took concrete steps against an entity proliferating to Iraq.
- The international community pressured Iraq to comply with international obligations. In May 2002, the UN Security Council unanimously adopted resolution 1409, implementing the new UN export control system based on the Goods Review List for Iraq. Interdiction of third-country supplies of WMD and

missile-related technologies and equipment denied Iraq some key technologies. However, Iraq continued to acquire, with foreign assistance, some needed items for WMD and missile development. In October 2002, the UN Security Council adopted unanimously UNSCR 1441. United Nations Monitoring Verification and Inspection Commission (UNMOVIC)/International Atomic Energy Agency (IAEA) is now conducting inspections to uncover WMD and missile programs.

- We see no evidence of North Korean export of nuclear material or technology, but North Korea continues to export ballistic missile-related equipment, components, materials, and technical expertise to the Middle East and South Asia. North Korea informed Japan that it will maintain its long-range missile flight-test moratorium beyond 2003. In October 2002, North Korea admitted a secret uranium-enrichment program for nuclear weapons and claimed U.S. actions had nullified the Agreed Framework. Furthermore, spent fuel is no longer canned under IAEA seal, and IAEA inspectors have been expelled.

Bureau Priority and Initiative #3: **Maintain and strengthen the international system of nonproliferation treaties, norms and standards, and their implementation.**

Bureau Indicators:

- Healthy Non-Proliferation Treaty (NPT) regime.
- Strengthened IAEA safeguards system.
- Ratification and Entry into Force of the U.S. Additional Protocol.

Progress (FY 2002):

- Preparatory Committee (PrepCom I) for the 2005 NPT Review Conference (RevCon) concluded smoothly in May 2002. Cuba acceded to the NPT on November 4, 2002. The NPT PrepCom outcome facilitated this Cuban decision.
- IAEA completed conceptual development on integrated safeguards and emphasized financial needs; 13 more states adopted additional protocols and received board approval during 2002, bringing the total to 74; 28 have brought their protocols into force. Consultations begun with major donor nations on U.S. initiative in support of a phased increased in the IAEA safeguards budget for 2004 and 2005. The Director General and a number of key IAEA member-states said at the September IAEA General Conference that the IAEA needs more funding for safeguards. The approach to integrated safeguards adopted by the IAEA Board adequately reflected U.S. views.
- Momentum remained in favor of additional protocols; as the U.S. submitted its additional protocol to the Senate for ratification.
- Improvement in safeguards technology focused on fuel cycle facilities and latent proliferation risks.
- Entry into effect of the first broadly multilateral missile nonproliferation mechanism, the International Code of Conduct (ICOC) Against Ballistic Missile Proliferation, with 93 subscribing states. The ICOC supplements the Missile Technology Control Regime by adding supply-side measures.

Bureau Priority and Initiative # 4. **Promote international nuclear cooperation under the highest nonproliferation and safety standards.**

Bureau Indicators:

- Extending benefits of peaceful nuclear cooperation.
- Russian nuclear waste improvements.
- Closure/replacement of old, unsafe Soviet-era reactors.

Progress (FY 2002):

- U.S. continued as reliable partner in nuclear cooperation. We extended our agreement with Morocco, but not Indonesia, although cooperation with latter is unaffected. Other agreements remained in force and exports are proceeding smoothly.

- U.S.-China Agreement for Cooperation is being implemented; discussions on retransfer consents concluded, but that agreement is not yet in force.
- Liability agreement reached with Russia allowing U.S. participation in waste cleanup.
- The Generation IV International Forum (GIF) developed a list of new technologies for development and continues as a leading forum for international cooperation in advanced reactor development for safety, sustainability, and proliferation resistance.
- Mixed results in Eastern Europe in closing Soviet-era reactors: Lithuania, Armenia, and Ukraine positive; Bulgaria questioned its commitment to closure.

Bureau Priority and Initiative #5: **Constrain the transfer of advanced conventional arms to states of concern.**

Bureau Indicators:
- Effectiveness of Wassenaar Arrangement control lists; categories of arms whose transfer is subject to reporting under the Wassenaar Arrangement.
- Adoption of a multilateral code of conduct for arms transfers.

Progress (FY 2002):
- Wassenaar: No new categories of reportable items were added during this period.
- Multilateral code of conduct: As the U.S. worked on the text of its draft Arms Transfer Code of Conduct, several influential countries overcame their prior reluctance regarding it, and began drafting their own codes.

FY 2004 Request
SUMMARY STATEMENT

Bureau of Non-Proliferation	Positions				Funds (S in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	177	0	0	177	$7,827	$15,782	$23,609
FY 2003 Estimate	177	0	0	177	$8,087	$16,265	$24,352
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$8	$115	$123
American Cost of Living Adjustment	0	0	0	0	$26	$275	$301
Domestic Price	0	0	0	0	$103	$0	$103
Total Built-in Changes	0	0	0	0	$137	$390	$527
FY 2004 Current Services	177	0	0	177	$8,224	$16,655	$24,879
FY 2004 Request	177	0	0	177	$8,224	$16,655	$24,879

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Non-Proliferation	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**10**	**10**	**10**	**0**
Mission Direction	10	10	10	0
Conduct of Diplomatic Relations	**128**	**128**	**128**	**0**
International Security Affairs	128	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	177	177	177	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Non-Proliferation	FY-2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,423**	**$1,463**	**$1,508**	**$45**
Mission Direction	$1,423	$1,463	$1,508	$45
Conduct of Diplomatic Relations	**$17,124**	**$17,699**	**$18,020**	**$321**
International Security Affairs	$17,124	$17,699	$18,020	$321
Public Diplomacy	**$265**	**$273**	**$279**	**$6**
Public Diplomacy - Program Costs	$265	$273	$279	$6
Domestic Administrative Support	**$4,797**	**$4,917**	**$5,072**	**$155**
Domestic Administrative Management	$537	$549	$566	$17
Domestic Financial Services	$1,282	$1,314	$1,355	$41
Domestic Personnel Services	$1,661	$1,703	$1,757	$54
Domestic General Services	$1,317	$1,351	$1,394	$43
Other Domestic General Services	$1,317	$1,351	$1,394	$43
Total	$23,609	$24,352	$24,879	$527

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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**	**$554**	**$954**	**$1,508**
Mission Direction	10	0	0	10	$554	$954	$1,508
Conduct of Diplomatic Relations	**128**	**0**	**0**	**128**	**$6,094**	**$11,926**	**$18,020**
International Security Affairs	128	0	0	128	$6,094	$11,926	$18,020
Public Diplomacy	**2**	**0**	**0**	**2**	**$8**	**$271**	**$279**
Public Diplomacy - Program Costs	2	0	0	2	$8	$271	$279
Domestic Administrative Support	**37**	**0**	**0**	**37**	**$1,568**	**$3,504**	**$5,072**
Domestic Administrative Management	4	0	0	4	$188	$378	$566
Domestic Financial Services	10	0	0	10	$408	$947	$1,355
Domestic Personnel Services	13	0	0	13	$526	$1,231	$1,757
Domestic General Services	10	0	0	10	$446	$948	$1,394
Other Domestic General Services	10	0	0	10	$446	$948	$1,394
Total	177	0	0	177	$8,224	$16,655	$24,879

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Non-Proliferation	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	18	18	18	0
Senior Coordinator for Nuclear Safety	9	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	17	17	17	0
Chemical, Biological & Missile Affairs	13	13	13	0
Export Control & Conventional Arms Non-Proliferation Policy	14	14	14	0
Total	177	177	177	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Non-Proliferation	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary	$1,338	$1,378	$1,421	$43
Congressional & Public Affairs	$667	$683	$702	$19
Special Representative for Rep Nuclear Non-Proliferation	$268	$275	$284	$9
Special Negotiator FM/PU	$268	$275	$1,844	$1,569
Policy Coordination	$807	$826	$4,595	$3,769
Regional Affairs	$2,275	$2,339	$1,844	($495)
Non-Proliferation Threat Reduction	$2,408	$2,477	$284	($2,193)
Senior Coordinator for Nuclear Safety	$1,070	$1,100	$852	($248)
Deputy Assistant Secretary for Regional Non-Proliferation	$268	$275	$284	$9
Office of Multilateral Nuclear Affairs	$1,740	$1,789	$2,412	$623
Executive Director	$4,471	$4,679	$2,554	($2,125)
Export Control Cooperation & Sanctions	$1,740	$1,789	$1,135	($654)
Deputy Assistant Secretary for Non-Proliferation Controls	$268	$275	$284	$9
Nuclear Energy Affairs	$2,408	$2,477	$2,554	$77
Chemical, Biological & Missile Affairs	$1,740	$1,789	$1,844	$55
Export Control & Conventional Arms Non-Proliferation Policy	$1,873	$1,926	$1,986	$60
Total	$23,609	$24,352	$24,879	$527

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Non-Proliferation	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$12,982	$13,360	$13,646	$286
1200	Personnel Benefits	$3,966	$4,087	$4,185	$98
2100	Travel & Trans of Persons	$1,345	$1,363	$1,391	$28
2300	Rents, Comm & Utilities	$169	$171	$175	$4
2400	Printing & Reproduction	$257	$260	$265	$5
2500	Other Services	$3,243	$3,442	$3,514	$72
2600	Supplies and Materials	$164	$166	$169	$3
3100	Personal Property	$1,059	$1,073	$1,095	$22
4100	Grants, Subsidies & Contrb	$424	$430	$439	$9
Total		$23,609	$24,352	$24,879	$527

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 the official visits by foreign leaders and dignitaries to the United States. The functional duties of the Bureau include:

- accreditation of foreign diplomatic, consular and international organization personnel,
- presenting newly arrived foreign ambassadors to the President,
- purchase (gift cost funded from the Emergencies in the Diplomatic and Consular Service appropriation) and presentation 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,
- the management and administration of the President's guest house (Blair House).

Protocol's general responsibilities are defined by tradition as well as by the pace of the diplomatic activity of each individual Administration. It is anticipated that the level of Visists, Ceremonials and use of Blair House will be equal to or greater than in FY 2002.

STRATEGIC OBJECTIVES & GOALS

Visits: The Office of Protocol plans, arranges, coordinates, and directs programs for visiting heads of government, for chiefs of state and for foreign ministers. It also coordinates press arrangements for visits of dignitaries; manages and administers the gift program, and coordinates the travel of Presidential delegations. In FY 2002, the Visits Section supported one State Visit, one Official Working Visit, 70 Working Visits, and 200 Private Visits. It coordinated nine Presidential delegations in FY 2002, and assisted in accrediting 38 new Ambassadors, as well as supporting the 57th United Nations General Assembly and the 2002 Olympic Games.

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 and commemorative ceremonies, especially with regard to participation of the Diplomatic Corps. This office maintains the precedence lists and responds to public inquiries regarding forms of address, seating, invitations, flag protocol, etc. It also coordinates the annual presidential holiday cards to chiefs of state and heads of government. In FY 2002, the division organized and executed over 115 representational events (dinners, luncheons, receptions, teas and breakfasts). In additions, it assisted with 60 swearing-in ceremonies for senior officials and new American ambassadors.

Diplomatic and Consular Liaison: Protocol is responsible for the accreditation of foreign ambassadors and other diplomatic, consular and international organization personnel assigned to the United States. It assists foreign diplomats in connection with privileges and immunities, and administers the programs enforcing limitations and controls on abuses of diplomatic immunities. Currently, there are over 175 diplomatic missions in the United States. Over 100,000 persons, including principals, spouses and

dependents, are on record with Protocol (all deriving levels 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 Office of Protocol. Over the last several years, Blair House has supported an average of 22 visits per year spanning over 66 days. It has also been the venue for approximately 70 representational lunches, dinners, receptions, meetings, and briefings.

FY 2004 Request

SUMMARY STATEMENT

Office of Protocol	Positions				Funds ($ in thousands)		
	American Domestic	Overseas	FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	56	0	0	56	$1,601	$4,327	$5,92
FY 2003 Estimate	56	0	0	56	$1,465	$4,453	$5,91
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$2	$32	$3
American Cost of Living Adjustment	0	0	0	0	$6	$75	$8
Domestic Price	0	0	0	0	$17	$0	$1
Total Built-in Changes	0	0	0	0	$25	$107	$1
FY 2004 Current Services	56	0	0	56	$1,490	$4,560	$6,0
FY 2004 Request	56	0	0	56	$1,490	$4,560	$6,0

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Office of Protocol	FY 2002 Actual	FY 2003 Estimate	FY 2004 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

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of Protocol	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$865**	**$876**	**$896**	**$20**
Bureau Direction	$865	$876	$896	$20
Conduct of Diplomatic Relations	**$3,808**	**$3,835**	**$3,922**	**$87**
Political Affairs	$3,808	$3,835	$3,922	$87
Protocol Activities	$3,808	$3,835	$3,922	$87
Domestic Administrative Support	**$1,255**	**$1,207**	**$1,232**	**$25**
Domestic Administrative Management	$1,255	$1,207	$1,232	$25
Total	$5,928	$5,918	$6,050	$132

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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**	**$121**	**$775**	**$89**
Bureau Direction	6	0	0	6	$121	$775	$89
Conduct of Diplomatic Relations	**44**	**0**	**0**	**44**	**$705**	**$3,217**	**$3,92**
Political Affairs	44	0	0	44	$705	$3,217	$3,92
Protocol Activities	44	0	0	44	$705	$3,217	$3,92
Domestic Administrative Support	**6**	**0**	**0**	**6**	**$664**	**$568**	**$1,23**
Domestic Administrative Management	6	0	0	6	$664	$568	$1,23
Total	56	0	0	56	$1,490	$4,560	$6,05

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of Protocol	FY 2002 Actual	FY 2003 Estimate	FY 2004 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

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of Protocol	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Chief of Protocol	$854	$876	$901	$25
Administrative Division	$1,284	$1,207	$1,090	($117)
Blair House	$907	$881	$1,241	$360
Diplomatic and Consular Liaison Division	$1,200	$1,212	$682	($530)
Visits Division	$1,044	$1,076	$1,234	$158
Ceremonials Division	$639	$666	$902	$236
Total	$5,928	$5,918	$6,050	$132

FUNDS BY OBJECT CLASS
($ in thousands)

Office of Protocol		FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$2,915	$2,954	$3,025	$71
1200	Personnel Benefits	$1,742	$1,802	$1,845	$43
2100	Travel & Trans of Persons	$224	$204	$208	$4
2300	Rents, Comm & Utilities	$125	$118	$121	$3
2400	Printing & Reproduction	$200	$182	$183	$1
2500	Other Services	$424	$385	$393	$8
2600	Supplies and Materials	$164	$151	$151	$0
3100	Personal Property	$134	$122	$124	$2
3300	Investments and Loans	$0	$0	$0	$0
Total		$5,928	$5,918	$6,050	$132

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. H supports the Secretary by ensuring that his foreign policy priorities are reflected throughout the legislative process. H succeeds by establishing broad professional working relationships with Congressional committees that have oversight responsibilities for foreign affairs and State Department operations. The objective is to facilitate the interaction between the Department's professionals and all levels of Congress.

One of the current priorities of H is to assist in the shaping of legislation to protect America from terrorist attack. The Bureau's ongoing responsibilities include Senate confirmation of senior foreign policy officials and facilitation of foreign travel of Congressional members and staff. H is also responsible for providing timely responses to Congressional correspondence.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: Strengthen Diplomatic and Program Capabilities

Strategic Goal: Management and organizational excellence – Ensure the highest quality workforce supported by modern and secure infrastructure and operational capacities.

Priority: H plans to fully integrate nearly a dozen bureau databases to improve data collection and retrieval of congressional services and legislation information. Secondly, H is planning toward the opening of a Senate Liaison office on Capitol Hill, allowing us to expand and enhance services to the Senate.

Progress (FY 2002): The Bureau of Legislative Affairs (H) continues to contribute to effective authorizations and appropriations legislation, as well as new laws combating international terrorism, major trade legislation, and legislative action settling international conflict as well as approving expansion of the NATO Alliance.

During FY 2002, H accomplished many of its priority management goals: reorganization, clear lines of responsibility, new accountability and control systems, a new administrative support structure, streamlined communications, new office space for Bureau professionals, a new congressional liaison office, and a new interactive web site.

The reorganization resulted in the establishment of the offices of House Affairs and Senate Affairs which allows H to provide common ground between the Executive and Legislative branches by establishing a broad professional working relationship with Congressional committees that have oversight responsibilities for Foreign Affairs and State Department operations. The new Offices of Global and Functional Affairs and Regional Affairs permit the Bureau to be a facilitator providing consistent and timely strategy and advice to the Administration's foreign policy teams in the Department of State and in Congress. H successfully

manages the Secretary's policy team presentation of the Department's foreign policy views and decisions on the Hill.

The new Executive office manages and oversees the administrative support function as well as facilitates official foreign travel of member and staff delegations; responds to all congressional written, telephonic and electronic communications; oversees the handling of the Office of Management and Budget clearance process for legislation and official testimony before Congress and maintains records of all hearings relevant to the Department. H's reorganization has enabled the bureau to provide improved support within the Department of State.

Some examples include the reduction in response time to congressional correspondence by sixty-five percent, improvement in the Department's response time to interagency clearance of legislation by developing an internet-based clearance procedure between the Department of State and the Office of Management and Budget, and enhanced support for congressional travelers. H is developing a pro-active infrastructure to provide planning assistance, briefing materials, and more effective coordination with embassies and posts hosting Congressional Delegations (CODELS).

The new Congressional Liaison Office in the Rayburn House Office Building now provides on-site customer service to the House of Representative staff. Our facility houses three Department of State staff members who provide services ranging from congressional travel services to constituent and consular support and management of the congressional Pearson Program.

The Bureau has launched a new, interactive web site providing daily updates and information on Department of State hearings and testimonies in Congress, congressional travel, nominations, daily status updates of pending congressional correspondence and important links. The Website will be upgraded to provide special Department services such as formatting for congressional correspondence, information on positions and other services within H.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Legislative Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	69	0	0	69	$1,947	$5,364	$7,311
FY 2003 Estimate	71	0	0	71	$1,943	$5,731	$7,674
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$1	$41	$42
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$51	$51
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$26	$26
American Cost of Living Adjustment	0	0	0	0	$3	$95	$98
Domestic Price	0	0	0	0	$27	$0	$27
Total Built-in Changes	0	0	0	0	$31	$213	$244
FY 2004 Current Services	71	0	0	71	$1,974	$5,944	$7,918
FY 2004 Request	71	0	0	71	$1,974	$5,944	$7,918

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Legislative Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**69**	**71**	**71**	**0**
Department Direction	12	12	12	0
Legislative Affairs	57	59	59	0
Total	69	71	71	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Legislative Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$7,100**	**$7,304**	**$7,548**	**$244**
Department Direction	$1,755	$1,758	$1,758	$0
Legislative Affairs	$5,345	$5,546	$5,790	$244
Information Resource Management	**$211**	**$370**	**$370**	**$0**
Infrastructure Systems	$90	$92	$92	$0
Voice Communications Programs	$90	$92	$92	$0
Office Automation	$121	$278	$278	$0
Principal Officers Electronic Mail System	$121	$278	$278	$0
Total	$7,311	$7,674	$7,918	$244

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of Legislative Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**71**	**0**	**0**	**71**	**$1,604**	**$5,944**	**$7,54**
Department Direction	12	0	0	12	$531	$1,227	$1,75
Legislative Affairs	59	0	0	59	$1,073	$4,717	$5,79
Information Resource Management	**0**	**0**	**0**	**0**	**$370**	**$0**	**$37**
Infrastructure Systems	0	0	0	0	$92	$0	$9
Voice Communications Programs	0	0	0	0	$92	$0	$9
Office Automation	0	0	0	0	$278	$0	$27
Principal Officers Electronic Mail System	0	0	0	0	$278	$0	$27
Total	71	0	0	71	$1,974	$5,944	$7,91

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Legislative Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary	5	5	5	0
Principal Deputy Assistant Secretary	25	27	27	0
Deputy Assistant Secretary for Senate Affairs	7	7	7	0
Deputy Assistant Secretary for House Affairs	6	6	6	0
Deputy Assistant for Regional, Global and Functional Affairs	26	26	26	0
Total	69	71	71	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Legislative Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary	$584	$603	$621	$18
Principal Deputy Assistant Secretary	$2,799	$2,997	$3,091	$94
Deputy Assistant Secretary for Senate Affairs	$708	$734	$758	$24
Deputy Assistant Secretary for House Affairs	$602	$625	$645	$20
Deputy Assistant for Regional, Global and Functional Affairs	$2,618	$2,715	$2,803	$88
Total	$7,311	$7,674	$7,918	$244

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Legislative Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$4,251	$4,521	$4,648	$127
1200	Personnel Benefits	$1,358	$1,457	$1,543	$86
2100	Travel & Trans of Persons	$175	$182	$182	$0
2300	Rents, Comm & Utilities	$215	$219	$219	$0
2400	Printing & Reproduction	$52	$52	$52	$0
2500	Other Services	$596	$762	$793	$31
2600	Supplies and Materials	$144	$146	$146	$0
3100	Personal Property	$520	$335	$335	$0
	Total	$7,311	$7,674	$7,918	$244

DIPLOMATIC & CONSULAR PROGRAMS

Oceans and International Environmental and Scientific Affairs

OVERVIEW STATEMENT

The Bureau of Oceans and International Environmental and Scientific Affairs (OES) coordinates U.S. international oceans, environmental, science and health policy, integrating U.S. domestic interests with international concerns. Working through bilateral, regional and multilateral fora, OES advances U.S. interests in stewardship of natural resources and economic and social development to help ensure effective management of the marine environment, fisheries, fresh water, wetlands, forests, drylands, hazardous chemicals, and the atmosphere. OES coordinates bilateral, regional and global policies on infectious diseases, including HIV/AIDS and other health issues, such as bioterrorism. OES manages 28 active bilateral and multilateral science and technology agreements, promotes international cooperation to advance U.S. space interests, addresses the impacts of invasive species, 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.

OES plans to work with the private sector, civil society, U.S. government agencies, and other governments to target its efforts in the following six areas:

- **Water:** OES will work to mitigate tensions associated with shared waters and use water as a tool to build trust and promote cooperation; coordinate U.S. efforts to achieve the Millennium Declaration goals on safe drinking water and sanitation; and lead implementation of the Wider Caribbean Region White Water to Blue Water Watershed Management initiative announced at the World Summit on Sustainable Development (WSSD).

- **Clean Energy:** OES will work with public and private U.S. and international partners to improve energy efficiency, facilitate access to clean energy, and advance research, development, and deployment of new energy technologies, showcasing successful demonstration models for the delivery of new energy technologies, to help achieve growth that minimizes energy's impact on the environment.

- **Trade and the Environment:** OES will enhance support for agreements negotiated under Trade Promotion Authority by highlighting U.S. interest in environmental stewardship along with free trade. OES will promote a level playing field for U.S. business, particularly U.S. environmental goods, services, and technologies, by working with trade partners to eliminate tariffs and non-tariff barriers and to strengthen their domestic environmental protection.

- **Science and Technology Cooperation:** OES will actively negotiate new science and technology agreements; implement and monitor already signed agreements; and work closely with other U.S. agencies to better coordinate activities conducted under these agreements.

- **Good Domestic Governance:** OES will expand efforts to promote good governance practices, championing capacity building in developing countries so that they can protect their citizens and, by extension, ours. Globally, OES will aim to reduce environmental crime, such as hazardous waste dumping, smuggling proscribed hazardous chemicals, and trafficking in protected natural resources ad will aim to promote good health.

- **HIV/AIDS and Infectious Diseases**: OES will continue efforts to ensure the success of the Global Fund to Fight AIDS, Tuberculosis and Malaria, including solid financial accountability of grants by the Fund. OES will expand engagement efforts with countries impacted by HIV/AIDS and those expected to be particularly hard-hit in the epidemic's "next wave," as well as countries of particular concern.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Social and Environmental Issues - Improve health, education, environment, migrant management, and other conditions for the global population.**

Bureau Initiatives: U.S. ties with neighbors and key allies are close, strong, utilized and effective, and American and multinational conflict prevention/resolution tools are ready, utilized and effective.

Bureau Indicator: Increased capacity in key regions to combat piracy and illegal activities involving forest products and wildlife, hazardous chemicals and wastes, ozone depleting substances, and natural resources.

Progress (FY 2002): OES coordinated the Budapest International Law Enforcement Academy's (ILEA) course to build the capacity of local law enforcement officials in Eastern Europe to combat environmental crime, setting the stage for future focus on environmental crime at U.S.-supported ILEAs in other regions. U.S. agencies provided 64 training courses to 1,197 students at the Summit Institute for Sustainable Development (SISD), an innovative program held in conjunction with the World Summit on Sustainable Development (WSSD). SISD brought together summit delegates worldwide to share expertise, learn practical approaches and build national capacities for achieving sustainable development. A major focus of the U.S.-sponsored training was to build capacity for good domestic environmental governance, including the development and enforcement of sound environmental laws. The President's Initiative Against Illegal Logging, announced in 2002, stepped up U.S. efforts to work with developing countries to build their capacity to fight illegal logging. G-8 leaders reaffirmed their commitment to combat illegal logging, strengthening cooperation among G-8 countries to build capacity in developing countries to combat illegal logging. New approaches including increased trade restrictions, approved under the Convention on International Trade in Endangered Species for elephant mahogany and toothfish, enhanced the tools available to countries to combat illegal trade in these species. OES-funded workshops built capacity to combat illegal trafficking in wild animals in South America and the bushmeat problem in Africa. Capacity-building projects were initiated, through funding provided by FAO, GEF, UNEP, USG and other donor countries, which assisted developing countries in controlling illegal fishing and improving monitoring and surveillance. The legal framework under the International Convention on the Safety of Life at Sea (SOLAS) was strengthened with provisions to protect against terrorism at sea. The Asia Pacific Economic Cooperation Forum (APEC) hosted workshops to strengthen the capacity of APEC countries to improve port security and protect against piracy and terrorist threats.

Bureau Initiatives: International treaties, agreements, and voluntary initiatives that protect the environment, promote human health, and advance science and technology are negotiated, implemented, and enforced.

Bureau Indicators: a) Negotiations, new agreements, or partnerships are initiated, concluded, entered into force, or expanded; b) Enhanced or established bilateral and regional climate change partnerships in target countries to implement the President's new approach on climate change; c) Increased coordination and management of all USG Science and Technology activities derived from Science and Technology agreements.

DIPLOMATIC & CONSULAR PROGRAMS

Progress (FY 2002): The U.S. successfully secured international support for its position through unanimous adoption of the Johannesburg Plan of Implementation and the Johannesburg Commitment to Sustainable Development at the WSSD in September, 2002. At the WSSD, the U.S. launched 20 voluntary partnerships to promote sustainable development. U.S. partnership efforts will: increase access to clean water and sanitation services and improve watershed management; provide access and increase efficiency of energy services and reduce health impacts associated with motor vehicle and indoor air pollution; cut hunger in Africa; and fight HIV/AIDS, tuberculosis, and malaria. At the WSSD, Secretary Powell also launched the Congo Basin Forest Partnership with 30 government and private partners at the WSSD to conserve and sustainably manage forests of Central Africa. During 2002, the U.S. also signed the International Treaty on Plant Genetic Resources. The U.S. signed bilateral agreements under the Tropical Forest Conservation Act with Peru and the Philippines. The US signed the International Convention on the Control of Harmful Anti-Fouling Systems on Ships (AFS Convention). An amendment to the Schedule of the International Whaling Commission was negotiated for a new five-year (2003-2007) quota for bowhead and gray whales for U.S. Natives.

The Stockholm Convention on Persistent Organic Pollutants, the Rotterdam Convention on Prior Informed Consent for Certain Toxic Chemicals and Pesticides, and Annex 6 of the International Convention for the Prevention of Pollution from Ships were transmitted to the Senate for advice and consent to ratification.

The U.S. helped refocus the Ramsar Convention on its core mission of protecting and conserving wetlands. Since entry into force of the United Nations Fish Stocks Agreement in December 2001, the U.S. chaired an informal consultative meeting with other parties to promote effective implementation of the Agreement, particularly provisions that pertain to cooperation with developing countries.

New partnerships to address global climate change were announced or initiated with Australia, Canada, the European Union, India, Korea, Russia, and China. Work was initiated to implement partnerships with Japan, Central American countries, Italy, and Australia. The U.S. leads an international effort in the Arctic Council to assess the impact of climate change in the Arctic region. Preliminary results were presented to Ministers of the eight Arctic states in October, 2002.

OES coordinated with USG agencies to review completed or ongoing projects and discuss future and proposed projects with China, Japan, Mexico, Russia, Ukraine, and Vietnam through bilateral Science and Technology agreements and other cooperative mechanisms such as the OECD. OES expanded cooperative exchange programs, such as the Embassy Science Fellows Program, with USG technical agencies. OES created and tested a preliminary database that tracks the implementation of Science and Technology agreements and subsidiary agreements. Antarctic Treaty Parties agreed to establish a Secretariat in Buenos Aires to address the increased coordination of scientific activities and steps to protect the environment in Antarctica.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.**

Bureau Initiatives: Countries around the globe adopt and maintain growth-oriented economic policies; economic crises are less likely and less severe; and, U.S. companies compete successfully for worldwide sales.

Bureau Indicators: a) Proportion of people with access to safe drinking water, sanitation, and modern, affordable and clean energy services increases, as does the number of regions engaged in a productive

dialogue on water and energy resources; b) Increase in number of key countries adopting national plans for sustainable fisheries management and participating in the UN Fish Stocks Agreement (UNFSA) and FAO Compliance Agreement (FAO-CA); c) Barriers to U.S. exports are reduced; and d) The number of key countries strengthening their domestic governance infrastructure for improved stewardship of natural resources increases.

Progress (FY 2002): A. At the WSSD the U.S. agreed to global targets to reduce the proportion of people without access to safe drinking water and basic sanitation by 50% by the year 2015. Riparian countries are engaging in regular regional dialogue and/or joint development projects on the Sava, Niger and Nile river basins . Nile riparian countries established an international organization to facilitate joint management of the watershed, and have raised $140 million in donor support for joint development projects. Sava riparian countries have finalized an agreement for joint management of the basin.

B. No additional countries have adopted national action plans for sustainable fisheriesCyprus ratified the UNFSA in September. Four countries, including South Africa, however, are expected to ratify the UNFSA shortly. Three additional countries are expected to ratify the FAO-CA, including New Zealand. The treaty is expected to enter into force. A number of regional activities have also contributed to ensuring sustainable fisheries throughout the globe and leveling the playing field for the US fishing industry. A rebuilding plan adopted under the International Commission for the Conservation of Atlantic Tuna has led to the recovery of the North Atlantic Swordfish. Asia Pacific Economic Cooperation Forum countries including Taiwan agreed to develop a shark management plan to implement the FAO International Plans of Action (IPOA) for sharks. Setting a new precedent, countries party to the Inter-American Tropical Tuna Commission agreed to adopt limitations on fishing capacity. The Southern Ocean Albatross and Petrel Agreement entered into force. Key fishing states participate, some for the first time, in a high level meeting to implement a regime to conserve and manage highly migratory fish stocks in the central and western Pacific Ocean where no management organization currently exists.

Free Trade Agreements (FTAs) with Singapore and Chile were concluded that bar the lowering of environmental standards as a means to protect domestic industry, thereby helping to create a level playing field for U.S. exports. Preparations are underway for negotiations to begin on four new bilateral FTAs that will include similar language. The U.S. continues to negotiate for a Free Trade Agreement of the Americas which will contain similar provisions.

At the UN Conference on Finance for Development in Monterrey, Mexico, developing countries agreed to the U.S. position that they must accept primary responsibility for their own economic and social development. This was expanded on at WSSD where countries accepted the role of domestic good governance as a foundation to implement sustainable development. Under the Anticorruption and Environmental Protection Initiative, several developing areas (including Thailand, Mexico, Central Asia, China, and South East Asia) launched activities to strengthen anti-corruption and law enforcement efforts in environmental areas.

Bureau Initiatives: Lowered global incidence of targeted diseases; more effective health care capabilities in targeted regions.

Bureau Indicators: Reduction in HIV/AIDS, malaria, and TB infection, and related mortality rates.

Progress (FY 2002): The number of new HIV/AIDS infections is estimated by UNAIDS to have remained at 5 million in 2002, about the same as in 2001. The number of countries with stable or declining HIV/AIDS infection rates has increased from 3 in 2001 to 5 in 2002. There are about 2 million deaths annually from TB and 1 million deaths a year from malaria (along with 300 to 500 million clinical cases per year). While data on trends in malaria and TB infection and mortality rates is not currently available, there

has been progress in raising awareness, defining strategies, and building capacity to address these diseases. For example, during 2002, the Global Fund to Fight AIDS, Tuberculosis and Malaria became operational, with over $2 billion in contributions pledged to it; by the end of the year, it had made its first grants. Twelve high-risk countries have national plans to combat malaria. 63% of the world's population had access to the Directly Observed Treatment Short course (DOTS) for TB in 2002, up from 55% in 2001.

FY 2004 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 2002 Actual	158	0	0	158	$6,474	$15,122	$21,596
FY 2003 Estimate	158	0	0	158	$26,031	$15,610	$41,641
FY 2004 Built-in Changes							
Pacific Salmon Treaty Implementation	0	0	0	0	($20,000)	$0	($20,000)
2003 American Cost of Living Adjustments	0	0	0	0	$3	$111	$114
American Cost of Living Adjustment	0	0	0	0	$47	$265	$312
Domestic Price	0	0	0	0	$360	$0	$360
Total Built-in Changes	0	0	0	0	($19,590)	$376	($19,214)
FY 2004 Current Services	158	0	0	158	$6,441	$15,986	$22,427
FY 2004 Request	158	0	0	158	$6,441	$15,986	$22,427

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	**124**	**124**	**124**	**0**
Environmental, Scientific and Technological Affairs	124	124	124	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	**17**	**17**	**17**	**0**
Domestic Administrative Management	6	6	6	0
Domestic Financial Services	5	5	5	0
Domestic Personnel Services	6	6	6	0
Total	158	158	158	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,141**	**$1,141**	**$1,141**	**$0**
Bureau Direction	$1,018	$1,018	$1,018	$0
Legislative Affairs	$123	$123	$123	$0
Conduct of Diplomatic Relations	**$16,237**	**$36,640**	**$17,410**	**($19,230)**
Environmental, Scientific and Technological Affairs	$16,237	$36,640	$17,410	($19,230)
Public Diplomacy	**$1,150**	**$792**	**$808**	**$16**
Public Diplomacy - Program Costs	$1,150	$792	$808	$16
Information Resource Management	**$1,073**	**$1,073**	**$1,073**	**$0**
Corporate Information Systems and Services	$1,073	$1,073	$1,073	$0
Information Services	$1,073	$1,073	$1,073	$0
Domestic Administrative Support	**$1,995**	**$1,995**	**$1,995**	**$0**
Domestic Administrative Management	$777	$777	$777	$0
Domestic Financial Services	$560	$560	$560	$0
Domestic Personnel Services	$658	$658	$658	$0
Total	$21,596	$41,641	$22,427	($19,214)

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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	**124**	**0**	**0**	**124**	**$4,806**	**$12,604**	**$17,410**
Environmental, Scientific and Technological Affairs	124	0	0	124	$4,806	$12,604	$17,410
Public Diplomacy	**3**	**0**	**0**	**3**	**$401**	**$407**	**$808**
Public Diplomacy - Program Costs	3	0	0	3	$401	$407	$808
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	158	0	0	158	$6,441	$15,986	$22,427

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	18	18	18	0
Office of Policy Coordination and Initiatives	19	19	19	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	16	16	16	0
Office of Global Change	10	10	10	0
Office of Environmental Policy	10	10	10	0
Dep Asst Secretary for Health and Science	7	7	7	0
Office of Science & Technology Cooperation	8	8	8	0
Space and Advanced Technology	9	9	9	0
Dep Asst Secretary for Oceans and Space	2	2	2	0
Office of Oceans Affairs	21	21	21	0
Office of Marine Conservation	12	12	12	0
Total	158	158	158	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$3,172	$2,820	$2,891	$71
Office of Policy Coordination and Initiatives	$2,208	$2,228	$2,308	$80
Office of the Executive Director	$3,251	$3,324	$3,434	$110
Dep Asst Secretary for Environment	$279	$285	$294	$9
Office of Ecology and Terresterial Conservation	$2,230	$2,245	$2,317	$72
Office of Global Change	$1,384	$1,430	$1,476	$46
Office of Environmental Policy	$1,822	$1,910	$1,965	$55
Dep Asst Secretary for Health and Science	$851	$675	$702	$27
Office of Science & Technology Cooperation	$1,078	$1,089	$1,124	$35
Space and Advanced Technology	$788	$795	$833	$38
Dep Asst Secretary for Oceans and Space	$270	$280	$289	$9
Office of Oceans Affairs	$2,633	$2,640	$2,711	$71
Office of Marine Conservation	$1,630	$21,920	$2,083	($19,837
Total	$21,596	$41,641	$22,427	($19,214

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Oceans and International Environmental and Scientific Affairs		FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$11,021	$11,487	$11,753	$266
1200	Personnel Benefits	$4,882	$4,881	$4,991	$110
2100	Travel & Trans of Persons	$2,039	$2,036	$2,036	$0
2300	Rents, Comm & Utilities	$710	$550	$550	$0
2400	Printing & Reproduction	$283	$313	$313	$0
2500	Other Services	$2,065	$1,690	$2,100	$410
2600	Supplies and Materials	$190	$275	$275	$0
3100	Personal Property	$406	$409	$409	$0
4100	Grants, Subsidies & Contrb	$0	$20,000	$0	($20,000)
Total		$21,596	$41,641	$22,427	($19,214)

DIPLOMATIC & CONSULAR PROGRAMS

Legal Adviser

OVERVIEW STATEMENT

The Office of the Legal Adviser (L) provides legal advice to the Secretary and other top level officers of the Department, and through him to the President 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 before the North American Free Trade Agreement (NAFTA) investor-state and other arbitral tribunals.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

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.

Bureau Initiatives: 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 international negotiations and in meetings of international organizations and conferences.

Bureau Indicator: A. Legal support provided to Department clients.

Objective: **Protect the Nation**

Strategic Goals: **Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.**

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

Bureau Initiative: 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.

Bureau Indicator: A. Effectively refute Iran's claim and present the U.S. counterclaim and defend against Iran's claim in the Platforms case. Present the U.S. arguments against Libya's claim in the Lockerbie case. B. Represent U.S. interests before the International Court of Justice.

DIPLOMATIC & CONSULAR PROGRAMS

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

Bureau Initiatives: 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.

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

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

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

Bureau 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.

Bureau Initiatives: 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.

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

Bureau Initiatives: 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.

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

Priority: Negotiate bilateral and multilateral law enforcement agreements.

Bureau Initiatives: A. Pursue extradition treaty negotiations and mutual legal assistance treaty negotiations with a range of key countries.

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

DIPLOMATIC & CONSULAR PROGRAMS

Objective: **Protect the Nation**

Strategic Goals: **American Citizens - Assist American citizens to travel, conduct business, and live abroad securely.**

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

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

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

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

Bureau Initiative: 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 Methanex claim for $1 billion, the ADF claim for $90 million, the Canfor claim for $250 million and the Kenex claim for $20 million . The Department is the lead counsel for the last four cases.

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

***PROGRESS** (FY 2002):*

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, e-government and information management, 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 NAFTA; L won in the Mondev case in which the $50 million claim was dismissed in its entirety, and achieved an important favorable jurisdictional decision in the Methanex case. L also processed payments by, and represented the U.S. before the United Nations Compensation Commission; and 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 assistance. The office also 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, treaties, and model laws 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 India, Peru, and Ireland. 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 managed more than 800 extradition requests and related matters, involving criminal activities such as terrorism, fraud, narcotics, murder, hostage taking and sex offenses. The office also provided ongoing advice and assistance to the Bureau of Diplomatic Security in connection with law enforcement as well as security and protection functions.

FY 2004 Request
SUMMARY STATEMENT

Office of the Legal Adviser	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	231	0	0	231	$10,264	$25,851	$36,115
FY 2003 Estimate	238	0	0	238	$9,708	$27,137	$36,845
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$7	$192	$199
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$177	$177
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$92	$92
American Cost of Living Adjustment	0	0	0	0	$27	$452	$479
Domestic Price	0	0	0	0	$124	$0	$124
Total Built-in Changes	0	0	0	0	$158	$913	$1,071
FY 2004 Current Services	238	0	0	238	$9,866	$28,050	$37,916
FY 2004 Request	238	0	0	238	$9,866	$28,050	$37,916

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Office of the Legal Adviser	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**14**	**14**	**12**	**(2)**
Bureau Direction	14	14	12	(2)
Conduct of Diplomatic Relations	**201**	**208**	**210**	**2**
Legal Affairs	201	208	210	2
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	231	238	238	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of the Legal Adviser	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,696**	**$1,753**	**$1,400**	**($353)**
Bureau Direction	$1,696	$1,753	$1,400	($353)
Conduct of Diplomatic Relations	**$31,843**	**$32,366**	**$33,180**	**$814**
Legal Affairs	$31,843	$32,366	$33,180	$814
Information Resource Management	**$1,871**	**$1,953**	**$1,795**	**($158)**
Infrastructure Systems	$515	$525	$426	($99)
Voice Communications Programs	$515	$525	$426	($99)
Corporate Information Systems and Services	$570	$591	$376	($215)
Information Services	$570	$591	$376	($215)
Office Automation	$786	$837	$993	$156
Domestic Administrative Support	**$705**	**$773**	**$1,541**	**$768**
Domestic Administrative Management	$444	$504	$916	$412
Domestic Financial Services	$80	$82	$106	$24
Domestic Personnel Services	$181	$187	$519	$332
Total	$36,115	$36,845	$37,916	$1,071

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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	**210**	**0**	**0**	**210**	**$8,201**	**$24,979**	**$33,180**
Legal Affairs	210	0	0	210	$8,201	$24,979	$33,180
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	238	0	0	238	$9,866	$28,050	$37,916

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of the Legal Adviser	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Legal Adviser	4	4	4	0
Deputy Legal Advisers	8	8	8	0
International Claims and Investment Disputes	40	43	43	0
Economic and Business Affairs	8	8	8	0
European Affairs	4	4	4	0
Political-Military Affairs	9	10	10	0
Executive Director	16	16	16	0
Arms Control and Verification	9	9	9	0
Non-Proliferation	6	6	6	0
East Asian and Pacific Affairs	3	3	3	0
Human Rights and Refugees	6	6	6	0
Law Enforcement and Intelligence	15	16	16	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	8	8	8	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	7	9	9	0
Employment Law	19	19	19	0
Total	231	238	238	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of the Legal Adviser	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Legal Adviser	$540	$558	$459	($99)
Deputy Legal Advisers	$1,156	$1,195	$1,093	($102)
International Claims and Investment Disputes	$9,576	$9,686	$9,590	($96)
Economic and Business Affairs	$866	$897	$1,054	$157
European Affairs	$495	$512	$527	$15
Political-Military Affairs	$1,237	$1,280	$1,271	($9)
Executive Director	$2,061	$2,201	$2,595	$394
Arms Control and Verification	$1,230	$1,269	$1,306	$37
Non-Proliferation	$1,118	$1,140	$1,561	$421
East Asian and Pacific Affairs	$500	$513	$528	$15
Human Rights and Refugees	$742	$768	$790	$22
Law Enforcement and Intelligence	$1,783	$1,946	$2,091	$145
Treaty Affairs	$1,521	$1,574	$1,620	$46
United Nations Affairs	$866	$897	$923	$26
Private International Law	$1,085	$1,102	$1,134	$32
Buildings and Acquisitions	$903	$934	$961	$27
Near Eastern and South Asian Affairs	$495	$512	$527	$15
Diplomatic Law and Litigation	$966	$997	$1,172	$175
African Affairs	$371	$384	$395	$11
Public Diplomacy and Public Affairs	$989	$1,025	$1,055	$30
Western Hemisphere Affairs	$495	$512	$527	$15
Legislation and General Management	$1,496	$1,549	$1,594	$45
Oceans, International Environmental & Scientific Affairs	$1,263	$1,302	$1,329	$27
Consular Affairs	$742	$768	$1,142	$374
Employment Law	$3,619	$3,324	$2,672	($652)
Total	$36,115	$36,845	$37,916	$1,071

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of the Legal Adviser	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$23,615	$24,120	$25,788	$1,668
1200	Personnel Benefits	$4,541	$4,692	$5,148	$456
2100	Travel & Trans of Persons	$316	$320	$325	$5
2300	Rents, Comm & Utilities	$567	$577	$585	$8
2400	Printing & Reproduction	$173	$175	$180	$5
2500	Other Services	$3,334	$3,377	$2,297	($1,080)
2600	Supplies and Materials	$289	$291	$295	$4
3100	Personal Property	$356	$369	$374	$5
4100	Grants, Subsidies & Contrb	$2,924	$2,924	$2,924	$0
Total		$36,115	$36,845	$37,916	$1,071

DIPLOMATIC & CONSULAR PROGRAMS

Economic and Business Affairs

OVERVIEW STATEMENT

The Bureau of Economic and Business Affairs (EB) is the center of the Department's effort to develop and implement America's international economic policy, integrating U.S. domestic economic interests with key foreign policy goals. Secretary Powell notes, "Visiting leaders and foreign ministers sometimes want to talk about security, sometimes they want to talk about some diplomatic problem; but all the time they want to talk about trade . . . about debt relief . . . about investment."

EB's main responsibilities cover the following broad sectors: economic development, trade and investment, as well as economic security.

Development: Americans have a vital interest in a strong international economy that enhances our national security by advancing prosperity, freedom, and economic opportunity worldwide. Economic growth creates new jobs, higher incomes for Americans, and for citizens of other nations. EB's work promotes regional and global stability by fostering long-term sustainable economic growth and development. 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. EB works with other agencies in support of the President's new Millennium Challenge initiative.

Trade and Investment: Combining economic expertise with in-depth knowledge of foreign affairs, the Bureau works closely with other departments, agencies, businesses and non-government organizations to build a strong and dynamic international economic system based on free trade and investment with new opportunities for American business, workers and farmers. 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.

Economic Security: EB works closely with other departments and agencies to formulate, coordinate and implement policies to develop diversified and reliable supplies of energy and to ensure the stability of the international financial system and the economic stability of key allies. EB also manages the economic aspects of U.S. engagement with the frontline states in the battle against terrorism. EB plays a key role in protecting transportation and communications' networks, leading international efforts to develop and implement new transportation and communications measures to safeguard our security. EB plays a critical role in energizing international efforts to block terrorists' funds and terrorists' ability to use the global financial system, and in seeking international support for new transportation and communications' security measures.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: Economic Prosperity and Security – Enhance economic prosperity and security by promoting global economic growth, development and stability, while expanding opportunities for U.S. businesses.

Priority: Institutions, laws, and policies foster private sector-led growth, macroeconomic stability, and poverty reduction.

Bureau Initiatives: A. Support Implementation of the President's Millennium Challenge Account (MCA). B. Decrease poverty and hunger in developing countries by increasing agricultural productivity, ensuring an end to famine, and increasing nutrition. C. Help developing nations fight corruption. D. Promote expansion of new technologies in developing nations.
Bureau Indicators: A. Average developing country Global Competitiveness Index (GCI) (published annually by the World Economic Forum). B. International Telecommunication Union (ITU) Recommendations Adopted.
Progress (FY 2002): Starting with the World Trade Organization (WTO) Doha Ministerial Meeting, EB played a key role in building international consensus on the critical importance of good governance, including stopping corruption, and open markets to economic development. Significant milestones in 2002 were the Monterrey Financing for Development Conference, the World Food Summit, the G-8 Summit of the Industrialized Nations and the World Summit on Sustainable Development (WSSD). EB has been active in the ongoing creation of the MCA to support the development efforts of countries that demonstrate a strong commitment to governing justly, investing in their people, and promoting economic freedom. EB, working with USDA, USAID and other agencies, ensured that promoting agricultural productivity – including through the use of biotechnology and open trade – was the central theme of the World Food Summit as well as a major focus of the G-8 Summit of Industrialized Nations Africa Initiative and the World Summit on Sustainable Development. EB and its U.S. government partners led with innovative ideas such as a new USAID initiative to end hunger in Africa, an aggressive US agriculture trade initiative at the WTO, and high-profile seminars on biotechnology. We worked with other departments, agencies, governments and the private sector to fight corruption and promote transparency. EB worked to keep International Telecommunication Union (ITU) members and non-members active in advancing our development and liberalization agenda in new technologies.

Priority: Increased trade and investment, achieved through market-opening international agreements and further integration of developing countries into the trading system.

Bureau Initiatives: A. Pursue increased market access through multilateral, regional, and bilateral initiatives for open investment policies, and free trade in goods and services. B. Increase market-opening aviation agreements. C. Increase international understanding and use of agricultural biotechnology. D. Expand business promotion activities at posts with special attention to posts where State leads the commercial function. E. Advocate for U.S. companies pursuing foreign government procurements. F. Support U.S. foreign direct investment and defend the rights of U.S. investors overseas. G. Advance U.S. interests in telecommunications and information technology standards, as well as radio spectrum allocations of importance to American businesses both bilaterally and multilaterally.
Bureau Indicators: A. Status of global, regional and bilateral negotiations on open markets for services, trade, and investment. B. Number of new accessions to the WTO. C. Number of market opening transportation agreements in place. D. Number of countries allowing use of agricultural biotechnology. E. Number of companies for whom advocacy services were provided. F. Number of commercial training projects conducted; number of seminars, workshops, trade fairs, and other trade promotion activities paid for with Business Facilitation Incentive Funds at non-Foreign Commercial Service posts. G. International Telecommunication Union Recommendations Adopted.
Progress (FY 2002): EB was a key member of the U.S. team that worked successfully to launch the World Trade Organization (WTO) Doha Development Agenda in November 2001. China and Taiwan joined the WTO. EB is also participating in negotiations to conclude a Free Trade Area of the Americas Agreement by January 1, 2005. Bilateral free trade agreements (FTA) with Chile and Singapore are complete (as of January 2003). Negotiations will start with Morocco, 5 Central America nations, the South Africa Customs Union and Australia. EB led the revival of bilateral investment talks with Russia and initiated or advanced discussions with Venezuela, Peru, Colombia, and Korea. The EB-led U.S. team concluded 5 Open Skies agreements plus 2 other aviation liberalization agreements with Russia and Ecuador. The Bureau headed an

active public diplomacy campaign leading to the successful WTO ministerial in Doha, and is building support for a scientific and positive approach to the use of biotechnology in agriculture. In FY 2002, India commercialized transgenic cotton. Brazil made a political decision to commercialize biotech agricultural crops, as soon as it sets up an appropriate regulatory structure.

EB advocated abroad for approximately 120 U.S. firms. About 360 outreach meetings and briefings were held for U.S. exporters and foreign importers. EB assisted scores of U.S. investors in their disputes with foreign governments. The Bureau, partnering with USG agencies and the private sector, developed assistance/training programs to help developing countries understand and enforce intellectual property rights better.

Priority: Secure and stable financial and energy markets.

Bureau Initiatives: A. Initiate through the International Financial Institutions, multilateral and bilateral diplomacy, and in conjunction with Treasury, recovery programs for distressed economies, including Afghanistan and front-line states. B. Lead multilateral framework for debt restructuring and reduction in the Paris Club and Heavily Indebted Poor Countries initiative. C. Work with International Energy Agency members and non-members to increase their Emergency Oil Stocks.
Bureau Indicators: A. Percentage of Debt Crisis Countries on International Monetary Fund Programs/Successfully Reforming. B. World Emergency Oil Stocks.
Progress (FY 2002): EB joined with the Treasury Department, and led successful multilateral efforts to deal with or avert a number of financial crises including Indonesia, Turkey, Jordan, the Former Republic of Yugoslavia (FRY), Argentina, Uruguay and Brazil. EB led 14 multilateral debt re-scheduling talks – valued at $31.4 billion – with key countries such as Pakistan, Ukraine, FRY, and Indonesia. The percentage of Debt Crisis Countries on International Monetary Fund (IMF) Programs and Successfully Reforming grew from 56.7% in 2001 to 63% in 2002. As an essential element in the war on terrorism, the United States built an international coalition that continues to work actively for the reconstruction of Afghanistan. The United States provided significant support and assistance to "front-line" states in the region, including Pakistan and the Central Asian Republics. EB promoted development of new sources of oil in Russia, Asia and West Africa, and increased the number of International Energy Agency members holding 90 day emergency stocks. EB guided the Baku-Tbilisi-Ceyhan Caspian pipeline project to start of construction.

Strategic Objective: **Protect the Nation**

Strategic Goal: **Counterterrorism: Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism.**

Priority: U.S. and foreign governments actively combat terrorist financing.

Bureau Initiatives: Achieve international cooperation to cut off terrorist financing.
Bureau Indicators: Stop flow of funds to terrorist groups.
Progress (FY 2002): EB and Treasury played a leading roles in cutting off terrorist financing, developing new initiatives with such groups as: the Financial Action Task Force for money laundering and terrorist finance, the Lyon-Roma Group of transnational crime and counter-terrorism experts, and the Egmont Group a 69-member network of police and financial investigators who directly exchange intelligence and information related to criminal financial investigations, including money laundering and terrorist financing.

Strategic Goal: **Homeland Security: Secure the homeland by strengthening arrangements that govern the flows of people, goods, and services between the United States and the rest of the world.**

Priority: Protection of critical physical and cyber infrastructure networks through agreements and enhanced cooperation.

Bureau Initiatives: A International cooperation to safeguard critical transportation networks. B Ensure sufficient radio spectrum for global use by the U.S. military and our allies.
Bureau Indicators: A. International organizations adopt global security measures to protect passengers, crew, cargo, and critical communications infrastructure from terrorist attacks. B. Radio Spectrum Protected for Military Use.
Progress (FY2002): EB led coalitions to protect international transportation, and critical information and communications infrastructure bilaterally and multilaterally, including through the International Civil Aviation Organization, the International Maritime Organization and the International Telecommunications Union.

Strategic Goal: **Regional Stability – Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.**

Priority: Existing and emergent regional conflicts are contained or resolved.

Bureau Initiatives: Cut off illegal diamond trade as a source of conflict financing.
Bureau Indicator: Status of implementation of Kimberley Process rough diamond certification and monitoring system.
Progress (FY 2002): As a result of EB's leadership, the United States joined 47 other governments in the Interlaken Declaration of November 5, 2002, to eliminate conflict diamonds from international trade beginning January 1, 2003 through the implementation of a global rough diamond certification system in order to prevent illegal diamond trading from fueling insurrection in Africa, while at the same time safeguarding legitimate trade.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Economic and Business Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	202	0	0	202	$5,021	$20,624	$25,645
FY 2003 Estimate	204	0	0	204	$5,398	$21,580	$26,978
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$2	$153	$155
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$51	$51
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$26	$26
American Cost of Living Adjustment	0	0	0	0	$11	$364	$375
Domestic Price	0	0	0	0	$76	$0	$76
Total Built-in Changes	0	0	0	0	$89	$594	$683
FY 2004 Current Services	204	0	0	204	$5,487	$22,174	$27,661
FY 2004 Request	204	0	0	204	$5,487	$22,174	$27,661

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Economic and Business Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**14**	**14**	**14**	**0**
Bureau Direction	14	14	14	0
Conduct of Diplomatic Relations	**165**	**167**	**167**	**0**
Economic/Trade Affairs	98	99	99	0
Business Services	67	68	68	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	**8**	**8**	**8**	**0**
Domestic Administrative Management	2	2	2	0
Domestic Financial Services	1	1	1	0
Domestic Personnel Services	3	3	3	0
Specialized Employee Assignments	1	1	1	0
Domestic General Services	1	1	1	0
Other Domestic General Services	1	1	1	0
Total	202	204	204	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Economic and Business Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,625**	**$1,740**	**$1,798**	**$58**
Bureau Direction	$1,625	$1,740	$1,798	$58
Conduct of Diplomatic Relations	**$20,485**	**$21,470**	**$21,990**	**$520**
Economic/Trade Affairs	$13,135	$13,164	$13,470	$306
Business Services	$7,350	$8,306	$8,520	$214
Public Diplomacy	**$412**	**$424**	**$434**	**$10**
Public Diplomacy - Program Costs	$412	$424	$434	$10
Law Enforcement Cooperation	**$857**	**$950**	**$980**	**$30**
Information Resource Management	**$1,435**	**$1,495**	**$1,510**	**$15**
Infrastructure Systems	$1,385	$1,445	$1,460	$15
Infrastructure Maintenance	$25	$25	$25	$0
ADP Communications and Message Centers	$1,005	$1,060	$1,075	$15
Voice Communications Programs	$355	$360	$360	$0
Office Automation	$50	$50	$50	$0
Other Office Automation	$50	$50	$50	$0
Domestic Administrative Support	**$831**	**$899**	**$949**	**$50**
Domestic Administrative Management	$210	$233	$243	$10
Domestic Financial Services	$105	$108	$118	$10
Domestic Personnel Services	$312	$342	$352	$10
Specialized Employee Assignments	$100	$108	$118	$10
Domestic General Services	$104	$108	$118	$10
Other Domestic General Services	$104	$108	$118	$10
Total	$25,645	$26,978	$27,661	$683

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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**	**$280**	**$1,518**	**$1,798**
Bureau Direction	14	0	0	14	$280	$1,518	$1,798
Conduct of Diplomatic Relations	**167**	**0**	**0**	**167**	**$3,905**	**$18,085**	**$21,990**
Economic/Trade Affairs	99	0	0	99	$2,750	$10,720	$13,470
Business Services	68	0	0	68	$1,155	$7,365	$8,520
Public Diplomacy	**3**	**0**	**0**	**3**	**$27**	**$407**	**$434**
Public Diplomacy - Program Costs	3	0	0	3	$27	$407	$434
Law Enforcement Cooperation	**8**	**0**	**0**	**8**	**$115**	**$865**	**$980**
Information Resource Management	**4**	**0**	**0**	**4**	**$1,075**	**$435**	**$1,510**
Infrastructure Systems	4	0	0	4	$1,025	$435	$1,460
Infrastructure Maintenance	0	0	0	0	$25	$0	$25
ADP Communications and Message Centers	4	0	0	4	$640	$435	$1,075
Voice Communications Programs	0	0	0	0	$360	$0	$360
Office Automation	0	0	0	0	$50	$0	$50
Other Office Automation	0	0	0	0	$50	$0	$50
Domestic Administrative Support	**8**	**0**	**0**	**8**	**$85**	**$864**	**$949**
Domestic Administrative Management	2	0	0	2	$28	$215	$243
Domestic Financial Services	1	0	0	1	$10	$108	$118
Domestic Personnel Services	3	0	0	3	$27	$325	$352
Specialized Employee Assignments	1	0	0	1	$10	$108	$118
Domestic General Services	1	0	0	1	$10	$108	$118
Other Domestic General Services	1	0	0	1	$10	$108	$118
Total	204	0	0	204	$5,487	$22,174	$27,661

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Economic and Business Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	9	9	9	0
Deputy Assistant Secretary for Trade Policy and Programs	49	51	51	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	34	34	34	0
Deputy Assistant Secretary for International Communications & Info Policy	28	28	28	0
Total	202	204	204	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Economic and Business Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$2,725	$2,830	$2,960	$130
Coordinator for Business Affairs	$1,465	$1,495	$1,440	($55)
Caspian Basin Energy Diplomacy	$495	$545	$550	$5
Policy Analysis and Public Diplomacy	$1,212	$1,249	$1,324	$75
Deputy Assistant Secretary for Trade Policy and Programs	$6,024	$6,736	$6,740	$4
Deputy Assistant Secretary for Transportation Affairs	$2,700	$2,795	$2,815	$20
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	$3,005	$3,120	$3,050	($70)
Deputy Assistant Secretary for International Finance and Development	$3,980	$4,105	$4,275	$170
Deputy Assistant Secretary for International Communications & Info Policy	$4,039	$4,103	$4,507	$404
Total	$25,645	$26,978	$27,661	$683

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Economic and Business Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$17,694	$18,508	$18,874	$366
1200	Personnel Benefits	$3,525	$3,731	$3,970	$239
2100	Travel & Trans of Persons	$1,172	$1,264	$1,287	$23
2200	Transportation of Things	$15	$10	$10	$0
2300	Rents, Comm & Utilities	$431	$461	$466	$5
2400	Printing & Reproduction	$43	$53	$48	($5)
2500	Other Services	$1,733	$1,808	$1,853	$45
2600	Supplies and Materials	$431	$482	$482	$0
3100	Personal Property	$601	$661	$671	$10
Total		$25,645	$26,978	$27,661	$683

DIPLOMATIC & CONSULAR PROGRAMS

Intelligence and Research

OVERVIEW STATEMENT

INR's primary mission is to harness intelligence to serve U.S. diplomacy. The Bureau is at the nexus of intelligence and foreign policy; it has a key role in ensuring that intelligence activities are consistent with U.S. foreign policy, and that other components of the Intelligence Community understand the information and analysis needs of senior foreign policy decision-makers. INR serves as the J2 of the Department of State providing timely, tailored support for all officers in the Department, from the Secretary to the consular officer working on the visa line. INR staff is closely integrated with the policy bureaus that they serve, but maintain objectivity.

The strengths of the Bureau derive from its proximity to the Secretary of State and its broad analytic perspective and focus on intelligence policy. INR's unique combination of Civil Service specialists with in-depth expertise, and Foreign Service officers with extensive in-country experience enables the Bureau to tailor its assessments to fit the precise needs of key foreign policy decision-makers.

INR's mandate reflects the agenda of the Secretary of State, an agenda requiring broad coverage of all foreign policy issues, as well as a surge capacity to focus resources on changing priorities. INR currently has marshaled its resources to support the war on terrorism. The challenge for INR is to also maintain coverage of all countries and regional issues, as well as such global concerns as economics and trade; strategic and proliferation issues; narcotics; environmental, humanitarian, and peacekeeping issues; and analysis of overseas polling and media reports.

INR has 305 officers that provide all-source analysis, intelligence coordination and policy guidance, geographic information services, polling and media analysis, as well as personnel, budget, IT, and administrative support.

STRATEGIC OBJECTIVES & GOALS

Strategic Objectives: **Protect the Nation**

Strategic Goals: **1. Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States. 2. Weapons of Mass Destruction - Reduce the threat of weapons of mass destruction to the United States, our allies, and friends. 3. International Crime and Drugs - Minimize the impact of international crime and illegal drugs on the United States and its citizens.**

Strategic Objectives: **Advance Sustainable Development and Global Interests**

Strategic Goals: **1. Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation. 2. Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom. 3. Humanitarian Response - Minimize the human costs of displacement, conflicts and natural disasters.**

Bureau Priority #1) Ensure regional instabilities do not threaten the U.S. and allies. Eliminate the threat to the U.S. posed by weapons of mass destruction. Significantly reduce the entry of illegal drugs

into the U.S. Open foreign markets to the 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.

Bureau Initiatives: A. Advance policymakers' understanding of enduring foreign policy challenges and opportunities for diplomacy. B. Use all-source intelligence to continuously track issues, situations and countries that could pose a threat to the national security of the U.S., and alert policymakers so that threats can be mitigated through diplomacy.

Bureau 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. D. Status of Strategic Mission Plan for intelligence support to diplomacy and diplomatic operations.

Progress (FY2002): INR officers and analysts provided timely warning to policymakers of situations, trends, or events that could threaten U.S. national interests or impede or facilitate the attainment of foreign policy goals. INR provided daily intelligence support to Department principals and policy officers by selecting and disseminating intelligence, providing oral briefings and written assessments, coordinating intelligence activities and operations, and brokering requests for enhanced intelligence collection in support of diplomacy and diplomatic operations. Many of INR's products are now available on a variety of web-sites and are e-mailed out to customers around the Department and overseas. INR successfully adopted a new format for analytic products (*INR Assessments*) that is topic-specific, more forward looking, easier to use, and gives analysts greater flexibility to develop their arguments. During FY 2002 INR analyses covered a wide range of topics including the North Ireland Peace Process, prosecution of war criminals, the drug trade in Southeast Asia's Golden Triangle, leadership dynamics in Latin America, violence in Columbia, Russia/Chechnya issues, tensions between Pakistan and India, and China/Taiwan issues -- to cite just a few.

INR activities in FY 2002 contributed to Department operations in significant ways. For example:

- During and immediately following the Afghan campaign, INR provided a variety of assessments, tools, and intelligence support to Department policymakers, including a humanitarian map and integrated situation report for Secretary Powell. This information was provided to the Secretary on a daily basis prior to his morning meetings at the White House.

- After the Afghan military campaign, INR and World Bank officials presented the Afghanistan Reconstruction Information Management Strategy (ARIMS) concept in Tokyo at the International Conference for Reconstruction Assistance in Afghanistan in January 2002. This information strategy for Afghanistan's reconstruction was established to assist the Afghan Interim Authority and the international donor community with a means to organize data collection related to living conditions throughout the country and donor-funded relief and reconstruction projects. ARIMS promoted standardized data collection and sharing among various UN agencies, the World Bank, and Afghan ministries. It contributed geospatial and imagery data provided by the U.S. Government.

- INR provided State Department officials with all-source analyses on nonproliferation issues, especially the development of weapons of mass destruction and their deployment, transfers of advanced conventional weapons and technologies, and bilateral and multilateral arms control agreements.

DIPLOMATIC & CONSULAR PROGRAMS

- INR continued to serve as a key player in the policy community's effort to prepare demarche language based on intelligence to combat the proliferation of WMD, sensitive technologies, and arms to countries such as Iraq, and ensured appropriate vetting of this language within the Intelligence Community.

- After more than a year of consultations with partners in both U.S. Government civilian agencies and military commands, INR in September 2002 inaugurated its new interagency Humanitarian Information Unit (HIU). Unique within the U.S. Government, the HIU's complement of interagency humanitarian affairs specialists presents a broad range of expertise to address both extensive complex emergencies and the more specific aspects of humanitarian assistance such as food security, infectious diseases, climatology, and demining.

- One hundred and thirteen conferences were sponsored and organized (often with other agencies) by INR. Often these conferences were held at the request of a policymaker. These events contributed to a more informed foreign policy process and facilitated the interchange of expertise and ideas between outside experts and government officials. Notable conferences held during FY2002 included:

    - *Conference on Global Infectious Disease and U.S. Foreign Policy* (11/2/01). This conference was organized to heighten awareness of the economic and political impacts of disease. Speakers stressed the linkages among poverty, conflict, and disease.

    - *Conference on Counterrorism* (12/10/01). Participants discussed defeating and eradicating terrorism, noting that failed and lawless states and zones have become the most useful for terrorists.

    - *Conference on China's Strategic Vision* (8/20/02). Presenters gave insights into China's priorities for the future.

    - *Conference on Anti-Americanism* (9/5-6/02). This conference explored the various manifestations and roots of anti-Americanism around the world, what it means for the United States, and how the United States may address it.

    - *Conference on Islamic Extremism in Sub-Saharan Africa* (9/30/02). The conference examined new lines of Islamist and radical thought in Africa.

- During FY 2002, INR worked with the Intelligence Community on the implementation plan for the IC's Strategic Mission Plan on Intelligence Support to Diplomacy. The tasks outlined in the Implementation Plan will assist INR efforts to increase intelligence support for diplomacy.

Strategic Objective: **Protect the Nation**

Strategic Goal: **1. Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism. 2. American Citizens - Assist American citizens to travel, conduct business, and live abroad securely.**

Bureau Priority #2) Reduce the number and impact of international terrorist attacks, especially on the United States and its citizens. Control travel and migration to the U.S.

Bureau Initiative: A. Improve the ability of policymakers to understand trends, patterns, and dynamics of terrorist activity, and to assess counterterrorist efforts of other nations. B. Enhance border security through the TIPOFF Program.

Bureau Indicators: A. Number of analytic assessments on terrorism. B. Positive feedback from policymakers. C. Number of terrorists detected and denied entry or U.S. visas. D. Number of new terrorist records created or updated. E. Number of "clients" accessing the TIPOFF database.

Progress (FY 2002): Every INR office, and most analysts have added terrorism to their regular portfolios in ways that enable INR to continue to provide global coverage while uncovering and examining terrorist-related developments in every country and region. This strategy has worked well. During FY 2002, INR engaged in a number of activities to support the War on Terrorism. INR pursued innovative analytic techniques to improve the USG's understanding of the al-Qaida terrorist network; added an analyst to work full-time on the U.S. government effort to interdict terrorism finances; and drafted assessments on possible sources of economic leverage as the U.S. sought to gain support for the war.

INR continues to maintain and operate the TIPOFF database. This database watchlists known and suspected international terrorists and other felons, assisting consular officers at U.S. embassies and Immigration and Naturalization Service (INS) officers at ports of entry to deny visas or entry into the United States. During FY 2002, 130 suspected terrorists or felons were denied visas or entry into the U.S. based on TIPOFF information. In July 2002, INR negotiated a Memorandum of Understanding that made the TIPOFF database of known and suspected terrorists available on INTELINK to other Intelligence Community members. This initiative marks a significant breakthrough on interagency intelligence sharing. During FY 2002, over 20,000 new records were added to the database. Additionally, INR proposed and began work with the FBI on an initiative for targeted data sharing between the FBI's VIGTOF database and TIPOFF.

***Strategic Objective:* Gain International Understanding**

***Strategic Goal:* Public Diplomacy - Increase understanding for American values, policies, and initiatives to create a receptive international environment.**

Bureau Priority #3) Promote Mutual Understanding

Bureau Initiative: 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.

Bureau 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 (FY 2002): 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 140 surveys in 80 countries were conducted under the office's guidance during FY2002. INR collaborated with the U.S. Consulate in Belfast to conduct a poll in Northern Ireland that provided hard evidence of public support to reform policing institutions and restart the devolved Assembly and Executive. The S/P Director released poll results during his November 2002 Belfast visit. The Consulate and the National Democratic Institute

also used survey results with Northern Ireland political parties in an effort to get the parties to move beyond sectarian issues.

- INR initiated multiple surveys in Arab and other Muslim majority countries for the Under Secretary for Public Diplomacy and Public Affairs to determine the bases of anti-Americanism. Survey results guided the Department's public diplomacy program and "Muslim Life in America."

- Results of an INR survey and focus groups in South Korea analyzing growing anti-American feelings were provided to the Embassy and U.S. Forces Korea (USFK) to assist in planning to address rising Korean emotions over the deaths of two school girls struck by a U.S. military vehicle.

- On the eve of waves of refugees returning to Afghanistan, INR conducted a survey of refugees residing in Pakistan. Results, which helped guide U.S. recovery policies toward the Karzai government, provided the first information on Afghan attitudes toward the U.S.-led military campaign in Afghanistan and future prospects for national unity.

- For the NSC staff and others, INR tracked public opinion in Pakistan with multiple surveys that demonstrated Pakistani public support for Musharraf's decision to cooperate with the U.S. in the war on terrorism. The surveys discovered that this support was based largely on the belief that it would be repaid with U.S. economic assistance.

- INR conducted a unique survey of information gatekeepers in the Russian media and government agencies looking at resistance to state encroachment on press freedoms and the extent of self-censorship among media professionals. Results were used by the embassy to guide assistance to independent media.

- Working with the embassy in Chisinau, INR trained Moldovan polling firms to improve their skills and capabilities. A survey subsequently conducted by one of the firms looked at attitudes in the first post-Soviet independent state to return a communist party to power. The embassy reported that the poll results demonstrated that widely held assumptions "were wrong." The embassy shared results with major Western donors and with the office of the Moldovan President.

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Bureau Priority #4) Human Resources, Information, and Infrastructure and Operations.

Bureau Initiatives: A. Streamline and improve the ability of the Executive Office to manage human capital and provide operational improvements in security, program analysis, training, and information management. B. Disseminate products electronically to the full range of INR customers. C. Ensure continuity of operations due to a catastrophic terrorist attack or other national emergency. D. Leverage new technologies.

Bureau Indicators: A. Personnel programs to provide for staffing, organizational improvements, training and development are implemented. B. Number of "hits" to INR websites. C. A COOP plan is developed and implemented.

Progress (FY 2002):

- 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.
- INR initiated its Electronic Read and Burn pilot project at one post with another two posts nearing completion.
- INR recruited seven Presidential Management Interns (PMIs) and three officers from the Department's Career Entry Program to fill vacancies. This is a positive step forward in INR's efforts to replace analytic expertise so that the bureau can continue to carryout its mission. INR continued its efforts 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.
- A series of training sessions for new INR hires was ongoing through FY 2002. Seminars and briefings for bureau unit security officers were also offered throughout the year. An analytic Tools Group provided recommendations and guidance to INR management on new tools relevant to analytic work.
- INR continued to provide intelligence support to the Secretary through its Enhanced Delivery of Intelligence (EDI) program during every overseas trip -- forty-one -- this past year, giving him the same intelligence support on the road that he receives in the Department.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Intelligence & Research	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	302	0	0	302	$10,392	$30,097	$40,489
FY 2003 Estimate	305	0	0	305	$12,101	$31,276	$43,377
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$3	$221	$224
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$76	$76
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$39	$39
American Cost of Living Adjustment	0	0	0	0	$10	$527	$537
Domestic Price	0	0	0	0	$180	$0	$180
Local Guard Program & Other Global Inflation	0	0	0	0	$79	$0	$79
Total Built-in Changes	0	0	0	0	$272	$863	$1,135
FY 2004 Current Services	305	0	0	305	$12,373	$32,139	$44,512
FY 2004 Request	305	0	0	305	$12,373	$32,139	$44,512

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Intelligence & Research	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**18**	**18**	**18**	**0**
Bureau Direction	18	18	18	0
Conduct of Diplomatic Relations	**258**	**258**	**258**	**0**
Intelligence and Research	258	258	258	0
Information Resource Management	**11**	**11**	**11**	**0**
Infrastructure Systems	1	1	1	0
Information Management Security Implementation	1	1	1	0
Corporate Information Systems and Services	10	10	10	0
Core Foreign Affairs Systems	10	10	10	0
Domestic Administrative Support	**15**	**18**	**18**	**0**
Domestic Administrative Management	6	9	9	0
Domestic Financial Services	4	4	4	0
Domestic Personnel Services	3	3	3	0
Domestic General Services	2	2	2	0
Other Domestic General Services	2	2	2	0
Total	302	305	305	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Intelligence & Research	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,937**	**$1,999**	**$2,054**	**$55**
Bureau Direction	$1,937	$1,999	$2,054	$55
Conduct of Diplomatic Relations	**$28,109**	**$28,822**	**$29,594**	**$772**
Intelligence and Research	$28,109	$28,822	$29,594	$772
Public Diplomacy	**$3,174**	**$4,769**	**$4,921**	**$152**
Public Diplomacy - Program Costs	$3,174	$4,769	$4,921	$152
Information Resource Management	**$5,523**	**$5,759**	**$5,862**	**$103**
Infrastructure Systems	$611	$636	$650	$14
Information Management Security Implementation	$142	$146	$150	$4
Voice Communications Programs	$469	$490	$500	$10
Corporate Information Systems and Services	$4,912	$5,123	$5,212	$89
Core Foreign Affairs Systems	$4,399	$4,591	$4,671	$80
Information Services	$513	$532	$541	$9
Domestic Administrative Support	**$1,746**	**$2,028**	**$2,081**	**$53**
Domestic Administrative Management	$607	$852	$875	$23
Domestic Financial Services	$406	$418	$429	$11
Domestic Personnel Services	$334	$345	$354	$9
Domestic General Services	$399	$413	$423	$10
Other Domestic General Services	$399	$413	$423	$10
Total	$40,489	$43,377	$44,512	$1,135

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of Intelligence & Research	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**18**	**0**	**0**	**18**	**$152**	**$1,902**	**$2,054**
Bureau Direction	18	0	0	18	$152	$1,902	$2,054
Conduct of Diplomatic Relations	**258**	**0**	**0**	**258**	**$2,318**	**$27,276**	**$29,594**
Intelligence and Research	258	0	0	258	$2,318	$27,276	$29,594
Public Diplomacy	**0**	**0**	**0**	**0**	**$4,921**	**$0**	**$4,921**
Public Diplomacy - Program Costs	0	0	0	0	$4,921	$0	$4,921
Information Resource Management	**11**	**0**	**0**	**11**	**$4,700**	**$1,162**	**$5,862**
Infrastructure Systems	1	0	0	1	$544	$106	$650
Information Management Security Implementation	1	0	0	1	$44	$106	$150
Voice Communications Programs	0	0	0	0	$500	$0	$500
Corporate Information Systems and Services	10	0	0	10	$4,156	$1,056	$5,212
Core Foreign Affairs Systems	10	0	0	10	$3,615	$1,056	$4,671
Information Services	0	0	0	0	$541	$0	$541
Domestic Administrative Support	**18**	**0**	**0**	**18**	**$282**	**$1,799**	**$2,081**
Domestic Administrative Management	9	0	0	9	$27	$848	$875
Domestic Financial Services	4	0	0	4	$7	$422	$429
Domestic Personnel Services	3	0	0	3	$37	$317	$354
Domestic General Services	2	0	0	2	$211	$212	$423
Other Domestic General Services	2	0	0	2	$211	$212	$423
Total	305	0	0	305	$12,373	$32,139	$44,512

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Intelligence & Research	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Intelligence & Research	12	12	12	0
Principal DAS for Intelligence & Research	2	2	2	0
Current Intelligence Staff	14	14	14	0
Office of the Executive Director	15	18	18	0
Information Systems	11	11	11	0
Office of Research and Media Reaction	40	40	40	0
Deputy Assistant Secretary for Analysis	2	2	2	0
External Research Staff	5	5	5	0
Office of Analysis for Africa	12	12	12	0
Office of Analysis for Inter-American Affairs	16	16	16	0
Office of Analysis for East Asia & Pacific	19	19	19	0
Office of Economic Analysis	16	16	16	0
Office of Analysis for Near East & South Asia	19	19	19	0
Office of Publications	6	6	6	0
Office of Analysis for Europe	19	19	19	0
Office of Analysis for Russia and Eurasia	21	21	21	0
Office of Strategic, Proliferation and Military Issues	16	16	16	0
Office of Analysis for Terrorism, Narcotics and Crime	15	15	15	0
Office of the Geographer and Global Issues	17	17	17	0
Deputy Assistant Secretary for Intelligence Policy and Coordination	2	2	2	0
Office of Intelligence Resources	10	10	10	0
Office of Intelligence Coordination	7	7	7	0
Office of Intelligence Operations	6	6	6	0
Total	302	305	305	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Intelligence & Research	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Intelligence & Research	$1,343	$1,387	$1,425	$38
Principal DAS for Intelligence & Research	$226	$233	$239	$6
Current Intelligence Staff	$1,580	$1,632	$1,676	$44
Office of the Executive Director	$1,791	$2,113	$2,167	$54
Information Systems	$3,967	$4,109	$4,188	$79
Office of Research and Media Reaction	$7,158	$8,883	$9,149	$266
Deputy Assistant Secretary for Analysis	$211	$217	$223	$6
External Research Staff	$967	$988	$1,010	$22
Office of Analysis for Africa	$1,415	$1,319	$1,354	$35
Office of Analysis for Inter-American Affairs	$1,711	$1,766	$1,813	$47
Office of Analysis for East Asia & Pacific	$2,112	$2,134	$2,191	$57
Office of Economic Analysis	$1,713	$1,768	$1,815	$47
Office of Analysis for Near East & South Asia	$2,036	$2,102	$2,158	$56
Office of Publications	$645	$666	$684	$18
Office of Analysis for Europe	$2,141	$2,211	$2,270	$59
Office of Analysis for Russia and Eurasia	$2,354	$2,426	$2,491	$65
Office of Strategic, Proliferation and Military Issues	$1,748	$1,805	$1,852	$47
Office of Analysis for Terrorism, Narcotics and Crime	$1,831	$1,891	$1,939	$48
Office of the Geographer and Global Issues	$2,394	$2,476	$2,536	$60
Deputy Assistant Secretary for Intelligence Policy and Coordination	$213	$220	$226	$6
Office of Intelligence Resources	$1,439	$1,488	$1,523	$35
Office of Intelligence Coordination	$868	$897	$920	$23
Office of Intelligence Operations	$626	$646	$663	$17
Total	$40,489	$43,377	$44,512	$1,135

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Intelligence & Research	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$24,568	$25,528	$26,228	$700
1200	Personnel Benefits	$6,069	$6,306	$6,478	$172
2100	Travel & Trans of Persons	$778	$806	$823	$17
2300	Rents, Comm & Utilities	$570	$598	$611	$13
2400	Printing & Reproduction	$304	$319	$324	$5
2500	Other Services	$6,846	$8,389	$8,596	$207
2600	Supplies and Materials	$469	$485	$491	$6
3100	Personal Property	$885	$946	$961	$15
Total		$40,489	$43,377	$44,512	$1,135

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, strengthening 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. Countering transnational threats emanating from Africa, especially the spread of HIV/AIDS, is a U.S. priority in the region, along with continued concerns over terrorism, narcotics, crime, and environmental degradation. Conflict resolution and the pursuit of regional stability are central to AF's overall policy objectives. The Bureau mandates a Public Diplomacy plan, implemented by the Country Team using available resources, for each policy objective from Chiefs of Mission. Diplomatic readiness in the form of secure and permanent U.S. presence at 42 embassies and four constituent posts in sub-Saharan Africa ensures our ability to meet the needs of American citizens abroad, and implement our policy and programs throughout Africa.

STRATEGIC OBJECTIVES & GOALS

STRATEGIC OBJECTIVE: **Advance Sustainable Development and Global Interests**

STRATEGIC GOAL: **Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.**

Bureau Priority #1) Strengthen private sector approaches to generating economic growth and increasing productivity in Africa through expanded trade and investment, especially in countries where there are pro-growth economic policies that foster enterprise and entrepreneurship.

Bureau Initiatives: A. Standards of living in sub-Saharan Africa are raised through market-led economic growth. B. Additional markets are opened in sub-Saharan Africa resulting in increased trade and a free flow of goods, services, capital, and exports.

Bureau Indicators: A. Average annual real per capita GNP growth of sub-Saharan Africa. B. Two-way trade levels between sub-Saharan Africa and the United States (in dollars), and sub-Saharan Africa and the European Union (in euros).

Progress (FY 2002): The African Growth and Opportunity Act (AGOA) remains key to our efforts to strengthen Africa's private sector. In Lesotho, AGOA is responsible for creating over 10,000 jobs. AGOA-related jumps in job creation have been reported in Kenya, Tanzania, Mauritius and South Africa. Through an AF-launched Sovereign Credit Rating Initiative, ten countries have already received grants to have a rating issued and tap capital flows in the global market. Overall two-way trade with sub-Saharan Africa fell 22 percent in the first nine months of 2002, although non-energy U.S. imports from AGOA countries are up significantly. World Bank estimates that real GDP growth in sub-Saharan Africa will be 2.5 percent in 2002, down from 2.9 percent in 2001.

DIPLOMATIC & CONSULAR PROGRAMS

STRATEGIC OBJECTIVE: **Protect the Nation**

STRATEGIC GOALS: **1. Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States. 2. Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism.**

Bureau Priority #2) Increase African capacity to fight terrorism, and to prevent, mitigate and resolve crises, conflict and regional instability.

Bureau Initiatives: A. International terrorist activities in Africa are reduced. B. Local and regional conflicts in Africa are resolved, contributing to the achievement of other performance goals. C. U.S. humanitarian assistance to victims of crisis in sub-Saharan countries is effective in alleviating their suffering, and African capacity to respond to humanitarian crises is strengthened.

Bureau Indicators: A. African states act to prevent terrorist organizations from taking root as part of the coalition against international terrorism. B-1. Number of internal and external armed conflicts resolved. B-2. Number of U.S.-trained African units deployed to peace support/humanitarian response operations. C. Estimated number of persons of concern to the UNHCR (refugees, asylum seekers, recent returnees and internally displaced persons) as a proportion of total population.

Progress (FY 2002): Key African countries participate in U.S. programs to strengthen counter-terrorism capabilities. The Bureau assists key African states to strengthen border controls, airport security, and immigration controls; to share intelligence and law enforcement information; and to broaden action against terrorist financing. The African Contingency Operations Training and Assistance (ACOTA) Program was established in FY 2002 to enhance African militaries' capacity to prepare for and deploy successfully to peace support operations. Program activities like the West African Stabilization Program (WASP) and ACOTA have ensured that ECOWAS troop contributors are more able to meet the demands of peacekeeping operations. The Sudan peace process continues to advance. Conflicts in Angola, Sierra Leone, and Madagascar have ended.

STRATEGIC OBJECTIVE: **Advance Sustainable Development and Global Interests**

STRATEGIC GOAL: **Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.**

Bureau Priority #3) ***Increase democracy, good governance and respect for the rule of law, and help strengthen civil society in Africa.***

Bureau Initiatives: The number of African governments that adhere to democratic practices, particularly the rule of law and respect for human rights, continues to increase.

Bureau Indicators: A. The number of democratic states increases. B. Democratic transitions begin with peace and programs of demobilization, disarmament and reintegration (DDR). C. Free and fair elections increasingly become the standard by which African governments measure their legitimacy and seek to align their countries with democracies elsewhere.

Progress (FY 2002): Successful elections were held, and important democratic progress was realized, in Lesotho, Mali, and Sierra Leone. Following the death of Jonas Savimbi, conflict in Angola ended and demobilization of UNITA combatants began. Sierra Leone advanced demobilization and reintegration of

the RUF. The Democratic Republic of Congo moved closer to a transition government with the signing of a political agreement between two of the three major contesting groups at Sun City, South Africa in April 2002. Confidence building measures adopted in Sudan help initiate a new search for peace.

STRATEGIC OBJECTIVE: **Advance Sustainable Development and Global Interests**

STRATEGIC GOAL: **Social and Environmental Issues - Improve health, education, environment, migrant management, and other conditions for the global population.**

Bureau Priority #4) ***Decrease the spread of HIV/AIDS and other infectious diseases.***

Bureau Initiatives: African capacity to promote the health of Africans increases, checking the spread of infectious diseases, particularly HIV/AIDS.

Bureau Indicators: A. Annual mortality rates of sub-Saharan countries. B. Life expectancy at birth of sub-Saharan Africans. C. Number of adults and children newly infected with HIV in sub-Saharan Africa annually.

Progress (FY 2002): The United States, the largest bilateral donor against the HIV/AIDS pandemic in sub-Saharan Africa, has pledged $500 million to the Global Fund to Fight AIDS, Tuberculosis, and Malaria. In 2002, the Administration announced a new $500 million three-year program to fight mother and child transmission of AIDS in Africa and the Caribbean.

The overall picture on HIV remains grim: infection rates are rising and life expectancy is falling. Pockets of progress, however, suggest behavioral and health system changes that in the longer term should start to be reflected in overall statistics. Among pregnant South African women under 20, HIV rates fell from 21 percent in 1998 to 15.4 percent in 2001 (the latest figures available). There has been a decline in infection rates among young women in Addis Ababa's inner city. Uganda's well-known success in bringing infection rates down by 50 percent over the last decade is holding and gaining ground. The number of Voluntary Counseling and Testing (VCT) Centers in Rwanda using U.S.-trained counselors adhering to guidelines developed through U.S.-supported programs tripled from four to 12. More than 96 percent of those screened received test results and post-test counseling, up from 68 percent last year. The Bureau continued to work with the SADC Forum to develop and implement a Southern Africa HIV/AIDS policy and comprehensive public diplomacy programs on HIV/AIDS.

Bureau Priority #5) ***Preserve Africa's sustainable resource base.***

Bureau Initiatives: African environmental protection and resource management capacity are improved and African governments support U.S. objectives in international environmental fora.

Bureau Indicators: A. Percentage of land area in sub-Saharan Africa that is environmentally protected. B. Increased cross-border cooperation.

Progress (FY 2002): There has been substantial progress towards Africa-wide ratification of the UN Convention on Desertification and regional cooperation on watershed management. With U.S. guidance, Madagascar adopted an innovative approach for involving communities in preservation/management of natural resources; seven forest management contracts and seven land use agreements were subsequently approved with local groups. Working closely with South Africa, initiated the Congo Basin Forest Partnership. Gabon announced in September 2002 the creation of 12 new protected national parks, representing 10 percent of its land area.

DIPLOMATIC & CONSULAR PROGRAMS

STRATEGIC OBJECTIVE: **Strengthen Diplomatic and Program Capabilities**

STRATEGIC GOAL: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Bureau Priority #6) 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.

Bureau Initiatives: Our posts in Africa have professional and diversified human and information technology resources, and the infrastructure, including real property, necessary to ensure diplomatic readiness.

Bureau Indicators: A. Comparison of FSN attrition rates with attrition rates of employees of comparable companies. B. Percentage of employees who are sufficiently trained in required computer software applications and computer systems to allow them to perform their job responsibilities. C. The number of secure new office buildings (NOBs) and improvements in residential security for American overseas staff.

Progress (FY 2002): Attrition rates of the Bureau's FSN employees remain in line with comparable local companies. In FY 2002, AF filled 29 new American Direct Hire positions established under the Diplomatic Readiness Initiative. Nearly 50 percent of employees have received sufficient training in required computer software applications and computer systems to allow them to perform their job responsibilities; more than 80 percent of the Bureau's operational servers, desktop PCs, and core infrastructure equipment meets or exceeds industry standard minimum specifications. Nineteen of AF's 46 posts have classified connectivity; 10 more are scheduled to have classified connectivity by March 2003. The Bureau will complete construction of state-of-the-art new office buildings (NOBs) in Nairobi and Dar es Salaam in January 2003; new embassy construction is underway in Luanda, Abidjan, Abuja, Yaounde, Cape Town, and Conakry. Construction is scheduled to begin on an additional NOB in Bamako in FY 2003.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of African Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	150	551	535	1,236	$141,379	$72,816	$214,195
FY 2003 Estimate	151	578	535	1,264	$161,221	$78,560	$239,781
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($1,789)	$0	($1,789)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($1,993)	$0	($1,993)
2003 American Cost of Living Adjustments	0	0	0	0	$42	$555	$597
Annualization of 2003 Hiring Increases	0	0	0	0	$841	$708	$1,549
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$368	$368
American Cost of Living Adjustment	0	0	0	0	$172	$1,294	$1,466
FSN Wage	0	0	0	0	$1,621	$0	$1,621
Overseas Inflation	0	0	0	0	$4,811	$0	$4,811
Domestic Price	0	0	0	0	$115	$0	$115
Total Built-in Changes	0	0	0	0	$3,820	$2,925	$6,745
FY 2004 Current Services	151	578	535	1,264	$165,041	$81,485	$246,526
FY 2004 Request	151	578	535	1,264	$165,041	$81,485	$246,526

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**140**	**140**	**141**	**1**
Bureau Direction	8	8	8	0
Mission Direction	130	130	131	1
Public Affairs	1	1	1	0
Legislative Affairs	1	1	1	0
Conduct of Diplomatic Relations	**311**	**316**	**316**	**0**
Political Affairs	112	114	114	0
Political Diplomacy	112	114	114	0
Economic/Trade Affairs	71	73	73	0
Business Services	34	34	34	0
Environmental, Scientific and Technological Affairs	31	32	32	0
International Security Affairs	12	12	12	0
Labor Affairs	3	3	3	0
Intelligence and Research	2	2	2	0
Country Coordination	46	46	46	0
Public Diplomacy	**378**	**381**	**381**	**0**
Public Diplomacy - Program Costs	378	381	381	0
Conduct of Consular Relations	**46**	**50**	**50**	**0**
Overseas Visa Services	8	12	12	0
Overseas Citizens Services	30	30	30	0
Overseas Consular Management	8	8	8	0
International Organization Relations	**10**	**10**	**10**	**0**
International Organization Representation	10	10	10	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	4	4	4	0
Refugee and Humanitarian Representation	2	2	2	0
Diplomatic Security	**67**	**67**	**67**	**0**
Investigations and Counterintelligence	1	1	1	0
Overseas Protection of Life	1	1	1	0
Local Guard Services	1	1	1	0
Domestic Protection of Information	5	5	5	0
Physical Security Protection of Information	5	5	5	0
Overseas Protection of Information	5	5	5	0
Diplomatic Courier and Transit Security	5	5	5	0
Mission Security Operations	55	55	55	0
Information Resource Management	**118**	**118**	**119**	**1**
Infrastructure Systems	111	111	112	1

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Other Telecommunications Abroad	12	12	12	0
ADP Communications and Message Centers	99	99	100	1
Office Automation	7	7	7	0
Other Office Automation	7	7	7	0
Overseas Administrative Support	**126**	**141**	**139**	**(2)**
International Cooperative Administrative Support Services (ICASS)	126	141	139	(2)
Domestic Administrative Support	**40**	**41**	**41**	**0**
Domestic Administrative Management	25	26	26	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	1,236	1,264	1,264	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$18,118**	**$22,458**	**$23,978**	**$1,520**
Bureau Direction	$1,199	$2,089	$2,483	$394
Mission Direction	$16,648	$20,088	$21,002	$914
Public Affairs	$168	$173	$279	$106
Legislative Affairs	$103	$108	$214	$106
Conduct of Diplomatic Relations	**$47,272**	**$55,127**	**$61,061**	**$5,934**
Political Affairs	$16,276	$18,123	$18,834	$711
Political Diplomacy	$16,276	$18,123	$18,834	$711
Economic/Trade Affairs	$12,404	$15,080	$16,346	$1,266
Business Services	$5,706	$5,805	$6,016	$211
Environmental, Scientific and Technological Affairs	$4,954	$5,742	$6,234	$492
International Security Affairs	$1,837	$1,892	$2,153	$261
Labor Affairs	$490	$500	$711	$211
Intelligence and Research	$367	$372	$498	$126
Country Coordination	$5,238	$7,613	$10,269	$2,656
Public Diplomacy	**$27,768**	**$30,292**	**$31,456**	**$1,164**
Public Diplomacy - Program Costs	$27,768	$30,292	$31,456	$1,164
Conduct of Consular Relations	**$10,444**	**$6,746**	**$10,359**	**$3,613**
Overseas Visa Services	$2,750	$1,648	$3,594	$1,946
Overseas Citizens Services	$6,334	$4,438	$5,905	$1,467
Overseas Consular Management	$1,360	$660	$860	$200
International Organization Relations	**$1,900**	**$1,930**	**$2,425**	**$495**
International Organization Representation	$1,900	$1,930	$2,425	$495
Political and International Security Representation	$367	$372	$378	$6
Economic Development and Trade Representation	$367	$372	$378	$6
Environment, Science, Education, and Health Representation	$799	$814	$1,081	$267
Refugee and Humanitarian Representation	$367	$372	$588	$216
Diplomatic Security	**$12,697**	**$10,697**	**$12,203**	**$1,506**
Investigations and Counterintelligence	$264	$264	$264	$0
Overseas Protection of Life	$520	$520	$520	$0
Local Guard Services	$520	$520	$520	$0
Domestic Protection of Information	$1,547	$1,547	$1,547	$0
Physical Security Protection of Information	$1,547	$1,547	$1,547	$0
Overseas Protection of Information	$764	$764	$764	$0
Diplomatic Courier and Transit Security	$764	$764	$764	$0
Mission Security Operations	$9,602	$7,602	$9,108	$1,506
Information Resource Management	**$24,471**	**$26,508**	**$23,915**	**($2,593)**
Infrastructure Systems	$21,632	$23,669	$21,076	($2,593)

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Other Telecommunications Abroad	$3,085	$5,122	$3,619	($1,503)
ADP Communications and Message Centers	$18,547	$18,547	$17,457	($1,090)
Office Automation	$2,839	$2,839	$2,839	$0
Other Office Automation	$2,839	$2,839	$2,839	$0
Overseas Administrative Support	**$65,020**	**$70,743**	**$64,412**	**($6,331)**
International Cooperative Administrative Support Services (ICASS)	$65,020	$70,743	$64,412	($6,331)
Domestic Administrative Support	**$6,505**	**$15,280**	**$16,717**	**$1,437**
Domestic Administrative Management	$3,925	$7,425	$8,419	$994
Domestic Financial Services	$1,199	$2,034	$2,173	$139
Domestic Personnel Services	$1,036	$2,466	$2,599	$133
Domestic General Services	$345	$3,355	$3,526	$171
Other Domestic General Services	$345	$3,355	$3,526	$171
Total	$214,195	$239,781	$246,526	$6,745

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request

PROGRAM ACTIVITIES

Bureau of African Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Executive Direction and Policy Formulation	**22**	**115**	**4**	**141**	**$10,541**	**$13,437**	**$23,978**
Bureau Direction	8	0	0	8	$1,261	$1,222	$2,483
Mission Direction	12	115	4	131	$9,015	$11,987	$21,002
Public Affairs	1	0	0	1	$165	$114	$279
Legislative Affairs	1	0	0	1	$100	$114	$214
Conduct of Diplomatic Relations	**65**	**196**	**55**	**316**	**$31,681**	**$29,380**	**$61,061**
Political Affairs	4	88	22	114	$8,506	$10,328	$18,834
Political Diplomacy	4	88	22	114	$8,506	$10,328	$18,834
Economic/Trade Affairs	15	43	15	73	$9,526	$6,820	$16,346
Business Services	0	20	14	34	$3,746	$2,270	$6,016
Environmental, Scientific and Technological Affairs	0	31	1	32	$2,584	$3,650	$6,234
International Security Affairs	0	11	1	12	$904	$1,249	$2,153
Labor Affairs	0	2	1	3	$484	$227	$711
Intelligence and Research	0	1	1	2	$384	$114	$498
Country Coordination	46	0	0	46	$5,547	$4,722	$10,269
Public Diplomacy	**0**	**3**	**0**	**3**	**$200**	**$167**	**$367**
Public Diplomacy - Program Costs	0	3	0	3	$200	$167	$367
Public Diplomacy	**15**	**83**	**280**	**378**	**$19,688**	**$11,401**	**$31,089**
Public Diplomacy - Program Costs	15	83	280	378	$19,688	$11,401	$31,089
Conduct of Consular Relations	**5**	**20**	**25**	**50**	**$7,765**	**$2,594**	**$10,359**
Overseas Visa Services	0	4	8	12	$3,374	$220	$3,594
Overseas Citizens Services	5	16	9	30	$3,531	$2,374	$5,905
Overseas Consular Management	0	0	8	8	$860	$0	$860
International Organization Relations	**1**	**5**	**4**	**10**	**$1,742**	**$683**	**$2,425**
International Organization Representation	1	5	4	10	$1,742	$683	$2,425
Political and International Security Representation	0	1	1	2	$264	$114	$378
Economic Development and Trade Representation	0	1	1	2	$264	$114	$378
Environment, Science, Education, and Health Representation	1	2	1	4	$740	$341	$1,081
Refugee and Humanitarian Representation	0	1	1	2	$474	$114	$588
Diplomatic Security	**0**	**25**	**42**	**67**	**$5,697**	**$6,506**	**$12,203**
Investigations and Counterintelligence	0	0	1	1	$264	$0	$264
Overseas Protection of Life	0	0	1	1	$520	$0	$520
Local Guard Services	0	0	1	1	$520	$0	$520
Domestic Protection of Information	0	0	5	5	$1,547	$0	$1,547
Physical Security Protection of Information	0	0	5	5	$1,547	$0	$1,547
Overseas Protection of Information	0	0	5	5	$764	$0	$764

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Diplomatic Courier and Transit Security	0	0	5	5	$764	$0	$764
Mission Security Operations	0	25	30	55	$2,602	$6,506	$9,108
Information Resource Management	**2**	**71**	**46**	**119**	**$16,595**	**$7,320**	**$23,915**
Infrastructure Systems	0	66	46	112	$14,681	$6,395	$21,076
Other Telecommunications Abroad	0	12	0	12	$2,529	$1,090	$3,619
ADP Communications and Message Centers	0	54	46	100	$12,152	$5,305	$17,457
Office Automation	2	5	0	7	$1,914	$925	$2,839
Other Office Automation	2	5	0	7	$1,914	$925	$2,839
Overseas Administrative Support	**0**	**60**	**79**	**139**	**$58,997**	**$5,415**	**$64,412**
International Cooperative Administrative Support Services (ICASS)	0	60	79	139	$58,997	$5,415	$64,412
Domestic Administrative Support	**41**	**0**	**0**	**41**	**$12,135**	**$4,582**	**$16,717**
Domestic Administrative Management	26	0	0	26	$5,550	$2,869	$8,419
Domestic Financial Services	7	0	0	7	$1,378	$795	$2,173
Domestic Personnel Services	6	0	0	6	$1,918	$681	$2,599
Domestic General Services	2	0	0	2	$3,289	$237	$3,526
Other Domestic General Services	2	0	0	2	$3,289	$237	$3,526
Total	151	578	535	1,264	$165,041	$81,485	$246,526

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	46	46	0
Office of Regional Affairs	15	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	9	9	9	0
Office of Public Diplomacy	15	15	15	0
Total	150	151	151	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for African Affairs	$967	$1,062	$1,126	$64
DAS FOR Transnational Issues, Policy and Resource Planning	$386	$425	$450	$25
Office of Executive Director	$8,695	$9,944	$10,460	$516
Office of Regional Affairs	$2,899	$3,186	$3,379	$193
Special Assistant for Press	$30	$31	$33	$2
Senior Deputy Assistant Secretary (DAS)	$386	$425	$450	$25
Office of Southern African Affairs	$2,899	$3,186	$3,379	$193
Office of West African Affairs	$3,092	$3,398	$3,605	$207
Office of Central African Affairs	$2,319	$2,549	$2,704	$155
Office of East African Affairs	$2,319	$2,549	$2,704	$155
DAS FOR Economic and Commercial Issues and Private Sector Outreach	$386	$425	$450	$25
Office of Economic Policy	$1,739	$1,911	$2,028	$117
Office of Public Diplomacy	$2,609	$2,587	$2,710	$123
Total	$28,726	$31,678	$33,478	$1,800

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of African Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Africa Regional Services, Paris	3	12	15	3	12	15	3	12	15	0	0	0
Angola, Luanda	13	12	25	14	12	26	14	12	26	0	0	0
Benin, Cotonou	9	9	18	9	9	18	9	9	18	0	0	0
Botswana, Gaborone	14	7	21	15	7	22	15	7	22	0	0	0
Burkina Faso, Ouagadougou	8	10	18	10	10	20	10	10	20	0	0	0
Burundi, Bujumbura	7	6	13	8	6	14	8	6	14	0	0	0
Cameroon, Yaounde	17	18	35	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	6	4	10	7	4	11	7	4	11	0	0	0
Chad, N'Djamena	11	7	18	12	7	19	12	7	19	0	0	0
Cote d'Ivoire, Abidjan	20	23	43	21	23	44	21	23	44	0	0	0
Dem. Rep of Congo, Kinshasa	21	22	43	21	22	43	21	22	43	0	0	0
Djibouti (Rep. Of), Djibouti	7	5	12	8	5	13	8	5	13	0	0	0
Equatorial Guinea, Malabo	1	0	1	1	0	1	1	0	1	0	0	0
Eritrea, Asmara	7	7	14	8	7	15	8	7	15	0	0	0
Ethiopia, Addis Ababa	15	16	31	16	16	32	16	16	32	0	0	0
Gabon, Libreville	8	3	11	8	3	11	8	3	11	0	0	0
Gambia, Banjul	6	2	8	7	2	9	7	2	9	0	0	0
Ghana, Accra	16	25	41	16	25	41	16	25	41	0	0	0
Guinea, Conakry	11	12	23	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	25	21	46	26	21	47	26	21	47	0	0	0
Lesotho, Maseru	4	4	8	5	4	9	5	4	9	0	0	0
Liberia, Monrovia	10	11	21	10	11	21	10	11	21	0	0	0
Madagascar, Antananarivo	11	12	23	11	12	23	11	12	23	0	0	0
Malawi, Lilongwe	10	9	19	10	9	19	10	9	19	0	0	0
Mali, Bamako	10	12	22	12	12	24	12	12	24	0	0	0
Mauritania, Nouakchott	6	5	11	9	5	14	9	5	14	0	0	0
Mauritius, Port Louis	7	6	13	8	6	14	8	6	14	0	0	0
Mozanbique, Maputo	12	9	21	12	9	21	12	9	21	0	0	0
Namibia, Windhoek	11	13	24	11	13	24	11	13	24	0	0	0
Niger, Niamey	12	11	23	12	11	23	12	11	23	0	0	0
Nigeria, Lagos	24	30	54	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	2	2	4	3	2	5	3	2	5	0	0	0
Rwanda, Kigali	11	9	20	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 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Sierra Leone, Freetown	7	10	17	9	10	19	9	10	19	0	0	0
Somalia, Mogadishu	0	0	0	0	0	0	0	0	0	0	0	0
South Africa, Pretoria	45	35	80	45	35	80	45	35	80	0	0	0
Capetown	11	7	18	11	7	18	11	7	18	0	0	0
Durban	5	4	9	5	4	9	5	4	9	0	0	0
Johannesburg	11	11	22	11	11	22	11	11	22	0	0	0
Sudan, Khartoum	6	6	12	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	13	8	21	14	8	22	14	8	22	0	0	0
Zambia, Lusaka	14	15	29	15	15	30	15	15	30	0	0	0
Zimbabwe, Harare	16	16	32	16	16	32	16	16	32	0	0	0
Total	551	535	1,086	578	535	1,113	578	535	1,113	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Africa Regional Services, Paris	$1,915	$2,130	$2,298	$168
Angola, Luanda	$4,775	$6,133	$6,106	($27)
Benin, Cotonou	$2,612	$2,861	$2,913	$52
Botswana, Gaborone	$3,340	$3,782	$3,924	$142
Burkina Faso, Ouagadougou	$2,870	$3,450	$3,418	($32)
Burundi, Bujumbura	$2,762	$3,226	$3,333	$107
Cameroon, Yaounde	$5,554	$5,996	$6,363	$367
Cape Verde, Praia	$2,212	$2,235	$2,233	($2)
Central Afr Rep., Bangui	$2,094	$2,580	$2,537	($43)
Chad, N'Djamena	$3,506	$4,049	$3,984	($65)
Cote d'Ivoire, Abidjan	$7,322	$8,078	$9,051	$973
Dem. Rep of Congo, Kinshasa	$7,996	$8,465	$8,598	$133
Djibouti (Rep. Of), Djibouti	$2,908	$3,158	$3,142	($16)
Equatorial Guinea, Malabo	$339	$352	$342	($10)
Eritrea, Asmara	$1,893	$2,133	$2,187	$54
Ethiopia, Addis Ababa	$4,905	$5,414	$5,536	$122
Gabon, Libreville	$2,982	$3,117	$3,137	$20
Gambia, Banjul	$1,571	$1,848	$1,848	$0
Ghana, Accra	$5,575	$5,800	$6,042	$242
Guinea, Conakry	$4,733	$5,016	$5,228	$212
Guinea-Bissau, Bissau	$395	$409	$407	($2)
Kenya, Nairobi	$8,430	$9,857	$10,172	$315
Lesotho, Maseru	$1,167	$1,534	$1,545	$11
Liberia, Monrovia	$4,852	$4,994	$4,907	($87)
Madagascar, Antananarivo	$3,347	$3,827	$3,802	($25)
Malawi, Lilongwe	$3,387	$3,875	$3,959	$84
Mali, Bamako	$3,401	$4,245	$4,258	$13
Mauritania, Nouakchott	$2,430	$3,216	$3,138	($78)
Mauritius, Port Louis	$1,805	$2,355	$2,329	($26)
Mozanbique, Maputo	$3,326	$3,874	$3,988	$114
Namibia, Windhoek	$2,776	$2,994	$3,133	$139
Niger, Niamey	$3,618	$3,963	$3,818	($145)
Nigeria, Lagos	$9,311	$9,650	$10,268	$618
Abuja	$6,015	$6,721	$6,744	$23
Rep. Of the Congo, Brazzaville	$1,829	$2,456	$2,398	($58)
Rwanda, Kigali	$3,023	$3,428	$3,531	$103
Senegal, Dakar	$5,702	$5,850	$6,076	$226
Sierra Leone, Freetown	$2,255	$2,901	$2,873	($28)
Somalia, Mogadishu	$42	$44	$41	($3)

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
South Africa, Pretoria	$10,997	$12,649	$12,723	$74
Capetown	$2,549	$2,791	$3,125	$334
Durban	$1,158	$1,477	$1,206	($271)
Johannesburg	$2,554	$2,348	$2,898	$550
Sudan, Khartoum	$2,812	$3,343	$3,298	($45)
Swaziland, Mbabane	$1,743	$1,869	$1,897	$28
Tanzania, Dar-es-Salaam	$6,336	$6,975	$7,112	$137
Togo, Lome	$4,310	$4,474	$4,489	$15
Uganda, Kampala	$5,120	$6,004	$6,143	$139
Zambia, Lusaka	$4,583	$5,406	$5,560	$154
Zimbabwe, Harare	$4,332	$4,751	$4,990	$239
Total	$185,469	$208,103	$213,048	$4,945

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of African Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$99,911	$107,817	$111,402	$3,585
1200	Personnel Benefits	$32,581	$38,208	$39,300	$1,092
1300	Benefits Former Personnel	$878	$886	$893	$7
2100	Travel & Trans of Persons	$15,571	$17,156	$17,624	$468
2200	Transportation of Things	$7,856	$6,473	$8,395	$1,922
2300	Rents, Comm & Utilities	$12,101	$13,104	$15,977	$2,873
2400	Printing & Reproduction	$786	$714	$737	$23
2500	Other Services	$10,813	$13,910	$14,258	$348
2600	Supplies and Materials	$15,394	$16,517	$16,896	$379
3100	Personal Property	$14,711	$21,034	$17,710	($3,324)
4100	Grants, Subsidies & Contrb	$3,584	$3,953	$3,325	($628)
4200	INS Claims & Indemnities	$9	$9	$9	$0
Total		$214,195	$239,781	$246,526	$6,745

DIPLOMATIC & CONSULAR PROGRAMS

Near Eastern Affairs

OVERVIEW STATEMENT

The Bureau of Near Eastern Affairs manages U.S. foreign policy towards the Middle East and North Africa (MENA) and maintains fifteen embassies and five consulates. The region remains critically important to U.S. strategic, political, economic, and public diplomacy interests, but has been plagued by terrorism, violence, economic stagnation, political instability, ethnic conflict, and human rights abuses. It is in this precarious environment that the Bureau of Near Eastern Affairs strives to advance U.S. policy, including combating terrorism; disarming the regime and fostering change in Iraq; pursuing Arab-Israeli peace; countering threatening behavior from Iran; strengthening U.S. economic security; and advancing our core values through the U.S.-Middle East Partnership Initiative (MEPI). MEPI promotes regional education, economic reform and private sector development, and civil society and the rule of law reform.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism.**

Priority: Reduce international terrorist attacks, maintain cooperation with key allies with regard to the war on terrorism and address economic conditions that serve extremism and terror.

Bureau Initiatives: A. Deny terrorist groups denied access to weapons/funds needed to plot and carry out terrorist attacks. B. Deny terrorists the ability to solicit, hide, and transfer assets - reinforce oversight of banks, charities, hawala system. C. Strengthen regional military and law enforcement counter-terrorism capacities. D. Pressure state sponsors of terrorism to stop providing support to terrorists. E. Rally international community to reduce or refrain from increasing economic and other ties to state sponsors of terrorism and terrorist organizations. F. Increase scrutiny of visa applicants to prevent terrorists from gaining entry to the U.S. G. Address economic and social factors that contribute to terrorism in the region through MEPI programs that increase opportunity and accelerate economic reform and growth.

Bureau Indicators: A. No deaths by terrorists from the region. B. Information sharing and operational counter-terrorism cooperation lead to arrest/neutralization of those associated with terrorist groups and prevention of attacks in the U.S. and against facilities overseas. C. Regional allies identify and freeze accounts belonging to groups and individuals supporting terrorism, including reduction in flow of funds from Gulf countries to terrorist groups. D. Increased participation by Gulf countries in counter-terrorism training and technical training with strong follow-up to maintain and further enhance learned skills. E. Syria closes offices of terrorist organizations and ceases support for terrorists in Lebanon. F. Libyan compliance with UNSC resolution requirements related to the bombing of Pan Am flight 103 in 1988. (These requirements include handing over suspects, accepting responsibility, paying compensation, disclosing information, and denouncing terrorism.)

Progress (FY 2002): Yemeni combat operations against al-Qaeda members were successful at all levels of the organization, and U.S. training for Yemen's counter-terrorism forces was stepped-up. One U.S. Counter-Terrorism (CT) training team visited Saudi Arabia. Several Gulf Cooperation Council (GCC) states participated in CT training programs and oversight of charities was increased through required registry and audit. Syria continues high-level cooperation against al-Qaeda, but no other change to support

for terrorism. Libyans offered $2.7 billion in compensation to Pan Am 103 families. Libyans met twice with U.S. and U.K. officials to discuss fulfilling remaining requirements.

Strategic Objective: **Protect the Nation**

Strategic Goal: **Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.**

Priority: Disarming the regime and fostering change in Iraq.

Bureau Initiatives: A. Build on strong international and regional support to disarm the Iraqi regime of Weapons of Mass Destruction (WMD). B. Strengthen UN arms control and inspection mechanisms. C. Ensure the basic needs of the Iraqi people are met. D. Work with Iraqi opposition to promote regime change.

Bureau Indicators: A. Weapons inspectors in Iraq. B. Organization and cohesiveness of Iraqi opposition groups. C. International support for regime change in Iraq.

Progress: UNSCR 1441 was passed unanimously in the UN Security Council, allowing renewed UN weapons inspections, and mandating United Nations Monitoring, Verification and Inspection Commission (UNMOVIC) access to all sites in Iraq. The U.S. broadened and deepened outreach to Iraqi oppositions groups, enhanced cooperation among these groups, and facilitated the holding of a conference in December.

Priority: Comprehensive Arab-Israeli Peace.

Bureau Initiatives: A. Rebuild security for Israelis and Palestinians; maximize Palestinian efforts to combat terrorism. B. Meet urgent Palestinian humanitarian needs. C. Relaunch political process leading to permanent two-state solution in 3 years. D. Help restructure the Palestinian Authority to increase transparency and accountability. E. Facilitate resumption of peace negotiations between Israel, Syria, and Lebanon at the appropriate time. F. Actively encourage Arab countries to initiate normal relations with Israel and/or increase trade ties.

Bureau Indicators: A. Cessation of violence, resumption of Israeli-Palestinian negotiations. B. Israeli peace negotiations with Syria and Lebanon resume.

Progress (FY 2002): Work with the Quartet (the United States, the United Nations, the European Union and Russia) and Israelis and Palestinians on the Roadmap continues.

Priority: Countering threatening Iranian behavior.

Bureau Initiatives: A. Work with allies to persuade Iran to play a responsible international role by ending its support for terrorism and its opposition to Arab-Israeli peace. B. Deny Iran access to WMD.

Bureau Indicators: A. Halt Iran's efforts to develop WMD. B. Cut-off Iranian resupplies/funding to terrorist groups.

Progress (FY 2002): An informal agreement was reached with Russia to limit nuclear weapons cooperation with Iran. There was no deployment of accurate or solid propellant medium-range ballistic missiles (MRBMs) by Iran.

DIPLOMATIC & CONSULAR PROGRAMS

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. business and ensuring economic security for the nation.**

Priority: Strengthening U.S. economic security.

Bureau Initiatives: A. Steady, predictable energy supplies to reach world markets. B. Algeria, Lebanon, Yemen, and Saudi Arabia work to meet requirements for joining the World Trade Organization (WTO). C. MEPI funds support programs that provide technical assistance and training to help Algeria, Lebanon, Yemen, and Saudi Arabia accede to the WTO and assist Bahrain, Morocco, Tunisia, Oman, Qatar and the UAE to implement their WTO commitments. D. Increase U.S. commercial activity in the MENA region.

Bureau Indicators: A. Arabian Peninsula petroleum exports contribute to price stability in the market through appropriate adjustments in export volumes and domestic policies aimed at security of petroleum infrastructure and exports. B. One or more NEA countries enter WTO. C. U.S. signs and implements one or more free trade agreements (FTAs) with regional states. D. Increased U.S. exports of goods and services to Middle East.

Progress (FY 2002): Four observer members continued to prepare for accession to WTO. Preparations for Moroccan Free Trade Agreement (FTA) were announced. Formal talks began through Trade Investment Framework Association council process on FTA with Egypt and Bahrain. Exports of energy resources from the Gulf met the needs of the U.S. and its allies.

Priority: Developing and transnational economies experience growth.

Bureau Initiatives: A. Broad-based, private sector-led growth and increased regional economic cooperation that provides a foundation for peace and stability in the region. B. Provide local banks with loan guarantees for micro-credit programs under MEPI for women and minorities across the region, with emphasis on Tunisia, Algeria, Lebanon, Qatar, and Oman. C. Set up regional MEPI Enterprise Fund, which provides loans for small businesses. D. Creation of new small businesses and micro-enterprise jobs. E. Increase economic growth rates, private sector share of GDP, and employment levels. F. Local businessmen from across the region travel to the U.S. for business training through the newly established Special American Business Intern Program under MEPI.

Bureau Indicators: A. Number and size of loans lent through the MEPI micro-credit program; number of countries participating in the program. B. Amount of MEPI Enterprise Fund (pending authorization) distributed; amount of regional private sector capital raised for Fund use. C. Number of participants in MEPI's Special American Business Intern Program.

Progress (FY 2002): Funding for the MEPI start-up was obtained; program design begun.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.**

Priority: Functioning democratic governments in the Middle East

DIPLOMATIC & CONSULAR PROGRAMS

Bureau Initiatives: A. Fund and/or sponsor public policy programs to educate, encourage broader, more pluralistic political involvement, and create new NGOs. B. Provide Middle East Democracy Fund (MEDF) and MEPI assistance for conducting and monitoring national elections. C. Provide training for judicial officials through MEDF and MEPI. D. Furnish financial and logistical support to civil society organizations through MEDF and MEPI. E. Provide training and support to develop professional and independent media through MEDF and MEPI.

Bureau Indicators: A. Elections are held throughout the region, as scheduled, and are free and fair. B. Increased transparency of civil governance.. C.. Establishment of parliaments and local councils through direct elections in the Gulf.

Progress (FY2002): Algeria - Parliamentary elections showed improvement in transparency (but still room for more improvement). Egypt - Held local council elections in April 2002. Morocco - Parliamentary elections scheduled and under preparation for September 2002. Palestinian Authority - Planned presidential and legislative council elections in January 2003. Kuwait - Parliamentary elections under preparation for Spring 2003. Bahrain - Held first election for Legislative Council; women vote for the first time. Qatar - In July 2002, a Constitutional Committee presented the Emir with a draft constitution that will provide for a popularly elected national legislature; elections are expected in 2003 or early 2004.

Priority: Human rights respected and regulated by domestic law.

Bureau Initiatives: A. Human rights respected and guarantees incorporated into domestic law. B. Assist, with MEPI funds, NGOs and journalists to promote respect for human rights and attacking corruption. C. Encourage countries to sign the 8 International Labor Organization (ILO) core conventions. D. Work to make countries more aware of trafficking in persons (TIP) activity within their countries and engage governments to combat this problem.

Bureau Indicators: A. Countries make progress in combating TIP problems. The 2001 Human Rights Report indicates progress throughout the region.

Progress (FY 2002): Israel moved to Tier 2 regarding TIP, an improvement. All other countries in the region remained in their tiers. The Bureau facilitated dialogue with Lebanese officials in Washington and Beirut and engaged them on steps Lebanon must take to move to Tier 2. Iran, formerly uncategorized, received a Tier 3 ranking, a negative development. Algeria demonstrated an improvement in their human rights records according to the 2001 Human Rights Report, the most recent edition.

Strategic Objective: **Gain International Understanding**

Strategic Goal: **Public Diplomacy - Increase understanding for American values, policies, and initiatives to create a receptive international environment.**

Priority: Increase positive understanding and appreciation for U.S. policies, society, and culture in the Middle East.

Bureau Initiatives: A. Work with regional governments to facilitate expansion of Radio Sawa (and its Farsi language service, Radio Farda) through supporting IBB acquisitions of new frequencies and transmitters. B. Increase the number of articles and coverage of positive U.S. related material in Gulf country media. C. Build a critical mass of key opinion makers and young leaders who have significant, positive exposure to U.S. society, culture, values, and policies, including through MEPI-funded exchanges.

DIPLOMATIC & CONSULAR PROGRAMS

Bureau Indicators: A. Number of countries open to Radio Sawa. B. Placement of positive articles profiling U.S. Embassy activities, announcements, and initiatives. C. Total number of visitors and grantees from Egypt and Algeria. D. Change in polls indicates more positive view of the U.S. and U.S. policies.

Progress (FY 2002): Radio Sawa acquired frequencies to cover Jordan, UAE, Kuwait, Iraq, and parts of West Bank and Gaza. Placement of articles on the U.S. Embassy: Saudi Arabia, 42; Kuwait, 42. International visitors and grantees: Egypt - 6 to 8 pre-doctoral students studying in the U.S.; Algeria: 17 international visitors and grantees.

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Priority: Promote diplomatic readiness in the Middle East.

Bureau Initiatives: A. Provide adequate level of program support and administrative services support commensurate with increased demands of the war on terrorism and efforts to improve regional stability. B. Recruit, train, and assign cadre of high-level Arabic speakers C. Provide employees with up-to-date and effective management tools and a solid infrastructure platform using both NEA bureau resources and coordinating effectively with other responsible bureaus on resource requirements.

Bureau Indicators: A. Obtain required Diplomatic Readiness Initiative resources (positions) and infrastructure funding to support increased programmatic and administrative demands. B. Develop and implement pilot 'Beyond 3' Arabic program. C. Obtain resources to support bureau-funded equipment and furnishings replacement programs.

Progress (FY 2002): The Department's Diplomatic Readiness Initiative provided essential resources for new American positions, partial funding of compensation increases for local employees, and resources to cover part of NEA's long-term infrastructure deficit.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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 2002 Actual	133	385	441	959	$89,520	$59,468	$148,988
FY 2003 Estimate	140	396	441	977	$91,483	$63,662	$155,145
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($729)	$0	($729)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($1,661)	$0	($1,661)
2003 American Cost of Living Adjustments	0	0	0	0	$6	$451	$457
Annualization of 2003 Hiring Increases	0	0	0	0	$343	$455	$798
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$237	$237
American Cost of Living Adjustment	0	0	0	0	$23	$1,056	$1,079
FSN Wage	0	0	0	0	$1,354	$0	$1,354
Overseas Inflation	0	0	0	0	$1,320	$0	$1,320
Domestic Price	0	0	0	0	$45	$0	$45
Local Guard Program & Other Global Inflation	0	0	0	0	$72	$0	$72
Total Built-in Changes	0	0	0	0	$773	$2,199	$2,972
FY 2004 Current Services	140	396	441	977	$92,256	$65,861	$158,117
FY 2004 Request	140	396	441	977	$92,256	$65,861	$158,117

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Near Eastern Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**126**	**126**	**126**	**0**
Bureau Direction	20	19	19	0
Mission Direction	99	99	99	0
Public Affairs	7	8	8	0
Conduct of Diplomatic Relations	**244**	**249**	**249**	**0**
Political Affairs	92	93	93	0
Political Diplomacy	92	93	93	0
Economic/Trade Affairs	56	57	57	0
Business Services	15	16	16	0
Environmental, Scientific and Technological Affairs	6	8	8	0
International Security Affairs	28	28	28	0
Country Coordination	47	47	47	0
Public Diplomacy	**230**	**230**	**230**	**0**
Public Diplomacy - Program Costs	230	230	230	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	**88**	**88**	**88**	**0**
Overseas Protection of Life	88	88	88	0
Other Overseas Security Support	88	88	88	0
Information Resource Management	**101**	**101**	**101**	**0**
Infrastructure Systems	32	32	32	0
Other Telecommunications Abroad	32	32	32	0
Corporate Information Systems and Services	69	69	69	0
Core Foreign Affairs Systems	69	69	69	0
Overseas Administrative Support	**78**	**89**	**89**	**0**
Overseas Administrative Management	13	18	18	0
Overseas Financial Services	5	7	7	0
Overseas Personnel Services	4	6	6	0
Overseas General Services	56	58	58	0
Domestic Administrative Support	**21**	**23**	**23**	**0**
Domestic Administrative Management	4	4	4	0
Domestic Financial Services	4	4	4	0
Domestic Personnel Services	4	4	4	0
Domestic General Services	9	11	11	0
Other Domestic General Services	9	11	11	0
Total	959	977	977	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Near Eastern Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$15,699**	**$17,266**	**$18,011**	**$745**
Bureau Direction	$2,804	$3,243	$3,355	$112
Mission Direction	$11,885	$12,867	$13,431	$564
Public Affairs	$1,010	$1,156	$1,225	$69
Conduct of Diplomatic Relations	**$32,493**	**$35,853**	**$35,869**	**$16**
Political Affairs	$10,139	$11,667	$10,840	($827)
Political Diplomacy	$10,139	$11,667	$10,840	($827)
Economic/Trade Affairs	$6,625	$7,235	$7,597	$362
Business Services	$1,860	$2,271	$2,423	$152
Environmental, Scientific and Technological Affairs	$597	$944	$1,003	$59
International Security Affairs	$4,567	$4,976	$5,174	$198
Country Coordination	$8,705	$8,760	$8,832	$72
Public Diplomacy	**$21,943**	**$21,900**	**$22,546**	**$646**
Public Diplomacy - Program Costs	$21,943	$21,900	$22,546	$646
Conduct of Consular Relations	**$8,940**	**$5,723**	**$6,298**	**$575**
Overseas Visa Services	$4,349	$2,730	$3,007	$277
Overseas Citizens Services	$4,034	$2,387	$2,637	$250
Overseas Consular Management	$557	$606	$654	$48
Diplomatic Security	**$11,598**	**$12,103**	**$9,628**	**($2,475)**
Overseas Protection of Life	$11,598	$12,103	$9,628	($2,475)
Other Overseas Security Support	$11,598	$12,103	$9,628	($2,475)
Information Resource Management	**$13,559**	**$14,673**	**$15,205**	**$532**
Infrastructure Systems	$5,257	$5,697	$5,661	($36)
Other Telecommunications Abroad	$5,257	$5,697	$5,661	($36)
Corporate Information Systems and Services	$8,302	$8,976	$9,544	$568
Core Foreign Affairs Systems	$8,302	$8,976	$9,544	$568
Overseas Administrative Support	**$41,185**	**$43,921**	**$46,655**	**$2,734**
Overseas Administrative Management	$2,626	$2,830	$3,001	$171
Overseas Financial Services	$1,748	$1,050	$1,117	$67
Overseas Personnel Services	$1,151	$864	$919	$55
Overseas General Services	$3,372	$4,005	$4,287	$282
International Cooperative Administrative Support Services (ICASS)	$32,288	$35,172	$37,331	$2,159
Domestic Administrative Support	**$3,571**	**$3,706**	**$3,905**	**$199**
Domestic Administrative Management	$803	$842	$900	$58
Domestic Financial Services	$558	$577	$613	$36
Domestic Personnel Services	$701	$732	$781	$49
Domestic General Services	$1,509	$1,555	$1,611	$56
Other Domestic General Services	$1,509	$1,555	$1,611	$56

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Near Eastern Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Total	$148,988	$155,145	$158,117	$2,972

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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	**24**	**69**	**33**	**126**	**$7,699**	**$10,312**	**$18,011**
Bureau Direction	16	3	0	19	$1,227	$2,128	$3,355
Mission Direction	4	62	33	99	$6,139	$7,292	$13,431
Public Affairs	4	4	0	8	$333	$892	$1,225
Conduct of Diplomatic Relations	**64**	**133**	**52**	**249**	**$14,216**	**$21,653**	**$35,869**
Political Affairs	1	63	29	93	$3,772	$7,068	$10,840
Political Diplomacy	1	63	29	93	$3,772	$7,068	$10,840
Economic/Trade Affairs	1	39	17	57	$3,234	$4,363	$7,597
Business Services	1	11	4	16	$1,079	$1,344	$2,423
Environmental, Scientific and Technological Affairs	2	4	2	8	$333	$670	$1,003
International Security Affairs	14	14	0	28	$2,069	$3,105	$5,174
Country Coordination	45	2	0	47	$3,729	$5,103	$8,832
Public Diplomacy	**6**	**52**	**172**	**230**	**$16,290**	**$6,256**	**$22,546**
Public Diplomacy - Program Costs	6	52	172	230	$16,290	$6,256	$22,546
Conduct of Consular Relations	**0**	**0**	**71**	**71**	**$6,298**	**$0**	**$6,298**
Overseas Visa Services	0	0	38	38	$3,007	$0	$3,007
Overseas Citizens Services	0	0	29	29	$2,637	$0	$2,637
Overseas Consular Management	0	0	4	4	$654	$0	$654
Diplomatic Security	**0**	**51**	**37**	**88**	**$4,016**	**$5,612**	**$9,628**
Overseas Protection of Life	0	51	37	88	$4,016	$5,612	$9,628
Other Overseas Security Support	0	51	37	88	$4,016	$5,612	$9,628
Information Resource Management	**4**	**64**	**33**	**101**	**$7,699**	**$7,506**	**$15,205**
Infrastructure Systems	0	32	0	32	$2,127	$3,534	$5,661
Other Telecommunications Abroad	0	32	0	32	$2,127	$3,534	$5,661
Corporate Information Systems and Services	4	32	33	69	$5,572	$3,972	$9,544
Core Foreign Affairs Systems	4	32	33	69	$5,572	$3,972	$9,544
Overseas Administrative Support	**19**	**27**	**43**	**89**	**$34,709**	**$11,946**	**$46,655**
Overseas Administrative Management	12	6	0	18	$995	$2,006	$3,001
Overseas Financial Services	4	3	0	7	$333	$784	$1,117
Overseas Personnel Services	3	3	0	6	$247	$672	$919
Overseas General Services	0	15	43	58	$2,607	$1,680	$4,287
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$30,527	$6,804	$37,331
Domestic Administrative Support	**23**	**0**	**0**	**23**	**$1,329**	**$2,576**	**$3,905**
Domestic Administrative Management	4	0	0	4	$452	$448	$900
Domestic Financial Services	4	0	0	4	$165	$448	$613
Domestic Personnel Services	4	0	0	4	$333	$448	$781
Domestic General Services	11	0	0	11	$379	$1,232	$1,611

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Near Eastern Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Other Domestic General Services	11	0	0	11	$379	$1,232	$1,611
Total	140	396	441	977	$92,256	$65,861	$158,117

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Near Eastern Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	17	18	18	0
Office of Executive Director	33	34	34	0
Office of Regional Affairs	11	15	15	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	12	12	0
Office of Public Diplomacy	6	6	6	0
Economic Policy Office	3	3	3	0
Total	133	140	140	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Near Eastern Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$2,341	$2,633	$2,694	$61
Office of Executive Director	$4,554	$4,965	$5,079	$114
Office of Regional Affairs	$1,515	$1,813	$1,854	$41
Office of Press and Public Affairs	$1,653	$1,836	$1,878	$42
Office of Northern Gulf Affairs	$1,515	$2,525	$2,583	$58
Office of Israel and Palestinian Affairs	$1,377	$1,530	$1,564	$34
Office of Jordan, Lebanon, and Syria Affairs	$1,240	$1,376	$1,412	$36
Office of Saudi Arabia, Bahrain, Oman, Qatar, Yemen, Kuwait and UAE Affairs	$1,377	$1,530	$1,564	$34
Office of Egyptian and North African Affairs	$1,515	$1,715	$1,754	$39
Office of Public Diplomacy	$746	$876	$879	$3
Economic Policy Office	$414	$459	$467	$8
Total	$18,247	$21,258	$21,728	$470

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of Near Eastern Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Tota
Algeria, Algiers	16	10	26	16	10	26	16	10	26	0	0	
Bahrain, Manama	13	12	25	13	12	25	13	12	25	0	0	
Egypt, Cairo	51	85	136	56	85	141	56	85	141	0	0	
Israel, Tel Aviv	50	91	141	50	91	141	50	91	141	0	0	
Jerusalem	19	20	39	21	20	41	21	20	41	0	0	
Jordan, Amman	25	31	56	25	31	56	25	31	56	0	0	
Kuwait, Kuwait	19	16	35	19	16	35	19	16	35	0	0	
Lebanon, Beirut	25	16	41	26	16	42	26	16	42	0	0	
Morocco, Rabat	21	19	40	21	19	40	21	19	40	0	0	
Casablanca	5	10	15	5	10	15	5	10	15	0	0	
Oman, Muscat	13	10	23	13	10	23	13	10	23	0	0	
Qatar, Doha	10	7	17	10	7	17	10	7	17	0	0	
Saudi Arabia, Riyadh	30	21	51	30	21	51	30	21	51	0	0	
Dhahran	3	5	8	3	5	8	3	5	8	0	0	
Jeddah	7	11	18	7	11	18	7	11	18	0	0	
Syria, Damascus	21	24	45	22	24	46	22	24	46	0	0	
Tunisia, Tunis	19	22	41	19	22	41	19	22	41	0	0	
United Arab Emirates, Abu Dhabi	18	15	33	18	15	33	18	15	33	0	0	
Dubai	6	5	11	6	5	11	6	5	11	0	0	
Yemen, Sanaa	14	11	25	16	11	27	16	11	27	0	0	
Total	385	441	826	396	441	837	396	441	837	0	0	

FUNDS BY POST
($ in thousands)

Bureau of Near Eastern Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Algeria, Algiers	$4,232	$4,482	$4,822	$340
Bahrain, Manama	$4,476	$4,603	$4,960	$357
Egypt, Cairo	$16,438	$16,603	$16,048	($555)
Israel, Tel Aviv	$16,903	$17,032	$16,688	($344)
Jerusalem	$6,305	$6,705	$6,691	($14)
Jordan, Amman	$7,860	$7,718	$7,684	($34)
Kuwait, Kuwait	$6,240	$6,416	$6,208	($208)
Lebanon, Beirut	$7,664	$7,532	$8,255	$723
Morocco, Rabat	$6,962	$7,257	$7,575	$318
Casablanca	$2,754	$2,965	$3,029	$64
Oman, Muscat	$4,044	$4,154	$4,471	$317
Qatar, Doha	$4,205	$4,323	$4,775	$452
Saudi Arabia, Riyadh	$12,707	$12,980	$12,422	($558)
Dhahran	$2,346	$2,440	$2,697	$257
Jeddah	$4,223	$4,321	$4,697	$376
Syria, Damascus	$5,848	$6,109	$6,338	$229
Tunisia, Tunis	$5,720	$5,838	$5,911	$73
United Arab Emirates, Abu Dhabi	$5,315	$5,483	$5,872	$389
Dubai	$1,584	$1,664	$1,783	$119
Yemen, Sanaa	$4,915	$5,262	$5,463	$201
Total	$130,741	$133,887	$136,389	$2,502

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Near Eastern Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$65,448	$70,381	$71,318	$937
1200	Personnel Benefits	$21,308	$22,677	$22,841	$164
1300	Benefits Former Personnel	$141	$10	$155	$145
2100	Travel & Trans of Persons	$4,807	$5,073	$5,731	$658
2200	Transportation of Things	$1,177	$1,131	$1,516	$385
2300	Rents, Comm & Utilities	$5,262	$5,565	$6,065	$500
2400	Printing & Reproduction	$330	$214	$396	$182
2500	Other Services	$36,816	$35,883	$33,397	($2,486)
2600	Supplies and Materials	$3,303	$3,430	$4,291	$861
3100	Personal Property	$8,417	$8,959	$8,749	($210)
4100	Grants, Subsidies & Contrb	$1,825	$1,796	$3,474	$1,678
4200	INS Claims & Indemnities	$154	$26	$184	$158
Total		$148,988	$155,145	$158,117	$2,972

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.

U.S. relations with South Asia were fundamentally altered by the events of September 11, 2001. Despite extraordinary progress in the war on terror, national security threats continue to emanate from the region. The United States must help uproot an elusive al-Qaida terrorist network, ensure that Afghanistan and Pakistan do not slide back towards conflict and extremism, and guard against the possibility of a nuclear exchange between India and Pakistan, while encouraging dialogue over the Kashmir conflict. Regional stability is threatened by a spreading Maoist insurgency in the fragile democracy of Nepal. Sri Lanka requires assistance to achieve and consolidate peace. The moderate Islamic state of Bangladesh struggles to develop viable democratic institutions while it faces significant political and economic challenges.

The goals of the South Asia bureau are to: (1) reduce the risk of terrorism by eliciting support for Operation Enduring Freedom, providing help for Afghanistan, Pakistan and other 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.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism.**

Priority: Reduce the risk of terrorist attacks on American citizens and interests, curtail the capabilities of would-be terrorists and punish known offenders through effective international cooperation and effort, and reduce the conditions that breed extremism by providing political and economic assistance in Afghanistan and Pakistan.

Bureau Initiatives: A. Maintain support for the war on terror. B. Help eliminate safe havens for terrorists by establishing security and central government control in Afghanistan and strengthening Pakistan's security and law enforcement capability. C. Help address the governance problems that could lead to support for terrorism by fostering political stability and broad-based participatory governance in Afghanistan and promoting a moderate, democratic, and accountable government in Pakistan. D. Address the economic conditions that breed extremism by promoting economic reconstruction and sustainable development in Afghanistan and assisting with Pakistan's economic recovery. E. Mitigate the social conditions that foster extremism by supporting education reform in Pakistan. F. Counter anti-American

disinformation in the region through information/exchange programs. G. Continue counter-terror cooperation as a key element of our growing strategic partnership with India.

Bureau Indicators: A. Diplomatic and military support for Operation Enduring Freedom (OEF). B. Effective law enforcement/border control and counter-terror actions against regional and global terrorist groups. C. Cooperation with U.S. military and law enforcement agencies in bringing terrorists to justice. D. Cooperation in closing down financial networks used by terrorists. E. Provision of effective government services to areas affected by terrorism. F. Provision of appropriate USG assistance to address the underlying economic, social and governance problems that help foster terrorism.

Progress (FY 2002): OEF successfully drove the Taliban from power and severely disrupted terrorist networks in Afghanistan. The Bonn agreement established an interim authority and political process to establish a legitimate transitional authority in June 2002 and government by June 2004; it also requested international community assistance to rebuild Afghanistan and its institutions including establishment of a new Afghan armed forces. The initial planning to create the Afghan National Army (ANA) began with a February 2002 assessment; U.S. Special Forces soldiers arrived in Kabul and began training light infantry battalions in May 2002. Significant international pledges and donations of cash, training and military equipment for Afghanistan were made; however, lack of central authority capacity and regional leader support, exemplified by difficulty obtaining recruits and locally controlled weapons, continued. The establishment of a prototype Terrorist Interdiction System (TIP) established at Kabul airport and Bagram during Hajj season improved Afghanistan's counter-terrorist efforts. Pakistan strengthened its law enforcement /border control and counter-terror efforts in support of OEF and arrested over 500 Taliban and al-Qaida fugitives. A joint U.S.-Pakistan Counter-terrorism Working Group meeting was held in May, which established counterparts and areas of responsibility for both nations. Pakistan adopted an important and extensive police reform law aimed at significantly improving law enforcement institutions in the country; a U.S.-funded training program for Pakistani law enforcement personnel began.

Strategic Objective: **Protect the Nation**

Strategic Goal: **Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.**

Priority: Assist Afghanistan's reconstruction effort and help achieve security in the country. Support efforts to improve development, education, the economy, and democracy in Pakistan. Help India and Pakistan take steps necessary to ease bilateral tensions. Assist the fragile democracy of Nepal to counter a spreading Maoist insurgency and achieve a negotiated end to the civil conflict. Support the peace process in Sri Lanka.

Bureau Initiatives: A. Provide assistance to Afghanistan's restoration and reconstruction. B. Help Pakistan improve education, health, governance and other key sectors in Pakistan. C. Persuade Pakistan to end support for insurgents in Kashmir. D. Persuade India and Pakistan to reverse military mobilization, ease tensions, and engage in serious and sustained dialogue to resolve bilateral differences. E. Encourage India to improve governance and reduce alienation in Kashmir. F. Promote nuclear and missile restraint as well as confidence-building measures, properly enforced export controls, and no onward proliferation. G. Support efforts by Nepal to stem the Maoist insurgency. H. Support efforts by the governments of Sri Lanka and Norway to bring about a negotiated settlement with Tamil insurgents, and provide assistance to achieve and consolidate peace in Sri Lanka.

Bureau Indicators: A. Afghanistan reconstruction and security on track. B. In Pakistan, funding is provided to key areas of development, such as education, agriculture, economic development and health, and democratic governance returns. C. Tensions between Pakistan and India are defused through conflict

resolution in Kashmir. D. Cross-border economic cooperation between India and Pakistan is strengthened. E. Confidence building measures (CBMs) designed to reduce the risk of weapons of mass destruction (WMD) conflict are developed, negotiated and implemented. F. Decline of Maoist insurgency in Nepal. G. Sri Lanka's 19-year civil conflict is resolved and political reconciliation and economic recovery begin.

Progress (FY 2002): In Afghanistan, assistance is being provided to help train and equip the new Afghan National Army, and the police force is being rebuilt. A new Constitution is being drafted, and other aspects of the Bonn agreement are being implemented. Donor assistance to important social sectors is helping to enhance stability in Afghanistan. In Pakistan, USG assistance has been provided to regional stability initiatives in the tribal areas bordering Afghanistan, and to other key sectors of society. President Musharraf provided assurances in May that support for infiltration across the Line of Control would cease permanently. Infiltration decreased, although it continued at reduced levels. In October, India announced redeployment of troops from border. Nuclear test moratoria continued; however, ballistic missile and nuclear programs continued unrestrained. Major terrorist attacks brought India and Pakistan close to war, but U.S. and UK diplomatic intervention helped ease tensions, and President Musharraf took actions against Kashmir jihadist militants. October elections in Kashmir concluded successfully, enabling greater consideration of CBM's. The Government of Sri Lanka and the Liberation Tigers of Tamil Eelam (LTTE) maintained a cease-fire in place since December 2001 and formally agreed to in February 2002, and initiated negotiations on a peace settlement in September. A wider civil society focused effort aimed at national reconciliation began. Internally displaced persons began re-integration to society, either after returning to their homes or to relocated areas. Donor-assisted efforts to support services to those affected by conflict in north and east began, including U.S. and international supported demining. In Nepal, the Army increased recruitment and began search missions to intercept Maoists; however, Maoist terrorist incidents continued and civilians continued to be targeted. The United States, United Kingdom and India have committed to assist Nepal against the Maoists, and with other donors will pursue a strategy to enable the government to prevail militarily while addressing underlying governance and resource challenges that have facilitated the insurgency.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.**

Priority: Help establish democratic institutions in Afghanistan and seek full restoration of democracy in Pakistan. Help support the fragile democracy in Nepal, and strengthen democracy throughout the region. Encourage increased respect for human rights throughout the region. Improve regional governance, including delivery of police and judicial services, reduce child labor and trafficking in persons, encourage legal reform and strengthen educational systems.

Bureau Initiatives: A. Foster political stability (Bonn agreement implementation) and broad-based participatory governance in Afghanistan. B. Encourage and assist Pakistan to establish stable democratic institutions. C. Encourage and support legal reform measures and improved access to justice. D. Foster strengthening of civil society, particularly in Afghanistan. E. Help governments provide basic governmental services to all parts of their countries, particularly in Afghanistan, Pakistan and Nepal. F. Help governments strengthen educational systems, particularly in Pakistan and Afghanistan. G. Reduce illiteracy, particularly for women and girls. H. Implement long-term arrangements to reduce child labor, especially in hazardous occupations. I. Implement DOS/USAID Regional Strategy to Combat Trafficking in Women and Children. J. Increase respect for human rights, particularly by security forces in areas affected by insurgency and terrorism. K. Strengthen nascent democratic institutions in ways that promote

effectiveness and transparency in the legislature; credible elections; political party reform; more effective and transparent executive ministries; and the rule of law and independent judiciaries. L. Support anti-corruption efforts.

Bureau Indicators: A. Constitutional democracy is established in Afghanistan, with the constitutional commission fulfilling its mandate within the timeline outlined in the Bonn accords, and the Constitutional Loya Jirga approving the Constitution, establishing procedures and rules for election in 2004. B. Elections for a permanent government in Afghanistan are free, transparent and broadly representative. C. In Pakistan full democratic and civilian rule is established and maintained. D. Pakistan uses U.S. and other donor funds effectively in rebuilding its educational system. E. The Government of Nepal adheres to international human rights standards and improves prosecution of human rights violations, leading to fewer complaints of abuse. F. Security forces abuses decrease in Kashmir. G. U.S. programs throughout the region lead to a promotion of civil society and political party reforms. E. Delivery of basic governmental services improves in rural areas of Afghanistan, Pakistan and Nepal. F. Reduction in trafficking in women and children, enhanced public awareness of the problem, and government implementation of measures to combat it. G. Anti-child labor programs continue to be implemented, leading to a reduction in 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.

Progress (FY 2002): In Afghanistan, the Afghan Interim Authority (AIA) began the process of planning the Emergency Loya Jirga (ELJ). The ELJ -- the most broadly representative assembly in Afghan history -- was successfully held in June, and the Afghan Transitional Authority (ATA) -- renamed the Transitional Islamic State of Afghanistan (TISA) -- was formed in summer 2002. Over 3 million children, almost half of whom were girls, returned to school and 10 million schoolbooks were distributed. Human rights, judicial and constitutional commissions were also formed as per the Bonn Accords. Pakistan held national elections on October 10, 2002, and all major political parties were allowed to participate. A new civilian administration was formed in November, though General Musharraf remained President and Chief of Army Staff under constitutional amendments promulgated before the elections. In Nepal, compensation was paid in less than 5 percent of National Human Rights Commission cases, and increased from only 1 percent in FY 2001. Trafficking and child labor programs are being implemented.

***Strategic Objective:* Advance Sustainable Development and Global Interests**

***Strategic Goal:* Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.**

Priority: Increase trade and investment levels, improve economic cooperation with regional governments, resolve outstanding investment disputes, encourage economic reform, and encourage greater economic activity among nations of the region.

Bureau Initiatives: 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.

DIPLOMATIC & CONSULAR PROGRAMS

Bureau Indicators: A. India, Pakistan and Sri Lanka cooperate better on the new WTO round than they did during Doha, and cooperate better in resolving power project investment disputes. B. Regional governments reduce tariff rates and quotas, improve transparency in government decisions, and 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. Pakistan meets IMF targets on Poverty Reduction and Growth Facility. G. Afghanistan is granted Normal Trade Relations (NTR) and Generalized System of Preferences (GSP). H. Trade levels among South Asian nations increase and transport and commerce between South Asian nations improves.

Progress (FY 2002): Visits by senior USG officials to India moved the Bilateral Economic Dialogue with India forward in the areas of finance, energy, trade, commerce and environment, and unveiled ideas for promoting enhanced regional trade ties. Under Secretary for Economic and Agriculture Affairs Larson launched a private sector Biotechnology Alliance; former Secretary of Treasury O'Neill led bilateral talks on financial cooperation, banking and terrorist financing; Commerce Under Secretary Juster established a High Technology Cooperation Group; Commerce Assistant Secretary Lash developed commercial cooperation; and Energy Assistant Secretary Bailey confirmed cooperative energy activities. Enhanced trade and investment in Afghanistan was the focus of a business conference in Dubai. Afghan and Pakistani Finance Ministers met in Washington on the margins of the World Bank/IMF meetings to consider strategies for improving bilateral trade, and U.S. interlocutors also considered means to promote Pak-Afghan economic links, including through improved customs cooperation. The U.S.-Pakistan Trade and Investment Working Group held its initial meeting in December 2002. Deputy United States Trade Representative (USTR) Huntsman established a Trade and Investment Framework agreement with Sri Lanka.

Strategic Objective: **Protect the Nation**

Strategic Goal: **Weapons of Mass Destruction - Reduce the threat of weapons of mass destruction to the United States, our allies, and friends.**

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

Bureau Initiatives: A. No further nuclear tests by India or Pakistan. B. Prevention of onward transfer from India and Pakistan of nuclear, chemical/biological weapons (CBW) and ballistic missile technology or components. C. Restraint by India and Pakistan on nuclear and missile programs. D. Adherence by India and Pakistan to multilateral nonproliferation norms. E. Cooperation on CBMs to help ensure that nuclear weapons will not be used, deliberately or inadvertently.

Bureau 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, and 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 (FY 2002): India and Pakistan have maintained their nuclear test moratoria. Both continue to pursue nuclear and ballistic missile development programs. Both countries have resumed security and nonproliferation dialogues with the U.S.

DIPLOMATIC & CONSULAR PROGRAMS

Strategic Objective: **Protect the Nation**

Strategic Goal: **International Crime and Drugs - Minimize the impact of international crime and illegal drugs on the United States and its citizens.**

Priority: Reduce production of and trafficking in illegal drugs.

Bureau Initiatives: 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..

Bureau 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 the United Nations (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.

Progress (FY 2002): On January 17, 2002, the Afghan Interim Authority (AIA) announced a ban on poppy cultivation and followed this up with a strong poppy eradication program. With the help of the United Kingdom's compensation program, the AIA destroyed up to a quarter of this year's spring poppy crop. The United States and the international community are working together to provide additional assistance in the areas of alternative development, institution building, training of the Afghan National Army, Anti-Narcotics Forces, and National Police Force as well as justice sector reform and rebuilding. Pakistan has virtually eliminated poppy cultivation. However, despite the best efforts of Pakistan's law enforcement agencies, Afghan opiates continue to be trafficked into and through Pakistan and the surrounding region, with the majority going to the European market. India has continued to reduce the quantity of opium diverted from its licit program to the black market.

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Priority: Promote diplomatic readiness in South Asia.

Bureau Initiatives: A. Rebuild and staff Embassy Kabul. B. Provide secure facilities for U.S. diplomatic missions in South Asia. C. More effectively manage ICASS funds to support Security Supplemental initiatives, and support investment in SA missions' infrastructure. D. Reduce staffing gaps by filling positions with qualified personnel.

Bureau Indicators: A. Embassy Kabul has a secure and suitable facility, with adequate qualified personnel. B. Other facilities in the region meet security standards. C. ICASS funding base more effectively managed to help bureau raise level of infrastructure investment and to reduce mean age of ICASS motor vehicle fleet. D. Reduced staffing gaps.

Progress (FY 2002): Embassy Kabul reopened in December 2001 with an initial diplomatic staff of seven temporary personnel. Living and working conditions in Kabul remain difficult, but plans exist to construct adequate new facilities. Due to security concerns, four of our posts are in draw down status, and evacuations have increased our need for temporary duty personnel. ICASS funding for infrastructure

improvements has been increased. Expanded program and reporting requirements, and support to investigative and other TDY personnel increase demands on posts. Staffing gaps, understaffing, and stretch assignments are common.

FY 2004 Request
SUMMARY STATEMENT

Bureau of South Asian Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	58	186	534	778	$50,327	$19,568	$69,895
FY 2003 Estimate	60	193	534	787	$48,802	$21,519	$70,321
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($464)	$0	($464)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($811)	$0	($811)
2003 American Cost of Living Adjustments	0	0	0	0	$1	$151	$152
Annualization of 2003 Hiring Increases	0	0	0	0	$218	$227	$445
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$118	$118
American Cost of Living Adjustment	0	0	0	0	$3	$353	$356
FSN Wage	0	0	0	0	$1,112	$0	$1,112
Overseas Inflation	0	0	0	0	$1,962	$0	$1,962
Domestic Price	0	0	0	0	$26	$0	$26
Local Guard Program & Other Global Inflation	0	0	0	0	$34	$0	$34
Total Built-in Changes	0	0	0	0	$2,081	$849	$2,930
FY 2004 Current Services	60	193	534	787	$50,883	$22,368	$73,251
FY 2004 Request	60	193	534	787	$50,883	$22,368	$73,251

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of South Asian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**52**	**52**	**52**	**0**
Bureau Direction	12	12	12	0
Mission Direction	40	40	40	0
Conduct of Diplomatic Relations	**204**	**210**	**210**	**0**
Political Affairs	99	100	100	0
Political Diplomacy	99	100	100	0
Economic/Trade Affairs	32	32	32	0
Business Services	14	14	14	0
Environmental, Scientific and Technological Affairs	10	10	10	0
International Security Affairs	18	20	20	0
Country Coordination	31	34	34	0
Public Diplomacy	**208**	**208**	**208**	**0**
Public Diplomacy - Program Costs	208	208	208	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	**33**	**35**	**35**	**0**
Overseas Protection of Life	33	35	35	0
Other Overseas Security Support	33	35	35	0
Information Resource Management	**65**	**66**	**66**	**0**
Infrastructure Systems	12	12	12	0
ADP Communications and Message Centers	12	12	12	0
Corporate Information Systems and Services	53	54	54	0
Core Foreign Affairs Systems	53	54	54	0
Overseas Administrative Support	**122**	**122**	**122**	**0**
Overseas General Services	122	122	122	0
Total	778	787	787	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of South Asian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$5,503**	**$6,096**	**$6,086**	**($10)**
Bureau Direction	$1,248	$1,516	$1,520	$4
Mission Direction	$4,255	$4,580	$4,566	($14)
Conduct of Diplomatic Relations	**$16,044**	**$17,974**	**$18,242**	**$268**
Political Affairs	$6,909	$7,675	$7,644	($31)
Political Diplomacy	$6,909	$7,675	$7,644	($31)
Economic/Trade Affairs	$2,324	$2,414	$2,423	$9
Business Services	$978	$1,102	$1,108	$6
Environmental, Scientific and Technological Affairs	$730	$735	$833	$98
International Security Affairs	$2,050	$2,227	$2,265	$38
Country Coordination	$3,053	$3,821	$3,969	$148
Public Diplomacy	**$14,598**	**$15,555**	**$16,354**	**$799**
Public Diplomacy - Program Costs	$14,598	$15,555	$16,354	$799
Conduct of Consular Relations	**$6,405**	**$2,875**	**$3,260**	**$385**
Overseas Visa Services	$3,731	$2,011	$2,271	$260
Overseas Citizens Services	$2,674	$864	$989	$125
Diplomatic Security	**$2,871**	**$2,648**	**$2,676**	**$28**
Overseas Protection of Life	$2,871	$2,648	$2,676	$28
Other Overseas Security Support	$2,871	$2,648	$2,676	$28
Information Resource Management	**$4,876**	**$5,318**	**$5,333**	**$15**
Infrastructure Systems	$1,686	$1,533	$1,482	($51)
ADP Communications and Message Centers	$1,686	$1,533	$1,482	($51)
Corporate Information Systems and Services	$3,190	$3,785	$3,851	$66
Core Foreign Affairs Systems	$3,190	$3,785	$3,851	$66
Overseas Administrative Support	**$19,598**	**$19,855**	**$21,300**	**$1,445**
Overseas General Services	$6,233	$6,270	$6,517	$247
International Cooperative Administrative Support Services (ICASS)	$13,365	$13,585	$14,783	$1,198
Total	$69,895	$70,321	$73,251	$2,930

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request

PROGRAM ACTIVITIES

Bureau of South Asian Affairs	Positions				Funds ($ in thousands)		
	American Domestic	American Overseas	FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**13**	**22**	**17**	**52**	**$3,210**	**$2,876**	**$6,086**
Bureau Direction	12	0	0	12	$537	$983	$1,520
Mission Direction	1	22	17	40	$2,673	$1,893	$4,566
Conduct of Diplomatic Relations	**41**	**92**	**77**	**210**	**$7,275**	**$10,967**	**$18,242**
Political Affairs	3	52	45	100	$3,126	$4,518	$7,644
Political Diplomacy	3	52	45	100	$3,126	$4,518	$7,644
Economic/Trade Affairs	0	12	20	32	$1,440	$983	$2,423
Business Services	0	7	7	14	$537	$571	$1,108
Environmental, Scientific and Technological Affairs	0	5	5	10	$384	$449	$833
International Security Affairs	7	13	0	20	$623	$1,642	$2,265
Country Coordination	31	3	0	34	$1,165	$2,804	$3,969
Public Diplomacy	**6**	**30**	**172**	**208**	**$11,848**	**$4,506**	**$16,354**
Public Diplomacy - Program Costs	6	30	172	208	$11,848	$4,506	$16,354
Conduct of Consular Relations	**0**	**0**	**94**	**94**	**$3,260**	**$0**	**$3,260**
Overseas Visa Services	0	0	66	66	$2,271	$0	$2,271
Overseas Citizens Services	0	0	28	28	$989	$0	$989
Diplomatic Security	**0**	**13**	**22**	**35**	**$1,604**	**$1,072**	**$2,676**
Overseas Protection of Life	0	13	22	35	$1,604	$1,072	$2,676
Other Overseas Security Support	0	13	22	35	$1,604	$1,072	$2,676
Information Resource Management	**0**	**27**	**39**	**66**	**$3,118**	**$2,215**	**$5,333**
Infrastructure Systems	0	12	0	12	$500	$982	$1,482
ADP Communications and Message Centers	0	12	0	12	$500	$982	$1,482
Corporate Information Systems and Services	0	15	39	54	$2,618	$1,233	$3,851
Core Foreign Affairs Systems	0	15	39	54	$2,618	$1,233	$3,851
Overseas Administrative Support	**0**	**9**	**113**	**122**	**$20,568**	**$732**	**$21,300**
Overseas General Services	0	9	113	122	$5,785	$732	$6,517
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$14,783	$0	$14,783
Total	60	193	534	787	$50,883	$22,368	$73,251

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of South Asian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	11	11	11	0
Office of Pakistan, Afghanistan, and Bangladesh Affairs	9	9	9	0
Office of India, Nepal, Sri Lanka, Maldive Is. & Bhutan Affairs	9	9	9	0
Office of Regional Affairs	5	6	6	0
Office of Public Diplomacy	12	13	13	0
Afghan Reconstruction Affairs Office	10	10	10	0
Afghan Coordinator's Office	2	2	2	0
Total	58	60	60	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of South Asian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$2,073	$1,271	$1,345	$74
Office of Pakistan, Afghanistan, and Bangladesh Affairs	$1,864	$1,087	$1,148	$61
Office of India, Nepal, Sri Lanka, Maldive Is. & Bhutan Affairs	$1,864	$1,087	$1,148	$61
Office of Regional Affairs	$1,051	$659	$698	$39
Office of Public Diplomacy	$2,696	$2,332	$2,262	($70)
Afghan Reconstruction Affairs Office	$1,908	$1,170	$1,241	$71
Afghan Coordinator's Office	$560	$235	$261	$26
Total	$12,016	$7,841	$8,103	$262

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of South Asian Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Afghanistan, Kabul	21	15	36	24	15	39	24	15	39	0	0	0
Bangladesh, Dhaka	17	31	48	17	31	48	17	31	48	0	0	0
India, New Delhi	49	129	178	50	129	179	50	129	179	0	0	0
Mumbai	7	72	79	8	72	80	8	72	80	0	0	0
Kolkata	3	52	55	3	52	55	3	52	55	0	0	0
Chennai	7	62	69	8	62	70	8	62	70	0	0	0
Nepal, Kathmandu	15	24	39	15	24	39	15	24	39	0	0	0
Pakistan, Islamabad	33	63	96	33	63	96	33	63	96	0	0	0
Lahore	4	30	34	4	30	34	4	30	34	0	0	0
Peshawar	5	7	12	5	7	12	5	7	12	0	0	0
Karachi	10	24	34	10	24	34	10	24	34	0	0	0
Sri Lanka, Colombo	15	25	40	16	25	41	16	25	41	0	0	0
Total	186	534	720	193	534	727	193	534	727	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of South Asian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Afghanistan, Kabul	$7,168	$7,931	$8,132	$201
Bangladesh, Dhaka	$5,050	$5,390	$5,553	$163
India, New Delhi	$15,230	$16,475	$17,883	$1,408
Mumbai	$2,948	$3,239	$3,309	$70
Kolkata	$1,997	$2,123	$2,130	$7
Chennai	$2,361	$2,574	$2,573	($1)
Nepal, Kathmandu	$4,245	$4,524	$4,581	$57
Pakistan, Islamabad	$9,959	$10,681	$11,349	$668
Lahore	$821	$855	$814	($41)
Peshawar	$1,466	$1,553	$1,595	$42
Karachi	$2,769	$2,951	$2,970	$19
Sri Lanka, Colombo	$3,865	$4,184	$4,259	$75
Total	$57,879	$62,480	$65,148	$2,668

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of South Asian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$21,268	$24,089	$24,545	$456
1200	Personnel Benefits	$7,559	$8,964	$9,121	$157
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$2,221	$1,719	$1,948	$229
2200	Transportation of Things	$2,038	$1,038	$1,280	$242
2300	Rents, Comm & Utilities	$2,820	$2,131	$2,396	$265
2400	Printing & Reproduction	$415	$503	$583	$80
2500	Other Services	$20,314	$23,004	$25,402	$2,398
2600	Supplies and Materials	$3,120	$2,109	$2,302	$193
3100	Personal Property	$7,908	$4,420	$3,212	($1,208)
4100	Grants, Subsidies & Contrb	$2,232	$2,344	$2,462	$118
Total		$69,895	$70,321	$73,251	$2,930

DIPLOMATIC & CONSULAR PROGRAMS

East Asian and Pacific Affairs

OVERVIEW STATEMENT

Combating terrorism in the region is inextricably linked to our long-term and overarching goal of regional stability, but it also impacts directly on each of the other five top goals: promoting and deepening democracy; improving sustainable economic development; countering proliferation of weapons of mass destruction; countering international crime in the region; and promoting open markets. In the post 9/11 environment, combating terrorism has important resource implications that must be factored into our Bureau business plan on their own merits.

Terrorism: The growth of terrorist networks in the East Asian and Pacific Affairs (EAP) region presents a direct threat to U.S. national security, to the welfare of Americans overseas and to the security of U.S. allies and friends in the region. More generally, terrorism carries enormous potential to disrupt regional trends toward peace, prosperity, and democracy. It will add new urgency to our effort to pursue our non-proliferation and Weapons of Mass Destruction (WMD) goals in the region, and will affect ways the Bureau promotes our open markets and transnational crime objectives. Our goal must be to ensure that terrorism and its practitioners are rooted out of every country or safe haven and that we address conditions -- financial, economic and political -- that increase the vulnerability of the region to terrorism. To succeed in this effort, we must secure the active cooperation of others in the region, bilaterally with close friends and our five allies, China and other partners, and multilaterally within the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum and the Asia Pacific Economic Cooperation (APEC). In particular, in FY 04 we will continue to work closely with other State Bureaus to develop a reinforcing web of bilateral and multilateral relationships that should foster not only a greater U.S. ability to combat terrorism in the region, but also leverage nascent intra-regional efforts to come to grips with terrorism and the direct threats it poses to the entire region. Resources for this effort will need to come not only from EAP but also from other funding sources available to the Department and other agencies to combat terrorism.

Regional Stability remains our overarching strategic goal and provides the underpinning for achievement of other key goals and objectives. Active U.S. engagement and renewed emphasis on our alliance relationships has helped keep the East Asia and Pacific region generally stable. Nevertheless, the Korean Peninsula and the Taiwan Strait remain sensitive and potentially volatile. Our ability to deter conflict is currently strengthened by several factors, including the mutual interests of key East Asian powers in working cooperatively to address terrorism and shared interests in keeping inter-state frictions within parameters conducive to economic recovery and growth. We must continue to reinforce those trends. Moreover, terrorism in Southeast Asia carries the potential to destabilize friendly governments in that region.

Democracy: Stability and prosperity create good conditions for the development of democracy. In East Asia, the generally stable environment has created conditions in which democratic values have gradually been incorporated into the governing structures of many regional states. In the past decade, the Philippines, South Korea, Thailand, Mongolia, and Taiwan have consolidated their relatively young democracies. Indonesia, under authoritarian rule for thirty years, has embarked on a democratic transformation, although many hurdles remain.

Elsewhere in the region, the democratization process has been slower to develop. The EAP Bureau will continue to promote more open societies and democratic governments in key areas, including Laos, Cambodia and Vietnam bilaterally and multilaterally in cooperation with allies and through the ASEAN cooperation plan. The EAP Bureau will focus particularly on states where there is evidence of some

progress toward these goals. These are critical components in the development of a stable and enduring framework for overall regional development. The EAP Bureau is watching developments closely in Burma for signs of real and lasting change.

International Crime and Transnational Issues: Our strong diplomatic and military presence in the region will be key to addressing immediate and pressing transnational challenges that arise. These, almost by definition, will require multilateral solutions, and several of them, the most obvious being terrorism, already pose a serious challenge to regional stability. For example, narcotics trafficking and the epidemic of infectious diseases, especially HIV/AIDS, malaria and TB, are hitting the region harder now. With the EAP Women's Fund; we are applying a regional approach to address the problem of trafficking in persons with a mix of education, enforcement and protection programs in key tier II and III countries in our region. The EAP Bureau is also adjusting our foreign assistance and technical training priorities to find solutions that work and to try to stay ahead of this menacing trend.

Open Markets/Economic Development: Although related to the bureau's goals on terrorism, democracy and regional stability, promoting open markets and pro-growth policies is an essential goal on its own merits. U.S. trade with East Asia now exceeds that with Western Europe. Asia includes some of the largest and fastest growing economies in the world. Open economies support U.S. jobs and income, broaden the foundations on which democratic institutions can be constructed, and create incentives to settle problems peacefully.

Sustained economic recovery from the Asian Financial Crisis of nearly five years ago will require significant additional reform efforts. We continue to work multilaterally and bilaterally to help restore long-term growth prospects by strengthening Asian financial systems, improving corporate governance and restructuring, promoting regulatory reform, and pressing for trade and investment liberalization. Recovery of the Japanese economy is crucial to regional recovery, and the EAP Bureau continues to urge the Government of Japan to implement fully its plans for structural and financial sector reform, as well as measures to become more open to foreign direct investment and trade. The EAP Bureau will monitor China's accession to the WTO that will increase the access of the Chinese people to ideas and information, encourage further economic reform, advance the rule of law, and monitor compliance with WTO obligations. The EAP Bureau works closely with U.S. business in our effort to promote these market-oriented, pro-growth policies in the region.

Not all countries in the region have shared in the economic growth. Significant development needs remain throughout the region, including in Mongolia and in the Philippines, Indonesia and several other ASEAN states, particularly ASEAN's newer mainland Southeast Asian countries. The EAP Bureau recognizes that the immediate post 9/11 demands of the war on terrorism have inevitably diverted resources from this region and from other important U.S. goals and objectives, including economic development. However, additional resources for economic development are needed in the EAP region to meet key regional goals, and especially if we are to stem the growing links between the EAP region and South Asia-based terrorist networks and eliminate the poverty in the region that terrorists are poised to exploit. These factors require that we take a fresh look at our program resources and where they are focused.

Weapons of Mass Destruction: Proliferation of weapons of mass destruction (WMD), nuclear, chemical, and biological, and their means of delivery have been a major concern in East Asia during the past decade, but have become even more urgent since 9/11. We are pressing North Korea to abandon its nuclear weapons program and fulfill its Non-proliferation Treaty obligations, as well as to constrain missile programs, and give up missile exports. The EAP Bureau will continue discussions with the People's Republic of China (PRC) focused on China fully adhering to existing bilateral and multilateral nonproliferation arrangements, including those contained in the November 2000 missile nonproliferation arrangement, as well as to fully cooperate in pre-license and post-shipment verification checks and tech-

transfer investigations. The EAP Bureau is asking for China's cooperation in bringing other countries under the discipline of multilateral arms control and nonproliferation arrangements. We are also working to prevent, contain, and reverse the possibility that such WMD might become available to non-state terrorist organizations.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goals: **1. Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States. 2. Counter-terrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism. 3. Weapons of Mass Destruction - Reduce the threat of weapons of mass destruction to the United States, our allies, and friends.**

Bureau Priority: Enhance regional stability through: close ties with allies and organizations, increase U.S. counter-terrorism cooperation, and preventation, containment and reversal of proliferation of weapons of mass destruction among all EAP countries.

Bureau Initiatives: (A) U.S. and the Republic of Korea (ROK) cooperate in addressing North Korea's weapons of mass destruction and manage alliance issues. (B) China plays a constructive role in reducing regional tensions. (C) Close ASEAN cooperation with the U.S. on full range of transnational challenges, including terrorism, human trafficking, narcotics, and HIV/AIDS and other infectious diseases. Creation and implementation of multilateral security/Counter-terrorism (CT) agreement with ASEAN. Change in political culture, with ASEAN nations more open; widespread public support in ASEAN region for U.S. regional security policies. (D) Bilateral cooperation activities with five treaty allies (Japan, South Korea, Australia, Thailand, and the Philippines) and with New Zealand. (E) Pacific island states sign and ratify the 12 UN conventions on CT. (F) Chinese adherence to non-proliferation regimes. (G) China negotiates new agreements and cooperates in third country non-proliferation efforts. (H) North Korean implementation of Agreed Framework; progress in U.S./ South Korea talks.

Bureau Indicator: (A) Complete Joint Study of Phase III Military Confidence Building Measures (CBMs) and Arms Control Measures. Begin Joint Study of Phase IV Military CBMs and Arms Control Measures. (B) China increases coordination with U.S. and international community regarding issues involving the Korean peninsula, South Asia, South China Sea, and Burma. (C) Thailand's military provides training in managing transnational challenges to others in the region; signs and ratifies two more counterterrorism conventions. ASEAN members sign on to regional security/CT agreement; direct military and law enforcement cooperation under agreement begins. Reduced suspicion of U.S.-led initiatives. (D) Additional laws and regulations developed to refine each nation's CT efforts; continued strong U.S.-regional CT cooperation. (E) Papua New Guinea, Samoa and Tuvalu ratify the conventions. (F) Enhanced Chinese cooperation on implementing export controls, including sharing of information on potential transfers; improved adherence to all existing commitments and progress on effective implementation of export control regulations. (G) China cooperates with U.S. in multilateral fora. Pyongyang curtails WMD/missile-related programs and sales. China becomes a partner in U.S. efforts to prevent proliferation to the Middle East, including Iran and Iraq. (H) North Korea complies fully with the nuclear aspects of the Agreed Framework and accepts new commitments. Comprehensive talks yield concrete results on missiles. Progress in cooperation with International Atomic Energy Agency (IAEA) towards full verification of North Korea's initial nuclear declaration.

Progress (FY 2002): (A) U.S., Japan and the - ROK coordinated policy on North Korea's nuclear weapons program; supports (through UN Command) North-South initiatives to build road/rail links across DMZ. (B) The EAP Bureau coordinated U.S. - China approach to reducing tensions in South Asia. High level PRC statements of support including publicly by President Jiang Zemin, of the need for a nuclear weapons-free Korean Peninsula. PRC signed code of Conduct for South China Sea. (C) ASEAN signed a regional counter-terrorism agreement with the U.S. on August 1, 2002. (D) Continued cooperation with Australia in efforts to build capicity of nations in the region to detect and prevent the flow of terrorist finances. (E) Micronesia acceeded to one additional international CT convention and ratified one additional international CT convention; Nauru signed one additional international CT convention; Palau acceeded to 7 additional CT conventions; Papua New Guinea acceeded to one additional international CT convention; Samoa ratified one additional international CT convention; and Tonga acceeded to one additional international CT convention. (F) PRC promulgated/ new export control regimes for missile equipment and technology, dual use biological and chemical agents, and munitions. (G) Timely intervention by the PRC helped to defuse tensions between India and Pakistan. (H) U.S. continued implementing the terms of the Agreed Framework, including shipment of heavy fuel oil and working through the Korean Peninsula Energy Development Organization (KEDO) to continue light water reactor construction; worked with International Atomic Energy Agency (IAEA) member governments to urge the Democratic People's Republic of Korea's (DPRK) immediate full cooperation with IAEA verification efforts; ROK and DPRK held several rounds of bilateral discussions.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.**

Bureau Priority: Sustainable long-term growth and development inclusive of integration into the world economy, openness to bilateral trade and foreign direct investment, strengthened legal and institutional framework for open markets, openness to new technology and e-commerce, and participation in the Asia-Pacific Economic Cooperation (APEC) Forum.

Bureau Initiatives: (A) Japan implements economic reforms (B) China complies with WTO. (C) Progress of privatization in the Republic of Korea. (D) Debt Management in Indonesia. (E) Vietnam institutes economic, trade, and legal reforms.

Bureau Indicator: (A) New stock-swap legislation becomes effective. GOJ begins privatization of postal savings and insurance. Number of Japanese banks shrink due to mergers and bankruptcies. (B) China's WTO compliance approaches that of other comparably developed WTO members, in line with the WTO Transitional Review Mechanism. (C) Sell majority of Woori, Seoul Bank shares and complete sale of Chohung Bank. (D) Government of Indonesia needs no Paris Club relief and begins retiring domestic bonds. (E) Bi-lateral Trade Agreements (BTA)/WB/IMF commitments met on schedule; laws/regulations enacted/revised appropriately to meet BTA commitments; State Owned Enterprise's share of industrial production decreases by three to five percentage points in favor of private sector.

Progress (FY 2002): (A) The Japanese government amended its Commercial Code to allow domestic stock swaps, but this provision does not apply to foreign companies. The GOJ continues to discuss privatization of postal savings and insurance. The number of Japanese banks has shrunk over the last year, largely due to mergers. (B) China made significant progress in implementing WTO commitments including marketing system change. (C) Majority of Woori Bank's non-performing loans sold to Lehman Brothers joint venture in September; Seoul Bank sold to Hana Bank in August; Chohung Bank in process of being sold. (D) A combination of greater budget discipline, continued GDP growth, appreciation of the rupiah, and

depreciation of the Japanese yen in 2001 resulted in the first decrease in Indonesia's debt/GDP ratio since 1997 financial crisis. (E) Vietnam is drafting a "Law on Laws" which will provide the legal framework for most of the transparency requirements listed in the BTA.

Strategic Objective: **Protect the Nation**

Strategic Goals: **International Crime and Drugs - Minimize the impact of international crime and illegal drugs on the United States and its citizens.**

Bureau Priority: Strong law enforcement and judicial institutions, supported by political will, anti-corruption legislation, and respect for rule of law, combine to prevent terrorism, drug trafficking, human trafficking, and other transnational crime, from threatening U.S. citizens and interests throughout the region.

Bureau Initiatives: (A) Improved enforcement of laws relating to transnational crime in Thailand. (B) Greatly reduced time for a judicial case to be heard and resolved in the Philippines' court system. (C) Greater transparency and reduced corruption in the Vietnamese legal system.

Bureau Indicator: (A) Successful prosecutions of 2 additional cases; leaders imprisoned. (B) Reduced backlog in courts, improved public perception of judicial system. At least one sanctioning of a corrupt judicial official. (C) Vietnam meets its Bilateral Trade Agreement (BTA) transparency commitments. Business community reports less official corruption. Investigations opened into cases of corruption involving high-level officials.

Progress (FY 2002): (A) Thailand's counternarcotics cooperation continued to be excellent. Thai officials made a number of major seizures and disrupted numerous minor drug trafficking rings that lead to arrest. (B) Improvement in public perception of judiciary system as a result of judges being sanctioned. (C) BTA transparency commitments are being drafted in a new law in conjunction with measures being put in place that will increase transparency.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goals: **Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.**

Bureau Priority: Freely elected multiparty honest governments with well established institutions functioning in all EAP countries.

Bureau Initiatives: (A) Political Dialogue and Human Rights in Burma: (B) Progress by the central government of Indonesia in granting more autonomy to local authorities to make decisions about natural and financial resources will reflect the success of decentralization. (C) Political Competition in Cambodia.

Bureau Indicator: (A) Constitution approved; elections held. Remaining U.S. and EU sanctions removed. (B) Successful management of local revenue base producing an increase in local tax revenue through sensible local fiscal policies. (C) Multi-party, elected local officials engage effectively with central, provincial and district officials on key development issues.

Progress (FY 2002): (A) Daw Aung San Suu Kyi's release on May 6th generated some optimism, as did the release of a number of political prisoners. (B) GOI has implemented a comprehensive autonomy law and devolved enough authority that local governments are managing 38% of total government

expenditures. (C) Local officials chosen in multi-party elections to more than 1600 Commune Councils in February 2002 are beginning the process of effective engagement with officials at higher levels on issues of importance to their Communes' development.

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goals: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Bureau Priority: Diplomatic Readiness

Bureau Initiatives: (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.

Bureau Indicator: (A) Existing positions in the bureau are filled and the Bureau receives additional positions justified by the Department's staffing model. (B) Classified Connectivity Program 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 2002): (A) EAP received approximately 60 new Foreign Service positions for overseas posts, including 11 for China. (B) Installation and/or upgrade of classified computer systems has been completed at 10 posts providing improved classified processing and classified email capabilities including classified SIPRNET browsing access. Significantly, the region now has 26 posts with classified email connectivity. Internet access at the desktop has been installed for 25 posts. (C) We have opened a new Embassy in Dili, although we continue to operate in temporary facilities.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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 2002 Actual	161	556	817	1,534	$145,053	$81,405	$226,458
FY 2003 Estimate	163	579	817	1,559	$156,243	$86,551	$242,794
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($1,524)	$0	($1,524)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($1,988)	$0	($1,988)
2003 American Cost of Living Adjustments	0	0	0	0	$44	$612	$656
Annualization of 2003 Hiring Increases	0	0	0	0	$716	$632	$1,348
Annualization of FY 2003 Diplomatic Readiness Initiative Hir	0	0	0	0	$0	$329	$329
American Cost of Living Adjustment	0	0	0	0	$177	$1,433	$1,610
FSN Wage	0	0	0	0	$1,569	$0	$1,569
Overseas Inflation	0	0	0	0	$3,033	$0	$3,033
Domestic Price	0	0	0	0	$81	$0	$81
Local Guard Program & Other Global Inflation	0	0	0	0	$171	$0	$171
Total Built-in Changes	0	0	0	0	$2,279	$3,006	$5,285
FY 2004 Current Services	163	579	817	1,559	$158,522	$89,557	$248,079
FY 2004 Request	163	579	817	1,559	$158,522	$89,557	$248,079

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**167**	**171**	**171**	**0**
Bureau Direction	18	18	18	0
Mission Direction	143	147	147	0
Public Affairs	4	4	4	0
Legislative Affairs	2	2	2	0
Conduct of Diplomatic Relations	**421**	**435**	**435**	**0**
Political Affairs	162	167	167	0
Political Diplomacy	162	167	167	0
Economic/Trade Affairs	128	134	134	0
Business Services	20	20	20	0
Environmental, Scientific and Technological Affairs	30	31	31	0
International Security Affairs	16	18	18	0
Labor Affairs	13	13	13	0
Country Coordination	52	52	52	0
Public Diplomacy	**361**	**361**	**361**	**0**
Public Diplomacy - Program Costs	361	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	**33**	**33**	**33**	**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	**149**	**155**	**155**	**0**
Infrastructure Systems	114	115	115	0
ADP Communications and Message Centers	104	105	105	0
Diplomatic Pouch and Mail	10	10	10	0
Office Automation	35	40	40	0
Other Office Automation	35	40	40	0
Domestic Administrative Support	**19**	**20**	**20**	**0**
Domestic Administrative Management	8	8	8	0
Domestic Financial Services	5	6	6	0
Domestic Personnel Services	4	4	4	0
Domestic General Services	2	2	2	0
Supply, Transportation, and Acquisition	2	2	2	0
Total	1,534	1,559	1,559	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$24,202**	**$27,200**	**$27,774**	**$574**
Bureau Direction	$1,886	$2,048	$2,052	$4
Mission Direction	$21,733	$24,522	$25,094	$572
Public Affairs	$389	$420	$418	($2)
Legislative Affairs	$194	$210	$210	$0
Conduct of Diplomatic Relations	**$46,480**	**$51,236**	**$53,908**	**$2,672**
Political Affairs	$15,874	$17,367	$18,277	$910
Political Diplomacy	$15,874	$17,367	$18,277	$910
Economic/Trade Affairs	$15,385	$17,097	$18,070	$973
Business Services	$2,509	$2,819	$2,851	$32
Environmental, Scientific and Technological Affairs	$3,713	$4,098	$4,381	$283
International Security Affairs	$1,734	$1,892	$2,250	$358
Labor Affairs	$738	$791	$874	$83
Country Coordination	$6,527	$7,172	$7,205	$33
Public Diplomacy	**$33,819**	**$36,369**	**$37,263**	**$894**
Public Diplomacy - Program Costs	$33,819	$36,369	$37,263	$894
Conduct of Consular Relations	**$20,739**	**$13,130**	**$13,919**	**$789**
Overseas Visa Services	$12,361	$7,383	$7,860	$477
Overseas Citizens Services	$6,517	$4,582	$4,823	$241
Overseas Consular Management	$1,861	$1,165	$1,236	$71
International Organization Relations	**$280**	**$326**	**$335**	**$9**
International Organization Representation	$280	$326	$335	$9
Political and International Security Representation	$280	$326	$335	$9
Law Enforcement Cooperation	**$2,692**	**$3,053**	**$3,278**	**$225**
Diplomatic Security	**$13,423**	**$15,142**	**$15,326**	**$184**
Investigations and Counterintelligence	$76	$88	$90	$2
Overseas Protection of Life	$9,392	$10,512	$10,604	$92
Local Guard Services	$2,624	$3,053	$3,131	$78
Physical Security Protection of Life	$6,243	$6,897	$6,918	$21
Overseas Protective Vehicles	$525	$562	$555	($7)
Mission Security Operations	$3,955	$4,542	$4,632	$90
Information Resource Management	**$16,619**	**$18,367**	**$18,920**	**$553**
Infrastructure Systems	$13,963	$15,516	$15,645	$129
Other Telecommunications Abroad	$1,912	$2,225	$2,282	$57
ADP Communications and Message Centers	$11,869	$13,080	$13,146	$66
Diplomatic Pouch and Mail	$182	$211	$217	$6
Office Automation	$2,656	$2,851	$3,275	$424
Other Office Automation	$2,656	$2,851	$3,275	$424

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Training Services	**$107**	**$125**	**$128**	**$3**
Language Studies	$107	$125	$128	$3
Overseas Administrative Support	**$66,200**	**$75,785**	**$74,974**	**($811)**
International Cooperative Administrative Support Services (ICASS)	$66,200	$75,785	$74,974	($811)
Domestic Administrative Support	**$1,897**	**$2,061**	**$2,254**	**$193**
Domestic Administrative Management	$744	$809	$910	$101
Domestic Financial Services	$499	$540	$630	$90
Domestic Personnel Services	$434	$472	$472	$0
Domestic General Services	$220	$240	$242	$2
Supply, Transportation, and Acquisition	$220	$240	$242	$2
Total	$226,458	$242,794	$248,079	$5,285

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of East Asian and Pacific Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**24**	**100**	**47**	**171**	**$14,389**	**$13,385**	**$27,774**
Bureau Direction	18	0	0	18	$404	$1,648	$2,052
Mission Direction	0	100	47	147	$13,905	$11,189	$25,094
Public Affairs	4	0	0	4	$53	$365	$418
Legislative Affairs	2	0	0	2	$27	$183	$210
Conduct of Diplomatic Relations	**101**	**232**	**102**	**435**	**$19,334**	**$34,574**	**$53,908**
Political Affairs	12	104	51	167	$5,752	$12,525	$18,277
Political Diplomacy	12	104	51	167	$5,752	$12,525	$18,277
Economic/Trade Affairs	20	82	32	134	$7,283	$10,787	$18,070
Business Services	5	6	9	20	$1,729	$1,122	$2,851
Environmental, Scientific and Technological Affairs	3	23	5	31	$1,617	$2,764	$4,381
International Security Affairs	8	10	0	18	$473	$1,777	$2,250
Labor Affairs	1	7	5	13	$27	$847	$874
Country Coordination	52	0	0	52	$2,453	$4,752	$7,205
Public Diplomacy	**14**	**78**	**269**	**361**	**$25,472**	**$11,791**	**$37,263**
Public Diplomacy - Program Costs	14	78	269	361	$25,472	$11,791	$37,263
Conduct of Consular Relations	**0**	**0**	**286**	**286**	**$13,919**	**$0**	**$13,919**
Overseas Visa Services	0	0	180	180	$7,860	$0	$7,860
Overseas Citizens Services	0	0	88	88	$4,823	$0	$4,823
Overseas Consular Management	0	0	18	18	$1,236	$0	$1,236
International Organization Relations	**0**	**0**	**0**	**0**	**$335**	**$0**	**$335**
International Organization Representation	0	0	0	0	$335	$0	$335
Political and International Security Representation	0	0	0	0	$335	$0	$335
Law Enforcement Cooperation	**0**	**10**	**23**	**33**	**$2,210**	**$1,068**	**$3,278**
Diplomatic Security	**0**	**48**	**50**	**98**	**$10,001**	**$5,325**	**$15,326**
Investigations and Counterintelligence	0	0	0	0	$90	$0	$90
Overseas Protection of Life	0	42	32	74	$5,945	$4,659	$10,604
Local Guard Services	0	0	0	0	$3,131	$0	$3,131
Physical Security Protection of Life	0	37	32	69	$2,814	$4,104	$6,918
Overseas Protective Vehicles	0	5	0	5	$0	$555	$555
Mission Security Operations	0	6	18	24	$3,966	$666	$4,632
Information Resource Management	**4**	**111**	**40**	**155**	**$6,265**	**$12,655**	**$18,920**
Infrastructure Systems	0	85	30	115	$6,137	$9,508	$15,645
Other Telecommunications Abroad	0	0	0	0	$2,282	$0	$2,282
ADP Communications and Message Centers	0	85	20	105	$3,638	$9,508	$13,146
Diplomatic Pouch and Mail	0	0	10	10	$217	$0	$217
Office Automation	4	26	10	40	$128	$3,147	$3,275

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	26	10	40	$128	$3,147	$3,275
Training Services	**0**	**0**	**0**	**0**	**$128**	**$0**	**$128**
Language Studies	0	0	0	0	$128	$0	$128
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$66,042**	**$8,932**	**$74,974**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$66,042	$8,932	$74,974
Domestic Administrative Support	**20**	**0**	**0**	**20**	**$427**	**$1,827**	**$2,254**
Domestic Administrative Management	8	0	0	8	$180	$730	$910
Domestic Financial Services	6	0	0	6	$83	$547	$630
Domestic Personnel Services	4	0	0	4	$107	$365	$472
Domestic General Services	2	0	0	2	$57	$185	$242
Supply, Transportation, and Acquisition	2	0	0	2	$57	$185	$242
Total	163	579	817	1,559	$158,522	$89,557	$248,079

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	24	24	24	0
Office of the Executive Director	33	34	34	0
Office of Australia, New Zealand and Pacific Island Affairs	12	12	12	0
Office of Philippines, Indonesia, Malaysia, Brunei, Singapore	14	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	11	12	12	0
Total	161	163	163	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$3,065	$3,354	$3,444	$90
Office of the Executive Director	$4,514	$4,883	$5,007	$124
Office of Australia, New Zealand and Pacific Island Affairs	$2,032	$2,193	$2,244	$51
Office of Philippines, Indonesia, Malaysia, Brunei, Singapore	$1,931	$2,066	$2,120	$54
Office of Economic Policy	$1,582	$1,719	$1,758	$39
Office of Korea	$2,008	$2,148	$2,207	$59
Office of Japan	$1,886	$2,033	$2,082	$49
Office of the Public Affairs Advisor	$715	$768	$788	$20
Office of Chinese Affairs	$2,218	$2,383	$2,442	$59
Office of Burma, Cambodia, Laos, Thailand and Vietnam	$1,969	$2,122	$2,172	$50
Office of Regional Security Policy	$1,793	$2,010	$2,060	$50
Total	$23,713	$25,679	$26,324	$645

STAFF BY POST
(positions)

Bureau of East Asian and Pacific Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Tota
Australia, Canberra	23	28	51	24	28	52	24	28	52	0	0	
Melbourne	2	7	9	2	7	9	2	7	9	0	0	
Perth	1	4	5	1	4	5	1	4	5	0	0	
Sydney	4	27	31	4	27	31	4	27	31	0	0	
Brunei, Bandar Seri Begawan	3	6	9	3	6	9	3	6	9	0	0	
Burma, Rangoon	13	18	31	13	18	31	13	18	31	0	0	
Cambodia, Phnom Pen	13	7	20	13	7	20	13	7	20	0	0	
China, Beijing	87	0	87	91	0	91	91	0	91	0	0	
Guangzhou	13	0	13	15	0	15	15	0	15	0	0	
Shanghai	17	0	17	21	0	21	21	0	21	0	0	
Shenyang	6	0	6	6	0	6	6	0	6	0	0	
Chengdu	6	0	6	6	0	6	6	0	6	0	0	
Federated States of Micronesia, Kolonia	2	0	2	2	0	2	2	0	2	0	0	
East Timor, Dili	2	0	2	2	0	2	2	0	2	0	0	
Fiji, Suva	6	8	14	6	8	14	6	8	14	0	0	
Hong Kong	30	18	48	30	18	48	30	18	48	0	0	
Indonesia, Jakarta	35	64	99	39	64	103	39	64	103	0	0	
Surabaya	2	4	6	2	4	6	2	4	6	0	0	
Japan, Tokyo	70	139	209	70	139	209	70	139	209	0	0	
Fukuoka	2	13	15	2	13	15	2	13	15	0	0	
Nagoya	1	3	4	1	3	4	1	3	4	0	0	
Naha	2	11	13	2	11	13	2	11	13	0	0	
Osaka-Kobe	3	22	25	3	22	25	3	22	25	0	0	
Sapporo	1	4	5	1	4	5	1	4	5	0	0	
Korea(South), Seoul	46	123	169	47	123	170	47	123	170	0	0	
Pusan	0	3	3	0	3	3	0	3	3	0	0	
Laos, Vientiane	4	3	7	4	3	7	4	3	7	0	0	
Malaysia, Kuala Lumpur	13	36	49	14	36	50	14	36	50	0	0	
Marshall Islands, Majuro	2	0	2	2	0	2	2	0	2	0	0	
Mongolia, Ulaanbaatar	6	2	8	6	2	8	6	2	8	0	0	
New Zealand, Wellington	7	9	16	7	9	16	7	9	16	0	0	
Auckland	1	5	6	1	5	6	1	5	6	0	0	
Papua New Guinea, Port Moresby	6	2	8	6	2	8	6	2	8	0	0	
Philippines, Manila	37	121	158	40	121	161	40	121	161	0	0	
Singapore, Singapore	13	26	39	13	26	39	13	26	39	0	0	
Thailand, Bangkok	36	88	124	38	88	126	38	88	126	0	0	

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of East Asian and Pacific Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 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	24	3	27	24	3	27	24	3	27	0	0	0
Ho Chi Minh City	14	3	17	15	3	18	15	3	18	0	0	0
Western Somoa, Apia	1	2	3	1	2	3	1	2	3	0	0	0
Total	556	817	1,373	579	817	1,396	579	817	1,396	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Australia, Canberra	$7,324	$8,143	$8,325	$182
Melbourne	$894	$832	$848	$16
Perth	$449	$418	$427	$9
Sydney	$1,433	$1,348	$1,377	$29
Brunei, Bandar Seri Begawan	$1,066	$1,164	$1,188	$24
Burma, Rangoon	$4,017	$4,312	$4,406	$94
Cambodia, Phnom Pen	$4,069	$4,214	$4,303	$89
China, Beijing	$29,024	$32,469	$33,144	$675
Guangzhou	$4,142	$4,315	$4,414	$99
Shanghai	$4,199	$5,395	$5,520	$125
Shenyang	$2,011	$2,091	$2,135	$44
Chengdu	$2,011	$2,166	$2,211	$45
Federated States of Micronesia, Kolonia	$499	$539	$552	$13
East Timor, Dili	$293	$315	$322	$7
Fiji, Suva	$1,999	$2,001	$2,044	$43
Hong Kong	$13,583	$14,087	$14,367	$280
Indonesia, Jakarta	$10,463	$12,110	$12,389	$279
Surabaya	$526	$569	$582	$13
Japan, Tokyo	$40,417	$43,726	$44,595	$869
Fukuoka	$901	$1,007	$1,029	$22
Nagoya	$618	$700	$715	$15
Naha	$454	$403	$414	$11
Osaka-Kobe	$1,484	$1,382	$1,411	$29
Sapporo	$434	$386	$394	$8
Korea(South), Seoul	$15,620	$15,643	$15,995	$352
Pusan	$176	$198	$200	$2
Laos, Vientiane	$1,923	$2,052	$2,091	$39
Malaysia, Kuala Lumpur	$5,353	$5,951	$6,070	$119
Marshall Islands, Majuro	$578	$628	$642	$14
Mongolia, Ulaanbaatar	$1,679	$1,828	$1,868	$40
New Zealand, Wellington	$2,405	$2,619	$2,676	$57
Auckland	$435	$357	$365	$8
Papua New Guinea, Port Moresby	$1,703	$1,800	$1,838	$38
Philippines, Manila	$11,561	$11,731	$12,006	$275
Singapore, Singapore	$6,172	$6,556	$6,684	$128
Thailand, Bangkok	$9,257	$9,924	$10,173	$249
Chiag Mai	$2,152	$2,317	$2,352	$35
Vietnam, Hanoi	$7,395	$7,895	$8,068	$173
Ho Chi Minh City	$3,777	$3,255	$3,339	$84

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Western Somoa, Apia	$249	$269	$276	$7
Total	$202,745	$217,115	$221,755	$4,640

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$92,137	$99,281	$102,066	$2,785
1200	Personnel Benefits	$33,580	$33,833	$34,839	$1,006
1300	Benefits Former Personnel	$5	$5	$5	$0
2100	Travel & Trans of Persons	$7,521	$8,001	$8,111	$110
2200	Transportation of Things	$1,412	$1,585	$1,607	$22
2300	Rents, Comm & Utilities	$7,350	$7,416	$7,519	$103
2400	Printing & Reproduction	$419	$472	$479	$7
2500	Other Services	$67,137	$72,926	$73,910	$984
2600	Supplies and Materials	$4,212	$4,283	$4,343	$60
3100	Personal Property	$10,984	$13,193	$13,377	$184
4100	Grants, Subsidies & Contrb	$1,701	$1,799	$1,823	$24
4200	INS Claims & Indemnities	$0	$0	$0	$0
Total		$226,458	$242,794	$248,079	$5,285

DIPLOMATIC & CONSULAR PROGRAMS

Western Hemisphere Affairs

OVERVIEW STATEMENT

The Bureau of Western Hemisphere Affairs (WHA) is responsible for managing and promoting U.S. interests in the region by supporting democracy, trade, and sustainable economic development, and fostering cooperation on such issues as drug trafficking and crime, poverty reduction and environmental protection. The Bureau coordinates action with the Organization of American States (OAS) and other international organizations and through the periodic Summit of the Americas process. The United States has 29 embassies in the region, 19 consulates, a U.S. Interests Section in Havana, and an American Presence Post in Winnipeg.

There was substantial progress in the Western Hemisphere during FY 2002. Improved security cooperation and gains in consolidating democracy and human rights, along with positive advances in trade initiatives led the way. Our friends in the region were instrumental in the passage of UN resolutions condemning terrorism and those who would produce weapons of mass destruction. The Inter-American Convention Against Terrorism created regional mechanisms, from financial intelligence units to enhanced border security measures and coordination.

Free and fair elections in the region have become the norm. Local investigations of past human rights abuses are overcoming the culture of impunity. The Inter-American Democratic Charter and the OAS Convention Against Corruption served as models for activism. The Andean Trade Promotion Act and upcoming Free Trade Agreement negotiations with Central America moved the trade agenda forward. The election of President Uribe in Colombia led to renewed commitment in the fight against narcotraffickers.

Challenges remain, including the economic crisis in Argentina, the political impasses in Venezuela and Haiti, and migration and water issues with Mexico. In FY 2004, WHA will continue to work on these critical bilateral issues while addressing a broader series of goals region-wide, especially corruption and good governance issues, improving educational opportunities, and resolving border conflicts.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.**

Bureau Initiatives: 1. Regional governments undertake efforts to strengthen democratic institutions and root out endemic corruption. 2. Respect for human rights. 3. Western Hemisphere nations will adopt and enforce policies to protect workers' rights. 4. Freedom of religion and conscience.

Bureau Indicators: 1. Weighted-average Regional Score on Transparency International's Corruption Perceptions Index (1-10 with 10 being least corrupt). 2. Freedom House Freedom Rankings. 3. Increased political participation in the region, especially of women and minorities. 4. Improved human rights observance in Cuba and the development of legal reforms. 5. Greater independence of media institutions in the Hemisphere. 6. Increased efforts to reduce violence against women and trafficking in persons - including women and children. 7. Implementation of key human rights goals of the Summit of the Americas process. 8. Effective implementation of internationally recognized core labor standards. 9. Increased respect for religious freedom in the Hemisphere. 10. Increased religious freedom in Cuba.

Progress (FY 2002): There were peaceful, free, and fair elections in Colombia, Bolivia, Honduras, Nicaragua, and the Dominican Republic. Democratic consolidation throughout the region was evident, as shown through maintenance of democratic order in Argentina and Paraguay despite severe economic and political stresses, lower election-related violence in Jamaica, and thriving long-term democracies in Canada, Chile, Costa Rica, and Uruguay. Under an OAS facilitation process, agreement was reached in principle on resolution of the long-disputed border between Guatemala and Belize. The Inter-American Democratic Charter served as a guide for an active role by the OAS in promoting democracy in Haiti and Venezuela.

The Dominican Republic and Nicaragua made major public efforts to arrest or indict corrupt officials, although the average regional score for 20 Western Hemisphere countries surveyed for the Corruption Perceptions Index was 4.175, an 11 percent drop from the previous year when seven fewer countries participated. Freedom House Freedom Rankings for the region remained stable from the prior year with 21 countries rated "Free," 10 countries rated "Partly Free," and 2 rated "Not Free." The four countries that ratified the Inter-American Convention Against Corruption this year joined its Follow-up Mechanism at the same time, thus agreeing to have their compliance with the Convention evaluated by the other states parties.

Aggressive outreach efforts increased pressure on the Cuban Government to reform, while the Varela Project seeking greater individual freedoms in Cuba gathered 11,000 signatures and garnered the top European human rights award for its founder. Freedom House reported improved press freedoms in the Hemisphere over the FY 2000 baseline, with 20 countries rated "Free," 12 countries rated "Partly Free," and 2 countries rated "Not Free." The number of Western Hemisphere countries signing the UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women, and Children increased by three, and four more countries ratified the convention. Nonetheless, political turmoil in Haiti and Venezuela, Argentina's economic crisis, and Colombia's on-going civil conflict and spillover to neighboring countries prompted continuing concern for democracy in the region.

***Strategic Objective:* Advance Sustainable Development and Global Interests**

***Strategic Goal:* Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.**

Economic Prosperity – Economic Development

Bureau Initiatives: Decrease the incidence of poverty by accelerating economic growth, improving the quality and accessibility of education, reducing income inequality, and ensuring application of good governance practices throughout the region.

Bureau Indicators: 1. Percent of Latin American and Caribbean population living below the poverty line. 2. Secondary school enrollment.

Progress (FY 2002): The regional poverty rate remained at an unacceptably high 36 percent. WHA is developing a broad-ranging approach to improve education and anti-corruption efforts in the Western Hemisphere. Under a new program, Regional Centers of Excellence for Teacher Training have been established in Honduras, Jamaica, and Peru.

U.S. Exports

Bureau Initiatives:

- Expand U.S. exports to hemispheric trading partners by 12.5 percent by 2004. Increase exports of U.S. goods and services, particularly agricultural products, and telecommunications equipment and services.
- Expand business promotion activities.
- Advocacy for U.S. companies pursuing foreign government procurements.
- Support U.S. foreign direct investment and defend the rights of U.S. investors overseas.

Bureau Indicators: 1. Percentage increase in U.S. exports to Western Hemisphere. 2. Change in proportion of total U.S. exports destined for Western Hemisphere.

Progress (FY 2002): U.S. exports to the region continued the previous trend and were down almost 11 percent from the prior year, much of that thought to be fallout from the attacks of September 11 and the general economic downturn. On the other hand, the percentage of merchandise exports going to our hemispheric partners rose slightly to 44.52 percent, and significant progress was made on other major trade initiatives. As progress is made on both bilateral and multilateral free trade agreements throughout the region, barriers to free trade should fall and American exporters should find ready markets for their products.

Open Markets

Bureau Initiatives: Open Western Hemisphere's markets to increase the free flow of goods, services, and capital. 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.

Bureau Indicators: 1. Progress on Free Trade Area of the Americas (FTAA) negotiations. 2. Other open market initiatives. 3. Work to improve quantitative measure of market openness. 4. Investment policy reforms. 5. Trade-related social, labor, and environmental concerns.

Progress (FY 2002): Trade Promotion Authority (TPA) passed early in August 2002, thereby laying the groundwork for free trade agreements throughout the hemisphere. A bilateral free trade agreement with Chile neared completion, and formal negotiations were expected to begin shortly on the Central America-U.S. Free Trade Agreement (CAFTA) following a series of informal consultations throughout 2002. Broad negotiations continued on the Summit of the Americas-mandated FTAA, with great hope that a hemispheric agreement could be in place by 2005. In analyzing the openness of markets, a standard measure is the Index of Economic Freedom published by the Heritage Foundation and Wall Street Journal. The number of countries in the Western Hemisphere (other than the U.S.) that qualified as "Free" or "Mostly Free" on trade policy dropped by two to six over the past year, but five of the six countries listed as "Repressed" rose one level. On investment policy, there was no change from the previous year, with 14 countries (other than the U.S.) qualifying as either "Free" or "Mostly Free".

Strategic Objective: **Protect the Nation**

Strategic Goal: **Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism.**

Bureau Initiatives: International cooperation is reinforced by routine multilateral intelligence sharing with key countries. Terrorist fundraising is limited by bilateral and multilateral arrangements in the Hemisphere. The OAS counter-terrorism organization (CICTE) improves coordination of information exchanges, judicial cooperation, and training.

Bureau Indicators: 1. Improve intelligence on groups designated by the Secretary as Foreign Terrorist Organizations. 2. Support law enforcement operations in the region that target the infrastructure of various Middle Eastern terrorist groups. 3. Press for multilateral anti-terrorist cooperation bilaterally and at the OAS.

Progress (FY 2002): Close ties with regional partners led to cooperation on counter-terrorism efforts at the UN and OAS, including UN resolutions against Iraq and approval of the Inter-American Convention Against Terrorism. That convention created legal obligations for member states, including creation of financial intelligence units, establishment of channels of communication between law enforcement authorities, and improved border and customs controls within the region. Article 98 agreements were signed with the Dominican Republic, El Salvador, and Honduras, helping to protect American citizens against unjust prosecution overseas. OAS member states reenergized CICTE, approved recommendations on financial and border controls, and established a CICTE secretariat to coordinate and implement programs of cooperation. Six countries in the hemisphere attended a U.S. training course on developing counter terrorism legislation.

Recognizing the increasingly intertwined nature of the terrorist and narcotics challenges in Colombia, Congress enacted new authorities in the 2002 Supplemental Appropriations Act that will help to more readily address the combined threat and facilitate the use of resources available for assistance to the Government of Colombia for supporting Colombia's unified campaign against narcotics trafficking and U.S.-designated terrorist organizations.

A multi-agency Financial Systems Assessment Team visited Brazil and Paraguay last year to conduct onsite evaluations of each country's counter terrorist finance and anti-money laundering regimes. The team met with both governmental officials and representatives of the private banking sector. Each country arrested a prominent Hezbollah member related to terrorism financing activities during the year. More broadly, the Secretary's Office of Counter Terrorism and WHA have been active partners in encouraging a regional effort to establish a permanent "Three Plus One" (Argentina, Brazil, Paraguay and the U.S.) multilateral channel to address common counter terrorism concerns in the Tri-border Area.

***Strategic Objective*: Protect the Nation**

***Strategic Goal:* International Crime and Drugs - Minimize the impact of international crime and illegal drugs on the United States and its citizens.**

Bureau Initiatives: 1. Support host country eradication programs. Establish/support institutions that implement comprehensive enforcement and alternative development programs. 2. Reduce the supply of drugs arriving in the United States. Improve the capacity and will of countries to interdict precursor chemicals, semi-refined coca products, cocaine and other illegal drugs.

Bureau Indicators: 1. Reduced illegal coca and opium poppy production in the Western Hemisphere from the International Narcotics Control Strategy Report. 2. Metric tons available in the U.S.

Progress (FY 2002): The Colombian eradication program began the fiscal year with a U.S. Congressional funding hold, limitations of spray concentration and areas of operation imposed by the host country, poor weather, and other factors. Nonetheless, by the end of the year the eradication program had sprayed 130,363 hectares of coca, nearly 30% more than the record 94,127 hectares sprayed in 2001. In addition, the program sprayed 3,371 hectares of opium poppy, a significant increase over 2001's 1,846 hectares. New Colombian President Uribe stated his deep commitment to joint counter-narcotics cooperation, including large-scale aerial eradication. Funding was secured through the Andean Regional Initiative for an

expanded counter-narcotics effort, including pipeline security. Forward Operating Locations were working smoothly in Aruba, Curacao, Ecuador, and El Salvador.

FY 2004 Request
SUMMARY STATEMENT

Bureau of Western Hemisphere Affairs	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	279	663	1,252	2,194	$162,883	$81,887	$244,770
FY 2003 Estimate	284	682	1,252	2,218	$163,332	$87,126	$250,458
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($1,259)	$0	($1,259)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($1,547)	$0	($1,547)
2003 American Cost of Living Adjustments	0	0	0	0	$8	$617	$625
Annualization of 2003 Hiring Increases	0	0	0	0	$592	$606	$1,198
Annualization of FY 2003 Diplomatic Readiness Initiative Hir	0	0	0	0	$0	$316	$316
American Cost of Living Adjustment	0	0	0	0	$28	$1,445	$1,473
FSN Wage	0	0	0	0	$4,108	$0	$4,108
Overseas Inflation	0	0	0	0	$3,997	$0	$3,997
Domestic Price	0	0	0	0	$93	$0	$93
Total Built-in Changes	0	0	0	0	$6,020	$2,984	$9,004
FY 2004 Current Services	284	682	1,252	2,218	$169,352	$90,110	$259,462
FY 2004 Request	284	682	1,252	2,218	$169,352	$90,110	$259,462

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	**478**	**502**	**502**	**0**
Political Affairs	200	224	224	0
Political Diplomacy	200	224	224	0
Economic/Trade Affairs	114	114	114	0
Business Services	45	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	**432**	**432**	**432**	**0**
Public Diplomacy - Program Costs	432	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	**124**	**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	53	53	53	0
Information Resource Management	**183**	**183**	**183**	**0**
Infrastructure Systems	126	126	126	0
Other Telecommunications Abroad	48	48	48	0
ADP Communications and Message Centers	69	69	69	0
Diplomatic Pouch and Mail	9	9	9	0
Office Automation	57	57	57	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Other Office Automation	57	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	2,194	2,218	2,218	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$14,554**	**$15,686**	**$16,193**	**$507**
Bureau Direction	$2,934	$3,159	$3,262	$103
Mission Direction	$11,154	$12,020	$12,409	$389
Public Affairs	$466	$507	$522	$15
Conduct of Diplomatic Relations	**$56,016**	**$60,889**	**$62,769**	**$1,880**
Political Affairs	$28,163	$30,536	$31,459	$923
Political Diplomacy	$28,163	$30,536	$31,459	$923
Economic/Trade Affairs	$13,589	$14,705	$15,161	$456
Business Services	$2,816	$3,184	$3,286	$102
Environmental, Scientific and Technological Affairs	$2,896	$3,131	$3,230	$99
International Security Affairs	$1,591	$1,721	$1,775	$54
Country Coordination	$6,961	$7,612	$7,858	$246
Public Diplomacy	**$38,627**	**$41,167**	**$42,905**	**$1,738**
Public Diplomacy - Program Costs	$38,627	$41,167	$42,905	$1,738
Conduct of Consular Relations	**$30,219**	**$18,195**	**$19,816**	**$1,621**
Overseas Visa Services	$21,089	$13,166	$14,273	$1,107
Overseas Citizens Services	$7,874	$4,649	$5,076	$427
Overseas Consular Management	$1,256	$380	$467	$87
International Organization Relations	**$1,645**	**$1,778**	**$1,835**	**$57**
International Organization Representation	$1,645	$1,778	$1,835	$57
Political and International Security Representation	$1,154	$1,249	$1,288	$39
Economic Development and Trade Representation	$222	$240	$248	$8
Environment, Science, Education, and Health Representation	$176	$189	$196	$7
Refugee and Humanitarian Representation	$93	$100	$103	$3
Law Enforcement Cooperation	**$1,268**	**$1,376**	**$1,418**	**$42**
Diplomatic Security	**$8,844**	**$9,520**	**$9,835**	**$315**
Overseas Protection of Life	$4,000	$4,318	$4,457	$139
Physical Security Protection of Life	$3,126	$3,369	$3,480	$111
Other Overseas Security Support	$874	$949	$977	$28
Overseas Protection of Information	$1,416	$1,534	$1,580	$46
Technical and Procedural Protection of Information	$1,416	$1,534	$1,580	$46
Mission Security Operations	$3,428	$3,668	$3,798	$130
Information Resource Management	**$17,845**	**$19,465**	**$20,090**	**$625**
Infrastructure Systems	$14,227	$15,573	$16,068	$495
Other Telecommunications Abroad	$6,419	$7,179	$7,392	$213
ADP Communications and Message Centers	$5,692	$6,096	$6,309	$213
Diplomatic Pouch and Mail	$2,116	$2,298	$2,367	$69
Corporate Information Systems and Services	$6	$7	$8	$1

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Information Services	$6	$7	$8	$1
Office Automation	$3,612	$3,885	$4,014	$129
Other Office Automation	$3,612	$3,885	$4,014	$129
Training Services	**$43**	**$47**	**$48**	**$1**
Professional Development/Area Studies	$43	$47	$48	$1
Overseas Administrative Support	**$73,195**	**$79,630**	**$81,760**	**$2,130**
International Cooperative Administrative Support Services (ICASS)	$73,195	$79,630	$81,760	$2,130
Domestic Administrative Support	**$2,514**	**$2,705**	**$2,793**	**$88**
Domestic Administrative Management	$1,027	$1,104	$1,141	$37
Domestic Financial Services	$637	$689	$709	$20
Domestic Personnel Services	$516	$554	$572	$18
Domestic General Services	$334	$358	$371	$13
Supply, Transportation, and Acquisition	$334	$358	$371	$13
Total	$244,770	$250,458	$259,462	$9,004

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of Western Hemisphere Affairs	Positions American Domestic	American Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**28**	**111**	**49**	**188**	**$5,455**	**$10,738**	**$16,193**
Bureau Direction	26	0	0	26	$1,089	$2,173	$3,262
Mission Direction	0	111	49	160	$4,027	$8,382	$12,409
Public Affairs	2	0	0	2	$339	$183	$522
Conduct of Diplomatic Relations	**136**	**260**	**106**	**502**	**$30,979**	**$31,790**	**$62,769**
Political Affairs	34	147	43	224	$17,397	$14,062	$31,459
Political Diplomacy	34	147	43	224	$17,397	$14,062	$31,459
Economic/Trade Affairs	17	56	41	114	$7,180	$7,981	$15,161
Business Services	1	32	12	45	$1,204	$2,082	$3,286
Environmental, Scientific and Technological Affairs	1	12	9	22	$1,417	$1,813	$3,230
International Security Affairs	0	13	1	14	$865	$910	$1,775
Country Coordination	83	0	0	83	$2,916	$4,942	$7,858
Public Diplomacy	**14**	**94**	**324**	**432**	**$29,333**	**$13,572**	**$42,905**
Public Diplomacy - Program Costs	14	94	324	432	$29,333	$13,572	$42,905
Conduct of Consular Relations	**0**	**0**	**716**	**716**	**$19,816**	**$0**	**$19,816**
Overseas Visa Services	0	0	530	530	$14,273	$0	$14,273
Overseas Citizens Services	0	0	160	160	$5,076	$0	$5,076
Overseas Consular Management	0	0	26	26	$467	$0	$467
International Organization Relations	**16**	**1**	**0**	**17**	**$682**	**$1,153**	**$1,835**
International Organization Representation	16	1	0	17	$682	$1,153	$1,835
Political and International Security Representation	7	1	0	8	$606	$682	$1,288
Economic Development and Trade Representation	6	0	0	6	$76	$172	$248
Environment, Science, Education, and Health Representation	2	0	0	2	$0	$196	$196
Refugee and Humanitarian Representation	1	0	0	1	$0	$103	$103
Law Enforcement Cooperation	**0**	**6**	**17**	**23**	**$834**	**$584**	**$1,418**
Diplomatic Security	**0**	**84**	**40**	**124**	**$2,805**	**$7,030**	**$9,835**
Overseas Protection of Life	0	28	33	61	$1,732	$2,725	$4,457
Physical Security Protection of Life	0	24	21	45	$1,144	$2,336	$3,480
Other Overseas Security Support	0	4	12	16	$588	$389	$977
Overseas Protection of Information	0	8	2	10	$801	$779	$1,580
Technical and Procedural Protection of Information	0	8	2	10	$801	$779	$1,580
Mission Security Operations	0	48	5	53	$272	$3,526	$3,798
Information Resource Management	**57**	**126**	**0**	**183**	**$7,686**	**$12,404**	**$20,090**
Infrastructure Systems	19	107	0	126	$6,610	$9,458	$16,068
Other Telecommunications Abroad	0	48	0	48	$4,428	$2,964	$7,392

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
ADP Communications and Message Centers	19	50	0	69	$742	$5,567	$6,309
Diplomatic Pouch and Mail	0	9	0	9	$1,440	$927	$2,367
Corporate Information Systems and Services	0	0	0	0	$8	$0	$8
Information Services	0	0	0	0	$8	$0	$8
Office Automation	38	19	0	57	$1,068	$2,946	$4,014
Other Office Automation	38	19	0	57	$1,068	$2,946	$4,014
Training Services	**0**	**0**	**0**	**0**	**$48**	**$0**	**$48**
Professional Development/Area Studies	0	0	0	0	$48	$0	$48
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$70,882**	**$10,878**	**$81,760**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$70,882	$10,878	$81,760
Domestic Administrative Support	**33**	**0**	**0**	**33**	**$832**	**$1,961**	**$2,793**
Domestic Administrative Management	11	0	0	11	$272	$869	$1,141
Domestic Financial Services	10	0	0	10	$339	$370	$709
Domestic Personnel Services	8	0	0	8	$126	$446	$572
Domestic General Services	4	0	0	4	$95	$276	$371
Supply, Transportation, and Acquisition	4	0	0	4	$95	$276	$371
Total	284	682	1,252	2,218	$169,352	$90,110	$259,462

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	12	12	12	0
Office of Policy, Planning, Coordination and Press	12	12	12	0
Office of the Executive Director	27	29	29	0
Florida Regional Center	24	26	26	0
Civil Service Border Visa Examiners	63	63	63	0
Deputy Assistant Secretary 2	3	3	3	0
Office of Andean Affairs	14	16	16	0
Office of Caribbean Affairs	14	14	14	0
Office of Cuban Affairs	11	12	12	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
Total	279	286	286	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Western Hemispheric Affairs	$851	$950	$1,176	$226
Permanent Mission to the OAS	$1,589	$1,958	$2,320	$362
Western Hemishpere Affairs Executive Staff	$465	$691	$777	$86
Deputy Assistant Secretary 1	$208	$309	$513	$204
Office of Brazilian/Southern Cone Affairs	$1,201	$1,331	$1,518	$187
Office of Regional Economic Policy and Summit Coordination	$1,326	$1,459	$1,643	$184
Principal Deputy Assistant	$380	$487	$689	$202
Office of Mexican Affairs	$1,208	$1,337	$1,524	$187
Office of Policy, Planning, Coordination and Press	$1,092	$1,227	$1,419	$192
Office of the Executive Director	$6,737	$6,811	$6,661	($150)
Florida Regional Center	$3,017	$3,154	$3,295	$141
Civil Service Border Visa Examiners	$5,394	$4,827	$5,422	$595
Deputy Assistant Secretary 2	$382	$481	$680	$199
Office of Andean Affairs	$1,289	$1,431	$1,619	$188
Office of Caribbean Affairs	$1,248	$1,392	$1,582	$190
Office of Cuban Affairs	$1,084	$1,211	$1,401	$190
Deputy Assistant Secretary 3	$311	$404	$606	$202
Office of Canadian Affairs	$641	$759	$956	$197
Office of Central American and Panamanian Affairs	$1,405	$1,548	$1,887	$339
Office of Public Diplomacy and Public Affairs	$2,648	$2,782	$2,854	$72
Total	$32,476	$34,549	$38,542	$3,993

STAFF BY POST
(positions)

Bureau of Western Hemisphere Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Argentina, Buenos Aires	24	46	70	24	46	70	24	46	70	0	0	0
Bahamas, Nassau	10	18	28	10	18	28	10	18	28	0	0	0
Barbados, Bridgetown	13	13	26	13	13	26	13	13	26	0	0	0
Belize, Belize City	6	9	15	5	9	14	5	9	14	0	0	0
Bolivia,La Paz	26	35	61	26	35	61	26	35	61	0	0	0
Brazil, Brasilia	34	55	89	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	37	47	10	37	47	10	37	47	0	0	0
Sao Paulo	15	37	52	15	37	52	15	37	52	0	0	0
Canada, Ottawa	26	31	57	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	23	38	61	24	38	62	24	38	62	0	0	0
Columbia, Bogata	29	61	90	32	61	93	32	61	93	0	0	0
Costa Rica, San Jose	20	34	54	20	34	54	20	34	54	0	0	0
Cuba, Havana	18	0	18	19	0	19	19	0	19	0	0	0
Dom. Republic, Santo Domingo	30	48	78	31	48	79	31	48	79	0	0	0
Ecuador, Quito	16	26	42	18	26	44	18	26	44	0	0	0
Guayaquil	3	17	20	5	17	22	5	17	22	0	0	0
El Salvador, San Salvador	23	37	60	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	20	34	54	20	34	54	20	34	54	0	0	0
Guyana, Georgetown	10	18	28	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	20	34	54	20	34	54	20	34	54	0	0	0
Jamaica, Kingston	12	43	55	13	43	56	13	43	56	0	0	0
Mexico, Mexico City	58	88	146	61	88	149	61	88	149	0	0	0
Ciudad Juarez	3	17	20	3	17	20	3	17	20	0	0	0
Guadalajara	7	14	21	8	14	22	8	14	22	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 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Monterrey	8	21	29	9	21	30	9	21	30	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	20	29	49	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	12	19	31	12	19	31	12	19	31	0	0	0
Peru, Lima	30	50	80	31	50	81	31	50	81	0	0	0
Suriname, Paramaribo	6	6	12	6	6	12	6	6	12	0	0	0
Trinidad, Port-au-Spain	10	21	31	11	21	32	11	21	32	0	0	0
Uruguay, Montevideo	9	22	31	9	22	31	9	22	31	0	0	0
Venzuela, Caracas	21	42	63	21	42	63	21	42	63	0	0	0
Total	663	1,252	1,915	680	1,252	1,932	680	1,252	1,932	0	0	0

FUNDS BY POST
($ in thousands)

Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Argentina, Buenos Aires	$11,056	$11,127	$11,016	($111)
Bahamas, Nassau	$2,942	$1,271	$3,098	$1,827
Barbados, Bridgetown	$3,879	$3,927	$4,068	$141
Belize, Belize City	$1,746	$1,798	$1,946	$148
Bolivia,La Paz	$7,197	$7,468	$7,390	($78)
Brazil, Brasilia	$12,081	$12,222	$12,139	($83)
Recife	$874	$1,436	$1,110	($326)
Rio de Janeiro	$4,150	$4,227	$4,376	$149
Sao Paulo	$4,586	$5,116	$4,840	($276)
Canada, Ottawa	$7,383	$7,583	$7,586	$3
Calgary	$734	$828	$1,041	$213
Halifax	$445	$534	$728	$194
Montreal	$2,051	$2,131	$2,312	$181
Quebec	$846	$915	$1,093	$178
Toronto	$2,250	$2,317	$2,479	$162
Vancouver	$975	$1,087	$1,300	$213
Winnipeg	$272	$352	$551	$199
Chile, Santiago	$8,237	$8,316	$8,340	$24
Columbia, Bogata	$10,248	$10,244	$10,286	$42
Costa Rica, San Jose	$5,003	$5,076	$5,162	$86
Cuba, Havana	$6,671	$6,636	$6,703	$67
Dom. Republic, Santo Domingo	$9,176	$9,163	$9,099	($64)
Ecuador, Quito	$4,323	$4,711	$4,533	($178)
Guayaquil	$815	$895	$1,076	$181
El Salvador, San Salvador	$6,384	$6,532	$6,480	($52)
Grenada, St. Georges	$302	$391	$588	$197
Guatemale, Guatemala City	$4,831	$4,931	$5,033	$102
Guyana, Georgetown	$2,086	$2,153	$2,296	$143
Haiti, Port-au-Prince	$7,275	$7,515	$7,333	($182)
Honduras, Tegucigalpa	$4,999	$5,068	$5,182	$114
Jamaica, Kingston	$4,578	$4,613	$4,745	$132
Mexico, Mexico City	$15,077	$15,427	$15,053	($374)
Ciudad Juarez	$2,386	$2,422	$2,571	$149
Guadalajara	$2,566	$2,626	$2,798	$172
Hermosillo	$887	$957	$1,132	$175
Matamoros	$1,538	$1,570	$1,716	$146
Merida	$918	$978	$1,149	$171
Monterrey	$3,222	$3,175	$3,379	$204
Nuevo Laredo	$1,520	$1,553	$1,699	$146

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Tijuana	$1,594	$1,653	$1,830	$177
Netherland Antilles, Curacao	$522	$608	$799	$191
Nicaragua, Managua	$5,403	$5,458	$5,609	$151
Panama, Panama City	$6,989	$7,049	$7,263	$214
Paraguay, Asuncion	$3,458	$3,609	$3,664	$55
Peru, Lima	$9,191	$9,263	$9,187	($76)
Suriname, Paramaribo	$2,009	$2,057	$2,195	$138
Trinidad, Port-au-Spain	$2,805	$2,887	$3,081	$194
Uruguay, Montevideo	$4,805	$5,030	$4,917	($113)
Venzuela, Caracas	$9,009	$9,004	$8,949	($55)
Total	$212,294	$215,909	$220,920	$5,011

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FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Western Hemisphere Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$137,948	$142,760	$147,325	$4,565
1200	Personnel Benefits	$34,429	$35,076	$36,471	$1,395
1300	Benefits Former Personnel	$915	$919	$1,167	$248
2100	Travel & Trans of Persons	$5,597	$5,603	$5,990	$387
2200	Transportation of Things	$2,729	$2,718	$3,069	$351
2300	Rents, Comm & Utilities	$17,054	$16,927	$17,662	$735
2400	Printing & Reproduction	$889	$927	$1,067	$140
2500	Other Services	$13,696	$13,640	$14,091	$451
2600	Supplies and Materials	$12,766	$12,773	$13,202	$429
3100	Personal Property	$13,710	$13,748	$14,078	$330
4100	Grants, Subsidies & Contrb	$5,026	$5,352	$5,310	($42)
4200	INS Claims & Indemnities	$11	$15	$30	$15
	Total	$244,770	$250,458	$259,462	$9,004

DIPLOMATIC & CONSULAR PROGRAMS

European and Eurasian Affairs

OVERVIEW STATEMENT

The Bureau of European and Eurasian Affairs (EUR) manages relations with 48 states, the Holy See, and four multilateral posts in Europe and Eurasia - from Iceland to the Russian Far East, and from the Nordic and Baltic countries to the Mediterranean, and the Caucasus and Central Asia. EUR is enhancing NATO's ability to further European and Eurasian security and stability by implementing Prague Summit decisions on new capabilities, new members, and new relationships. EUR is advancing American national security interests through promotion of regional stability efforts in Chechnya, the Caucasus and Central Asia, the Balkans, Cyprus, and Northern Ireland. America's relationship with Russia has broadened and deepened with the establishment of the NATO-Russia Council, the Moscow Strategic Offensive Reductions Treaty, and the Working Group on Counterterrorism. The U.S. economic relationship with the European Union (EU) continues to comprise one of the world's largest trade relationships, while political cooperation with the EU is an important factor in managing crises and challenges around the world, from the Middle East to the Korean peninsula.

The Department's counterterrorism cooperation with Europe includes joint lists on terrorists and terrorist groups with the EU, successful actions to freeze terrorist financing, and close cooperation in apprehending and prosecuting terrorist suspects. EUR promotes democracy, economic reform, and adherence to international human rights and international religious freedoms standards in the transitional economies of Eastern Europe, the Balkans, and Eurasia. Combating terrorism, easing corruption and other transnational crimes and addressing trafficking-in-persons, narcotics and small arms trafficking, money laundering, and HIV/AIDS and other infectious diseases are aims that will simultaneously strengthen existing democratic governments and ensure economic growth.

The Bureau is also enhancing public diplomacy efforts to maintain global support for our campaign against terrorism and to reach out to Muslim audiences in both Europe and Eurasia. American Citizen Services ensure host governments provide adequate protection for U.S. citizens travelling and working abroad and deter entry by those who would abuse or threaten the United States through terrorist or criminal activities.

STRATEGIC OBJECTIVES & GOALS

***Strategic Objective*: Protect the Nation**

***Strategic Goals*: Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.**

Priority*: *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.

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Bureau Initiatives:

- Reinforce NATO's ability to respond to new threats, including terrorism, and prevent conflict in the region and beyond post Prague Summit.
- Continue reforms under Force Goals and Membership Action Plan (MAP) for new NATO members and aspirants.
- Establish conditions to make possible U.S./NATO ratification of the adapted Treaty on Conventional Armed Forces in Europe (CFE), including: 1) verification of Russia's claim to have reduced equipment in the CFE flank region to adapted Treaty levels; and 2) full implementation of Russia's commitment to close bases and withdraw forces from Georgia and Moldova.
- Continue support for Russian withdrawal from Moldova and Georgia via U.S. and Organization for Security and Cooperation in Europe (OSCE) partners through an OSCE Voluntary Fund.
- 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.

Bureau Indicators:

- As many NATO-invited countries as are ready to fulfill Alliance obligations join NATO, thereby strengthening Euro-Atlantic security.
- NATO Allies continue to increase cooperation with partner countries, specifically with Russia through the newly created NATO-Russia Council, with Ukraine, and with the members of the Euro-Atlantic Partnership Council (EAPC).
- Russia continues to comply with adapted Treaty flank limits
- Russia fulfills remaining Istanbul commitments on withdrawal from Moldova and Georgia.
- 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.
- 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.
- Full implementation of the Good Friday Agreement in Northern Ireland.

Progress (FY 2002):
At the 2002 Prague Summit, NATO heads of state and government focused on new capabilities, new members, and new relationships. Regarding new capabilities, NATO Allies approved a comprehensive package of measures to strengthen NATO's ability to meet challenges to NATO forces, populations, and territory. NATO Allies also agreed to create a NATO Response Force consisting of technologically advanced, flexible, deployable, interoperable, and sustainable land, sea, and air elements ready to move quickly wherever needed. NATO Allies agreed to streamline NATO's military command arrangements for a leaner, more efficient, effective, and deployable command structure, with a view to meet the operational requirements for the full range of Alliance missions. Finally, NATO Allies approved the Prague Capabilities Commitment (PCC) as part of the continuing Alliance effort to improve and develop new military capabilities for modern warfare in a high threat environment.

Regarding new Members, NATO Allies invited Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia to begin accession talks to join the alliance, thereby strengthening security for all in the Euro-Atlantic area. NATO Allies also commended the efforts of Albania, the former Yugoslav Republic of Macedonia (FYROM), and Croatia in their respective reforms, and noted that NATO's door will always remain open to European democracies willing and able to assume the responsibilities and obligations of membership.

Regarding new relationships, NATO Allies welcomed the significant achievements of the NATO-Russia Council (NRC) since the historic NATO-Russia Summit meeting in Rome. NATO Allies continued to work with Russia as equals, making progress in areas such as peacekeeping, defense reform, WMD proliferation, search and rescue, civil emergency planning, theatre missile defense, and the fight against global terrorism. NATO Allies also remained committed to a strong NATO-Ukraine relationship, and adopted the NATO-Ukraine Action Plan, which identifies political, economic, and military reforms necessary to achieve Ukraine's stated goal of Euro-Atlantic integration and eventual NATO membership. Finally, NATO Allies agreed to upgrade cooperation with the Euro-Atlantic Partnership Council (EAPC) and Partnership for Peace countries. NATO Allies encouraged Partners, including the countries of the strategically important regions of the Caucasus and Central Asia, to take advantage of such upgraded cooperation.

Russia made important progress in 2002 on the three commitments it made at the Istanbul OSCE Summit in the context of CFE signature.

- Russia reduced its equipment in the so-called "Flank" region to the levels specified in the Adapted CFE Treaty.
- On Georgia, despite useful talks in the first half of the year, certain key issues remain unresolved with regard to the status and duration of the Russian presence at remaining bases.
- On Moldova, Russia's failure to use its leverage to end Transnistrian obstructionism led to a prolonged stalemate on withdrawal/disposal of Russian military equipment. Russia did not meet the December 31, 2002 deadline for withdrawal of its military equipment from Moldova, but at the Porto OSCE Ministerial Russia stated its intention to do so by the end of 2003.

While more work remains to be done, progress on these difficult issues is ongoing. This is significantly as a result of U.S. engagements, in particular our successful efforts to maintain a unified NATO position, reflected in the Prague Summit Declaration, that we will not move forward with ratification of the adapted

CFE Treaty until these commitments are met. Prior to the Prague meeting, several states, including among them some of those nations invited to join NATO, indicated their interest in joining the adapted CFE Treaty when that becomes possible. NATO allies welcomed this cooperative approach, as did Russia, in the first Ministerial meeting of the NATO-Russia Council, in Prague. The United States and Russia have established a new mechanism, the Consultative Group on Strategic Security (CGSS), to consider CFE and other regional issues on the ministerial level. Secretary of State Powell and Secretary of Defense Rumsfeld hosted their Russian counterparts for the inaugural session of the CGSS in Washington in September 2002.

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. We also worked closely and successfully to advance peace and democracy in Southeast Europe. And, we cooperated in supporting the Transitional Islamic State of Afghanistan, helping to lower tensions between India and Pakistan in South Asia, dealing with the threat of nuclear proliferation on the Korean peninsula, and working to create a road map to peace in the Middle East.

The OSCE strengthened and consolidated its role in early warning, conflict prevention and post-conflict rehabilitation. 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 Southeast 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.

The U.S. has been in the forefront of governments working to promote stability in Central Asia. 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 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 ($25 million) promoted economic advancement and cross-community reconciliation.

The U.S. 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.

The U.S. supports the continued development of democratic institutions in Serbia and Montenegro and a comprehensive political and economic reform agenda. EUR continues to work with all parties in the region to promote confidence-building measures, including the introduction of a multi-ethnic police force. Serbia and Montenegro recently negotiated a Constitutional Charter that will redefine FRY as the State Union of Serbia and Montenegro. We fully support the work of the International Criminal Tribunal for the Former Yugoslavia (ICTY) and continue to press FRY and Serbian officials, including the military, to cooperate with the Tribunal. Another notable success has been the emergence of stability in Kosovo through the work of the NATO-led Kosovo Force (KFOR), the UN Mission in Kosovo (UNMIK) and the indigenous

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Provisional Institutions of Self-Government. We support UN Special Representative Michael Steiner's plan to decentralize government in Kosovo according to Western European standards, and support UNMIK's work to end the division in Mitrovica and return displaced persons and refugees to their homes. In Bosnia, we will press the new nationalist governments at the state and entity levels to implement the economic and political reforms necessary to consolidate self-sustaining peace and to move Bosnia toward European integration. We will also continue to support the Office of the High Representative in achieving its objectives, including strengthening state institutions, privatization, economic reform, and establishing the rule of law.

In close coordination with the EU, OSCE, and NATO, we worked to promote implementation of the Framework Agreement, which ended the 2001 ethnic Albanian insurgency and preserved Macedonia's sovereignty and territorial integrity in the context of strengthened civil rights for minority groups. Jointly with our international community partners, we facilitated the Macedonian government's efforts to strengthen stability and state authority in the former conflict areas. With our support and contributions, the OSCE mission in Skopje continued its work to assist in implementation of elements of the Framework Agreement. This effort was augmented by the EU and supported by a NATO military presence.

Strategic Objective: **Protect the Nation**

Strategic Goals: **Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international agreements to defeat global terrorism.**

Priority: 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.

Bureau Initiatives:

- Close down terrorist financing and other logistics, transportation and communications networks.
- Push for full implementation of United Nations Security Council Resolution (UNSCR) 1373 in Europe and Eurasia.
- Enhance information sharing, aviation security and law enforcement cooperation.
- Resolve collectively specific terrorist cases.
- Promote stability and good government 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.

Bureau 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 European Police Office (EUROPOL).
- Nonproliferation integrated into counterterrorism policy.
- Progress achieved in halting weapons of mass destruction (WMD) and illicit arms trafficking.
- Reduce proliferation of weapons expertise and technology.

- Enhance cooperation with Russia and other OSCE members on counterterrorism activities.

Progress (FY 2002):
Several European and Eurasian countries have signed or ratified many or all of the 12 international counterterrorism conventions. Austria has ratified all 12 conventions and France has introduced legislation to begin the administrative process leading to adherence to the 1973 Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, the only counterterrorism convention outstanding for France. Azerbaijan is a party to eight conventions and the Government of Cyprus has now ratified all of the UN Conventions. On June 27, 2002, the Portuguese Parliament approved the ratification of both the International Convention for the Suppression of the Financing of Terrorism, and the Convention on the Marking of Plastic Explosives for the Purpose of Detection. As a result, Portugal is now a party to all twelve conventions. Italy has ratified ten and has signed two of the conventions. The Italian parliament began discussion in October 2002 of bills to ratify these remaining two, and ratification is hoped for soon. The Government of Kazakhstan set up an interagency advisory council to accelerate accession to the remaining four conventions it has yet to ratify. Ireland is already party to five of the conventions, has signed two more, and has begun the process to join the remaining five. Belgium has signed or ratified all of the conventions besides the 1973 Convention on Punishment of Crimes, which they plan to accede to in the near term. Poland is party to eight of the conventions and is a signatory to three others.The Federal Republic of Yugoslavia is party to eight conventions and has initiated procedures to accede to the other four.

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. A follow-on conference will possibly be held in Croatia in the spring.

The U.S.-EUROPOL Agreement was signed in Brussels on December 20 2002. The Department of Justice representative at the United States Mission to the European Union (USEU) is currently the U.S. Government 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 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, the OSCE adopted a Counterterrorism Charter, which reinforces the Bucharest Action Plan of the previous year. The OSCE also supported greater adherence to FATF standards. 48 out of 55 OSCE participating States have now completed their FATF self-assessments (including a number of non-FATF countries). OSCE has also conducted seminars on money laundering/terrorist finance standards (including FATF) that were held in Kazakhstan and Kyrgyzstan in September-October 2002.

EUR has 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 for communication, observation and detection equipment. These programs have been well received and have been the basis 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 the view that underdevelopment and repressive, anti-democratic regimes provide conditions that terrorists and other extremists exploit.

With Support for East European Democracy (SEED) funded advisors from the Federal Bureau of Investigations (FBI), the Drug Enforcement Agency (DEA), the Immigration and Naturalization Service (INS) and U.S. Customs, the countries of the Balkans have greatly improved border and airport security. In the past year, the FRY has established a National Coordinating Body for the Fight Against Terrorism, a Federal Commission for the Prevention of Money Laundering (FCPML), and an Interpol office in Belgrade. The Ministry of the Interior has built information-sharing relationships with its counterparts in all neighboring countries. Most notably, the FRY cooperated with the U.S. to transfer uranium stockpiles from the Vinca Institute to Russia, thus ensuring the safe disposal of this material.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goals: **Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.**

Priority: Economic prosperity and broad-based growth in Central/Eastern Europe, the Balkans and Eurasia. Open markets between the U.S., the region and the European Union (EU). Assist the countries of Central and Eastern Europe (CEE) with their economic transition, positioning them for EU membership. Secure European and Eurasian support for further globalization.

Bureau Initiatives:

- Seek 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.
- Focus Stability Pact on maximizing its contribution to furthering economic reform and increasing regional cooperation in South East Europe.
- Assist countries to govern justly, invest in people, and promote economic freedom, 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 World Trade Organization (WTO) membership among European states and seek commitment to further liberalization through successful completion of the Doha round.
- Achieve progress in 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 needlessly differing regulatory standards.
- Implement the Organization for Economic Cooperations and Development (OECD) Anti-Bribery Convention.
- Maintain existing U.S. market access to, and investment incentives in, states aspiring to join the EU.
- 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.

Bureau Indicators:

- Improvement in Central and Eastern European, Baltics, Caucasus and Central Asian countries and Russia quality of life indicators.
- Reduction in economic corruption in Balkans, Caucasus and Central Asia, per Transparency International's annual ratings.
- Improved private country risk ratings in CEE, Baltics and Eurasia.
- Increased Foreign Direct Investment in CEE, Baltics, and Eurasia relative to a cohort of nations with similar economies.
- 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 successful completion of the Doha Round.
- U.S.-EU economic cooperation through the New Transatlantic Agenda (NTA) and Transatlantic Economic Partnership (TEP) process.
- 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 economies for U.S. exports and investment in Europe and Eurasia.
- Improved existing Early Warning Mechanism and other vehicles to avoid potential trade disputes with the EU.
- Central and Eastern Europe Business Information Center (CEEBIC) FSNs in Southeast Europe provide commercial/development services.
- Customs officers at Southeast Europe borders successfully monitor and report legitimate transfer of goods and services.
- Enhanced independence of Caspian energy states by developing East-West Corridor.
- Eurasian cooperation in trade and transport of water, energy and other natural resources.
- Accelerated democratic and economic institution building in Eastern Europe and Eurasia.

Progress (FY 2002):

The U.S. is working with Europe to achieve the aims of the Doha WTO Ministerial Declaration (November 2001) that established new negotiating bodies for industrial goods and rules (subsidies, antidumping) and special sessions of existing bodies for agriculture, services, environment, dispute settlement and the notification/registration of geopolitical indications for wines and spirits. The Department's objective for these negotiations include substantial improvement in agriculture market access, open markets in key service sectors, the reduction of tariffs and non-tariff barriers on industrial goods, preservation of the effectiveness of trade rules, and enhancement of the mutual supportiveness of Multilateral Environmental Agreements and WTO obligations. The Administration is committed to working with Europe on this broad and ambitious agenda in order to conclude negotiations within the planned three-year time frame.

The U.S. continued to seek to resolve and improve the management of bilateral trade disputes. The WTO ruled against the U.S. with respect to Foreign Sales Corporations and the Extraterritorial Income Exclusion Act; Congress has begun work on revising our tax code to comply with our WTO obligations and enhance the competitiveness of U.S. business. We were able to use the very close relationship built on the NTA and its early warning system to effectively manage differences over compliance with WTO findings on "Foreign Sales Corporation" provisions so that these differences did not erupt into a major trade dispute.

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At the U.S. - EU Summit meeting in Washington on May 2nd, both sides agreed to seek progress on specific areas of cooperation (financial services, regulatory cooperation, e-procurement and customs, and agriculture.) This builds on the Transatlantic Economic Partnership (TEP) launched by the U.S. and EU in 1998 to reduce existing barriers and to improve regulatory cooperation. Under the auspices of the TEP, in April 2002, the U.S. and EU agreed to Guidelines on Regulatory Cooperation and Transparency. Current regulatory cooperation projects include cosmetics, auto safety, food additives, metrology and nutritional labeling. Other projects under review include road safety equipment, chemicals and dietary supplements. Separately, mutual recognition arrangements have been implemented in such areas as electromagnetic compatibility, telecommunications equipment, and recreational craft.

On March 5, President Bush announced the imposition of safeguard measures to protect the U.S. steel industry. The President stressed that the safeguard tariffs are temporary and designed to help the struggling U.S. steel industry to adjust to a surge of imports. EU member states vehemently oppose the safeguards and the EU has imposed safeguards of its own to prevent diversion of steel to the European market. The EU also requested consultations (currently ongoing) under WTO procedures and has asked member states to approve a list of retaliatory tariffs. We continue to press the EU and other producers to work with the U.S. at high-level steel discussions at the OECD to attack the root problem -- global excess unproductive capacity and trade-distorting subsidies.

The EU Commission has proposed new agricultural biotechnology regulations on Traceability and Labeling and Foods and Feeds. The regulations are now under review (Co-Decision process) by the Council and the European Parliament. We are concerned that the new restrictive regulatory measures would harm U.S. farm exports, have a negative impact on trade for all elements of the food/feed/seed chain, and could slow research and development on biotechnology developments important for food security and sustainable development in the developing world. Our serious concerns have been communicated to the European Commission and to member states at the highest levels. The U.S. has repeatedly urged EU officials to resume approval on agricultural biotech products. Approvals have been stalled at the Commission level since 1998, costing U.S. industry $200 million in exports annually.

In Central and Eastern Europe, to maintain U.S. market access to states aspiring to join the European Union, the U.S. 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. The U.S. is engaged in ongoing discussions with the European Commission, member states, and EU candidate countries to preserve our existing bilateral investment treaties when those countries accede to the EU. Preserving the agreements may require steps to ensure their compatibility with EU law. 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, U.S. programs facilitated the improvement of customs arrangements and border-crossing infrastructure.

As a result of the Memorandum of Understanding 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.

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 Non-Governmental Organizations (NGOs) are tackling the problems of trafficking in persons, the lack of transparency in public administration, and corruption.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goals: **Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the Rule of Law, respect for human rights, and religious freedom.**

Priority: 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 Caucasus and Central Asia.

Bureau Initiatives:

- 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.
- Establish and strengthen civilian control over military forces.
- Strengthen local non-governmental organizations in the Balkans and Eurasia.
- Support further development of the UN Special Representative's plan to decentralize government in Kosovo in line with Western European standards.
- Promote development of sustainable, independent media throughout Europe and Eurasia.
- Support the development of independent media and increase access to information, including internet access and training, in the Balkans and Eurasia.
- Foster in OSCE an effective, visible role in democracy promotion, conflict prevention, and post-conflict rehabilitation.

Bureau Indicators:

- Demonstrated by ability of local NGO's in Balkans and Eurasia to effect change and influence government decisions.
- Transfer to The Hague of persons indicted by the ICTY.
- Support of reform of educational administrations and curricular materials in Europe and Eurasia.
- 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.
- Passage of legislation to implement legal and court reforms in transitional economies.
- Growth of independent broadcast and print media outlets that maintain freedom to operate.

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- Growth in numbers and sophistication of Internet users.
- Removal of regulatory, legal and taxation barriers that restrict creation of commercially viable media.
- Reduction in government ownership and/ direction of the mass media.
- Successful deployment of the European Union Police Mission as a follow on to the UN International Police Task Force.
- Establishment of a state-level Ministry of Defense and promulgation of a new criminal code, criminal procedure code, civil code, civil procedure code, and lawyers and judges adequately trained in Bosnia.
- Continued operation of the High Judicial and Prosecutorial Councils in vetting and appointing judges and prosecutors to courts in Bosnia.
- Development of competitive and fair political processes, including elections.
- Emergence of laws and legal institutions that support and embody democratic processes.
- Joint development with the Albanian government of an effective national strategy to interdict trafficking in human beings.

Progress (FY 2002):
SEED and Freedom Support Act (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 Future Leaders Exchange 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. Journalists, media managers, and editors are trained through USAID, Broadcasting Board of Governors, and the Bureau of Educational and Cultural Affairs programs throughout South and Central Europe. University affiliations promote long-term relationships between faculty members from the U.S. and their Southeast European 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 FY 2001, 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 that 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 youth leadership programs in Southeast Europe, secondary school students and educators from the Balkans participated in exchange programs 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 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. The Department advised the 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. The Department 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. The Department 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. The Department also 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 the Media Entrepreneurship Dialogue that will bring together U.S. 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. continues to work closely with international organizations and local officials in Bosnia to advance rule of law and security programs. The State Border Service continued to train and deploy personnel to increase its effectiveness and now is deployed at all border crossings. A new State Information and Protection Agency is in the process of forming and the Bosnian government, with support from the Office of the High Representative, has implemented the Citizens Identity Protection System to standardize issuance of official identity documents, including a new citizens identification card. The U.S. provided support to the Independent Judicial Commission and the High Judicial and Prosecutorial Councils that are overseeing the complete restructuring of the Bosnian court system and reviewing and vetting all judges and prosecutors. Anti-corruption assistance and training programs for Bosnian authorities continued.

In Albania, the First National Conference of Albanian Non-profit Organizations was established and successfully brought together Albanian NGOs, donors and state and local government representatives to discuss cooperative ways to enhance their mutual goal of promoting civil society and responsible governance.

The U.S. continues to provide support to Belarus' 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.

DIPLOMATIC & CONSULAR PROGRAMS

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 led to the Government of Yugoslavia transferral of Slobodan Milosevic to the International Criminal Tribunal in The Hague in 2001. Since then, Yugoslavia has transferred an additional twelve persons indicted for war crimes to The Hague.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goals: **1.) Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the Rule of Law, respect for human rights, and religious freedom. 2.) Social and Environmental Issues - Improve health, education, environment, migrant management, and other conditions for global population.**

Priority: Promote human rights and international religious freedoms; alleviate environmental degradation in Eurasia; and reduce the threat of infectious disease in Central and Eastern Europe, Russia and Ukraine.

Bureau Initiatives:

- Strengthen regional and bilateral dialogues on human rights and religious issues.
- Facilitate Global Fund disbursements to combat increase in HIV/AIDS, 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 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.

Bureau Indicators:

- Broader adherence to human rights standards.
- More tolerant environment between religious groups, specifically reduction in instances of anti-Semitism.
- Growth in Gross Domestic Production, increased trade, and lowering unemployment in transitional economies.
- 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 HIV/AIDS, TB, and malaria.
- New projects developed under U.S.-EU Science and Technology Agreement on environmental issues.
- New U.S.-EU cooperation on trans-boundary water issues.
- Reduction in environmental damage.
- More effective bilateral and multilateral cooperation to reduce environmental damage in Eastern Europe and the former Soviet Union.

Progress (FY 2002):
The United States worked with EU and other UN partners to pass resolutions condemning the human rights situation in Cuba, Iraq, and Burma. We also cooperated on a resolution on Promoting and Consolidating Democracy. The United States, while participating as an observer in Commision on Human Rights (CHR) 58, was elected to the CHR 59 to take place in 2003.

A rash of incidences of anti-Semitism (over 100 since February 2002) in Europe has been met with full embassy engagement in Europe, condemnation from the leaders of Europe, and increased security around Jewish holy sites such as cemeteries and temples. Payments from Holocaust-related funds have exceeded $1billion this year.

The U.S. continues to play a leading role in global diplomacy to combat HIV/AIDS. Our partnership with European donors to the Global Fund is critical to the success of that unique structure. The first three grant disbursements from the Global Fund have been carried out, and more are expected soon. The U.S. remains the largest single donor to the Fund, but European commitments comprise over half of the total pledged to the Global Fund to date.

The Eighth Conference of Parties to the Framework Convention on Climate Change in New Delhi witnessed serious attention to human and ecological adaptation to climate change, while developing countries continued to resist commitments under the Kyoto Protocol. The World Summit on Sustainable Development produced a number of action-oriented partnerships, which continue to offer opportunities for cooperation with Europe. There has been some success in discussions regionally to coordinate water usage and waste management in Central Asia. The Intergovernmental Committee on the Cartagena Protocol (ICCP) recommendations reflect U.S. interests in the Biosafety Clearing House, documentation, compliance and liability; USG experts included in Biosafety roster of experts. Through processes such as the UN Informal Consultative Process, ad hoc working groups, and technical consultations, global organizations have begun to work more effectively together to solve global fisheries concerns. Encouraging cooperation has begun with Scandinavian countries to reduce persistent organic and heavy metal contaminants in the north of Russia. We remain actively engaged with Europe on a range of environmental policy issues in multilateral fora such as the UN Economic Commission for Europe, the OECD, and the G-8.

Strategic Objective: **Protect the Nation**

Strategic Goals: **International Crime and Drugs - Minimize the impact of international crime and illegal drugs on the United States and its citizens.**

Priority: Reduce corruption, narcotics and small arms trafficking, and trafficking in persons in Europe and Eurasia.

Bureau Initiatives:
- Engage in international fora to prevent terrorists, terrorist networks, or criminal networks to gain ground in transitional economies of Europe and Eurasia.
- Protect US citizens from international criminal court prosecutions through securing of Article 98 agreement with the countries of Europe and Eurasia.
- Reduce instances of trafficking in persons within and between countries of Europe and Eurasia.
- Promote economic liberalization polices in transitional economies to reduce instances of private and public corruption.

DIPLOMATIC & CONSULAR PROGRAMS

- Enhance bilateral mutual legal assistance to fight crime; 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 on measures to fight transnational organized crime in G-8 and other fora.

Bureau Indicators:

- Crime, corruption, narcotics trafficking, and trafficking in persons reduced.
- Reduction in the number of EUR countries listed in Tier 3 in the Trafficking in Persons Report.
- Adoption of anti-corruption legislation and comprehensive anti-money laundering regimes in Russia, Ukraine, and other emerging democracies in Europe.
- European donor efforts in the Andean region are better coordinated with the U.S.
- U.S. and EU successfully implement coordinated programs against drug trafficking throughout Central Asia.

Progress (FY 2002):

EUR is fully engaged in combating trafficking-in-persons with consultations and strategies shared with governments in Europe and Eurasia. EUR's embassies are coordinating activity from the Ambassador level down using political, economic, law enforcement, consular, and public diplomacy sections. A Southeast European Cooperative Initiative task force leads to prosecution and conviction of traffickers in the Balkans. Russia and Turkey are both in the midst of adopting national action plans to combat trafficking and Russia has commenced drafting specific anti-trafficking in persons legislation. The Bureau is raising the issue of trafficking in persons in bilateral discussions at the Secretary level.

A Financial Intelligence Unit (FIU) has been established in Russia along with membership in the Egmont Group of FIUs. Russia and Hungary were both removed from the Financial Action Task Force (FATF) list of non-cooperative states. EUR is now focusing specific efforts on Ukraine on new anti-money laundering draft legislation, as it does not meet international standards. There is an increase in number of European countries signing on to the 24-7 network. The U.S. and the EU are negotiating an agreement to share personal data. Central authorities of Russia and Ukraine are working with the Department of Justice on mutual legal assistance cases.

The Millennium Challenge Account announced by President Bush in Monterrey will now target assistance on economic development, transnational crimes, and environment and health issues to those countries that are most capable of using it efficiently and productively. European and Eurasian countries are participating in anti-Corruption discussions in Monterrey and the World Summit on Sustainable Development (WSSD). EUR is currently contributing to a new Department-wide strategy on anti-Corruption measures focusing on public official corruption, government procurement, an enhanced OECD role, and further market liberalization policies. EU members have been working with us in finalizing the UN Anti-Corruption Convention. Negotiations have also begun on U.S.-EU extradition agreement and the Mutual Legal Asssistance Treaty.

The EU and other European states are providing limited resources in line with the goals of Plan Colombia and look to build on Plan Colombia in other Andean producing states. U.S. cooperation with the EU on counternarcotics including Plan Colombia is becoming increasingly harmonized. Reconstruction effort led by the UK eradicated 15% of poppy crop in Afghanistan. The U.S. is developing a process with as many countries as possible to halt the flow of narcotics from Afghanistan through Central Asia.

DIPLOMATIC & CONSULAR PROGRAMS

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goals: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Priority: Develop and manage human, information, and infrastructure resources to support successful implementation of U.S. policy goals.

Bureau Initiatives:

- 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, and Virtual Private Networks (VPN) to all EUR overseas posts. Replace all obsolete telephone switches, and establish an acceptable telephone equipment refresh program.
- Identify, catalog and justify additional human and financial resources to support new initiatives and 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.
- Open a diplomatic post in Astana, Kazakhstan.
- Review and refresh EUR's priority projects in the Office of Overseas Building Operations' (OBO) Long Range Overseas Building Plan (LROPB) as current projects graduate from the list. Support completion of priority building projects including upgrades and expansion in Dushanbe, Tajikistan and Belgrade, Yugoslavia. Coordinate essential maintenance, repair and capital projects undertaken by OBO for all posts, with emphasis on Embassy Berlin and the rehabilitation of Embassy London.
- Support renovation of the Creekbed property in Frankfurt, Germany, including building a secure warehouse facility to house other agency elements, including the regional courier service and a secure procurement facility with emphasis on meeting June 2005 deadline.

Bureau 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 and through the coordinated EUR analysis with OMB.
- Market-competitive wage and benefit packages provided to our FSN workforce, with particular emphasis on IT personnel.
- Training and development of people provided through the Frankfurt Regional Support Center, the Vienna Regional Program Office 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 (FY 2002):

EUR established an American Presence Post in Izmir, Turkey and a consulate in Podgorica, FYR. EUR also completed the realignment of our financial and human resources and the integration of EUR and the former Office of the Special Adviser to the Secretary for the New Independent States (S/NIS). On the

resources side, through realignments and establishing 104 new Diplomatic Readiness Initiative positions in EUR, the Bureau was able to respond to major new foreign policy initiatives with emphasis on Central Asia, and the Caucasus. Embassies in these front line states became robust platforms for waging the global war on terrorism. Every EUR Embassy now has at least two office management specialists 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 building interest among federal agencies to rightsize multilateral and regional support activities into the new Consulate General Frankfurt complex in support of the diplomatic goals of EUR, NEA and AF. In addition, we continued our analysis of infrastructure needs and shortfalls using EUR's infrastructure model and identified funding for the highest priority needs. On the IT side, the Department funded and installed 16 classified, NT-based email systems, thereby achieving 100% classified email connectivity in the EUR Bureau. The Department also replaced obsolete secure telephone equipment, and established OpenNet Plus as a baseline for Internet connectivity both domestically and overseas, aiming for rollout in FY 2002/3.

PROGRAM CHANGE JUSTIFICATION

Athens Olympics - $1,723,000 - The Department will provide a high level of assistance for the 2004 Summer Olympic Games in Athens, Greece. This will include providing consular assistance to Americans attending the Games, supporting the high-level USG delegations visiting Athens, providing support to members of the U.S. media, and promoting U.S. business interests. This request provides funds to support temporary duty staff and associated travel, lodging, and general costs required for achieving these objectives.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of European and Eurasian Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	322	1,281	1,105	2,708	$329,130	$176,353	$505,483
FY 2003 Estimate	327	1,328	1,105	2,760	$344,497	$188,060	$532,557
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($3,114)	$0	($3,114)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($4,519)	$0	($4,519)
2003 American Cost of Living Adjustments	0	0	0	0	$316	$1,331	$1,647
Annualization of 2003 Hiring Increases	0	0	0	0	$1,464	$1,314	$2,778
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$684	$684
American Cost of Living Adjustment	0	0	0	0	$1,205	$3,118	$4,323
FSN Wage	0	0	0	0	$5,505	$0	$5,505
Overseas Inflation	0	0	0	0	$3,275	$0	$3,275
Domestic Price	0	0	0	0	$343	$0	$343
Local Guard Program & Other Global Inflation	0	0	0	0	$33	$0	$33
Total Built-in Changes	0	0	0	0	$4,508	$6,447	$10,955
FY 2004 Current Services	327	1,328	1,105	2,760	$349,005	$194,507	$543,512
FY 2004 Program Changes							
Athens Olympics	0	0	0	0	$1,723	$0	$1,723
Total Program Changes	0	0	0	0	$1,723	$0	$1,723
FY 2004 Request	327	1,328	1,105	2,760	$350,728	$194,507	$545,235

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of European and Eurasian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**481**	**487**	**487**	**0**
Bureau Direction	46	46	46	0
Mission Direction	433	439	439	0
Public Affairs	2	2	2	0
Conduct of Diplomatic Relations	**655**	**676**	**676**	**0**
Political Affairs	373	385	385	0
Political Diplomacy	373	385	385	0
Economic/Trade Affairs	152	154	154	0
Business Services	56	58	58	0
Environmental, Scientific and Technological Affairs	42	44	44	0
International Security Affairs	32	35	35	0
Public Diplomacy	**689**	**689**	**689**	**0**
Public Diplomacy - Program Costs	689	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**	**73**	**73**	**0**
International Organization Representation	66	73	73	0
Political and International Security Representation	39	42	42	0
Economic Development and Trade Representation	20	24	24	0
Conference Representation	7	7	7	0
Law Enforcement Cooperation	**93**	**94**	**94**	**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	**219**	**231**	**231**	**0**
Infrastructure Systems	217	229	229	0
Other Telecommunications Abroad	217	229	229	0
Corporate Information Systems and Services	2	2	2	0
Information Services	2	2	2	0
Domestic Administrative Support	**49**	**54**	**54**	**0**
Domestic Administrative Management	49	54	54	0
Total	2,708	2,760	2,760	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of European and Eurasian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$57,492**	**$61,440**	**$63,169**	**$1,729**
Bureau Direction	$11,362	$12,041	$12,347	$306
Mission Direction	$45,609	$48,848	$50,258	$1,410
Public Affairs	$521	$551	$564	$13
Conduct of Diplomatic Relations	**$124,399**	**$131,897**	**$135,297**	**$3,400**
Political Affairs	$66,127	$70,263	$72,205	$1,942
Political Diplomacy	$66,127	$70,263	$72,205	$1,942
Economic/Trade Affairs	$34,405	$36,360	$37,195	$835
Business Services	$9,396	$9,946	$10,188	$242
Environmental, Scientific and Technological Affairs	$7,757	$8,220	$8,427	$207
International Security Affairs	$6,714	$7,108	$7,282	$174
Public Diplomacy	**$75,267**	**$79,460**	**$81,793**	**$2,333**
Public Diplomacy - Program Costs	$75,267	$79,460	$81,793	$2,333
Conduct of Consular Relations	**$22,891**	**$23,970**	**$24,328**	**$358**
Overseas Visa Services	$10,669	$11,172	$11,339	$167
Overseas Citizens Services	$10,808	$11,317	$11,486	$169
Overseas Consular Management	$1,414	$1,481	$1,503	$22
International Organization Relations	**$13,954**	**$14,776**	**$15,188**	**$412**
International Organization Representation	$13,954	$14,776	$15,188	$412
Political and International Security Representation	$7,800	$8,257	$8,461	$204
Economic Development and Trade Representation	$4,525	$4,793	$4,958	$165
Conference Representation	$1,629	$1,726	$1,769	$43
Law Enforcement Cooperation	**$9,872**	**$10,369**	**$10,552**	**$183**
Diplomatic Security	**$26,020**	**$27,468**	**$28,074**	**$606**
Overseas Protection of Life	$26,020	$27,468	$28,074	$606
Other Overseas Security Support	$26,020	$27,468	$28,074	$606
Information Resource Management	**$45,236**	**$47,747**	**$48,793**	**$1,046**
Infrastructure Systems	$44,807	$47,292	$48,327	$1,035
Other Telecommunications Abroad	$44,807	$47,292	$48,327	$1,035
Corporate Information Systems and Services	$429	$455	$466	$11
Information Services	$429	$455	$466	$11
Overseas Administrative Support	**$120,765**	**$124,983**	**$126,562**	**$1,579**
International Cooperative Administrative Support Services (ICASS)	$120,765	$124,983	$126,562	$1,579
Domestic Administrative Support	**$9,587**	**$10,447**	**$11,479**	**$1,032**
Domestic Administrative Management	$9,587	$10,447	$11,479	$1,032
Total	$505,483	$532,557	$545,235	$12,678

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of European and Eurasian Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**48**	**368**	**71**	**487**	**$23,269**	**$39,900**	**$63,169**
Bureau Direction	46	0	0	46	$6,145	$6,202	$12,347
Mission Direction	0	368	71	439	$16,799	$33,459	$50,258
Public Affairs	2	0	0	2	$325	$239	$564
Conduct of Diplomatic Relations	**149**	**477**	**50**	**676**	**$64,903**	**$70,394**	**$135,297**
Political Affairs	91	280	14	385	$28,331	$43,874	$72,205
Political Diplomacy	91	280	14	385	$28,331	$43,874	$72,205
Economic/Trade Affairs	58	85	11	154	$22,848	$14,347	$37,195
Business Services	0	45	13	58	$5,556	$4,632	$10,188
Environmental, Scientific and Technological Affairs	0	35	9	44	$4,227	$4,200	$8,427
International Security Affairs	0	32	3	35	$3,941	$3,341	$7,282
Public Diplomacy	**37**	**171**	**481**	**689**	**$56,560**	**$25,233**	**$81,793**
Public Diplomacy - Program Costs	37	171	481	689	$56,560	$25,233	$81,793
Conduct of Consular Relations	**0**	**0**	**329**	**329**	**$24,328**	**$0**	**$24,328**
Overseas Visa Services	0	0	155	155	$11,339	$0	$11,339
Overseas Citizens Services	0	0	150	150	$11,486	$0	$11,486
Overseas Consular Management	0	0	24	24	$1,503	$0	$1,503
International Organization Relations	**37**	**32**	**4**	**73**	**$7,913**	**$7,275**	**$15,188**
International Organization Representation	37	32	4	73	$7,913	$7,275	$15,188
Political and International Security Representation	22	17	3	42	$4,463	$3,998	$8,461
Economic Development and Trade Representation	8	15	1	24	$2,584	$2,374	$4,958
Conference Representation	7	0	0	7	$866	$903	$1,769
Law Enforcement Cooperation	**0**	**13**	**81**	**94**	**$9,160**	**$1,392**	**$10,552**
Diplomatic Security	**0**	**100**	**27**	**127**	**$18,504**	**$9,570**	**$28,074**
Overseas Protection of Life	0	100	27	127	$18,504	$9,570	$28,074
Other Overseas Security Support	0	100	27	127	$18,504	$9,570	$28,074
Information Resource Management	**2**	**167**	**62**	**231**	**$32,462**	**$16,331**	**$48,793**
Infrastructure Systems	0	167	62	229	$32,238	$16,089	$48,327
Other Telecommunications Abroad	0	167	62	229	$32,238	$16,089	$48,327
Corporate Information Systems and Services	2	0	0	2	$224	$242	$466
Information Services	2	0	0	2	$224	$242	$466
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$107,778**	**$18,784**	**$126,562**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$107,778	$18,784	$126,562
Domestic Administrative Support	**54**	**0**	**0**	**54**	**$5,851**	**$5,628**	**$11,479**
Domestic Administrative Management	54	0	0	54	$5,851	$5,628	$11,479
Total	327	1,328	1,105	2,760	$350,728	$194,507	$545,235

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of European and Eurasian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	37	37	37	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
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	39	39	39	0
Office of Public Diplomacy	37	37	37	0
Executive Director	61	66	66	0
Total	339	344	344	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of European and Eurasian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary	$10,583	$10,964	$11,236	$272
European Union and Regional Affairs	$3,446	$3,558	$3,648	$90
Public Affairs	$2,741	$2,873	$2,946	$73
Principal Deputy Assistant Secretary	$469	$534	$548	$14
Deputy Assistant Secretary 1	$463	$474	$486	$12
Assistance for Europe and Eurasia	$4,972	$5,256	$5,390	$134
North Central European Affairs	$2,576	$2,816	$2,890	$74
South Central European Affairs	$3,454	$3,587	$3,678	$91
Deputy Assistant Secretary 2	$569	$722	$740	$18
Western European Affairs	$2,131	$2,348	$2,460	$112
UK, Ireland, and Benelux Affairs	$1,894	$2,130	$2,185	$55
German, Austrian and Swiss Affairs	$1,888	$2,223	$2,281	$58
Southern European Affairs	$2,031	$2,218	$2,276	$58
Deputy Assistant Secretary 3	$469	$561	$576	$15
Nordic and Baltic Affairs	$1,894	$2,139	$2,194	$55
Regional Political and Security Issues	$3,955	$4,397	$4,508	$111
New and Independent States	$9,663	$9,943	$10,187	$244
Office of Public Diplomacy	$7,132	$5,424	$5,563	$139
Executive Director	$14,073	$14,259	$14,641	$382
Total	$74,403	$76,426	$78,433	$2,007

STAFF BY POST
(positions)

Bureau of European and Eurasian Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Albania, Tirana	13	7	20	13	7	20	13	7	20	0	0	0
Armenia, Yerevan	17	15	32	18	15	33	18	15	33	0	0	0
Austria, Vienna	26	27	53	26	27	53	26	27	53	0	0	0
Azerbaijan, Baku	16	7	23	18	7	25	18	7	25	0	0	0
Belgium, Brussels	31	25	56	31	25	56	31	25	56	0	0	0
Bosnia-Herzegovina, Sarajevo	22	11	33	22	11	33	22	11	33	0	0	0
Bulgaria, Sofia	18	13	31	19	13	32	19	13	32	0	0	0
Belarus, Minsk	11	12	23	12	12	24	12	12	24	0	0	0
Croatia, Zagreb	14	16	30	15	16	31	15	16	31	0	0	0
Cyprus, Nicosia	12	14	26	12	14	26	12	14	26	0	0	0
Czech Republic, Prague	14	15	29	15	15	30	15	15	30	0	0	0
Denmark, Copenhagen	15	16	31	16	16	32	16	16	32	0	0	0
Estonia, Tallinn	10	8	18	12	8	20	12	8	20	0	0	0
Finland, Helsinki	19	12	31	19	12	31	19	12	31	0	0	0
France, Paris	63	46	109	63	46	109	63	46	109	0	0	0
Marseille	1	3	4	1	3	4	1	3	4	0	0	0
Strasbourg	1	1	2	1	1	2	1	1	2	0	0	0
Lyon	1	1	2	1	1	2	1	1	2	0	0	0
Toulouse	1	1	2	1	1	2	1	1	2	0	0	0
Bordeaux	1	1	2	1	1	2	1	1	2	0	0	0
Ille	1	1	2	1	1	2	1	1	2	0	0	0
Renne	1	1	2	1	1	2	1	1	2	0	0	0
Georgia, Tbilisi	15	6	21	17	6	23	17	6	23	0	0	0
Germany, Berlin	69	99	168	69	99	168	69	99	168	0	0	0
Frankfurt	31	25	56	36	25	61	36	25	61	0	0	0
Hamburg	3	2	5	3	2	5	3	2	5	0	0	0
Leipzig	3	1	4	3	1	4	3	1	4	0	0	0
Munich	5	5	10	5	5	10	5	5	10	0	0	0
Dusseldorf	2	0	2	2	0	2	2	0	2	0	0	0
Greece, Athens	33	29	62	33	29	62	33	29	62	0	0	0
Thessaloniki	2	2	4	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	45	58	103	45	58	103	45	58	103	0	0	0
Florence	2	1	3	2	1	3	2	1	3	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of European and Eurasian Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Milan	8	2	10	8	2	10	8	2	10	0	0	0
Naples	4	6	10	4	6	10	4	6	10	0	0	0
Kazakhstan, Almaty	10	5	15	11	5	16	11	5	16	0	0	0
Astana	6	2	8	7	2	9	7	2	9	0	0	0
Kyrgyzstan, Bishkek	9	5	14	10	5	15	10	5	15	0	0	0
Kosovo, Pristina	10	1	11	11	1	12	11	1	12	0	0	0
Latvia, Riga	8	12	20	9	12	21	9	12	21	0	0	0
Lithuania, Vilnius	7	8	15	9	8	17	9	8	17	0	0	0
Luxembourg, Luxembourg	7	5	12	9	5	14	9	5	14	0	0	0
Malta, Valletta	7	7	14	7	7	14	7	7	14	0	0	0
OSCE Vienna	14	0	14	15	0	15	15	0	15	0	0	0
Moldova, Chisinau	10	7	17	11	7	18	11	7	18	0	0	0
Netherland, The Hague	18	11	29	19	11	30	19	11	30	0	0	0
Amsterdam	1	5	6	1	5	6	1	5	6	0	0	0
Norway, Oslo	17	13	30	18	13	31	18	13	31	0	0	0
Poland, Warsaw	34	29	63	34	29	63	34	29	63	0	0	0
Krakow	3	4	7	3	4	7	3	4	7	0	0	0
Portugal, Lisbon	19	17	36	19	17	36	19	17	36	0	0	0
Ponta Delgada	1	3	4	1	3	4	1	3	4	0	0	0
Romania, Bucharest	20	22	42	21	22	43	21	22	43	0	0	0
Cluj-Napoca	1	1	2	1	1	2	1	1	2	0	0	0
Russia, Moscow	112	50	162	113	50	163	113	50	163	0	0	0
St Petersburg	16	3	19	17	3	20	17	3	20	0	0	0
Vladivostok	4	4	8	4	4	8	4	4	8	0	0	0
Yekaterinburg	3	3	6	3	3	6	3	3	6	0	0	0
Slovakia, Bratislava	11	10	21	13	10	23	13	10	23	0	0	0
Slovenia, Ljubljana	8	12	20	9	12	21	9	12	21	0	0	0
Spain, Madrid	25	53	78	25	53	78	25	53	78	0	0	0
Barcelona	3	3	6	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	11	10	21	16	10	26	16	10	26	0	0	0
TFYROM, Skopje	13	8	21	13	8	21	13	8	21	0	0	0
Turkey, Ankara	42	44	86	41	44	85	41	44	85	0	0	0
Izmir	1	2	3	1	2	3	1	2	3	0	0	0
Adana	2	1	3	2	1	3	2	1	3	0	0	0
Istanbul	10	4	14	10	4	14	10	4	14	0	0	0
Turkmenistan, Ashgabat	9	10	19	10	10	20	10	10	20	0	0	0
United Kingdom, London	40	54	94	40	54	94	40	54	94	0	0	0
Belfast	4	2	6	4	2	6	4	2	6	0	0	0
Edinburgh	1	2	3	1	2	3	1	2	3	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of European and Eurasian Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Burmuda, Hamilton	2	2	4	2	2	4	2	2	4	0	0	0
Ukraine, Kiev	32	17	49	35	17	52	35	17	52	0	0	0
Uzbekistan, Tashkent	22	12	34	23	12	35	23	12	35	0	0	0
USEU	28	11	39	29	11	40	29	11	40	0	0	0
USNATO	36	3	39	36	3	39	36	3	39	0	0	0
USOECD	14	8	22	14	8	22	14	8	22	0	0	0
Yugoslavia, Belgrade	16	26	42	17	26	43	17	26	43	0	0	0
Podgorica	5	4	9	5	4	9	5	4	9	0	0	0
Total	1,279	1,090	2,369	1,326	1,090	2,416	1,326	1,090	2,416	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of European and Eurasian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Albania, Tirana	$3,899	$4,162	$4,266	$104
Armenia, Yerevan	$5,132	$5,668	$5,802	$134
Austria, Vienna	$9,669	$10,234	$10,471	$237
Azerbaijan, Baku	$4,344	$4,863	$4,983	$120
Belgium, Brussels	$8,580	$9,026	$9,239	$213
Bosnia-Herzegovina, Sarajevo	$9,001	$9,275	$9,485	$210
Bulgaria, Sofia	$4,315	$4,710	$4,830	$120
Belarus, Minsk	$3,458	$3,906	$3,999	$93
Croatia, Zagreb	$4,956	$5,337	$5,468	$131
Cyprus, Nicosia	$4,717	$4,938	$5,055	$117
Czech Republic, Prague	$5,115	$5,322	$5,457	$135
Denmark, Copenhagen	$4,768	$5,239	$5,365	$126
Estonia, Tallinn	$2,915	$3,452	$3,539	$87
Finland, Helsinki	$5,136	$5,415	$5,552	$137
France, Paris	$16,511	$16,814	$17,196	$382
Marseille	$605	$626	$638	$12
Strasbourg	$183	$194	$199	$5
Lyon	$183	$194	$199	$5
Toulouse	$183	$194	$199	$5
Bordeaux	$183	$194	$199	$5
Ille	$183	$194	$199	$5
Renne	$183	$194	$199	$5
Georgia, Tbilisi	$3,910	$4,433	$4,543	$110
Germany, Berlin	$25,195	$26,183	$26,806	$623
Frankfurt	$11,638	$12,176	$12,451	$275
Hamburg	$956	$983	$1,005	$22
Leipzig	$833	$854	$874	$20
Munich	$2,038	$2,091	$2,136	$45
Dusseldorf	$469	$480	$492	$12
Greece, Athens	$9,531	$9,963	$10,188	$225
Thessaloniki	$718	$739	$755	$16
Holy See, Vatican City	$1,701	$1,797	$1,837	$40
Hungary, Budapest	$5,964	$6,303	$6,447	$144
Iceland, Reykjavik	$2,350	$2,625	$2,690	$65
Ireland, Dublin	$4,752	$5,216	$5,331	$115
Italy, Rome	$19,823	$21,660	$22,137	$477
Florence	$594	$610	$624	$14
Milan	$2,042	$2,095	$2,146	$51
Naples	$1,641	$1,694	$1,729	$35

Bureau of European and Eurasian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Kazakhstan, Almaty	$3,254	$3,636	$3,732	$96
Astana	$1,490	$1,660	$1,696	$36
Kyrgyzstan, Bishkek	$2,631	$2,893	$2,967	$74
Kosovo, Pristina	$5,141	$5,357	$5,475	$118
Latvia, Riga	$3,125	$3,545	$3,628	$83
Lithuania, Vilnius	$2,454	$2,755	$2,823	$68
Luxembourg, Luxembourg	$2,460	$2,982	$3,055	$73
Malta, Valletta	$2,629	$2,782	$2,846	$64
OSCE Vienna	$3,850	$4,124	$4,225	$101
Moldova, Chisinau	$2,804	$3,016	$3,088	$72
Netherland, The Hague	$6,005	$6,558	$6,721	$163
Amsterdam	$853	$885	$901	$16
Norway, Oslo	$6,342	$6,789	$6,948	$159
Poland, Warsaw	$10,453	$10,790	$11,041	$251
Krakow	$1,203	$1,240	$1,266	$26
Portugal, Lisbon	$6,076	$6,195	$6,345	$150
Ponta Delgada	$605	$626	$638	$12
Romania, Bucharest	$6,000	$6,328	$6,488	$160
Cluj-Napoca	$356	$367	$375	$8
Russia, Moscow	$29,540	$30,745	$31,493	$748
St Petersburg	$3,943	$4,138	$4,206	$68
Vladivostok	$1,326	$1,368	$1,398	$30
Yekaterinburg	$1,020	$1,052	$1,075	$23
Slovakia, Bratislava	$4,026	$4,466	$4,574	$108
Slovenia, Ljubljana	$3,210	$3,728	$3,816	$88
Spain, Madrid	$14,823	$15,160	$15,488	$328
Barcelona	$1,079	$1,111	$1,135	$24
Sweden, Stockholm	$7,969	$8,502	$8,690	$188
Switzerland, Bern	$5,619	$5,885	$6,020	$135
Tajikistan, Dushanbe	$3,522	$4,165	$4,264	$99
TFYROM, Skopje	$4,318	$4,587	$4,697	$110
Turkey, Ankara	$17,560	$17,710	$18,110	$400
Izmir	$230	$251	$258	$7
Adana	$594	$610	$624	$14
Istanbul	$3,369	$3,411	$3,491	$80
Turkmenistan, Ashgabat	$3,361	$3,656	$3,740	$84
United Kingdom, London	$23,624	$24,397	$25,099	$702
Belfast	$1,192	$1,224	$1,252	$28
Edinburgh	$490	$506	$516	$10
Burmuda, Hamilton	$718	$739	$755	$16
Ukraine, Kiev	$9,852	$10,415	$10,576	$161
Uzbekistan, Tashkent	$5,846	$6,069	$6,212	$143
USEU	$6,635	$6,947	$7,105	$158

DIPLOMATIC & CONSULAR PROGRAMS

Bureau of European and Eurasian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
USNATO	$6,884	$7,637	$7,810	$173
USOECD	$6,003	$6,367	$6,501	$134
Yugoslavia, Belgrade	$6,728	$7,106	$7,273	$167
Podgorica	$1,494	$1,598	$1,636	$38
Total	$431,080	$456,131	$466,802	$10,671

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of European and Eurasian Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$192,266	$204,472	$210,572	$6,100
1200	Personnel Benefits	$77,886	$82,845	$85,457	$2,612
1300	Benefits Former Personnel	$446	$471	$480	$9
2100	Travel & Trans of Persons	$13,732	$14,497	$14,773	$276
2200	Transportation of Things	$3,186	$3,344	$3,399	$55
2300	Rents, Comm & Utilities	$15,384	$16,183	$16,468	$285
2400	Printing & Reproduction	$1,135	$1,207	$1,233	$26
2500	Other Services	$146,037	$151,047	$153,225	$2,178
2600	Supplies and Materials	$12,719	$12,607	$12,855	$248
3100	Personal Property	$29,697	$31,834	$32,379	$545
4100	Grants, Subsidies & Contrb	$12,995	$14,050	$14,394	$344
Total		$505,483	$532,557	$545,235	$12,678

DIPLOMATIC & CONSULAR PROGRAMS

International Organization 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 many 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 counter-terrorism, regional stability, weapons of mass destruction, human rights, open markets, sustainable development, humanitarian assistance, health, environment, crime, and illegal drugs.

Worldwide IO has 7 missions: the U.S. Mission to the United Nations in New York, the U.S. Mission to the European Office of the UN and Other International Organizations in Geneva, the U.S. Mission to International Organizations in Vienna, the U.S. Mission to the UN Agencies for Food and Agriculture in Rome, the U.S. Mission to the International Civil Aviation Organization in Montreal, the U.S. Permanent Mission to the United Nations Environment Program/UN-HABITAT in Nairobi, and the U.S. Observer Mission to UNESCO in Paris.

STRATEGIC OBJECTIVES & GOALS

Strategic Goal: **Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism.**

Priority: Use multilateral fora to protect ourselves and others against the threat of terrorism, for example, through the UN, International Atomic Energy Agency (IAEA), International Civil Aviation Organization (ICAO), International Maritime Organization (IMO), and World Health Organization (WHO).

Bureau Initiative: Prevention of terrorism against U.S. citizens and interests through international organization activities and programs.

Bureau Indicators: Status of international organization counterterrorism activity. Compliance with UN Security Council Resolution (UNSCR) 1373.

Progress (FY 2002): UNSCR 1377 called on member states to implement fully UNSCR 1373 and invited the UN Counterterrorism Committee (CTC) to explore ways in which member states could be assisted. UNSCR 1390 was adopted, updating and expanding sanctions in UNSCR 1267 and 1333 against Usama bin Ladin, and members of the Taliban, and al-Qaida and their associates. The response by UN member states to UNSCR 1373 and the CTC effort to promote basic counterterrorism practices has been encouraging. The CTC has received 179 "first round" reports from countries detailing counterterrorism measures in place or planned. Since UNSCR 1373 was adopted, a large number of states have revised or upgraded their legal frameworks, and the pace of countries joining the 12 international conventions and protocols relating to terrorism has increased. The CTC now expects countries to have in place effective and coordinated executive machinery covering all aspects of UNSCR 1373 and in particular preventing recruitment to terrorist groups, movement of terrorists, the establishment of terrorist safe havens, or any other form of active or passive support for terrorists. The CTC has established a matrix of states requiring technical assistance and states with the capacity to provide it, and is working with international financial institutions to obtain additional assistance for needy countries and to establish standards to be utilized to assess counterterrorism efforts by member states. UN member states continue to propose the includion of

the names of Usama bin Ladin, al Qaida, and Taliban and their associates to the to the 1267 Sanctions Committee asset freeze list, including Jemaah Islamiya, whose inclusion on the asset freeze list was supported by over 50 member states, an unprecedented demonstration of international solidarity against al Qaida terrorism. An IAEA nuclear counter-terrorism plan, incorporating U.S. priorities, was approved and implementation began. The Universal Postal Union (UPU) and IAEA have reached agreement on procedures for limiting and protecting radioactive materials sent through the post. ICAO unanimously approved a resolution condemning terrorism and initiated a program of auditing member state compliance with ICAO security standards. The IMO is moving toward agreement on placing transponders on all ships so that their movements can be tracked and they can transmit an alert in case of hijacking. The International Labor Organization (ILO) is working with IMO on more secure ways of identifying legitimate seafarers that will facilitate their screening for admission into the U.S. while in port. WHO decided not to destroy the declared stocks of smallpox virus in order to continue research on smallpox vaccines and anti-virals. UNESCO condemned terrorism and the Director General announced UNESCO's intention to conduct a program review to re-orient activities to promote the observance of human rights, dialogue, and the concept of tolerance.

Strategic Objective: **Protect the Nation**

Strategic Goal: **Regional Stability - Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.**

Priority: Consult and negotiate in international organizations, especially the UN to prevent instabilities from threatening important U.S. interests by, for example, working with the international organizations to passing resolutions, providing expertise and mechanisms to assist in search for peace, or undertaking peacekeeping operations and/or imposing sanctions.

Bureau Initiative: Effective and efficient UN System responses to threats to peace and security consistent with U.S. foreign policy objectives.

Bureau Indicators: UN Security Council (UNSC) activity related to peace and stability. Effectiveness of Peacekeeping operations.

Progress (FY 2002): The UNSC addressed regional conflicts in the Middle East, Africa, Iraq, Afghanistan, East Asia, the Balkans, and the Caucasus. Regarding the UN Mission in Ethiopia and Eritrea, the Boundary Commission announced delimitation of Ethiopia/Eritrea border; the UN Mission in Sierra Leone was deployed throughout the country, 45,000 combatants were disarmed, and presidential elections were held; regarding the UN Transitional Administration in East Timor (UNTAET), presidential and parliamentary elections were held, East Timor became independent, a scaled-down UN Mission of Support in East Timor (UNMISET) replaced UNTAET; East Timor became a UN member state. In the Democratic Republic of the Congo UN forces were redeployed east after Rwandan troop withdrawal; planning began for disarmament, demobilization, and repatriation in the east under UNSCR 1445. The UN Assistance Mission in Afghanistan was established pursuant to UNSCR 1401; civil war in Angola ended marked by the conclusion of the UN-chaired Joint Implementation Commission; an agreement was reached in July to terminate by the end of this year the UN Mission in Bosnia and Herzegovina; the Secretary General's settlement plan for Cyprus was announced. With the Secretary's certification and Congressional notification that both Tranche II (in October 2001) and Tranche III (in October 2002) benchmarks were met, $582 million was made available to the UN in November, 2001, and $244 million is now being disbursed to the UN and other international organizations.

DIPLOMATIC & CONSULAR PROGRAMS

Strategic Objective: **Protect the Nation**

Strategic Goal: **Weapons of Mass Destruction - Reduce the threat of weapons of mass destruction to the United States, our allies, and friends.**

Priority: Consult and negotiate in international organizations, especially the UN, the IAEA, and the UN Monitoring, Verification, and Inspection Commission (UNMOVIC), which provide mechanisms for addressing WMD and nonproliferation issues, such as, international collaboration to adopt and sustain measures against states engaged in proliferation of WMD or their delivery systems.

Bureau Initiatives: Arms control and non-proliferation of weapons of mass destruction and their delivery systems consistent with U.S. policy objectives through international organizations and programs.

Bureau Indicators: UNSC Sanctions Regimes Limiting Proliferation.

Progress (FY 2002): The Revised Goods Review List (Iraq sanctions) was adopted in May 2002. In November 2002, at U.S. urging, the UNSC unanimously adopted UNSCR 1441, providing for a strict new inspections regime, while noting that, if Iraq did not comply with its obligations, it would face serious consequences. Later that month, Iraq readmitted inspectors for the first time in nearly four years. On December 7 Iraq provided a declaration of its WMD programs, as stipulated in Resolution 1441. Analysis of the comprehensiveness and accuracy of the declaration and the effectiveness of the initial inspections is still under way. IAEA joined arms inspectors in Iraq in November 2002 and in early December was examining the safeguards aspects of Iraq's written response to the new UNSC resolution. In November 2002, the IAEA issued a strong resolution on the North Korean nuclear program, sending a clear and unmistakable message that the international community will not tolerate a North Korean nuclear weapons program. The IAEA implemented an action program to counter the threat of nuclear terrorism with enhanced activities in the physical protection and security of nuclear materials and facilities and the detection of and response to malicious activities involving them.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Soical and Evironmental Issues - Improve the education conditions for the global population.**

Priority: Re-entry of United States into UNESCO.

Bureau Initiative: U.S. re-enters UNESCO.

Bureau Indicators: U.S. re-entry into UNESCO and election to its Executive Board.

Progress (FY 2002): President Bush announced intention of U.S. to re-enter UNESCO in his address to the UNGA on September 12, 2002. Implementation of the President's decision has begun with identification of staff for the U.S. UNESCO mission underway, identification of American candidates for UNESCO positions, review of UNESCO programs, and determination of U.S. policy goals for UNESCO. The plan is to reenter UNESCO by the beginning of October 2003, in time to seek election to the UNESCO Executive Board.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.**

Priority: Consult and negotiate in international organizations to advance human rights and democracy, for example, by promoting core civil and political rights; highlighting human rights abuses; and providing assistance in human rights education, election monitoring, and good governance.

Bureau Initiative : International organization programs and activities promote global respect of democracy and human rights.

Bureau Indicators: Status of resolutions and programs of importance to the U.S. in international organizations and bodies. Statements and activities by Special Rapporteurs consistent with U.S. policy.

Progress (FY 2002): Reslutions against Cuba and Iraq pass. The U.S. was elected to the UNCHR after an one year absence; term starts in CY 2003. The Sierra Leone Special Court was established in January 2002, subsequently prosecutor appointed, staff installed, judges sworn in. International Criminal Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda continue prosecutions.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Economic Prosperity and Security - Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.**

Priority: 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.

Bureau Initiative: Standards set and international cooperation enabled through international organizations. Private sector role in some international organization activities and deliberations.

Bureau Indicators: The U.S. policy reflected in World Summit on the Information Society (WSIS) documentation and negotiated texts. Reforms of the World Intellectual Property Organization's (WIPO's) procedures, statutes, and intellectual property regimes protect U.S. interests and improve efficiency.

Progress (FY 2002): The U.S. was active in First WSIS PrepCom in Geneva. The Bureau's efforts ensured that non-governmental organizations will be able to participate in WSIS. The U.S. worked to keep WSIS themes focused with some success, although the WSIS agenda is expected to expand. The U.S. is resisting attempts to develop international regulation of cyberspace, while promoting cybersecurity and freedom of expression. The U.S. slate of reforms for WIPO Patent Cooperation Treaty (PCT) continues to be fully debated within the PCT Reform Working Group and Committee. Standing Committee on Patents continues to discuss a draft substantive patent law treaty. In the UPU, private-sector stakeholders have been invited to participate in governing body meetings and permitted to present their views on current issues.

Priority: Consult and negotiate in international organizations regarding institutional reform and U.S. economic development issues, for example, democratization, good governance, open markets, and globalization as keys to economic growth and prosperity. Stress at such fora that developmental assistance and private capital flows will increasingly be focused on countries that rule justly, promote economic freedom, and invest in their people. Work to make the principles of the Monterrey Consensus the standard development resource language for UN economic and development policy.

Bureau Initiatives: UN intergovernmental bodies adopt the central principles of the President's New Compact for Development. Intergovernmental debate and norm-setting support measurable progress on the

international development goals of the Millennium Declaration. UN operational activities for development result in measurable progress toward the international development goals.

Bureau Indicators: International development norm setting process – through the UNGA, UN Economic and Social Council (ECOSOC), UN Conference for Trade and Development, regional economic commissions, and major UN development meetings – embodies the central principles of the President's development policy agenda, including the New Compact for Development. UN development activities promoting achievement of international development goals embody the central principles of the President's New Compact for Development, including good governance, economic freedom, and investing in people.

Progress (FY 2002): The Monterrey Consensus placed domestic resource mobilization at the heart of development financing, with emphasis on good governance and sound economic policy. The 2002 spring meeting of ECOSOC, World Bank and IMF, following the Monterrey Conference and the adoption of the Monterrey Consensus, was the first such meeting to discuss Monterrey Consensus implementation and follow-up issues. It is the understanding of the ECOSOC, World Bank and IMF that the annual spring meetings will take up Monterrey Consensus implementation-related issues. This year's UNGA macroeconomic and development-related resolutions have adopted Monterrey language and also adopted resolutions on Monterrey follow-up. The World Summit on Sustainable Development (WSSD) in Johannesburg remained consistent with Monterrey and endorsed both Monterrey and Doha. The WSSD provided consistent mandates for UN development activities focusing on improved economic policies and on effective partnerships that link sector-specific activities to developing country policy and regulatory frameworks.

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Humanitarian Response - Minimize the human costs of displacement, conflicts and natural disasters.**

Priority: Consult and negotiate in international organizations and fora established to alleviate humanitarian crises regarding institutional reform and U.S. humanitarian assistance policies, for example, promoting greater burden sharing among donors; more effectively and efficiently addressing humanitarian crises by providing early warnings, assessments, coordination, and delivery mechanisms for humanitarian assistance. Address security concerns that interfere with coordination and delivery of assistance.

Bureau Initiatives: Effective and efficient action by the UN system to avert, minimize, and overcome consequences of man-made and natural humanitarian disasters.

Bureau Indicators: Contributions by non-U.S. donors to World Food Program (WFP). Status of partnership of the Global Disaster Information Network (GDIN).

Progress (FY 2002): Through the UN Inter-Agency Standing Committee Task Force, the U.S. has taken the lead in getting codes of conduct in place against sexual exploitation by humanitarian workers. Frequency and quality of contacts with the UN Office for the Coordination of Humanitarian Affairs (OCHA) improved, especially in regard to coordinating post September 11th relief activities in Afghanistan. The Bureau minimized disruption of WFP and UNHCR relief activities inside Afghanistan that could have occurred during Operation Enduring Freedom, through liaison in CENTCOM and New York. The number of WFP donors increased by 2 (Andorra, Faroe Islands). Overall contributions to WFP increased, but largely due to U.S. contribution. Blueprints for specific services dealing with infectious diseases and early warning were developed and presented at the GDIN annual conference in June. Informal GDIN partnerships have increased and a plan for formalizing and expanding partnerships and information

were also presented and accepted at the conference. The U.S. and OCHA collaborated with forty nations and the International Federation of Red Cross and Red Crescent Societies to craft a diplomatic initiative fostering effective standards for Urban Search and Rescue operations, efforts to rescue victims from collapsed structures due to any disaster, including terrorist attacks. The U.S. also collaborated with an international committee of experts assembled by the Organization of Economic Cooperation and Development on a study of systemic risks to society that should advance how humanitarian bodies conduct mitigation, early warning and response.

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Priority: Work with GSA, the A Bureau, and OBO to address infrastructure improvement issues at the U.S. Mission to the United Nations in New York (USUN), the U.S. Mission to the European Office of the UN and Other International Organizations in Geneva, the U.S. Mission to the UN Agencies for Food and Agriculture (FODAG), U.S. Mission to UN Educational, Scientific, and Cultural Organization in Paris (UNESCO), and the UNESCO National Commission in Washington.

Bureau Initiatives: Safe, secure, cost-effective, and energy efficient facilities by end of FY 2004: existing USUN building demolition completed; new USUN construction contract awarded and begins; funding obtained from USTR to begin design, develop and award construction contract for U.S. Mission Geneva Annex; FODAG Rome Mission moved and occupied; UNESCO Mission office space and residences occupied; office space for secretariat of UNESCO National Commission identified and occupied.

Bureau Indicators: 1. Status of USUN facility demolition/construction. 2. Status of U.S. Mission to International Organizations in Vienna (UNVIE) and FODAG moves. 3. Status of US Mission Geneva Annex. 4. Status of locating and occupying office space and residences for a UNESCO Mission and office space of secretariat for UNESCO National Commission.

Progress (FY 2002): (1) The UNVIE move to new office space was completed in August 2002. The lease for new office space for Rome FODAG was signed in November 2002 with fit out and occupation anticipated during the summer of 2003. (2) Following September 11, 2001 and credible security concerns for the U.S. Trade Representative's (USTR) Office in Geneva, USTR moved into the U.S. Mission's delegate space on an emergency basis.

Priority: Work with USUN, GSA, OMB, and others through an inter-agency working group to review all technical and financial aspects of the UN Capital Master Plan (CMP) Project (UN Headquarters Renovation) and finalize USG agreement on plan.

Bureau Initiatives: USG agreement on plan for financial and political support to provide for safe, modern, and secure UN Headquarters facilities (i.e., funding of the UN CMP beginning in FY 2004).

Bureau Indicator: USG Agreement on UN CMP.

Progress (FY 2002): The inter-agency CMP task force has been formed and is meeting on a regular basis. The UN released its report containing the UN Secretary General's proposed options for the CMP in August 2002. The UN's CMP report was considered by the 57th UN General Assembly (UNGA).

Priority: Equitable U.S. Representation in International Organizations. In many UN agencies, increased hiring of Americans is needed to achieve equitable representation. Our recruitment strategy

includes establishing and coordinating USG-wide efforts; promoting the detail and transfer of Federal employees; enhancing employment information and offering applicant support; monitoring UN staffing and hiring efforts; and working with UN agencies to encourage their hiring of more Americans.

Bureau Initiative: Recruitment system enhanced in UN System organizations in order to hire more Americans.

Bureau Indicators: Level of American citizens employed by UN System organizations. Targets (# or %) for U.S. citizens in UN-agency posts subject to geographic distribution. (Note: UN agencies compile their staffing information on a calendar year basis. Because of the time needed by UN agencies to gather and report this data, our FY 2002 targets and results reflect data reported on CY 2001.)

Progress: As of December 31, 2001, our targets were met in the ILO and WHO. Our targets were not met in the UN Secretariat, International Telecommunication Union, ICAO, Food and Agriculture Organization, and the UN High Commissioner for Refugees. The lack of progress in many UN agencies paralleled the apparent decline in the number of American applicants for UN positions.

PROGRAM CHANGE JUSTIFICATION

The IO Bureau is requesting $3,750,000 for start-up/operating costs for the US Mission and for the start-up costs associated with the US National Commission in FY 2005.

This request would cover Diplomatic and Consular Programs funded costs associated with establishing a U.S. Mission to UNESCO Headquarters in Paris, France. Within this funding are support costs for new American positions and Locally Engaged Staff (LES) including allowances and benefits; furniture and furnishings; official residence expenses, information technology, equipment and other operating expenses. A US National Commission to UNESCO would be established in Washington, DC with four positions.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of International Organization Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	294	62	12	368	$14,435	$33,308	$47,743
FY 2003 Estimate	296	69	12	377	$15,660	$35,071	$50,731
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($464)	$0	($464)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($239)	$0	($239)
2003 American Cost of Living Adjustments	0	0	0	0	$21	$248	$269
Annualization of 2003 Hiring Increases	0	0	0	0	$218	$227	$445
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$118	$118
American Cost of Living Adjustment	0	0	0	0	$72	$582	$654
FSN Wage	0	0	0	0	$40	$0	$40
Overseas Inflation	0	0	0	0	$106	$0	$106
Domestic Price	0	0	0	0	$68	$0	$68
Total Built-in Changes	0	0	0	0	($178)	$1,175	$997
FY 2004 Current Services	296	69	12	377	$15,482	$36,246	$51,728
FY 2004 Program Changes							
UNESCO Reentry	0	0	0	0	$3,250	$0	$3,250
Total Program Changes	0	0	0	0	$3,250	$0	$3,250
FY 2004 Request	296	69	12	377	$18,732	$36,246	$54,978

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of International Organization Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**29**	**41**	**41**	**0**
Bureau Direction	25	35	35	0
Mission Direction	4	6	6	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	**212**	**213**	**213**	**0**
International Organization Representation	212	213	213	0
Political and International Security Representation	126	127	127	0
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	**41**	**38**	**38**	**0**
Infrastructure Systems	33	31	31	0
ADP Communications and Message Centers	33	31	31	0
Office Automation	8	7	7	0
Other Office Automation	8	7	7	0
Domestic Administrative Support	**60**	**59**	**59**	**0**
Domestic Administrative Management	10	10	10	0
Domestic Financial Services	18	17	17	0
Domestic Personnel Services	10	10	10	0
Domestic General Services	22	22	22	0
Other Domestic General Services	22	22	22	0
Total	368	377	377	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of International Organization Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$2,707**	**$4,543**	**$5,842**	**$1,299**
Bureau Direction	$2,064	$3,404	$4,127	$723
Mission Direction	$643	$1,139	$1,715	$576
Public Diplomacy	**$1,671**	**$1,696**	**$1,730**	**$34**
Public Diplomacy - Program Costs	$1,671	$1,696	$1,730	$34
Conduct of Consular Relations	**$466**	**$555**	**$555**	**$0**
Overseas Visa Services	$466	$555	$555	$0
International Organization Relations	**$25,811**	**$26,148**	**$25,918**	**($230)**
International Organization Representation	$25,811	$26,148	$25,918	($230)
Political and International Security Representation	$15,784	$15,903	$15,818	($85)
Economic Development and Trade Representation	$7,241	$7,301	$7,218	($83)
Environment, Science, Education, and Health Representation	$2,126	$2,196	$2,134	($62)
Refugee and Humanitarian Representation	$660	$748	$748	$0
Law Enforcement Cooperation	**$670**	**$757**	**$757**	**$0**
Diplomatic Security	**$1,404**	**$1,571**	**$1,571**	**$0**
Overseas Protection of Life	$733	$816	$816	$0
Physical Security Protection of Life	$733	$816	$816	$0
Overseas Protection of Information	$671	$755	$755	$0
Technical and Procedural Protection of Information	$671	$755	$755	$0
Information Resource Management	**$4,681**	**$4,851**	**$4,789**	**($62)**
Infrastructure Systems	$3,537	$3,625	$3,563	($62)
ADP Communications and Message Centers	$3,537	$3,625	$3,563	($62)
Office Automation	$1,144	$1,226	$1,226	$0
Other Office Automation	$1,144	$1,226	$1,226	$0
Overseas Administrative Support	**$3,248**	**$3,273**	**$3,251**	**($22)**
International Cooperative Administrative Support Services (ICASS)	$3,248	$3,273	$3,251	($22)
Domestic Administrative Support	**$7,085**	**$7,337**	**$10,565**	**$3,228**
Domestic Administrative Management	$1,353	$1,405	$3,153	$1,748
Domestic Financial Services	$1,850	$1,860	$3,401	$1,541
Domestic Personnel Services	$1,183	$1,245	$1,245	$0
Domestic General Services	$2,699	$2,827	$2,766	($61)
Other Domestic General Services	$2,699	$2,827	$2,766	($61)
Total	$47,743	$50,731	$54,978	$4,247

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of International Organization Affairs	Positions American Domestic	American Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**30**	**11**	**0**	**41**	**$3,005**	**$2,837**	**$5,842**
Bureau Direction	30	5	0	35	$2,230	$1,897	$4,127
Mission Direction	0	6	0	6	$775	$940	$1,715
Public Diplomacy	**4**	**2**	**4**	**10**	**$689**	**$1,041**	**$1,730**
Public Diplomacy - Program Costs	4	2	4	10	$689	$1,041	$1,730
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**	**$5,332**	**$20,586**	**$25,918**
International Organization Representation	165	40	8	213	$5,332	$20,586	$25,918
Political and International Security Representation	105	17	5	127	$2,880	$12,938	$15,818
Economic Development and Trade Representation	45	16	3	64	$1,538	$5,680	$7,218
Environment, Science, Education, and Health Representation	10	7	0	17	$667	$1,467	$2,134
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**	**$3,592**	**$4,789**
Infrastructure Systems	22	9	0	31	$822	$2,741	$3,563
ADP Communications and Message Centers	22	9	0	31	$822	$2,741	$3,563
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**	**$2,597**	**$654**	**$3,251**
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$2,597	$654	$3,251
Domestic Administrative Support	**59**	**0**	**0**	**59**	**$4,665**	**$5,900**	**$10,565**
Domestic Administrative Management	10	0	0	10	$1,690	$1,463	$3,153
Domestic Financial Services	17	0	0	17	$1,808	$1,593	$3,401
Domestic Personnel Services	10	0	0	10	$398	$847	$1,245
Domestic General Services	22	0	0	22	$769	$1,997	$2,766
Other Domestic General Services	22	0	0	22	$769	$1,997	$2,766
Total	296	69	12	377	$18,732	$36,246	$54,978

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of International Organization Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for International Organ. Affairs	44	50	50	0
U.S. Mission to the UN	137	123	123	0
Political Affairs	2	2	2	0
Deputy Assistant Secretary for Policy, Public and Congressional Affairs	76	79	79	0
Deputy Assistant Secretary for Global Issues	35	42	42	0
Total	294	296	296	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of International Organization Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for International Organ. Affairs	$6,516	$7,495	$7,730	$235
U.S. Mission to the UN	$12,846	$13,059	$14,800	$1,741
Political Affairs	$323	$325	$325	$0
Deputy Assistant Secretary for Policy, Public and Congressional Affairs	$10,974	$11,167	$12,435	$1,268
Deputy Assistant Secretary for Global Issues	$5,217	$5,352	$5,393	$41
Total	$35,876	$37,398	$40,683	$3,285

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of International Organization Affairs	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Switzerland, Geneva	39	9	48	39	9	48	39	9	48	0	0	0
Austria, Vienna	13	2	15	14	2	16	14	2	16	0	0	0
Canada, Montreal	4	0	4	4	0	4	4	0	4	0	0	0
France, Paris	1	0	1	6	0	6	6	0	6	0	0	0
Italy, Rome	4	1	5	5	1	6	5	1	6	0	0	0
Kenya, Nairobi	1	0	1	1	0	1	1	0	1	0	0	0
Total	62	12	74	69	12	81	69	12	81	0	0	0

FUNDS BY POST
($ in thousands)

Bureau of International Organization Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Switzerland, Geneva	$7,875	$8,342	$7,830	($512)
Austria, Vienna	$2,060	$2,156	$3,350	$1,194
Canada, Montreal	$491	$520	$520	$0
France, Paris	$300	$1,110	$1,320	$210
Italy, Rome	$931	$975	$1,045	$70
Kenya, Nairobi	$210	$230	$230	$0
Total	$11,867	$13,333	$14,295	$962

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of International Organization Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$30,690	$32,506	$32,911	$405
1200	Personnel Benefits	$8,305	$8,752	$8,843	$91
2100	Travel & Trans of Persons	$1,100	$1,099	$1,077	($22)
2200	Transportation of Things	$167	$207	$215	$8
2300	Rents, Comm & Utilities	$2,011	$2,171	$4,948	$2,777
2400	Printing & Reproduction	$318	$339	$339	$0
2500	Other Services	$3,803	$4,163	$4,688	$525
2600	Supplies and Materials	$570	$614	$1,133	$519
3100	Personal Property	$779	$880	$824	($56)
Total		$47,743	$50,731	$54,978	$4,247

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 objective of the office is to ensure that the United States is represented by the 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 United States participation in approximately 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 and the United Nations Economic Commission for Europe. 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 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, the Asia Pacific Economic Cooperation forum, and the signatories of the Antarctic Treaty.

The 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 and its commissions, the World Health Organization, the Food and Agriculture Organization, the International Labor Organization, the International Telecommunications Union, the International Atomic Energy Agency, the United Nations Conference on Trade and Development, and the World Trade Organization. Other major meetings to be held in FY 2003 include the Organization of American States General Assembly, and a Ministerial and four senior official meetings of the Asia Pacific Economic Cooperation.

The Department will continue to provide 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. The FY 2004 request represents funding for FY 2004 requirements. In addition $4 million in prior year balances is available from the International Conferences and Contingencies account to support International Conferences.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Office of International Conferences	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	0	0	0	0	$5,330	$0	$5,330
FY 2003 Estimate	0	0	0	0	$5,360	$0	$5,360
FY 2004 Built-in Changes							
International Conferences	0	0	0	0	($2,321)	$0	($2,321)
Domestic Price	0	0	0	0	$83	$0	$83
Total Built-in Changes	0	0	0	0	($2,238)	$0	($2,238)
FY 2004 Current Services	0	0	0	0	$3,122	$0	$3,122
FY 2004 Request	0	0	0	0	$3,122	$0	$3,122

Note: $4 million form proir year balances available for these purposes from the International Conferences and Contingencies account.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of International Conferences	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
International Organization Relations	**$4,146**	**$4,176**	**$2,456**	**($1,720)**
International Organization Representation	$4,146	$4,176	$2,456	($1,720)
Domestic Administrative Support	**$1,184**	**$1,184**	**$666**	**($518)**
Total	$5,330	$5,360	$3,122	($2,238)

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request

PROGRAM ACTIVITIES

Office of International Conferences	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
International Organization Relations	**0**	**0**	**0**	**0**	**$2,456**	**$0**	**$2,456**
International Organization Representation	0	0	0	0	$2,456	$0	$2,456
Domestic Administrative Support	**0**	**0**	**0**	**0**	**$666**	**$0**	**$666**
Total	0	0	0	0	$3,122	$0	$3,122

FUNDS BY DOMESTIC ORGANIZATION UNIT

($ in thousands)

Office of International Conferences	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Other Office of International Conferences	$5,330	$5,360	$3,122	($2,238)
Total	$5,330	$5,360	$3,122	($2,238)

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of International Conferences	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$300	$780	$269	($511)
1200	Personnel Benefits	$9	$6	$3	($3)
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$2,009	$2,370	$1,251	($1,119)
2200	Transportation of Things	$8	$8	$4	($4)
2300	Rents, Comm & Utilities	$1,461	$1,844	$1,293	($551)
2400	Printing & Reproduction	$2	$2	$1	($1)
2500	Other Services	$322	$238	$246	$8
2600	Supplies and Materials	$54	$89	$43	($46)
3100	Personal Property	$81	$12	$6	($6)
3200	Real Property	$0	$0	$0	$0
3300	Investments and Loans	$0	$0	$0	$0
4100	Grants, Subsidies & Contrb	$1,084	$11	$6	($5)
4200	INS Claims & Indemnities	$0	$0	$0	$0
9000	Other	$0	$0	$0	$0
9100	Unvouchered	$0	$0	$0	$0
Total		$5,330	$5,360	$3,122	($2,238)

DIPLOMATIC & CONSULAR PROGRAMS

International Information Programs

OVERVIEW STATEMENT

The Office of International Information Programs (IIP) coordinates the State Department's overseas public information work, with tools including publications, websites, reference services, and speaker programs. IIP provides public diplomacy support to shape international public understanding of the U.S, through outreach in world languages, in culturally relevant contexts.

IIP provides print and electronic publications to U.S. embassies for use overseas, as well as directly to international audiences. IIP publishes electronic journals; maintains websites on U.S. policy and society in English and five other languages; and helps U.S. embassies maintain their own sites. IIP's main international information website is at http://usinfo.state.gov. Since September 11, IIP web pages, particularly on terrorism, have been top ranked on prominent global search engines such as Google. The *Washington File* transmits daily worldwide, via the Internet in six languages, a selection of U.S. policy speeches, statements, fact sheets, transcripts and other policy material, totaling thousands of policy items annually. The *Washington File* covers virtually every major U.S. foreign policy statement, and IIP also publishes brief fact sheets on current front-burner topics to provide persuasive arguments to U.S. diplomats for their use in supporting U.S. foreign policy positions.

IIP reference specialists respond promptly and accurately to requests from Department public diplomacy professionals and U.S. missions abroad. Overseas, IIP's 25 Information Resource Officers support 170 Information Resource Centers (IRCs), which are staffed by local hire reference specialists. The IRCs conduct reference outreach to key contacts using online resources, and commercial and government database services.

Through IIP's speakers program, U.S. experts address audiences overseas on issues supporting priority U.S. goals. U.S. speakers also use digital videoconferencing (DVCs) to interact with key influential international public figures and groups on top issues of the moment. Annually, over one thousand speakers present lectures, serve as consultants, and conduct workshops and seminars for groups overseas.

IIP's Office of Strategic Communication supports interagency responsibilities for the Under Secretary of State for Public Diplomacy and Public Affairs. This office coordinates on behalf of the State Department's public diplomacy operations, within the interagency strategic communication process. A small unit monitors and responds to misinformation or disinformation that could pose a severe negative impact on U.S. policy initiatives.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Gain International Understanding**

Strategic Goal: **Public Diplomacy - Increase understanding for American values, policies, and initiatives to create a receptive international environment.**

IIP implements all Department of State strategic goals by engaging international publics and encouraging support and cooperation with the U.S. through the use of information services and products. 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.

Bureau Initiatives:

- Foster an international environment more receptive to U.S. policies and initiatives by broadening opportunities for communication and international discourse on American values and encouraging connections between Americans and international counterparts;
- Focus on Americans as real people, with feelings, aspirations, passions, convictions and spirituality, in short how Americans experience life and see the world;
- Encourage connections between Americans and international counterparts, with an emphasis on the emerging generation in majority Muslim countries;
- Portray U.S. ideals and practices – including individual liberty and responsibility, representative government, justice, religious freedom, family, tolerance and opportunity - as basic human rights;
- Engage U.S. interlocutors in a spectrum of fields and disciplines that focus on how Americans navigate our political and social landscape, how we come to political consensus; deal with "difference;" address social problems; promote equal educational opportunity; participate in religious and family life; and promote justice through our legal system;
- Install 15 American Corners in selected venues in Muslim-majority countries;
- Support lasting ties between groups of American and natural counterparts abroad, making extensive use of IIP's speaker program and digital videoconference capability to augment public and private exchanges;
- Counter anti-Americanism as it becomes evident and respond with reasoned and focused messages and programs.

Progress:

- The popular *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.
- *This is Islam...in America,* an Embassy Cairo compilation of the IIP Arabic *Islam in America* Web site and the electronic publication: *Muslim Life in America,* has drawn international attention. On June 8, Al-Sharq Al-Awsat reported the Embassy Cairo book as reflecting a noteworthy development in the position of the American administration toward recognition of a future Palestinian state. The compilation was originally made for and distributed at a conference sponsored by Al Azhar University. Recently a letter of appreciation from the Ruler of Sharjah, Sultan Bin Mohamed al Qasimi (United Arab Emirates), expressed his recognition for Embassy Cairo's efforts and the importance of the publication. Regional institutions began requesting *This is Islam.* The Gulf Centre for Strategic Studies requested copies, stating, "We need to include this book in our library to make use of its valuable information in our research and studies." Individual teachers from Islamic schools in Egypt have also requested the book, with dozens of copies sent to individuals as well as school libraries. Cairo's Information Resource Center, which has distributed approximately 5,000 copies and a companion piece, *Arab Americans,* is now working on a redesign of the books for easier updating. Plans also include electronic versions to be posted on the Embassy's homepage. IIP writers and editors provided the text for the publications.
- The print and 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 number 2 out of 324,000 possible sites, when searching on the words "Muslims in America," number 15 of 338,000 sites when typing the words "American Muslims," numbers 1, 2, 3 (8 of the first 10 listings) of 325,000 when searching on the words "Muslim Life in America."

DIPLOMATIC & CONSULAR PROGRAMS

- IIP released the fifth edition of *InfoUSA*, 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 latest 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 7,000 hits a day.
- 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: Counter-Terrorism - Reduce the number and impact of international terrorist attacks, especially on the United States and its citizens.

Bureau Initiatives:

- Foster an international environment through informational techniques and speakers that is receptive to U.S. efforts to build and maintain coalitions for a war on terrorists with global outreach;
- Amplify U.S. policy, results of that policy, favorable reactions to that policy and costs to local populations for supporting terrorism;
- Using the example of the al-Qaeda attacks of September 11 as a graphic example, help develop an awareness of the increased threats of asymmetric warfare in today's world;
- Stigmatize terrorists and their supporters;
- Publicize the use of narrowly targeted sanctions to discourage probable terrorists and/or governments from engaging in or encouraging terrorist acts against U.S. interests;
- Garner support for sanctions and other efforts of the U.S. to fight terrorism;
- Provide clear explanations of the rationale behind specific U.S. laws such as the Iran and Libya sanctions Act as tools in struggle against international terrorism;
- Continue to make maximum use of IIP's Response to Terrorism Web site, available in seven languages, which is probably IIP's most prominent site.

Progress (FY 2002):

- *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. Since *Network* was released on November 9, 2001, millions of people have read it on the Web, in hard copy and in the media, in countries throughout the world. The impact has been considerable:
  - Security guards at the Beirut airport asked for copies for themselves when the English-language copies arrived in Lebanon.
  - In Jakarta, the editor of a major Islamic daily requested copies to send to Islamic boarding schools throughout Indonesia.
  - *Network* was featured as a center insert in the Arabic Middle East edition of Newsweek in December (45,000 copies).
  - *Al Watan*, a leading Kuwaiti newspaper with wide circulation throughout the Gulf, distributed 70,000 copies of *Network* on December 26, 2001 as a center insert.
  - *Panorama*, Italy's leading newsweekly, prepared a special several-page spread based on Network text and photos, to coincide with the December 11, 2001 three-month commemoration (600,000 copies). The *Panorama* Web site included the publication online along with frequent updates on the overall theme of terrorism.
  - An online paper in the Philippines linked directly to *Network* on its front page; over 100 other sites have linked to *Network*.

  - Albania's top-ranked newsmagazine produced a photo spread on the pamphlet in its December 16, 2001 edition.
  - In a Ghanaian radio interview with the U.S. ambassador, the radio interviewer had *Network* in hand as he was conducting the interview.
- Over 120 countries marked the three month anniversary of September 11, the majority with high level host country participation (Head of State, Head of Government, Foreign Minister), most were sponsored or co-sponsored by the host government. Posts reported saturation media coverage, some juxtaposing local events with the White House event. Most posts created dedicated Web pages on their respective Internet sites for the commemoration and link to the IIP photo essay: *New York, Three Months Later*, commissioned for the occasion.
- The text of President Bush' November 6 satellite telecast to the Warsaw Conference on Terrorism was posted to the *Washington File* 10 minutes after receipt and sent to all posts via a new listserv. Heads of state from 14 countries of Eastern and Central Europe participated at the Polish Presidential Palace, along with representatives from, Russia, Turkey, EU, OSCE, UN and NATO, as observers. Embassy Warsaw created a special Web page, including information and transcripts, and distributed news electronically to editors and journalists, 300 of whom covered the meetings.
- 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 continues to pay close attention to all September 11 related legal proceedings, explaining the U.S. judicial process for international publics.

Priority: Regional Stability - Avert and resolve local and regional conflicts to minimize them from harming the national interests of the United States.

Bureau Initiatives:

- Encourage international public understanding of U.S. policies; support local efforts to move toward a comprehensive peace;
- Encourage international public support and cooperation with U.S. efforts to secure a comprehensive peace in the Middle East;
- Continue to develop and maintain Web sites, in English and Arabic, to reach users in the Middle East;
- Publish a periodical aimed at a young audience across the Arab world;
- Encourage international publics to support U.S. policies related to Afghanistan, highlighting multinational (including U.S.) contributions to the reconstruction of Afghanistan, and USG commitment to Afghanistan's recovery;
- Inform international publics about multinational (including U.S.) humanitarian assistance to Afghans;
- Emphasize the need for cooperative international engagement in support of Afghan reconstruction and the rebuilding of civil society;
- Highlight all available credible information and revelations about al-Qaeda's crimes against Afghanistan and fellow Muslims in general.

Progress (FY 2002):

- *The U.S. News and World Report* Web site links to the Middle East Peace Process Chronology on IIP's Middle East Peace Web site.
- Within minutes of delivery, IIP made the full English text of President Bush's June 24, 2002 Middle East address available to Embassies worldwide via the *Washington File* and relevant Web sites. IIP translations in Arabic, French and other major languages followed soon thereafter. The next morning, IIP sent a cable listing public diplomacy on-line resources for embassies' use in support of the address.

Talking points, provided by the White House, were provided to PAOs via listserv. The U.S. and Middle East Peace became a headline pick from IIP's home page (the Department's International Web site).

- IIP developed and maintained the "Focus on Afghanistan" Web site to publicize USG policy and reconstruction efforts in Afghanistan, and continued to provide Embassy Islamabad with material for its bi-weekly newsletter *Ittila'at*, published for Afghanistan in Dari and Pashto.
- IIP increased output in Arabic, Dari, Pashto and Urdu; translated the *Islam in America, Muslim Life in America* and *Response to Terrorism* Web sites into Dari, Pashto and Urdu.
- 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 every Afghan carpet merchant in Peshawar. Secondary distribution was extensive, although impossible to measure.
- For week of November 26-30, 2001, Embassy Islamabad reports placing a total of 19 *Washington File* stories on Pakistan Radio – an important placement in a country where the literacy rate is low. Many of these stories were also carried in local English and Urdu newspapers. The *Washington File* is also the sole-source supplier of articles for the weekly post-produced newsletter, *Ittila'at*, which is published in Dari and Pashto, with a circulation of over 19,000 – mainly to Afghan refugees in camps inside Pakistan. Before the U.S. military campaign, about half of the print run found its way into Afghanistan via non-governmental organizations The Embassy reported knowing the Taliban leadership was among its readership.
- "I have been looking for these human rights documents for over six months and now I have them all together on one CDROM," exclaimed one participant in the Information Literacy for Afghan Women program held at the American Center, Embassy Islamabad, August 20-24, 2001. Ten women representatives from Peshawar-based Afghan NGOs, working in the field of human rights and women's issues, traveled to the American Center to learn the basics of Internet searching, Web designing and how NGOs use the Internet and information technology for their work. Participants retrieved relevant documents and downloaded them onto CD-ROM to take back to Peshawar to train others. They were unanimous in saying they could never have received such training in Peshawar due to gender-based restrictions and lack of resources. In addition to obtaining human rights training materials participants created Web sites for their NGOs.
- 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.

Priority: Democracy and Human Rights - Open political systems and societies to democratic practices, the rule of law, good governance and respect for human rights.

Bureau Initiatives:

- Encourage a world of stable, democratic states where rule of law is respected, and all individuals have the right to take part in the government of their country, directly or through freely chosen representatives;
- Encourage support and cooperation with the U.S. to strengthen the international framework for democracy;
- Reinforce international receptivity for democratic mechanisms;
- Strengthen basic institutions in democratizing countries by emphasizing constitutionalism, free and fair elections, ethics in government, separation of powers and citizen participation in government;
- Foster the rule of law worldwide, focusing on issues of judicial independence, court administration and management, selection and training of court personnel, mediation/alternate dispute resolution, juvenile justice, rights of the individual and rights of the accused;

- Promote free and fair elections by explaining voter education, candidate selection, public opinion polling, campaign financing, candidate debates and election monitoring;
- Send a clear message to support U.S. negotiations in multilateral fora on the importance of democratic transition so that democracy cannot be dismissed as only an American concern;
- Send a clear and consistent message on the interconnectedness of democracy, economic development, domestic and regional stability and the importance of democracy promotion to counter terrorism;
- Foster respect for human rights and gain understanding for U.S. human rights policies;
- Strengthen the international framework for human rights policies;
- Foster international understanding of the need for an independent judiciary, with the American system of justice as a prime example;
- Reinforce international receptivity for human rights;
- Promote religious freedom and reduce religious persecution worldwide; increase acceptance of religious pluralism and enhance internal/regional stability; reduce religion-based terrorism.

Progress (FY 2002):

- *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, translated and printed 500,000 copies;
- The U.S. Interests Section in Havana ordered 500 copies of the full set of IIP's *Democracy Papers* in Spanish.
- The text of the First Lady's November 17, 2001 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 posted in December 2001: *America's Commitment to Women,* with its focus on Afghan women and the role of women in the Afghan interim government.

Priority: Open Markets – Open world markets to increase trade and the free flow of goods, services, and capital

Bureau Initiatives:

- Generate international support for a global framework for free trade in goods, services and investment that ensures openness in international markets for new technologies, including e-commerce and biotechnology. Provide public focus for U.S. policies on multilateral and regional trade liberalization initiatives, including the World Trade Organization, Free Trade Area of the Americas, North America Free Trade Agreement, Asia-Pacific Economic Cooperation, African Growth and Opportunity Act;
- Publicize sectoral agreements including "Open Skies;"
- Promote market access for key agricultural commodities including biotech products;
- Reinforce the need for market-oriented reforms in key countries such as China, the Federal Republic of Yugoslavia, India, Russia, and Ukraine;
- Promote cross-sectoral initiatives to facilitate e-commerce and the Internet through the adoption of policies liberalizing telecom and transportation;
- Promote multilateral initiatives to advance technical assistance to developing economies.

Progress (FY 2002):

- IIP created the official conference Web site for the November 9-14, 2001 Fourth WTO Ministerial in Doha, Qatar.
- 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*.

FY 2004 Request
SUMMARY STATEMENT

International Information Programs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	265	19	0	284	$25,570	$24,230	$49,800
FY 2003 Estimate	265	19	0	284	$21,378	$25,037	$46,415
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$4	$178	$182
American Cost of Living Adjustment	0	0	0	0	$21	$424	$445
FSN Wage	0	0	0	0	$2	$0	$2
Overseas Inflation	0	0	0	0	$40	$0	$40
Domestic Price	0	0	0	0	$300	$0	$300
Local Guard Program & Other Global Inflation	0	0	0	0	$138	$0	$138
Total Built-in Changes	0	0	0	0	$505	$602	$1,107
FY 2004 Current Services	265	19	0	284	$21,883	$25,639	$47,522
FY 2004 Request	265	19	0	284	$21,883	$25,639	$47,522

STAFF BY PROGRAM ACTIVITY
(positions)

International Information Programs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Public Diplomacy	**284**	**284**	**284**	**0**
Public Diplomacy - Program Costs	284	284	284	0
Total	284	284	284	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Information Programs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Public Diplomacy	**$49,800**	**$46,415**	**$47,522**	**$1,107**
Public Diplomacy - Program Costs	$49,800	$46,415	$47,522	$1,107
Total	$49,800	$46,415	$47,522	$1,107

FY 2004 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**	**19**	**0**	**284**	**$21,883**	**$25,639**	**$47,522**
Public Diplomacy - Program Costs	265	19	0	284	$21,883	$25,639	$47,522
Total	265	19	0	284	$21,883	$25,639	$47,522

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

International Information Programs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction	40	40	40	0
Information Technology Service	32	32	32	0
Geographic Liaison	94	94	94	0
Thematic Programs	99	99	99	0
Total	265	265	265	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

International Information Programs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction	$5,006	$5,091	$5,213	$122
Information Technology Service	$9,174	$9,750	$9,985	$235
Geographic Liaison	$19,375	$17,153	$17,562	$409
Thematic Programs	$13,425	$11,408	$11,679	$271
Total	$46,980	$43,402	$44,439	$1,037

STAFF BY POST
(positions)

International Information Programs	FY 2002 Actual			FY 2003 Estimate			FY 2004 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	0	0	0	0	0	0	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	1	0	1	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
United Arab Emirates, Abu Dhabi	1	0	1	1	0	1	1	0	1	0	0	0
Senegal, Dakar	0	0	0	1	0	1	1	0	1	0	0	0
Total	19	0	19	19	0	19	19	0	19	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

International Information Programs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Cote d'Ivoire, Abidjan	$112	$0	$0	$0
Thailand, Bangkok	$171	$173	$177	$4
China, Beijing	$161	$165	$169	$4
Egypt, Cairo	$106	$109	$111	$2
Germany, Berlin	$142	$168	$172	$4
Brazil, Brasilia	$113	$140	$143	$3
Argentina, Buenos Aires	$121	$124	$127	$3
Pakistan, Islamabad	$125	$149	$153	$4
Nigeria, Lagos	$93	$118	$121	$3
Mexico, Mexico City	$127	$131	$135	$4
Russia, Moscow	$139	$147	$151	$4
Kenya, Nairobi	$109	$134	$137	$3
India, New Delhi	$153	$158	$163	$5
South Africa, Pretoria	$159	$182	$185	$3
Italy, Rome	$256	$265	$272	$7
Japan, Tokyo	$86	$108	$110	$2
Austria, Vienna	$473	$476	$486	$10
United Arab Emirates, Abu Dhabi	$83	$126	$129	$3
Senegal, Dakar	$91	$140	$142	$2
Total	$2,820	$3,013	$3,083	$70

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	International Information Programs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$18,539	$19,083	$19,549	$466
1200	Personnel Benefits	$6,405	$6,616	$6,777	$161
2100	Travel & Trans of Persons	$823	$1,110	$1,136	$26
2200	Transportation of Things	$75	$43	$44	$1
2300	Rents, Comm & Utilities	$884	$1,004	$1,027	$23
2400	Printing & Reproduction	$1,066	$171	$175	$4
2500	Other Services	$14,117	$10,381	$10,622	$241
2600	Supplies and Materials	$1,960	$1,217	$1,245	$28
3100	Personal Property	$1,088	$2,306	$2,359	$53
4100	Grants, Subsidies & Contrb	$4,843	$4,484	$4,588	$104
Total		$49,800	$46,415	$47,522	$1,107

DIPLOMATIC & CONSULAR PROGRAMS

Ambassador's Fund for Cultural Preservation

OVERVIEW STATEMENT

The Ambassador's Fund for Cultural Preservation, established by Congress in FY 2001, demonstrates U.S. respect for other cultures by assisting less developed countries' efforts to preserve their cultural heritage. Small grants of $15,000 to $50,000 to local non-government organizations are used to reduce the threat of pillage of irreplaceable cultural heritage, and to create long-term strategies for preserving cultural property through training and conservation, museum development, law enforcement, and public education.

In FY 2002, U.S. Ambassadors in 98 of the 120 eligible countries in the developing world responded to the call for proposals of projects supporting cultural preservation. A total of $1 million was distributed in awards in 51 countries.

FY 2002 Actual Distribution
(in thousands)

Bureau	Amount
Western Hemisphere Affairs	$ 220
European Affairs	210
East Asian and Pacific Affairs	100
Near Eastern Affairs	80
South Asian Affairs	60
African Affairs	330
Total	$1,000

In FY 2004, the fund will support the preservation of cultural sites, objects in a site, museum or similar institutions, or forms of traditional cultural expression—with emphasis on the Islamic world.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Educational & Cultural Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	0	0	0	0	$0	$0	$0
FY 2003 Estimate	0	0	0	0	$1,000	$0	$1,000
FY 2004 Current Services	0	0	0	0	$1,000	$0	$1,000
FY 2004 Request	0	0	0	0	$1,000	$0	$1,000

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Educational & Cultural Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**$0**	**$1,000**	**$1,000**	**$0**
Political Affairs	$0	$1,000	$1,000	$0
Political Diplomacy	$0	$1,000	$1,000	$0
Total	$0	$1,000	$1,000	$0

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of Educational & Cultural Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Conduct of Diplomatic Relations	**0**	**0**	**0**	**0**	**$1,000**	**$0**	**$1,000**
Political Affairs	0	0	0	0	$1,000	$0	$1,000
Political Diplomacy	0	0	0	0	$1,000	$0	$1,000
Total	0	0	0	0	$1,000	$0	$1,000

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Educational & Cultural Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	$0	$0
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	$1,000	$1,000	$0
4200	INS Claims & Indemnities	$0	$0	$0	$0
Total		$0	$1,000	$1,000	$0

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. PA 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 Office of the Historian 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. The Office of the Historian provides historical studies in support of current foreign policy initiatives, carries out a number of educational outreach activities geared toward both scholars and students, and engages in bilateral cultural diplomacy projects.

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 U.S. Agency for International Development (USAID) Press Office serve as Spokesman for the USAID 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.

DIPLOMATIC & CONSULAR PROGRAMS

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 television 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. OBS provides the Department and posts with a full range of live television and record capabilities, studios, connectivity, and worldwide satellite broadcast (American Embassy Television Network). Productions include live events television coverage and web streaming, interactive remote and studio television programs and media tours, original productions, assistance to international broadcasters, cooperative television productions, and summit and media event planning.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Gain International Understanding**

Strategic Goal: **Public Diplomacy and Public Affairs - Increase understanding for American values, policies, and initiatives to create a receptive international environment.**

Priority: American understanding and support for U.S. foreign policy and the Department of State.

Bureau Indicators: (1) Number of media interviews and contacts with media; (2) Increase in outreach to targeted audiences; (3) Increases in "hits" on the Department's web site; and (4) Compliance with legislative mandate for completion of FRUS volumes.

Progress (FY 2002): **War on Terrorism:** The Press Office, during the September 11th crisis, supported the 24-hour task force and managed to process hundreds of press statements, press calls, and communiqués; and enlisted assistance from private sector to develop public service announcements for the "Rewards for Justice" program for domestic audiences. **Press:** The Bureau coordinated 800+ media appearances by the Secretary and Department principals; through the Department's Spokesman delivered 160 daily press briefings; implemented a satellite media tour program highlighting news interviews with Department officials; and enhanced the Speakers Program with the development of a Speaker's Kit. **Outreach Programs:** The Bureau reached younger audiences through MTV, conducted educational outreach through the National Council for Social Studies, and coordinated over 15,000 student/teacher visits to the Department; increased geographical reach into local communities with 250 outreach efforts, including 22 town meetings, events with the Hometown Diplomats Program in 37 states, and 20 speakers with the League of Women's voters; arranged a national Foreign Policy Conference, and hosted 25 monthly and special in-house briefings on key department issues with NGO leaders; developed an Intergovernmental Agency (IGA) Quarterly Newsletter for dissemination to local & state governments; participated in 10 conferences with local and state government councils in various cities; initiated the content design and feasibility study for a capital campaign for the United States Diplomacy Center; and prepared an educational video on terrorism for high school studies students. **Web Site:** The Bureau added video of daily State Department press briefing, special briefings by Department principals, and videos on Afghanistan reconstruction and other special features prepared by the Office of Broadcast Services; partnered with a private organization to sponsor a student web site contest; added new features; such as "Email This Page" and automated listserv and upgraded content management system; and launched a new and well-received web site design. **Office of the Historian:** The Bureau published seven volumes of the

DIPLOMATIC & CONSULAR PROGRAMS

Foreign Relations of the United States, including 1961-1963, Vol. XXV, General: United Nations (last of the Kennedy administration volumes); 1964-1968, Vol. III, National Security Policy; 1964-1968, Vol. XVI, Cyprus, Greece and Turkey; 1964-1968, Vol. V, Vietnam, 1967; 1964-1968, Vol. VI, Vietnam, January-August 1968; 1969-1976, Vol. III, Foreign Economic Policy; International Monetary Reform, 1969-1972; 1969-1976, Vol. IV, Foreign Assistance, International Development, Trade Policies, 1969-1972.

Priority: Public diplomacy influences global public opinion and decision-making consistent with U.S. National Interests.

Bureau Indicators: (1) Level of media placement in foreign markets in print, broadcast, and radio.

Progress (FY 2002): **War on Terrorism:** The Bureau developed a communication campaign to support the war against terrorism; worked with a public relations firm to produce five mini-documentary "messages" depicting the lives of Muslim-Americans in their communities that were broadcast to Muslim countries during Ramadan; increased outreach to foreign broadcasters including Arab satellite broadcasters, and other Muslim majority countries; completed television cooperative programs with foreign broadcasters from Muslim countries on subjects related to Muslim life in the U.S. and post 9/11 events; produced over 40 interactive dialogues on Muslim Life in America and the Global Coalition Against Terrorism involving 39 posts; produced 8 television feature reports documenting U.S. leadership in Afghanistan; and arranged a series of exclusive interviews with the National Security Advisor with key Arab print and television media, with a follow-on series with media from key European coalition partners. **Foreign Press Centers:** The Bureau increased number of high-level briefings to include 12 involving cabinet secretaries or agency heads; increased reporting tours for foreign media from nations with little or no U.S.-based reporter presence; coordinated the international press pool for the Presidential trip to New York on September 11th; arranged programming for visiting journalists from Near East Asian countries, Indonesia, and the Republic of Georgia; assisted foreign journalists in obtaining credentials for visits to New York City in the light of 9/11; planned and coordinated targeted media roundtable interviews with the President prior to each of his overseas trips. **Office of Broadcast Services:** The Bureau substantially increased global transmissions through the American Embassy Television Network (AETN) of special news coverage to broadcasters and embassies for the White House, Department of State and other U.S. Government officials; completed over 42 television cooperatives with foreign broadcasters; produced over 500 special events productions and video news releases; produced five 26-minute programs entitled "America One Year Later" under the "Conversations with America" series; and transmitted over 10 special events television productions including live international pool coverage of addresses by the President.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Public Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	211	0	0	211	$28,999	$16,155	$45,154
FY 2003 Estimate	213	2	0	215	$13,195	$16,995	$30,190
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($132)	$0	($132)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($58)	$0	($58)
2003 American Cost of Living Adjustments	0	0	0	0	$1	$120	$121
Annualization of 2003 Hiring Increases	0	0	0	0	$62	$101	$163
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$53	$53
American Cost of Living Adjustment	0	0	0	0	$3	$283	$286
Overseas Inflation	0	0	0	0	$13	$0	$13
Domestic Price	0	0	0	0	$190	$0	$190
Total Built-in Changes	0	0	0	0	$79	$557	$636
FY 2004 Current Services	213	2	0	215	$13,274	$17,552	$30,826
FY 2004 Request	213	2	0	215	$13,274	$17,552	$30,826

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Public Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**207**	**211**	**211**	**0**
Bureau Direction	43	43	43	0
Mission Direction	60	62	62	0
Public Affairs	104	106	106	0
Information Resource Management	**4**	**4**	**4**	**0**
Office Automation	4	4	4	0
Other Office Automation	4	4	4	0
Total	211	215	215	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Public Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase (Decrease)
Executive Direction and Policy Formulation	**$39,889**	**$26,914**	**$27,507**	**$593**
Bureau Direction	$4,393	$4,705	$4,904	$199
Mission Direction	$20,987	$6,526	$6,925	$399
Public Affairs	$14,509	$15,683	$15,678	($5)
Public Diplomacy	**$3,659**	**$2,170**	**$2,203**	**$33**
Public Diplomacy - Program Costs	$3,659	$2,170	$2,203	$33
Information Resource Management	**$1,606**	**$1,106**	**$1,116**	**$10**
Office Automation	$1,606	$1,106	$1,116	$10
Other Office Automation	$1,606	$1,106	$1,116	$10
Total	$45,154	$30,190	$30,826	$636

FY 2004 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	**209**	**2**	**0**	**211**	**$10,281**	**$17,226**	**$27,507**
Bureau Direction	43	0	0	43	$1,394	$3,510	$4,904
Mission Direction	60	2	0	62	$1,863	$5,062	$6,925
Public Affairs	106	0	0	106	$7,024	$8,654	$15,678
Public Diplomacy	**0**	**0**	**0**	**0**	**$2,203**	**$0**	**$2,203**
Public Diplomacy - Program Costs	0	0	0	0	$2,203	$0	$2,203
Information Resource Management	**4**	**0**	**0**	**4**	**$790**	**$326**	**$1,116**
Office Automation	4	0	0	4	$790	$326	$1,116
Other Office Automation	4	0	0	4	$790	$326	$1,116
Total	213	2	0	215	$13,274	$17,552	$30,826

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Public Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Public Affairs	28	28	28	0
Executive Office	19	19	19	0
Deputy Assistant Secretary for Press	60	62	62	0
Deputy Assistant Secretary for Public Liaison and IGA	56	56	56	0
Deputy Assistant Secretary for Public Information	48	50	50	0
Total	211	215	215	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Public Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Public Affairs	$2,408	$2,488	$2,588	$100
Executive Office	$3,593	$3,323	$3,432	$109
Deputy Assistant Secretary for Press	$7,008	$7,177	$7,586	$409
Deputy Assistant Secretary for Public Liaison and IGA	$22,620	$8,327	$8,587	$260
Deputy Assistant Secretary for Public Information	$9,525	$8,875	$8,633	($242)
Total	$45,154	$30,190	$30,826	$636

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Public Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$13,507	$14,331	$14,777	$446
1200	Personnel Benefits	$3,429	$3,459	$3,574	$115
2100	Travel & Trans of Persons	$1,203	$1,030	$1,096	$66
2200	Transportation of Things	$17	$25	$25	$0
2300	Rents, Comm & Utilities	$674	$720	$754	$34
2400	Printing & Reproduction	$414	$460	$585	$125
2500	Other Services	$24,371	$8,635	$8,470	($165)
2600	Supplies and Materials	$753	$745	$750	$5
3100	Personal Property	$786	$785	$795	$10
Total		$45,154	$30,190	$30,826	$636

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 U.S. border security 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 Department of Homeland Security.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **American Citizens - Assist American citizens to travel, conduct business, and live abroad securely.**

Priority: Support U. S. citizens abroad and those concerned about them in the U. S.

Bureau Initiatives: A. Provide U.S. citizens with information designed to promote safe travel. B. Prepare for and respond to crises abroad, aviation disasters, and other situations in which U.S. citizens need consular services. C. Assist in the resolution of international parental child abduction cases. D. Develop and enhance databases to track citizen services case activities. E. Implement Hague Convention on Intercountry Adoption. F. Work with U.S. law enforcement authorities and foreign authorities to achieve compliance with consular notification and access provisions of Vienna Convention on Consular Relations and bilateral treaties.

Bureau Indicators: A. Consular information is up to date and available. B. Percentage of Consular Information Sheets that are revised annually. C. Access to on-line registration system. D. Automated case-tracking information is available to support and facilitate consular services and reporting. E. Implementation of international conventions. F. Level of outreach to public and stakeholders.

Progress (FY 2002): The web site for international travelers received 128 million hits (10 million more than in FY 2001), averaging 347,254 hits per day. 94.3% of users surveyed found the web site helpful, up from 90% in the past 3 years. CA issued 56 Travel Warnings, 97 Public Announcements, and 196 Consular Information Sheets (CIS) alerting Americans to conditions in other countries. The CIS for 86% of the countries were updated. Five fillable passport application forms and ten fillable visa forms were added to the web site. Pilot software was developed for an Internet Based Registration System that will allow Americans to register overseas travel itineraries at a central Internet site. A consular call center began operations in the aftermath of the September 11 terrorist attacks to handle the large volume of calls about travel safety. It operated around the clock the first month, then switched to 8 a.m. - 8 p.m. weekdays. It provides general citizens services information to the public, referring case-specific calls directly to the

Overseas Citizen Services (CA/OCS) country officers. The call center currently receives about 200 calls per workday and has taken over 60,000 calls since being activated.

CA successfully developed case-management software for international parental child abduction (IPCA) cases, which is in use in Washington and will be deployed worldwide in 2003. An April 2002 release of American Citizens Services case management system (ACS) software incorporated new fields for officers to use when processing death cases which will allow CA to develop a report complying with a new requirement in PL 107-228 to publish information about overseas deaths of Americans from non-natural causes. DOS implemented a modernized version of CRISIS, a case-tracking system used by task forces and posts when Americans are involved in a crisis abroad. The Consular Lost and Stolen Passport System (CLASP) lookout system was deployed to all overseas posts and domestic passport agencies to track missing U.S. passports and to prevent their abuse. CLASP contains nearly 48,000 entries. Data in CLASP is immediately available to INS and Customs at U.S. ports of entry. A detailed system requirement analysis for the complete re-engineering of the ACS system was completed. Development of software to manage international adoption cases was delayed so it could accommodate CA's new responsibilities as Central Authority under the Hague Convention on adoption. Detailed system requirements were written.

CA submitted the first Report to Congress on assistance for victims of crime. CA has made information on how to assist victims more widely available to posts by putting the Consular Assistance to Victims of Crime Resource Notebook on the CA Intranet. CA also conducted training sessions for consular officers, FSNs and consular agents on assistance to victims of crime. The Family Notification Act requires State to take actions to ensure that the USG provides the maximum releasable information to the relatives of American victims of killing, abduction, torture or other serious mistreatment abroad on an ongoing basis. CA took the lead in creating interagency and internal DOS guidance on the Family Notification Act. CA also coordinated with New York City officials and the Office of Foreign Missions to develop procedures for World Trade Center victims' relatives residing abroad to apply for expedited death certificates, using the good offices of our embassies, and prepared instructions for posts outlining New York's requirements and the resources available to victims and their families.

The Department continued to assist parents seeking the return of their children abducted abroad by the other parent and to encourage countries not yet parties to the Hague Abduction Convention to accede to it. CA and the Office of the Legal Adviser/Consular Affairs (L/CA) worked with the Permanent Bureau of the Hague Conference on Private and International Law to develop two sections ("Central Authority Practices" and "Implementing Measures") of a Good Practice Guide for states that are signatory to the Hague Abduction Convention. CA/OCS, in conjunction with the Bureau of Near Eastern Affairs (NEA) and other Department offices, initiated a review of abduction and custody cases involving Saudi Arabia, with the goal of identifying strategies and measures to resolve these difficult cases. The group has met with Saudi Embassy officials to seek resolution of cases. CA/OCS anticipates that procedures and policies developed in the context of Saudi cases will be applicable in other countries where Shari'a law prevails in family and custody issues. CA/OCS, in conjunction with NEA, L/CA, and Embassy Cairo, initiated discussions with Egypt on a proposed bilateral arrangement governing parental access to children by a left-behind parent.

CA discussed the proposed Hague Adoption Convention regulations with stakeholders and engaged in a comprehensive interagency clearance process preparatory to publishing the regulations for formal comment. In conjunction with the Immigration and Naturalization Service (INS), CA engaged in a review of current U.S. immigration regulations and procedures pertaining to the processing of orphan visas, and developed an "orphan first" pilot program. This program will address problems in specific countries as well as lay the foundation for implementation of new procedures under the Hague Adoption Convention.

Several significant countries became parties to the Hague Service and Evidence Conventions, notably the Russian Federation and Kuwait. The Russian Federation did not name a Central Authority, meaning that

U.S. litigants cannot request assistance from Russia using the Conventions; therefore, CA conveyed concerns about this issue to Russian authorities through the U.S. embassies in Moscow and The Hague, the Secretariat of the Hague Conference, and in a briefing, with the Russian Embassy in Washington. We also established a procedure with the Hague Conference for countries acceding to one of the Conventions to receive guidance about establishing a central authority. CA, after lengthy negotiations with the Department of Justice (DOJ) and the Embassy of Brazil, in February implemented new procedures for processing requests for judicial assistance from Brazil. DOJ now receives requests directly from the Embassy, without reference to the Department, which has greatly reduced processing times.

OCS made a concerted effort to encourage wider participation on the multilateral prisoner transfer treaties by foreign countries. The U.S. acceded to the Inter-American Convention on Prisoner Transfer, which is now in force in 9 countries. Seven more countries acceded to the Council of Europe Convention, which is in force in over 50 countries.

CA provided information about the consular notification and access requirementsof the Vienna Convention on Consular Relations and over 40 bilateral consular conventions at 15 law enforcement seminars and 20 meetings with state and local officials, and helped scores of foreign embassies with inquiries regarding detainees. CA worked with the Department of Justice (FBI and INS) and the Department of Defense (DOD) to address concerns raised under consular conventions by foreign embassies regarding foreign nationals detained in the aftermath of the September 11 terrorist attacks and the military action in Afghanistan. CA published a new edition of our pocket reference card on domestic compliance with the consular notification provisions. CA published an article on that topic in*Corrections Today*. CA distributed over 7,400 booklets, over 39,000 pocket reference cards, and over 350 videos on consular notification to law enforcement agencies around the country. CA outreach teams visited 8 cities to conduct briefings for Congressional staff, international student advisors, immigration lawyers, and other groups. CA participated in over 30 events ranging in topic from advice to Elder Hostel groups on foreign travel to visa briefings for business groups. CA issued 2 new brochures, *Tips for Women Traveling Alone* and *Advance Fee Business Scams*, and updated *A Safe Trip Abroad*.

CA completely revamped the Department's Voting Assistance Program. CA identified voting assistance officers (VAO) and FSN voting assistants at every post; provided a voting action plan that addressed supplies, training, resources and public outreach, and a voting calendar showing key dates and deadlines; initiated on-line training of all VAO and Assistants; worked with the DOD Federal Voting Assistance Program to plan dozens of workshops for embassy personnel and volunteers in the overseas American community; and set up a group e-mail list to facilitate communication. Working with Diplomatic Pouch management, GSA and the American Foreign Service Association (AFSA), CA helped justify an alternate private mail pouch address for VAO, worked around the anthrax-generated pouch delays that hampered delivery of voting supplies, and sent out a worldwide cable urging early voter registration.

As a result of anthrax in the Department's mail facility at Dulles, the delivery of federal benefits check shipments was restructured from September 2001 through June 2002. During this time, CA was in constant contact with the various paying agencies and our posts in an effort to arrange alternative means of getting the monthly checks to the overseas recipients.

***Strategic Objective:* Protect the Nation**

***Strategic Goal:* Homeland Security - Protect the homeland by strengthening international security regimes that govern flows of people, goods, and services between the United States and the rest of the world.**

Priority: Provide a travel document that meets or exceeds international standards.

Bureau Initiatives: A. Issue passports in a timely, professional, and secure manner. B. Redesign the U.S. passport to incorporate biometrics and other security devices. C. Digitally image passport records dating from 1994-1999, lookout files, and citizenship and loss of nationality files to make images as well as data available to consular offices worldwide. D. Obtain electronic access to Social Security Administration data and state vital records.

Bureau Indicators: A. Number of passport applications. B. Security enhancements developed and implemented. C. Passport management initiatives. D. Full checking of passport applications against SSA death records.

Progress (FY 2002): A total of 7.132 million passports were issued, slightly more than in FY 2001. Americans received their passports in a timely manner. Productivity rose 19.58% compared to 2001 due, in part, to centralizing the processing of routine applications at two "mega centers". The target for completing routine applications is 25 business days (5 business weeks). The backlog during the three busiest months (April-June) averaged 2.9 weeks, down from 3.1 weeks in 2001. Overtime hours worked were kept to a minimum. Average wait-times for in-person applications ranged from 15 to 32 minutes, a significant improvement over the FY 2001 range of 25 to 46 minutes. However, during peak periods, monthly average wait-times sometimes exceeded 1½ hours, albeit a notable improvement over those in FY 2001, which exceeded 2 hours. CA revised all passport-related forms to incorporate plain language and subject-specific Privacy Act statements. The forms are electronically accessible and can be filled-in and downloaded on-line. The Department of Health and Human Services/Department of State program for passport denial for child support arrearages resulted in collections of nearly $20 million in arrearages during FY 2002.

CA completed national deployment of the photo-digitized passport issuance system (TDIS-PD) in December 2001. All passports issued by the domestic passport agencies incorporate printed digital photographs and related security devices resulting in greatly improved passport security. In the four years since photo-digitization was introduced, the Department has not seen a single credible alteration or counterfeit of the new passport. In April, the Department shifted all but emergency passport issuance to the U.S. to take advantage of the photo-digitization technology. The ACS and Passport Services systems were modified to allow future direct, electronic transmission of passport data and photos from overseas posts to the National Passport Center (NPC) in New Hampshire.

CA partnered with the Social Security Administration and the National Association for Public Health Statistics and Information Systems in developing a program that will eventually provide on-line electronic verification of birth and death records and improve the accuracy and integrity of the citizenship and identity confirmation process. CA also played a key role in the establishment of worldwide minimum travel document security standards through the International Civil Aviation Organization and wrote the Standards for Travel Document Issuance procedures for the G-8 counterterrorism meetings.

As part of our Homeland Security initiatives, CA made the database of imaged passport applications (1999 to current) available worldwide and began digitally imaging older, archived passport applications so that images of applications and photos for all valid passports will be available on-line for use at passport agencies, posts, and possibly ports of entry. CA upgraded TDIS-PD to include CLASP software and a new Social Security matrix that assists in validating social security numbers and birth data provided by applicants. CLASP data is provided to INS and Customs for use at U.S. points of entry. All law enforcement lookouts were entered into the Passport Lookout Tracking System.

CA developed an internal controls compliance program to ensure that passport agencies promptly comply with Department of State Office of Inspector General recommendations. CA increased internal controls reviews of passport agencies to once every two years. CA held on-site training at all but three regional

passport agencies, covering a wide range of subjects including writing skills, interpersonal skills, and time management. CA presented a four-day workshop for Equal Employment Opportunity counselors and hosted three training workshops for line supervisors.

Priority: Manage legislatively mandated visa programs in which applicants are screened by trained officers using state-of-the-art technology, information, and management practices and receive highly secure, tamper-resistant travel documents.

Bureau Initiatives: A. Share data with law enforcement and intelligence agencies and reduce the risk of entry of aliens inimical to US interests by using all-source information to identify terrorists and criminals B. Improve management of consular operations, maximize technology, improve business practices, and ensure training of consular personnel.

Bureau Indicators: A. Visa process and security improvements. B. Name check enhancements. C. Development of a biometrics collection program for U.S. visas. D. Number of other agencies with access to the Consular Consolidated Database. E. Percentage of files stored electronically in accordance with the requirements of PL 107-173.

Progress (FY 2002): 608,133 immigrant visa (IV) and 8,367,861 nonimmigrant visa (NIV) cases were processed. Visa case numbers dropped from FY 2001 to FY 2002 due to post-9/11 concerns on the part of the traveling public, the worldwide economic downturn, and increased processing times needed for security clearances on visa applicants. The Border Biometric Program processed 1,920,000 Border Crossing Cards ("laser visas") during FY 2002. By the end of FY 2002, the demand for replacement cards declined precipitously. CA considers the BCC replacement program to have been mostly completed, but new cards are still being issued. Local card production began in Mexico City in April within parameters established with INS; over 40,000 BCCs were issued locally in Mexico City. The National Visa Center in New Hampshire (NVC) processed 433,278 IV petitions during the fiscal year, an increase from 364,837 in FY 2001. NVC also reviewed an additional 79,166 cases for the completeness of various supporting documents before sending the cases to consular sections abroad for action, an increase from 63,900 in FY 2001. And NVC enhanced border security by running approximately 1.1 million namechecks for various categories of immigrant and nonimmigrant visas. The Kentucky Consular Center (KCC) received 8.2 million applications for the DV-03 Diversity Visa "Lottery" program, of which 5.4 million were found to be qualified. About 10% of the qualified applications were opened to form a pool from which a total of 97,000 DV winners were selected. The winners are now in the process of being interviewed and adjudicated at posts around the world. KCC is expanding its operations to include support of NIV functions.

In the aftermath of the terrorist attacks of 9/11, coordination with other agencies increased. CA worked closely with the intelligence agencies and particularly with the DOJ and the FBI to double the size of the name check database used to screen visa applicants. Expanded categories of applicants are now screened by other agencies as part of the clearance process. The INS, which works with CA on the adjudication of immigrant visa petitions and petition-based nonimmigrant visa applications and whose officers at ports of entry determine whether and for how long visitors may be admitted to the U.S., now has access to the Consular Consolidated Database. CA worked with INS to strengthen the tracking of students and other foreigners. CA participated in numerous homeland security projects with other agencies.

CA implemented many changes in FY 2002 in order to improve U.S. border security:

- Tightened visa interview requirements for nationals of state sponsors of terrorism.
- Introduced the new Lincoln NIV, which contains major enhancements to prevent alteration and duplication.
- Added more security checks for certain groups of visa applicants from certain countries.

DIPLOMATIC & CONSULAR PROGRAMS

- Sought and obtained a broadened definition of terrorism for visa denial purposes.
- Implemented a supplemental visa application form for all men aged 16 to 45 from every country in the world.
- Continued to expand entries to our Foreign Lost and Stolen Passport Database and expanded electronic sharing of this information with U.S. ports of entry.
- Launched the Interim Student and Exchange Authentication System, which provides for the electronic verification of foreign students and exchange visitors who apply to enter the U.S.
- Released an update of the NIV software, which incorporates imaging of serious visa refusals into the Consular Consolidated Database (CCD).
- Provided the National Institute of Standards and Technology with over a million photographs of visa applicants for use in their facial recognition evaluation tests and continued work on biometric identifier standards and electronic systems.
- Prohibited the automatic revalidation of expired visas and re-entry of any alien who has a pending application for a new visa filed while outside the U.S., preventing those aliens who are now subject to enhanced security procedures from re-entering the country before the completion of security checks.
- Incorporated over 7 million records from the FBI's National Crime Information Center (NCIC) into the Consular Lookout and Support System (CLASS) namecheck database, nearly doubling the size of CLASS to 13 million records.
- Received into CLASS a threefold increase in namecheck records from the intelligence community (through the Bureau of Intelligence and Research's TIPOFF office).
- Implemented a training program for consular officers to better understand the CLASS system, especially linguistically-based namecheck returns, and expanded intranet resources to assist officers in reading entry/exit cachets in Arabic or Persian script.
- Provided access to the CCD to consular officers worldwide, as well as to INS ports of entry and other USG users.
- Commenced a pilot program with the Virginia Department of Motor Vehicles to share information on fraudulent foreign documents submitted in support of drivers license applications.
- Developed a more secure way of canceling machine-readable visas to deter "visa washing."
- Engaged in ongoing discussions with Mexico and Canada about greater cooperation on immigration, security, and visa issues.
- Instructed all posts to conduct a comprehensive review of consular management controls.
- Approved an Entry-Exit Project Charter, drafted jointly with INS, Customs, and the Department of Transportation, that sets the parameters for an automated system to record the arrivals, departures, and stay activities of individuals coming to and leaving the U.S.
- Commenced programs to increase document fraud training for Diplomatic Security (DS) agents, and with the Social Security Administration (SSA) to improve document fraud training for SSA special investigators.
- Compiled a "Law Enforcement Package" that DS field offices, Passport Agencies, or other DOS offices may provide to state and local law enforcement contacts or to banks or other businesses requesting general guidance on assessing U.S. visas and passports as identity documents.
- Began participation in the EU fraudulent documents working group, sharing information on smuggling trends, fraud patterns and document fixers.

CA's fraud prevention office issued 41 Alert Bulletins to 700 addressees, 26 Fraud Examiner e-weeklys to 71 addressees, and 8 Fraud Digests to 1350 addressees. The Fraud Digests and other anti-fraud reports are also posted on the Intranet. CA trained 525 Department personnel in fraud prevention courses/classes. CA also funded 7 of the 27 DS Assistant Regional Security Officer positions overseas that have consular fraud portfolios.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Consular Affairs	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	249	0	0	249	$18,551	$27,385	$45,936
FY 2003 Estimate	16	0	0	16	$573	$1,810	$2,383
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$1	$13	$14
American Cost of Living Adjustment	0	0	0	0	$2	$31	$33
Domestic Price	0	0	0	0	$8	$0	$8
Total Built-in Changes	0	0	0	0	$11	$44	$55
FY 2004 Current Services	16	0	0	16	$584	$1,854	$2,438
FY 2004 Request	16	0	0	16	$584	$1,854	$2,438

Note: In accordance with the FY 2003 President's Budget request, 233 Consular Affairs positions and $100,000,000 in consular operating expenses were shifted from the D&CP appropriation to funding by MRV fees in FY 2003. The summary tables for the Bureau of Consular Affairs reflect the shift of the 233 positions and $45,000,000 of the consular operating expenses in FY 2003 and FY 2004. The remaining $55,000,000 in consular operating expenses is reflected in the totals for each of the Regional Bureaus.

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Consular Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	**233**	**0**	**0**	**0**
Domestic Passport Services	70	0	0	0
Overseas Visa Services	40	0	0	0
Overseas Citizens Services	65	0	0	0
Overseas Consular Management	58	0	0	0
Total	249	16	16	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Consular Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$2,001**	**$2,383**	**$2,110**	**($273)**
Bureau Direction	$998	$1,192	$1,052	($140)
Public Affairs	$1,003	$1,191	$1,058	($133)
Conduct of Consular Relations	**$43,935**	**$0**	**$328**	**$328**
Domestic Passport Services	$11,229	$0	$63	$63
Overseas Visa Services	$12,439	$0	$144	$144
Overseas Citizens Services	$9,169	$0	$36	$36
Overseas Consular Management	$11,098	$0	$85	$85
Total	$45,936	$2,383	$2,438	$55

FY 2004 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**	**$256**	**$1,854**	**$2,110**
Bureau Direction	8	0	0	8	$125	$927	$1,052
Public Affairs	8	0	0	8	$131	$927	$1,058
Conduct of Consular Relations	**0**	**0**	**0**	**0**	**$328**	**$0**	**$328**
Domestic Passport Services	0	0	0	0	$63	$0	$63
Overseas Visa Services	0	0	0	0	$144	$0	$144
Overseas Citizens Services	0	0	0	0	$36	$0	$36
Overseas Consular Management	0	0	0	0	$85	$0	$85
Total	16	0	0	16	$584	$1,854	$2,438

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Consular Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	58	0	0	0
Deputy Assistant Secretary for Passport Services	70	0	0	0
Deputy Assistant Secretary for Visa Services	40	0	0	0
Deputy Assistant Secretary for Overseas Citizens Services	65	0	0	0
Total	249	16	16	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Consular Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Consular Affairs	$998	$1,191	$1,219	$28
Public Affairs and Policy Coordination	$1,004	$1,192	$1,219	$27
Office of the Executive Director	$11,098	$0	$0	$0
Deputy Assistant Secretary for Passport Services	$11,229	$0	$0	$0
Deputy Assistant Secretary for Visa Services	$12,439	$0	$0	$0
Deputy Assistant Secretary for Overseas Citizens Services	$9,168	$0	$0	$0
Total	$45,936	$2,383	$2,438	$55

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Consular Affairs		FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$22,583	$1,358	$1,391	$33
1200	Personnel Benefits	$7,089	$452	$463	$11
2100	Travel & Trans of Persons	$688	$0	$0	$0
2200	Transportation of Things	$93	$0	$0	$0
2300	Rents, Comm & Utilities	$2,975	$573	$584	$11
2400	Printing & Reproduction	$930	$0	$0	$0
2500	Other Services	$9,998	$0	$0	$0
2600	Supplies and Materials	$706	$0	$0	$0
3100	Personal Property	$744	$0	$0	$0
3300	Investments and Loans	$130	$0	$0	$0
Total		$45,936	$2,383	$2,438	$55

FY 2004 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 2002 Actual	1,026	0	0	1,026	$229,693	$55,551	$285,244
FY 2003 Estimate	1,271	0	0	1,271	$308,639	$82,667	$391,306
FY 2004 Current Services	1,271	0	0	1,271	$308,639	$82,667	$391,306
FY 2004 Program Changes							
FY 2004 Border Security OMB Budget Request	45	0	0	45	$86,755	$4,610	$91,365
Total Program Changes	45	0	0	45	$86,755	$4,610	$91,365
FY 2004 Request	1,316	0	0	1,316	$395,394	$87,277	$482,671

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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 2002 Actual	0	0	0	0	$350	$0	$350
FY 2003 Estimate	0	0	0	0	$850	$0	$850
FY 2004 Current Services	0	0	0	0	$850	$0	$850
FY 2004 Request	0	0	0	0	$850	$0	$850

FY 2004 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 2002 Actual	0	0	0	0	$4,200	$0	$4,200
FY 2003 Estimate	0	0	0	0	$4,400	$0	$4,400
FY 2004 Current Services	0	0	0	0	$4,400	$0	$4,400
FY 2004 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, 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 the President's Management Agenda (PMA) and other administration initiatives and interagency coordination. The Under Secretary has direct line responsibility for several bureaus and related offices (i.e.., Administration, Consular Affairs, Diplomatic Security, Human Resources, Information Resource Management, the Foreign Service Institute, and Overseas Buildings Operations) and works closely and coordinates with the Bureau for Resource Management.

M's FY 2003 and 2004 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 sufficient numbers of new employees to overcome staffing shortages (the Diplomatic Readiness Initiative), to train them properly, and to retain talented employees.

STRATEGIC OBJECTIVES & GOALS

***Strategic Objective*: Strengthen Diplomatic and Program Capabilities**

***Strategic Goal*: Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

The Under Secretary for Management pursues five major areas of focus: (1) People, (2) Security, (3) Technology, (4) Facilities, and (5) Management Improvements.

People – Hiring, developing, and retaining the best

This focus area meshes with the PMA initiatives on strategic management of human capital and competitive sourcing.

We will continue the Secretary's Diplomatic Readiness Initiative (DRI) and follow-on Workforce Management Initiatives. This will ensure that we have sufficient personnel with the right skills to deal with today's and tomorrow's foreign policy challenges. The Department of State completed record hiring in FY 2002, a total of 1,780 employees (1147 Foreign Service and 663 Civil Service). We have also completed Phase One of the Domestic Staffing Model, a major milestone in State workforce planning. Under the DRI, we plan to hire 400 over attrition in FY 2003 and FY 2004 to fill gaps, create a "training float," and build sufficient bench strength for crisis management.

We will work with OMB and other USG agencies to align the number and location of staff assigned overseas with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff at a given embassy or consulate. (PMA initiative on rightsizing)

DIPLOMATIC & CONSULAR PROGRAMS

We will focus on building a management culture, providing career-long training, and ensuring quality of life.

We need to expand the capacity of the National Foreign Affairs Training Center, which is operating at full capacity now. We have instituted mandatory leadership and management training. Consistent with our efforts to strengthen Homeland Security, we will expand and institutionalize core training, including for consular personnel.

When appropriate, we will ensure that, whatever the source, State "commercial" activities are carried out so that the US Government gets the best possible service at the best possible price. (PMA initiative on Competitive Sourcing)

Security – Protecting our diplomatic workforce and Americans abroad

We will improve Homeland Security by targeted investments in automated systems, biometrics collection, interagency data sharing, new travel documents, and the people and contract support we need to make these objectives a reality. We will continue to strengthen the visa adjudication process.

We are in the process of training personnel in the use of chemical/biological escape masks and delivering them to Near Eastern Affairs and South Asian Affairs posts.

As part of the implementation of security countermeasures, we are upgrading technical security at posts around the world.

We will participate in security arrangements related to Americans' participation in the Athens 2004 Olympic Games.

Technology – Enhancing information management

This area of focus supports the PMA initiative on expanding electronic government.

We have connected most State users to the OpenNet Plus network, putting a modern Sensitive but Unclassified system with Internet access on every desktop. We will complete OpenNet Plus deployment by mid-FY 2003. We are also in the process of giving every post classified connectivity and email by FY 2004.

IT security is our top priority. All systems will be certified and accredited by the end of FY 2004.

We are developing the State Messaging and Archive Retrieval Tool (SMART), which when deployed as a new messaging system will replace the antiquated cable system State has used since World War II.

As mentioned above, we will continue to expand our use of automated systems and data sharing with other agencies. For example, the Consular Lookout and Support System (CLASS) has doubled its database in order to screen more effectively visa applicants.

Facilities – Providing a secure and safe working environment

We are aggressively addressing the long-standing issue of insecure, unsafe, and outdated facilities in which most U.S.G. employees overseas work. We obligated over $1billion in FY 2002 for 13 New Embassy Compounds, 62 major rehabilitation projects, and numerous security upgrades - a 56% increase over the previous high in FY 2001.

DIPLOMATIC & CONSULAR PROGRAMS

With the support of the Congress, we will implement a Capital Security Cost Sharing program. It will allocate to USG agencies a share of the cost of building the overseas facilities they need to do their work. (Currently, the Department of State pays these costs.) This will encourage all USG agencies with staff overseas to take the capital cost of maintaining staff into account when considering placing staff overseas. Our proposed mechanism will be based on each agency's authorized staffing levels (including locally-hired personnel), so agencies will consider these marginal costs when considering overseas staffing requirements.

We will carry out the Long Range Overseas Building Plan establishing construction and rehabilitation priorities over a six-year timeframe.

We reopened the U.S. Embassy in Kabul, Afghanistan, under exceptionally difficult wartime circumstances.

We are developing the Frankfurt, Germany "Creekbed" site (a former Department of Defense hospital) as a major consolidated regional center. This will support the ongoing OMB-led "rightsizing" initiative.

We are constructing a new USUN mission building in New York City to replace the seriously outdated existing facility. This includes relocating USUN staff to temporary space, and funding security and above-standard construction for the new building.

We are continuing the ongoing renovation of the 40-year old Harry S Truman Building and other domestic facilities.

Consistent with the Department's Critical Infrastructure Program, we are establishing a second processing site for CLASS, which is a mission-critical system.

Management Improvements – Improving management effectiveness

We reorganized overseas financial operations, centralizing management at the Financial Services Center in Charleston, South Carolina.

We implemented a Cost of Service study that established new consular fees. Fees were set at levels designed to recover the full cost of providing consular services.

The Under Secretary for Management is also the Department's representative on the President's Management Council, and directs Department of State efforts to implement the PMA. The PMA has five government-wide initiatives: the strategic use of human capital; competitive sourcing; the expanded use of E-Government; improved financial performance; and budget and performance integration. It also has a number of other special initiatives, including the one on rightsizing the USG's overseas presence. M's areas of focus and the work of the bureaus for which he has direct line responsibility directly support the PMA initiatives, as previously noted.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Under Secretary for Management	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	26	0	0	26	$1,957	$4,125	$6,082
FY 2003 Estimate	26	0	0	26	$1,604	$4,245	$5,849
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$1	$30	$31
American Cost of Living Adjustment	0	0	0	0	$5	$72	$77
Domestic Price	0	0	0	0	$55	$0	$55
Total Built-in Changes	0	0	0	0	$61	$102	$163
FY 2004 Current Services	26	0	0	26	$1,665	$4,347	$6,012
FY 2004 Request	26	0	0	26	$1,665	$4,347	$6,012

STAFF BY PROGRAM ACTIVITY
(positions)

Under Secretary for Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**26**	**26**	**26**	**0**
Department Direction	26	26	26	0
Total	26	26	26	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Under Secretary for Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$5,871**	**$5,634**	**$5,777**	**$143**
Department Direction	$5,871	$5,634	$5,777	$143
Information Resource Management	**$211**	**$215**	**$235**	**$20**
Infrastructure Systems	$86	$90	$90	$0
Voice Communications Programs	$86	$90	$90	$0
Office Automation	$125	$125	$145	$20
Other Office Automation	$125	$125	$145	$20
Total	$6,082	$5,849	$6,012	$163

FY 2004 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	**26**	**0**	**0**	**26**	**$1,430**	**$4,347**	**$5,777**
Department Direction	26	0	0	26	$1,430	$4,347	$5,777
Information Resource Management	**0**	**0**	**0**	**0**	**$235**	**$0**	**$235**
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	$145	$0	$145
Other Office Automation	0	0	0	0	$145	$0	$145
Total	26	0	0	26	$1,665	$4,347	$6,012

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Under Secretary for Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Under Secretary for Management	14	14	14	0
White House Liaison	4	4	4	0
Management Policy and Planning	8	8	8	0
E-Diplomacy	0	0	0	0
Total	26	26	26	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Under Secretary for Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Under Secretary for Management	$3,735	$3,680	$3,724	$44
White House Liaison	$470	$415	$438	$23
Management Policy and Planning	$1,455	$1,474	$1,528	$54
E-Diplomacy	$422	$280	$322	$42
Total	$6,082	$5,849	$6,012	$163

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Under Secretary for Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$3,399	$3,474	$3,582	$108
1200	Personnel Benefits	$1,041	$1,069	$1,097	$28
2100	Travel & Trans of Persons	$151	$180	$201	$21
2300	Rents, Comm & Utilities	$162	$160	$163	$3
2400	Printing & Reproduction	$14	$17	$20	$3
2500	Other Services	$611	$450	$467	$17
2600	Supplies and Materials	$22	$25	$26	$1
3100	Personal Property	$682	$474	$456	($18)
4100	Grants, Subsidies & Contrb	$0	$0	$0	$0
Total		$6,082	$5,849	$6,012	$163

DIPLOMATIC & CONSULAR PROGRAMS

Resource Management

OVERVIEW STATEMENT

The Bureau of Resource Management (RM) administers and oversees the Department's financial planning, management, and budgeting infrastructure. Core activities include strategic planning, budget formulation and execution for U.S. foreign assistance programs and for State Department programs and operations, financial reporting, accounting, payroll, and the delivery of shared administrative services to other U.S. government agencies at posts overseas. Financial Service Centers located in Bangkok, Paris, and Charleston, South Carolina provide critical support to the financial needs of approximately 260 posts and more than 250 serviced U.S. government agencies.

RM aims to provide world class financial services by leveraging best business practices and electronic technologies. RM is in the process of integrating worldwide financial management systems that meet Federal financial systems requirements. Implementation of a new Global Financial Management System (GFMS) is one of the key priorities for FY 2003 and FY 2004. The Bureau will have consolidated most domestic financial operations in Charleston, South Carolina by 2006, fully leveraging the implementation of the worldwide system. While modernizing financial management systems and consolidating financial operations, RM is adopting new technologies to improve and reengineer business processes.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Strengthen Diplomatic and Program Capabilities.**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Priority #1) World-Class Budgeting and Financial Service

Bureau Initiatives: Improve data collection and analyses and integration of all Foreign Assistance appropriations and accounts for the Department of State and other agencies. Integrate and align the Department of State strategic planning, budgeting, performance planning, and execution activities. Integrate worldwide financial management systems that meet Federal financial systems requirements. Produce on-time, accurate and useful financial statements and accountability reports. Resolve material and other management (and internal) control weaknesses. Streamline and integrate financial operations.

Bureau Indicators: 1) State Department budgets fully integrate performance plan information. 2) Central Financial Planning System developed and implemented. 3) Department of State and other agencies input budget requests directly into an International Affairs Database. 4) Integration of planning, budgeting and performance activities. 5) Automated Mission Performance Plan and Bureau Performance Plan processes. 6) State and USAID Strategic Planning Integration. 7) Budget and Performance Integration Presidents Management Agenda Rating. 8) President's Management Agenda – Improved Financial Performance/Meet Federal Financial Management Improvement Act Standards/No Federal Managers Financial Integrity Act Material Weaknesses or Non-Compliance. 9) Annual Accountability and Performance Reports issued on-time and receives Certificate of Excellence in Accountability Reporting (CEAR). 10) On-time interim financial statements. 11) On-time annual financial statements that receive an unqualified opinion. 12) Material weaknesses and reportable conditions cited in Independent Auditor's Report eliminated. 13) Department financial services consolidated on schedule.

Progress (FY 2002):
Budget and Performance Integration: The Department reorganized and consolidated its budget and strategic planning functions into one new Resource Management Bureau to improve coordination and achieve greater effectiveness. Significant progress has been made in linking resources in planning and budgeting to achieve strategic and performance goals. Specifically, the Department has restructured the FY 2004 Performance Plan to better convey the linkages among policy priorities, budgetary decisions, and program outcomes. The Department has also worked closely with OMB to evaluate program effectiveness using the Program Assessment Rating Tool (PART) and is working to improve program manager accountability by incorporating PART elements into existing planning and budgeting processes. Efforts are underway to further automate the Mission and Bureau Performance Plan processes to streamline performance information with direct linkage to resources.

Improved Financial Performance: 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. At the end of FY 2002, 26% of overseas posts had been successfully converted to RFMS. At the end of the calendar year, RFMS conversions were ahead of schedule with 64 posts having been converted. By February 2003, fifty percent of overseas embassies financial processing will be converted to RFMS.

Expanding the use of the state-of-the-art software tools for Temporary Duty (TDY) travel, management both domestically and overseas has increased the efficiency of travel authorization and voucher processing. At the end of FY 2002, 92% of domestic bureaus had been upgraded to the new Travel Manager software product. The overseas deployment and training program for Travel Manager began in July 2002. By the end of the fiscal year, 12% of overseas posts had received training. In addition, efficiencies have been achieved in the areas of purchasing, processing payments, issuing travel authorizations, and processing travel vouchers.

Charleston Financial Services Complex: In support of the planned consolidation to Charleston of financial services for all overseas posts, the second Charleston Financial Services Complex building was occupied in April 2002. The consolidation of FSC Paris has been partially achieved with domestic operations and related staffing transfers. The third building at the complex will be ready for occupancy by April 2004.

Department of State and USAID Integration: The Department of State and USAID plan to integrate the two agencies' strategic plans into one consolidated (FY 2004-2009) plan to ensure collaboration on policy and management issues. A new Central Financial Planning System will be developed and implemented to track and verify actual performance data and link it to Department-wide financial resources.

Strategically Managed Human Capital: The Bureau of Resource Management continues to participate in and support Department-wide Financial Management Officers' (FMO) professional development by subsidizing attendance at financial management conferences, workshops, and other training activities. The Bureau also hosted its seventh annual interagency conference in Charleston, South Carolina to resolve financial management issues involving disbursing, accounting, payroll and other activities.

Priority #2) Critical Infrastructure Protection (CIP)

Bureau Initiatives: Establish a formal Department-wide Critical Infrastructure Protection (CIP) Program to be managed over a multi-year planning period that is aligned with the Department's budget and planning process to achieve the CIP objectives of Presidential Decision Directives (PDD-63) for our domestic and overseas operations. Develop a CIP remediation plan for the Department's Tier 1-4 CIP related vulnerabilities. Re-establish the CIP Governance Board.

DIPLOMATIC & CONSULAR PROGRAMS

Bureau Indicators: 1) Olney Alternate Communications Facility reached Initial Operating Capability (IOC) of 50% in FY 2003 and 100% in FY 2004 of the Beltsville Information Management Center redundant circuits installed and operational. 2) Prepare and execute exercise of Olney FEMA Federal Support Center capabilities. 3) All Tier 1 vulnerabilities progress to green in FY 2003 and all Tier 2 and 3 vulnerabilities progress to yellow and 50% of Tier 4 vulnerabilities progress to yellow in FY 2004. Department-wide CIP vulnerabilities status to remediation to be all green in FY 2005.

Progress (FY 2002): Beltsville Information Management Center (BIMC) critical infrastructure protection vulnerability assesment review was conducted. Space was leased in the FEMA Federal Support Center for BIMC redundant communications facility and a program plan was developed and work on the alternate communications facility started.

FY 2004 Request

SUMMARY STATEMENT

Bureau of Resource Management	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	395	0	0	395	$59,878	$26,393	$86,271
FY 2003 Estimate	402	0	0	402	$74,801	$27,791	$102,592
FY 2004 Built-in Changes							
Charleston Financial Services Center	0	0	0	0	($23,305)	$0	($23,305)
2003 American Cost of Living Adjustments	0	0	0	0	$9	$197	$206
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$177	$177
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$92	$92
American Cost of Living Adjustment	0	0	0	0	$52	$463	$515
FSN Wage	0	0	0	0	$196	$0	$196
Overseas Inflation	0	0	0	0	$148	$0	$148
Domestic Price	0	0	0	0	$817	$0	$817
Total Built-in Changes	0	0	0	0	($22,083)	$929	($21,154)
FY 2004 Current Services	402	0	0	402	$52,718	$28,720	$81,438
FY 2004 Request	402	0	0	402	$52,718	$28,720	$81,438

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	**30**	**30**	**30**	**0**
Overseas Financial Services	30	30	30	0
Domestic Administrative Support	**316**	**323**	**323**	**0**
Domestic Administrative Management	27	27	27	0
Domestic Financial Services	284	291	291	0
Domestic Personnel Services	5	5	5	0
Total	395	402	402	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$3,761**	**$5,803**	**$4,283**	**($1,520)**
Bureau Direction	$3,761	$5,803	$4,283	($1,520)
Information Resource Management	**$17,286**	**$22,330**	**$18,058**	**($4,272)**
Infrastructure Systems	$136	$167	$148	($19)
Diplomatic Pouch and Mail	$136	$167	$148	($19)
Corporate Information Systems and Services	$17,150	$22,163	$17,910	($4,253)
Financial Systems	$17,150	$22,163	$17,910	($4,253)
Overseas Administrative Support	**$31,557**	**$30,451**	**$24,067**	**($6,384)**
Overseas Administrative Management	$0	$269	$190	($79)
Overseas Financial Services	$14,018	$10,223	$7,839	($2,384)
International Cooperative Administrative Support Services (ICASS)	$17,539	$19,959	$16,038	($3,921)
Domestic Administrative Support	**$33,667**	**$44,008**	**$35,030**	**($8,978)**
Domestic Administrative Management	$5,524	$6,122	$4,867	($1,255)
Domestic Financial Services	$27,606	$37,321	$29,691	($7,630)
Domestic Personnel Services	$537	$565	$472	($93)
Total	$86,271	$102,592	$81,438	($21,154)

FY 2004 Request

PROGRAM ACTIVITIES

Bureau of Resource Management	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**	**$3,724**	**$559**	**$4,283**
Bureau Direction	9	0	0	9	$3,724	$559	$4,283
Information Resource Management	**40**	**0**	**0**	**40**	**$11,046**	**$7,012**	**$18,058**
Infrastructure Systems	2	0	0	2	$57	$91	$148
Diplomatic Pouch and Mail	2	0	0	2	$57	$91	$148
Corporate Information Systems and Services	38	0	0	38	$10,989	$6,921	$17,910
Financial Systems	38	0	0	38	$10,989	$6,921	$17,910
Overseas Administrative Support	**30**	**0**	**0**	**30**	**$16,231**	**$7,836**	**$24,067**
Overseas Administrative Management	0	0	0	0	$190	$0	$190
Overseas Financial Services	30	0	0	30	$5,951	$1,888	$7,839
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	$10,090	$5,948	$16,038
Domestic Administrative Support	**323**	**0**	**0**	**323**	**$21,717**	**$13,313**	**$35,030**
Domestic Administrative Management	27	0	0	27	$3,200	$1,667	$4,867
Domestic Financial Services	291	0	0	291	$18,269	$11,422	$29,691
Domestic Personnel Services	5	0	0	5	$248	$224	$472
Total	402	0	0	402	$52,718	$28,720	$81,438

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Chief Financial Officer (Comptroller)	9	9	9	0
Executive Office	30	30	30	0
Financial Management Services Directorate	26	26	26	0
Deputy Assistant Secretary for Budget & Planning	42	49	49	0
Deputy Chief Financial Officer/Deputy Assistant Secretary for Financial Services	38	38	38	0
Domestic Financial Services Directorate	207	152	152	0
International Financial Services Directorate	22	22	22	0
FSC Charleston, South Carolina	0	40	40	0
Intelligence Resource Planning	6	6	6	0
Deputy Assistant Secretary for Strategic and Program Planning	7	14	14	0
Deputy Assistant Secretary for Foreign Assistance Programs and Budget	8	16	16	0
Total	395	402	402	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Chief Financial Officer (Comptroller)	$1,414	$1,472	$1,900	$428
Executive Office	$9,831	$10,135	$10,164	$29
Financial Management Services Directorate	$10,810	$11,604	$13,092	$1,488
Deputy Assistant Secretary for Budget & Planning	$4,159	$4,440	$5,151	$711
Deputy Chief Financial Officer/Deputy Assistant Secretary for Financial Services	$19,679	$35,425	$15,314	($20,111)
Domestic Financial Services Directorate	$19,832	$16,077	$12,595	($3,482)
International Financial Services Directorate	$2,404	$2,166	$2,510	$344
FSC Charleston, South Carolina	$6,386	$11,289	$12,633	$1,344
Intelligence Resource Planning	$925	$640	$1,075	$435
Deputy Assistant Secretary for Strategic and Program Planning	$97	$1,197	$1,473	$276
Deputy Assistant Secretary for Foreign Assistance Programs and Budget	$227	$1,434	$1,745	$311
Total	$75,764	$95,879	$77,652	($18,227)

FUNDS BY POST
($ in thousands)

Bureau of Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
FSC Bangkok	$3,365	$2,560	$2,560	$0
FSC Paris	$7,142	$4,153	$1,226	($2,927)
Total	$10,507	$6,713	$3,786	($2,927)

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$30,061	$28,017	$28,540	$523
1200	Personnel Benefits	$11,322	$11,675	$12,061	$386
2100	Travel & Trans of Persons	$2,308	$2,372	$2,368	($4)
2200	Transportation of Things	$655	$790	$789	($1)
2300	Rents, Comm & Utilities	$5,321	$5,166	$5,157	($9)
2400	Printing & Reproduction	$680	$751	$750	($1)
2500	Other Services	$26,160	$47,983	$25,945	($22,038)
2600	Supplies and Materials	$1,461	$1,581	$1,578	($3)
3100	Personal Property	$8,303	$4,257	$4,250	($7)
Total		$86,271	$102,592	$81,438	($21,154)

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.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: Strengthen Diplomatic and Program Capabilities

Strategic Goal: Management and Organizational Excellence-Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.

Bureau Priority #1) Getting the right people in the right place at the right time with the right skills. Optimize size, distribution and configuration of the Department's human resources in response to the priorities of the Secretary.

Bureau Initiatives: Utilize effective overseas service incentives for most difficult to staff posts. Gain "personnel complement" to have enough staff to send more employees to training before taking a position requiring language and other skills. Finalize comprehensive workforce planning strategy to accurately identify workforce needs at all levels. Assess benefits for locally employed staff.

Bureau Indicators: Number of hard-to-fill and unfilled positions. Positions for which language and other training requirements not met.

Progress (FY 2002): Hired to higher targets in first year of Diplomatic Readiness Initiative to begin creating ability to train more people. Expanded overseas service incentives for most difficult to staff posts and for the acquisition and use of hard languages. Completed first phase of a domestic staffing model that is the last part of a comprehensive workforce plan; revalidated Overseas Staffing Model. Implemented stronger Fair Share Bid program to increase bids on hardship posts and distribute burden more fairly; assigned Fair Share bidders first and assigned hardship posts first. Continued a Service Need Differential program to encourage longer tours at hardship posts; expanded to additional posts. Established hardship staffing working group to develop proposals.

Bureau Priority #2) Career Development: Leadership and Management Development in order to prepare for 21st century diplomacy and for meeting management needs during coming retirement surge

Bureau Initiatives: Design career-long approach to leadership and management development for all employees. 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. 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 (LDCI). Gain "personnel complement" so that more employees can take time for training without diminishing our ability to carry out the mission. Condition more management positions on demonstrated managerial excellence.

Bureau Indicators: Enrollment in management training and career development initiatives. Additional hiring. Number of bureaus receiving LCDI training.

Progress (FY 2002): Worked with FSI to develop the first Civil Service Training Continuum to enhance the performance of Civil Service employees through career development planning. Presented 21 hands-on workshops for Leadership Competencies Development Initiative bureau participants to help them develop Individual Development Plans. Initiated mandatory leadership and management training initiative for all mid-level employees, Foreign and Civil Service. Assigned employees to training before next assignment, filling all available training sessions. Planned full roll-out for FY 2003 to train all mid-level employees in four years. Continued to be Federal Government's largest employer of Presidential Management Interns who are expected to move into management positions. Hired entry-level civil service employees who will be trained for long-term career in Department in several deficit skill areas. Began a pilot Civil Service Mentoring Program with local Consular Affairs employees and Department-wide mentors. Increased junior officer training.

Bureau Priority #3) Recruit new employees in adequate numbers and with requisite skills to meet the challenges which State will face in the opening years of the new century, ensuring that the next generation of our workforce is representative of America's diversity.

Bureau Initiatives: Hire 1158 additional employees over attrition between FY 2002 through FY 2004 to meet immediate diplomatic readiness needs. Expand recruitment outreach to attract large, diverse talent pool. Increase minority recruitment and hiring. Effectively use Serrano Scholars and Howard University Programs for recruitment. Increase recruitment advertising efforts overall. Reduce time delays in hiring process. Begin Student Loan Repayment incentive for Foreign and Civil Service employees who make a service commitment. Hire entry-level civil service employees and cultivate for long-term career in Department. Address Civil Service hiring process delays.

Bureau Indicators: Number and rate of hiring versus targets overall and skill targets. Percentage of minorities taking Foreign Service Written Exam. HR resources and Infrastructure to manage additional hiring.

Progress (FY 2002): Met FY 2002 hiring targets; overall hired 1200 Foreign Service employees, 700 Civil Service employees; hired 900 over attrition. In FY 2002, 31,000 people took the Foreign Service Written Examination (FSWE) as compared to 13,000 in FY 2001 and 8000 in FY 2000. Increased interest in traditionally deficit areas of consular and administration through targeted outreach. More than doubled minority participation and success in both the FSWE and oral assessment. Generated pipeline in critical Specialist areas. Hired Serrano Scholar interns to expand outreach in Hispanic community and worked with Howard University on outreach and career preparation. 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; process reduced from 27 months to 10. Hired 40 employees under the Civil Service Career Entry Program. Hired more than 60 new Presidential Management Interns. Completed study of Civil Service hiring process; in FY 2003 will develop approaches to improve process. Initiated Student Loan Repayment Program, the largest and most ambitious in the Federal government. Increased percentage of paid internships to 20% to expand opportunities and increase interest in the Department.

DIPLOMATIC & CONSULAR PROGRAMS

Bureau Priority #4): 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. Improve opportunities for family members and dual-career couples.

Bureau Initiatives: Expand Mexico City pilot spousal employment effort to more posts. Provide adequate compensation to attract and retain qualified locally employed staff.

Bureau Indicators: Bilateral work agreements. Spousal employment network programs (SNAP) at posts.

*Progress (FY 2002):*Expanded SNAP program to 10 posts. Finalized plans for off-shore retirement fund for FSNs in locations where local retirement systems are inadequate. Completed the development phase of Computer Aided Job Evaluation, started the training and implementation planning phases. Established spousal employment working group to develop proposals.

Bureau Priority #5) 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.

Bureau Initiatives: Provide childcare tuition assistance. Provide health units to posts without services now. Develop plan for comprehensive occupational health program. Support Community Liaison Officers overseas. Provide emergency visitation travel and LifeCare referral services.

Bureau Indicators: Availability of childcare. Availability of health services.

Progress (FY 2002): Provided support to families in 24 evacuations of 18 posts, totaling almost 1,500 people overall. Increased the percentage ratio of childcare subsidies available to qualified lower income employees. Developed online retirement benefit calculator and automated phone access for retirees. Opened new overseas health units. Trained a record 72 percent of the Community Liaison Office coordinator corps.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Human Resources	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	427	0	0	427	$60,250	$47,905	$108,155
FY 2003 Estimate	434	0	0	434	$59,278	$50,026	$109,304
FY 2004 Built-in Changes							
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$92	$92
2003 American Cost of Living Adjustments	0	0	0	0	$16	$354	$370
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$177	$177
American Cost of Living Adjustment	0	0	0	0	$89	$840	$929
Domestic Price	0	0	0	0	$827	$0	$827
Workers Compensation	0	0	0	0	$566	$0	$566
Total Built-in Changes	0	0	0	0	$1,498	$1,463	$2,961
FY 2004 Current Services	434	0	0	434	$60,776	$51,489	$112,265
FY 2004 Request	434	0	0	434	$60,776	$51,489	$112,265

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Human Resources	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**31**	**31**	**31**	**0**
Bureau Direction	31	31	31	0
Information Resource Management	**27**	**27**	**27**	**0**
Corporate Information Systems and Services	27	27	27	0
Administrative Systems	9	9	9	0
Information Services	18	18	18	0
Overseas Administrative Support	**23**	**23**	**23**	**0**
Overseas Personnel Services	23	23	23	0
Domestic Administrative Support	**346**	**353**	**353**	**0**
Domestic Administrative Management	5	5	5	0
Domestic Financial Services	6	6	6	0
Domestic Personnel Services	332	339	339	0
Domestic General Services	3	3	3	0
Other Domestic General Services	3	3	3	0
Total	427	434	434	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Human Resources	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$6,388**	**$6,588**	**$8,976**	**$2,388**
Bureau Direction	$6,388	$6,588	$8,976	$2,388
Information Resource Management	**$15,323**	**$16,531**	**$18,560**	**$2,029**
Corporate Information Systems and Services	$15,323	$16,531	$18,560	$2,029
Administrative Systems	$1,111	$2,982	$3,564	$582
Information Services	$14,212	$13,549	$14,996	$1,447
Medical Services	**$7,121**	**$7,072**	**$7,072**	**$0**
Workers' Compensation	$7,121	$7,072	$7,072	$0
Overseas Administrative Support	**$4,548**	**$4,548**	**$7,227**	**$2,679**
Overseas Personnel Services	$4,548	$4,548	$7,227	$2,679
Domestic Administrative Support	**$74,775**	**$74,565**	**$70,430**	**($4,135)**
Domestic Administrative Management	$515	$515	$962	$447
Domestic Financial Services	$422	$422	$764	$342
Domestic Personnel Services	$73,642	$73,432	$68,352	($5,080)
Domestic General Services	$196	$196	$352	$156
Other Domestic General Services	$196	$196	$352	$156
Total	$108,155	$109,304	$112,265	$2,961

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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**	**$6,588**	**$2,388**	**$8,976**
Bureau Direction	31	0	0	31	$6,588	$2,388	$8,976
Information Resource Management	**27**	**0**	**0**	**27**	**$16,531**	**$2,029**	**$18,560**
Corporate Information Systems and Services	27	0	0	27	$16,531	$2,029	$18,560
Administrative Systems	9	0	0	9	$2,982	$582	$3,564
Information Services	18	0	0	18	$13,549	$1,447	$14,996
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**	**$4,548**	**$2,679**	**$7,227**
Overseas Personnel Services	23	0	0	23	$4,548	$2,679	$7,227
Domestic Administrative Support	**353**	**0**	**0**	**353**	**$77,526**	**$1,146**	**$78,672**
Domestic Administrative Management	5	0	0	5	$515	$447	$962
Domestic Financial Services	6	0	0	6	$422	$342	$764
Domestic Personnel Services	339	0	0	339	$76,393	$201	$76,594
Domestic General Services	3	0	0	3	$196	$156	$352
Other Domestic General Services	3	0	0	3	$196	$156	$352
Total	434	0	0	434	$112,265	$8,242	$120,507

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Human Resources	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Director General of the Foreign Service	4	4	4	0
Office of Casualty Assistance	2	2	2	0
Deputy Assistant Secretary for HR	2	2	2	0
Civil Service Personnel Management	43	41	41	0
Grievance Staff	10	10	10	0
Resource Mgmt and Organization Analysis	24	24	24	0
Principal Deputy Assistant Secretary	2	2	2	0
Office of Policy Coordination	7	7	7	0
Career Development & Assignments	105	107	107	0
Performance Evaluation	17	15	15	0
Deputy Assistant Secretary	2	2	2	0
Overseas Employment	24	23	23	0
Recruitment, Examination and Employment	65	75	75	0
Executive Office	66	68	68	0
Employee Relations	20	18	18	0
Retirement	21	21	21	0
Workers Compensation	0	0	0	0
Family Liaison Office	13	13	13	0
Total	427	434	434	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Human Resources	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Director General of the Foreign Service	$1,042	$1,045	$1,083	$38
Office of Casualty Assistance	$231	$236	$245	$9
Deputy Assistant Secretary for HR	$260	$260	$270	$10
Civil Service Personnel Management	$4,832	$5,445	$5,644	$199
Grievance Staff	$806	$806	$836	$30
Resource Mgmt and Organization Analysis	$3,874	$3,874	$4,016	$142
Principal Deputy Assistant Secretary	$250	$250	$259	$9
Office of Policy Coordination	$627	$627	$650	$23
Career Development & Assignments	$14,344	$12,702	$13,167	$465
Performance Evaluation	$2,202	$2,035	$2,109	$74
Deputy Assistant Secretary	$250	$250	$259	$9
Overseas Employment	$3,188	$3,125	$3,239	$114
Recruitment, Examination and Employment	$25,197	$29,566	$29,929	$363
Executive Office	$33,969	$31,831	$32,430	$599
Employee Relations	$6,015	$5,725	$5,935	$210
Retirement	$2,808	$2,750	$2,851	$101
Workers Compensation	$6,555	$7,072	$7,638	$566
Family Liaison Office	$1,705	$1,705	$1,705	$0
Total	$108,155	$109,304	$112,265	$2,961

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Human Resources	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$42,198	$40,655	$41,989	$1,334
1200	Personnel Benefits	$17,307	$21,671	$21,800	$129
1300	Benefits Former Personnel	$1,000	$1,200	$1,200	$0
2100	Travel & Trans of Persons	$200	$500	$500	$0
2200	Transportation of Things	$125	$200	$200	$0
2300	Rents, Comm & Utilities	$2,500	$2,500	$2,500	$0
2400	Printing & Reproduction	$1,000	$1,100	$1,100	$0
2500	Other Services	$42,518	$39,888	$41,386	$1,498
2600	Supplies and Materials	$1,017	$1,200	$1,200	$0
3100	Personal Property	$250	$350	$350	$0
4100	Grants, Subsidies & Contrb	$40	$40	$40	$0
Total		$108,155	$109,304	$112,265	$2,961

DIPLOMATIC & CONSULAR PROGRAMS

Human Resources Special Complement

OVERVIEW STATEMENT

The Bureau of Human Resources administers a number of separate position and FTE complements as part of its 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. These advisors 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 General Schedule(GS) Training – 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.

Assignment to Non-Governmental Organizations – Positions used to assign or 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.

Junior Officer 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 executive departments on a reimbursable or 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 assignment or detail of employees to the Congress and state/local government agencies (Pearson).

UNA CHAPMAN COX Sabbatical Leave Program – Allows a twelve-month sabbatical for Foreign Service 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 2004 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 2002 Actual	327	44	0	371	$692	$36,087	$36,779
FY 2003 Estimate	357	172	0	529	$25,702	$50,344	$76,046
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($8,478)	$0	($8,478)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($3,755)	$0	($3,755)
2003 American Cost of Living Adjustments	0	0	0	0	$10	$353	$363
Annualization of 2003 Hiring Increases	0	0	0	0	$3,988	$3,992	$7,980
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$2,082	$2,082
American Cost of Living Adjustment	0	0	0	0	$388	$645	$1,033
Overseas Inflation	0	0	0	0	$855	$0	$855
Total Built-in Changes	0	0	0	0	($6,992)	$7,072	$80
FY 2004 Current Services	357	172	0	529	$18,710	$57,416	$76,126
FY 2004 Request	357	172	0	529	$18,710	$57,416	$76,126

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Human Resources-Special Complement	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Domestic Administrative Support	**371**	**529**	**529**	**0**
Specialized Employee Assignments	371	529	529	0
Total	371	529	529	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Human Resources-Special Complement	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Domestic Administrative Support	**$36,779**	**$76,046**	**$76,126**	**$80**
Specialized Employee Assignments	$36,779	$76,046	$76,126	$80
Total	$36,779	$76,046	$76,126	$80

FY 2004 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	**357**	**172**	**0**	**529**	**$18,710**	**$57,416**	**$76,126**
Specialized Employee Assignments	357	172	0	529	$18,710	$57,416	$76,126
Total	357	172	0	529	$18,710	$57,416	$76,126

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Human Resources-Special Complement	FY 2002 Actual	FY 2003 Estimate	FY 2004 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 Training	131	161	161	0
Non-Reimbursable Details	7	7	7	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	172	172	0
Total	371	529	529	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Human Resources-Special Complement	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Faculty Advisors	$584	$616	$651	$35
Pre-Assignment GS Training (PAC)	$5,739	$6,051	$6,404	$353
Career Mobility Program	$778	$820	$868	$48
Mid-Level Complement	$486	$512	$543	$31
Non-Governmental Organizations	$875	$923	$977	$54
Junior Officer Training	$12,743	$16,310	$18,014	$1,704
Non-Reimbursable Details	$681	$718	$760	$42
Worker Trainee	$4,572	$4,821	$5,101	$280
Presidential Management Interns	$3,404	$3,589	$3,799	$210
Special Domestic Assignment Program (SDAP)	$1,848	$1,949	$2,062	$113
UNA CHAPMAN COX Sabbatical Leave Program	$97	$102	$109	$7
Professional Associates Program	$692	$1,385	$1,413	$28
Other Human Resources-Special Complement	$4,280	$38,250	$35,425	($2,825)
Total	$36,779	$76,046	$76,126	$80

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Human Resources-Special Complement	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100 Personnel Compensation	$25,829	$66,846	$66,816	($30)
1200 Personnel Benefits	$10,950	$9,200	$9,310	$110
Total	$36,779	$76,046	$76,126	$80

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, including medical evacuation and hospitalization when necessary. To achieve this mission, MED supports a comprehensive occupational health program delivering high quality services to the Department of State and other supported agencies domestically and abroad. The Medical Director also 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 160 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 2002, more than 12,000 medical clearance actions were undertaken. Overseas, there were approximately 2,837,000 patient visits to State Department Health Units worldwide. During FY 2002 there were approximately 700 overseas medical evacuations and 620 hospitalizations of Department of State employees and eligible family members. In addition to these services, travel-related medical care in the form of immunizations, malaria prevention, and advice is provided.

Singapore, London, Pretoria and Fort Lauderdale continue to serve as the central medical evacuation centers. MED continues to look into ways to improve services at these central medical evacuation centers.

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. The Mental Health Services provides routine psychiatric consultations and evaluation and also oversees the Alcohol and Drug Awareness program and the Employee Consultation Services.

STRATEGIC OBJECTIVES & GOALS

***Strategic Objective*: Strengthen Diplomatic and Program Capabilities**

***Strategic Goal*: Management and Organizational Excellence-Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

BUREAU PRIORITY #1 – Enhance the services offered by the Office of Medical Services to ensure the long- term health of Foreign Service employees and their families.

Bureau Initiatives: 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.

Bureau Indicators: A. Complete systems integration of the electronic medical records, test EMR at beta site, and deploy in Washington. B. Ensure that medical providers are practicing within their license and competencies.

Progress: 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. During FY 2002 MED has completed the Washington deployment of the EMR and has started addressing 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 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 in December 2000. During FY 2002, phase I, assessment, planning and development, and phase II training and preparation of the accreditation process was completed. During FY 2003, MED expects to complete phase III, accreditation survey.

During FY 2002, the Office of Medical Services was able to officially establish a comprehensive worldwide Occupational Health Program (OHP). The Occupational Health Program will address responsibilities for program elements such as: 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.

During FY 2002 MED's Occupational Health Program invited 60 of 90 missions without occupational health units to participate in the first of a three-year program to establish such units at all missions around the world. Eleven posts were provided seed money to establish units. Additional posts will be covered during FY 2003.

Additionally, during FY 2003, occupational health services domestically will be expanded to provide additional employee health services with the addition of an Occupational Medicine Program Director and Nurse Case Manager. These positions will allow MED to provide nursing education domestically and abroad, institution of domestic medical surveillance functions and additional employee health promotions program. The case manager will allow MED to provide more support for HR and employees in processing medical issues related to "Office of Workers' Compensation Programs" (OWCP), workplace accommodation and disability requests.

BUREAU PRIORITY #2 – Enable MED to respond quickly and effectively to medical emergencies at overseas missions.

Bureau Initiatives: A. Provide training in chemical and biological warfare countermeasures. B. Enhance the Department's anthrax immunization program. C. Establish an alternate medical site and stockpile emergency medical supplies at all posts.

Bureau 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: The Department's anthrax immunization program is currently operating at a single pilot site due to decreased availability of anthrax vaccine. Nonetheless, during FY-2002, 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.

In FY 2000 the Office of Medical Services upgraded its emergency response capability. It conducted Chemical/Biological warfare response training in Ft. Lauderdale, Cairo and Bangkok. In FY 2003, MED plans to conduct similar training at selected NEA posts. In the light of threats of weapons of mass destruction (WMD), the Office of Medical Services has developed an emergency medical preparedness plan that integrates Washington, regional and local assets to address the planning, response and aftermath portions of an event. MED also provides advanced training for medical personnel and first responders. During FY 2002, the Office of Medical services continued pre-positioning antidotes for chemical/biological attacks at overseas posts.

FY 2004 Request

SUMMARY STATEMENT

Office of the Medical Director	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	115	0	0	115	$25,180	$7,538	$32,718
FY 2003 Estimate	118	15	0	133	$20,077	$9,162	$29,239
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($1,062)	$0	($1,062)
Transfer - Diplomatic Readiness Leasehold Costs to ESCM	0	0	0	0	($438)	$0	($438)
2003 American Cost of Living Adjustments	0	0	0	0	$0	$64	$64
Annualization of 2003 Hiring Increases	0	0	0	0	$467	$455	$922
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$237	$237
American Cost of Living Adjustment	0	0	0	0	$0	$131	$131
Overseas Inflation	0	0	0	0	$100	$0	$100
Domestic Price	0	0	0	0	$81	$0	$81
Medical Inflation	0	0	0	0	$548	$0	$548
Total Built-in Changes	0	0	0	0	($304)	$887	$583
FY 2004 Current Services	118	15	0	133	$19,773	$10,049	$29,822
FY 2004 Request	118	15	0	133	$19,773	$10,049	$29,822

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Office of the Medical Director	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**8**	**7**	**4**	**(3)**
Bureau Direction	8	7	4	(3)
Information Resource Management	**8**	**8**	**8**	**0**
Office Automation	8	8	8	0
Other Office Automation	8	8	8	0
Medical Services	**65**	**84**	**85**	**1**
Domestic Health Units	6	6	6	0
Medical Evacuation	5	5	5	0
Medical Examinations and Clearances	43	62	60	(2)
Mental Health Programs	10	10	13	3
Environmental Health	1	1	1	0
Domestic Administrative Support	**34**	**34**	**36**	**2**
Domestic Administrative Management	1	1	1	0
Domestic Financial Services	9	9	10	1
Domestic Personnel Services	2	2	2	0
Domestic General Services	22	22	23	1
Supply, Transportation, and Acquisition	4	4	5	1
Other Domestic General Services	18	18	18	0
Total	115	133	133	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of the Medical Director	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$741**	**$978**	**$1,047**	**$69**
Bureau Direction	$741	$978	$1,047	$69
Information Resource Management	**$1,404**	**$1,992**	**$1,932**	**($60)**
Office Automation	$1,404	$1,992	$1,932	($60)
Other Office Automation	$1,404	$1,992	$1,932	($60)
Medical Services	**$24,737**	**$18,905**	**$18,798**	**($107)**
Domestic Health Units	$483	$595	$700	$105
Medical Evacuation	$2,833	$3,741	$3,947	$206
Medical Examinations and Clearances	$18,659	$10,267	$10,304	$37
Mental Health Programs	$1,021	$1,283	$1,402	$119
Environmental Health	$1,741	$3,019	$2,445	($574)
Domestic Administrative Support	**$5,836**	**$7,364**	**$8,045**	**$681**
Domestic Administrative Management	$844	$998	$1,152	$154
Domestic Financial Services	$574	$593	$787	$194
Domestic Personnel Services	$832	$1,043	$1,168	$125
Domestic General Services	$3,586	$4,730	$4,938	$208
Supply, Transportation, and Acquisition	$1,594	$1,993	$2,238	$245
Other Domestic General Services	$1,992	$2,737	$2,700	($37)
Total	$32,718	$29,239	$29,822	$583

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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**	**1**	**0**	**4**	**$654**	**$393**	**$1,047**
Bureau Direction	3	1	0	4	$654	$393	$1,047
Information Resource Management	**8**	**0**	**0**	**8**	**$1,439**	**$493**	**$1,932**
Office Automation	8	0	0	8	$1,439	$493	$1,932
Other Office Automation	8	0	0	8	$1,439	$493	$1,932
Medical Services	**71**	**14**	**0**	**85**	**$12,864**	**$5,934**	**$18,798**
Domestic Health Units	6	0	0	6	$207	$493	$700
Medical Evacuation	5	0	0	5	$3,554	$393	$3,947
Medical Examinations and Clearances	48	12	0	60	$6,410	$3,894	$10,304
Mental Health Programs	11	2	0	13	$346	$1,056	$1,402
Environmental Health	1	0	0	1	$2,347	$98	$2,445
Domestic Administrative Support	**36**	**0**	**0**	**36**	**$4,816**	**$3,229**	**$8,045**
Domestic Administrative Management	1	0	0	1	$1,054	$98	$1,152
Domestic Financial Services	10	0	0	10	$0	$787	$787
Domestic Personnel Services	2	0	0	2	$971	$197	$1,168
Domestic General Services	23	0	0	23	$2,791	$2,147	$4,938
Supply, Transportation, and Acquisition	5	0	0	5	$1,736	$502	$2,238
Other Domestic General Services	18	0	0	18	$1,055	$1,645	$2,700
Total	118	15	0	133	$19,773	$10,049	$29,822

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of the Medical Director	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Medical Director	7	3	3	0
Office of Mental Health Services	11	18	18	0
Office of the Clinical Director	55	53	53	0
Health Systems Administration	42	44	44	0
ICASS	0	0	0	0
Total	115	118	118	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of the Medical Director	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Medical Director	$417	$476	$357	($119)
Office of Mental Health Services	$916	$1,120	$1,353	$233
Office of the Clinical Director	$22,631	$11,057	$10,449	($608)
Health Systems Administration	$4,590	$5,543	$6,373	$830
ICASS	$4,164	$5,950	$5,860	($90)
Total	$32,718	$24,146	$24,392	$246

STAFF BY POST
(positions)

Office of the Medical Director	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
Armenia, Yerevan	0	0	0	1	0	1	1	0	1	0	0	0
Bolivia,La Paz	0	0	0	1	0	1	1	0	1	0	0	0
East Timor, Dili	0	0	0	1	0	1	1	0	1	0	0	0
Germany, Berlin	0	0	0	1	0	1	1	0	1	0	0	0
Frankfurt	0	0	0	2	0	2	2	0	2	0	0	0
Kenya, Nairobi	0	0	0	2	0	2	2	0	2	0	0	0
Malaysia, Kuala Lumpur	0	0	0	1	0	1	1	0	1	0	0	0
Nigeria, Abuja	0	0	0	1	0	1	1	0	1	0	0	0
South Africa, Pretoria	0	0	0	1	0	1	1	0	1	0	0	0
Sri Lanka, Colombo	0	0	0	1	0	1	1	0	1	0	0	0
Thailand, Bangkok	0	0	0	1	0	1	1	0	1	0	0	0
Turkey, Ankara	0	0	0	1	0	1	1	0	1	0	0	0
Vietnam, Hanoi	0	0	0	1	0	1	1	0	1	0	0	0
Total	0	0	0	15	0	15	15	0	15	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Office of the Medical Director	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Armenia, Yerevan	$0	$308	$330	$22
Bolivia,La Paz	$0	$369	$392	$23
East Timor, Dili	$0	$308	$330	$22
Germany, Berlin	$0	$343	$366	$23
Frankfurt	$0	$692	$737	$45
Kenya, Nairobi	$0	$692	$737	$45
Malaysia, Kuala Lumpur	$0	$323	$345	$22
Nigeria, Abuja	$0	$308	$330	$22
South Africa, Pretoria	$0	$375	$398	$23
Sri Lanka, Colombo	$0	$308	$330	$22
Thailand, Bangkok	$0	$375	$398	$23
Turkey, Ankara	$0	$369	$392	$23
Vietnam, Hanoi	$0	$323	$345	$22
Total	$0	$5,093	$5,430	$337

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of the Medical Director	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$6,678	$8,204	$8,912	$708
1200	Personnel Benefits	$1,278	$1,590	$1,730	$140
2100	Travel & Trans of Persons	$3,149	$4,454	$4,175	($279)
2200	Transportation of Things	$50	$58	$102	$44
2300	Rents, Comm & Utilities	$53	$98	$94	($4)
2400	Printing & Reproduction	$82	$96	$91	($5)
2500	Other Services	$18,680	$10,849	$10,740	($109)
2600	Supplies and Materials	$1,410	$2,005	$2,132	$127
3100	Personal Property	$1,338	$1,885	$1,846	($39)
Total		$32,718	$29,239	$29,822	$583

DIPLOMATIC & CONSULAR PROGRAMS

Foreign Service Institute

OVERVIEW STATEMENT

The Foreign Service Institute (FSI) trains the men and women our nation requires to fulfill our leadership role in world affairs and to promote U.S. interests abroad. 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 other skills they need to manage the people, information, and other resources the U.S. Government devotes to foreign affairs.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

FY 2003-2004 Priority: Provide increased training and development opportunities in support of the Secretary's Diplomatic Readiness Initiative, Mandatory Leadership Training and post-9/11 efforts.

Bureau Initiatives: A. Provide increased number of orientation and training sessions in support of the Department's expanded hiring plan. B. Provide sufficient offerings of mandatory leadership training in order to train the targeted population of approximately 7,000 by the end of FY 2006. C. Provide a mandatory senior level threshold leadership course for senior officers (OC level and GS equivalent), and executive coaching for senior level employees above the OC level. D. Provide additional offerings of language/area studies related to the Administration's "Enduring Freedom" efforts, particularly focused on building cadres of personnel with advanced skills in target languages. E. Remodel and expand training to accommodate increased intake due to the Diplomatic Readiness Initiative (DRI). F. Regularize advanced Crisis Management (CM) training to overseas missions that previously had training exercises; integrate emergency planning/crisis management into other FSI programs to ensure relevant training based on rank/specialty of participants; teach contingency planning, team building and leadership models as they relate to the Department's crisis management policy; and brief and participate in training and exercises related to emergency planning with other USG agencies and DOD. G. Identify and estimate costs for off-site training space that could be used in the event Shultz NFATC space is insufficient or not available to meet these training requirements.

Bureau Indicators:

- Additional number of course offerings directly and indirectly supporting the DRI and implementation of mandatory leadership training.
- Number of enrollees in mandatory Leadership/Management (L/M) courses.
- Number of FSN and FS personnel enrolled in CM courses, including overseas crisis management exercises, overseas crisis management fundamentals, and Marine exercises.
- Enrollments in foreign languages/area studies relating to "Enduring Freedom" and post 9/11 initiatives, including "Beyond 3" pilot programs.

Progress (FY 2002): In FY 2002, there were 3,329 total FSI course offerings (sessions) scheduled to support training related to mandatory leadership training, DRI, as well as ongoing training requirements. Mandatory L/M requirements were approved during FY 2002; target audience/numbers identified and planning begun for full roll-out in FY 2003. A total of 586 students attended mandatory leadership courses in FY 2002. During FY 2002, FSI provided 100% of incoming Foreign Service Officer personnel with improved orientation that included a leadership foundation. FSI provided CM training to 2,245 FSNs, 1,592 FS and 132 Civil Service State personnel. There were also 109,921 hours of training and 231 enrollments in "Enduring Freedom" languages of Arabic, Pashtu, Dari, Tajiki, Farsi, Urdu, Uzbek and Turkmen. FSI typically measures outcome in language training by the percentage of those students being trained in connection with assignment to a Language Designated Position (LDP) who achieve the required proficiency level. This percentage is not yet known for FY 2002 enrollments since many of these students have yet to complete their proscribed periods of training (44 to 88 weeks). But, as illustration, the overall language training success rate (including "Enduring Freedom" languages) for calendar year 2002 was 75%.

FY 2003-2004 Priority: Exploit technology-enabled distance learning to the maximum extent possible in order to make training more widely available and to enhance traditional classroom-based training.

Bureau Initiatives: A. Provide worldwide accessibility to a range of learning options provided and/or supported by FSI through the development and/or acquisition of web-enabled Distance Learning courseware and the development and maintenance of OpenNet web pages; integrating and upgrading existing FSI infrastructure, and providing the infrastructure support needed to effect worldwide Distance Learning; integrating and upgrading existing FSI corporate applications to support Distance Learning; and seeking flexibility in delivery mode via Internet, OpenNet, ClassNet, SIPRNET, videoconferencing and CD-ROM. Enhance Shultz Center facilities to best leverage these limited resources. B. FSI will continue to improve the delivery of mentored language training in increasing numbers of languages via electronic technological means both at FSI and via Distance Learning to US missions abroad and to provide pedagogical guidance and modernization of the instructional approach to post language programs worldwide. C. Develop and monitor a Crisis Management Training Distance Learning product. D. FSI will continue to be a quick implementer of Department changes (OpenNet Plus, Win2K) and an experimenter with new options (FSIweb, voice recognition) within an overall plan of exploiting technology for worldwide learning.

Bureau Indicators:

- FSI's IT infrastructure upgrade and support resources to further the development, delivery and evaluation of technology-enabled learning opportunities.
- Number of web-based Distance Learning enrollments (SmartForce and FasTrac and language learning).
- FSI corporate applications upgrade (including Student Training Management System and a Learning Management System)

Progress (FY 2002): In FY 2002, there were about 2,150 enrollments in Internet/intranet-based distance learning programs (850 School of Applied Information Technology (SAIT) Distance Learning enrollments; 1,300 FasTrac enrollments, 235 for language learning). Continued fixes and enhancements were made to Student Training Management System application. Employee training data was integrated with the Department's GEMS personnel system. A third multimedia lab was upgraded from analog to digital. Two digital cameras were acquired and installed as part of the AV system upgrade. A total of 200 language classrooms were upgraded to digital capacity with DVD players, digital televisions, and computers. Network infrastructure was upgraded to 100-megabyte ethernet. Added 2 new cluster services to enhance

network support for distance learning and migrated the bureau to OpenNet Plus. A Statement of Work for a Learning Management System to manage distance learning was prepared and awarded in September 2002 which will provide the framework for a "learning center" that will be continuously operational.

FY 2003-2004 Priority: Provide base level training in tradecraft, foreign languages, leadership and management, and information technology needed to acquire core and specialized skills that reflect Foreign Service precepts and Civil Service competencies and ensure continued professional development, and preparatory training and informational services upon entry into, during, and upon transitioning out of a career in the Department of State for employees and their families.

Bureau Initiatives: A. Continue to offer tradecraft courses that support the bureau performance goal, including increasing training across cones in public diplomacy theory and practice, increasing administrative training to domestically-based personnel, introducing more functional training for FSNs, expanding mid-level administrative training, using a post-training evaluation tool to gauge the effectiveness of School of Professional Area Studies (SPAS) training, developing new Self-Study Area Studies Guides, and assessing taking a lead role in the coordination of a global English language training program for FSNs. B. Include automation skills in all components of consular training and information on border security programs. Address concerns of the Patriot and Enhanced Border Security Acts as they affect Consular Training, reviewing/redesigning courses as needed, and collaborating with School of Language Studies (SLS) on updated consular language modules. C. Continue to provide an array of tailored language programs and develop a language-learning continuum incorporating each program element (FSI/Warrenton training, field schools/programs, Post Language Program/immersions, distance learning, "beyond 3" partnering efforts) throughout a career. FSI's programs retain their targeting and relevance by consultation with regional bureaus, posts, and other agencies, and by continuous upgrading of the skills of trainers and the technology available to deliver and enhance the training. SLS will continue to staff to the sustainment level required to meet training and development goals that ensure continuity, training quality, and the ability to perform the needed maintenance, updating, and revision of curricular materials. D. Expand leadership & management organizational development work at missions overseas to two posts per year. Implement 360-degree feedback throughout leadership continuum and provide consistent professional development for employees at all career levels. Expand senior level training opportunities using external sources. E. Provide information technology training commensurate with the Department's Strategic and Information Resources Management Tactical Plans, and support Department efforts to recruit, train, and maintain the skills of its professional IT workforce. Train all IRM Specialists to a base-line level of competencies based on IT industry standard certifications. F. Provide comprehensive preparatory training programs and a wide spectrum of current, reliable information resources relating to transition issues that can empower the work force and family members to set realistic expectations and make informed choices in their best interests. Provide mentoring, counseling, and referrals to guide work force and family members on transition related issues.

Bureau Indicators:

- SPAS curriculum review.
- Automation fully integrated into Basic Consular Course.
- Consular Training replicates work environment and accommodates more students in response to the Diplomatic Readiness Initiative.
- Language Training success rate: higher percentage of all students attaining Language Designated Position (LDP) goals when enrolled for at least the recommended amount of training.
- SAIT training enrollments/hours.
- Enrollments; Overseas Briefing Center client and electronic visits; website hits.
- Number of enrollees in elective L/M courses, including organizational development (OD) work and regional conferences.

Progress (FY 2002): About 19% of Professional and Area Studies courses have been re-designed (as of the third-quarter of FY 2002) and course capacity for professional tradecraft training was increased to meet the demands of the Diplomatic Readiness Initiative and other Department priorities. This includes doubling capacity in core Admin Training courses by 20%, and increasing offerings in Area Studies, Economic, and Political training. Additions to the curriculum include "Trade Agreement Implementation" and "International Terrorism," and pilots of "Combatting Terrorist Financing" and "Trade & Environment"; new office management courses in "Communication Skills" and "Workplace Skills for Success"; and "Public Diplomacy Basics," aimed at junior officers. Additionally, a thorough assessment of Public Diplomacy training for Foreign Services Officers has been completed, resulting in detailed recommendations for expanded training. Also, in conjunction with the School of Language Studies, a two-week Afghan Familiarization course was offered. Curriculum development in Non-Immigrant Visas (NIV) for enhancing training in interviewing techniques and border security programs is ongoing; the advanced consular namecheck class has been implemented; and work has begun on expanded materials on ethics and visas.

In the School of Language Studies, for FY 2002 there were 1,229,575 hours of training, 2,784 enrollments in language training (including 109,921 hours of training and 231 enrollments in "Enduring Freedom" languages of Arabic, Pashtu, Dari, Tajiki, Farsi, Urdu, and Turkmen) and students achieved an overall success rate (meeting the language designated level for the position) of 75%. SLS leadership made two trips through the Middle East exploring potential partnerships with regional educational institutions to develop pilot programs to build a core cadre of advanced speakers of Arabic. And the first three of envisaged 12 chapters of an updated Arabic consular module was developed and sent to the field for comment and feedback.

A total of 8,255 students were enrolled in IT training; 303,036 hours of IT training was delivered, encompassing both end-users and IT specialists. The number of industry standard IT exam certificates issued from the Warrenton Training Center on-site Prometric Test Center has climbed to 3680 since the center opened two years ago. When added to the 504 from the new Arlington test center this fiscal year, we have now issued over 4000 certificates. This was our objective for FY2002

The Transition Center's Overseas Briefing Center delivered 101,086 hours of training, and had 15,280 client visits and 1,482 electronic visits to its Information Center. Also in FY 2002, 3,072 students attended elective leadership courses, including six organizational development sessions that were held at posts; 11 regional conferences supported with leadership training blocs; two Basic Leadership Skills courses held at overseas posts; and 50 slots were filled for external (Harvard) short leadership courses.

FY 2003-2004 Priority: Ensure the space capacity of the Shultz NFATC facility is adequate to meet the full range of FSI training and support staff and student needs.

Bureau Initiatives: Formally determine if NFATC space is sufficient to meet current and projected program requirements by conducting a capacity study, including a potential full-scale child care center, and prepare for probable major construction/expansion.

Bureau Indicators:

- Formal NFATC space capacity review; progress on construction expansion project.

Progress (FY 2002): Space data and analysis collection were completed in summer 2002 which verified a need for approximately 109,000 net square feet of additional space. In September 2002, funding for a construction project to expand space at the Shultz National Foreign Affairs Training Center was authorized

(reprogramming of USIA prior year funds). Work began on a Request For Proposal for architectural and engineering (A&E) services through the General Services Administration.

FY 2004 Request

SUMMARY STATEMENT

Foreign Service Institute	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	590	42	5	637	$45,072	$57,025	$102,097
FY 2003 Estimate	596	42	5	643	$45,272	$59,243	$104,515
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$53	$420	$473
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$152	$152
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$79	$79
American Cost of Living Adjustment	0	0	0	0	$255	$997	$1,252
FSN Wage	0	0	0	0	$50	$0	$50
Overseas Inflation	0	0	0	0	$15	$0	$15
Domestic Price	0	0	0	0	$411	$0	$411
Total Built-in Changes	0	0	0	0	$784	$1,648	$2,432
FY 2004 Current Services	596	42	5	643	$46,056	$60,891	$106,947
FY 2004 Request	596	42	5	643	$46,056	$60,891	$106,947

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Foreign Service Institute	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**6**	**6**	**6**	**0**
Bureau Direction	6	6	6	0
Information Resource Management	**11**	**11**	**11**	**0**
Office Automation	11	11	11	0
Other Office Automation	11	11	11	0
Training Services	**522**	**526**	**526**	**0**
Language Studies	322	322	322	0
Professional Development/Area Studies	157	161	161	0
Security Training	5	5	5	0
Information Management Training	38	38	38	0
Domestic Administrative Support	**98**	**100**	**100**	**0**
Domestic Administrative Management	98	100	100	0
Total	637	643	643	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Foreign Service Institute	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$776**	**$776**	**$795**	**$19**
Bureau Direction	$776	$776	$795	$19
Public Diplomacy	**$841**	**$524**	**$533**	**$9**
Public Diplomacy - Program Costs	$841	$524	$533	$9
Information Resource Management	**$4,458**	**$4,458**	**$4,547**	**$89**
Office Automation	$4,458	$4,458	$4,547	$89
Other Office Automation	$4,458	$4,458	$4,547	$89
Training Services	**$78,077**	**$80,200**	**$82,123**	**$1,923**
Language Studies	$48,878	$48,877	$50,055	$1,178
Professional Development/Area Studies	$20,689	$22,813	$23,373	$560
Security Training	$526	$526	$540	$14
Information Management Training	$7,984	$7,984	$8,155	$171
Domestic Administrative Support	**$17,945**	**$18,557**	**$18,949**	**$392**
Domestic Administrative Management	$17,945	$18,557	$18,949	$392
Total	$102,097	$104,515	$106,947	$2,432

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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**	**$199**	**$596**	**$795**
Bureau Direction	6	0	0	6	$199	$596	$795
Public Diplomacy	**0**	**0**	**0**	**0**	**$533**	**$0**	**$533**
Public Diplomacy - Program Costs	0	0	0	0	$533	$0	$533
Information Resource Management	**11**	**0**	**0**	**11**	**$3,380**	**$1,167**	**$4,547**
Office Automation	11	0	0	11	$3,380	$1,167	$4,547
Other Office Automation	11	0	0	11	$3,380	$1,167	$4,547
Training Services	**479**	**42**	**5**	**526**	**$29,900**	**$52,223**	**$82,123**
Language Studies	275	42	5	322	$17,598	$32,457	$50,055
Professional Development/Area Studies	161	0	0	161	$7,266	$16,107	$23,373
Security Training	5	0	0	5	$58	$482	$540
Information Management Training	38	0	0	38	$4,978	$3,177	$8,155
Domestic Administrative Support	**100**	**0**	**0**	**100**	**$12,044**	**$6,905**	**$18,949**
Domestic Administrative Management	100	0	0	100	$12,044	$6,905	$18,949
Total	596	42	5	643	$46,056	$60,891	$106,947

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Foreign Service Institute	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Director	6	6	6	0
School of Applied Info Tech	38	38	38	0
School of Language Studies	275	275	275	0
School of Prof and Area Studies	121	123	123	0
The Transition Center	5	5	5	0
School of Leadership and Management	47	49	49	0
Office of the Executive Director	98	100	100	0
Total	590	596	596	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Foreign Service Institute	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Director	$776	$776	$795	$19
School of Applied Info Tech	$7,884	$7,884	$8,053	$169
School of Language Studies	$36,881	$36,881	$37,764	$883
School of Prof and Area Studies	$16,555	$16,569	$16,964	$395
The Transition Center	$641	$735	$753	$18
School of Leadership and Management	$6,705	$7,739	$7,930	$191
Office of the Executive Director	$21,649	$22,683	$23,155	$472
Total	$91,091	$93,267	$95,414	$2,147

STAFF BY POST
(positions)

Foreign Service Institute	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
Country and Post	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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Seoul Regional Language School, Korea	$797	$818	$842	$24
Tunis Regional Language School, Tunisia	$2,021	$2,068	$2,128	$60
Yokohama Regional Language School, Japan	$2,490	$2,554	$2,625	$71
Taipei American Institute In Taiwan	$5,698	$5,808	$5,938	$130
Total	$11,006	$11,248	$11,533	$285

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Foreign Service Institute	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$49,099	$50,231	$51,561	$1,330
1200	Personnel Benefits	$12,912	$13,567	$13,959	$392
2100	Travel & Trans of Persons	$1,863	$1,713	$1,713	$0
2300	Rents, Comm & Utilities	$1,042	$1,049	$1,058	$9
2400	Printing & Reproduction	$921	$1,041	$1,063	$22
2500	Other Services	$26,954	$30,641	$30,741	$100
2600	Supplies and Materials	$3,730	$2,806	$3,385	$579
3100	Personal Property	$5,576	$3,467	$3,467	$0
Total		$102,097	$104,515	$106,947	$2,432

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, human rights and labor issues worldwide. U.S. engagement in democracy and human rights promotion reflects our national values and builds a foundation for our broader national interests. Beyond the idealistic appeal of human rights, progress in freedom worldwide has tangible benefits. Stable, consolidated democracies that respect the human rights of their citizens are more likely to be prosperous, to enjoy peaceful relations with their neighbors and with the U.S., and to limit and deter the scourge of terrorism. DRL leads the Department's formal human rights dialogues with other countries and integrates democracy, human rights and labor concerns into U.S. policy through working groups and informal policy dialogues. In its work, the Bureau utilizes the Human Rights and Democracy Fund (HRDF) to remedy human rights abuses and build institutional structures for democratic societies. The bureau actively promotes human rights, democracy and labor in regional and international fora, including the UN General Assembly, the UN Commission on Human Rights, the International Labor Organization, the Organization of American States, Organization of Security and Cooperation in Europe (OSCE) and the Community of Democracies. The bureau is widely known for the production of the annual *Country Reports on Human Rights*, now in its twenty-sixth year and covering 195 countries. DRL has also produced the annual *Report on International Religious Freedom* since 1999. The bureau's activities of advocacy, monitoring, programming, and policy coordination give the American people a safer world in which to live and prosper.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: Advance Sustainable Development and Global Interests

Strategic Goal: Democracy and Human Rights - Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.

Priority: A world of stable, democratic states where rule of law is respected, and all individuals have the right to take part in the government of their country, directly or through freely chosen representatives.

Bureau Initiatives: A. Promote democratic standards, work with partners, and develop programs to sustain new democracies and help establish democratic institutions in non-democratic regimes.

Bureau Indicators: A. Net positive change in Freedom House index of free/partly free/not free countries. B. Annual Human Rights Report details expansion of the right of citizens to change their government. C. Successful follow-up on the Community of Democracies Plan of Action, e.g. cooperation initiatives between the Organization of American States (OAS) and African Union.

Progress (FY 2002): U.S. Government participated in the biennial Community of Democracies ministerial conference in Seoul in November 2002, as a member of the Convening Group of 10 countries and co-leader of the roundtable on Consolidation of Democratic Institutions. Over 105 countries attended as participants or observers. The conference produced a plan of action to strengthen democratic values and institutions within countries, through regional organizations and globally. For example, the OAS is planning to share its experiences in developing the Inter-American Democratic Charter and democracy promotion programs with the African Union. Qatar is making plans for a Middle Eastern regional conference on democracy. The Bureau is also working to develop a coalition or caucus of democratic states to work together in multilateral fora.

DIPLOMATIC & CONSULAR PROGRAMS

The Human Rights and Democracy Fund (HRDF) supported the war against terrorism by exposing key Indonesian Muslim religious and community leaders to practical applications of democracy, tolerance and religious freedom. HRDF promoted rule of law projects in China and Turkey, and free and fair elections in Peru, Nicaragua, and Belarus. It supported free media in Angola and Kosovo, funding the purchase and installation of equipment for the only independent radio station in Angola and providing support to the only Serb newspaper in Kosovo. HRDF funds are promoting a democratic middle ground and stable, open societies in Central Asia and the Middle East in an effort to address the root cause of extremism. This will be accomplished through a variety of programs that build human rights NGOs, unions, and journalists' capacity; strengthen democratic institutions and independent media; and promote rule of law. Programs funded through HRDF will also promote legal reform, rights awareness, judicial independence, civil society, and good governance in China in an effort to bring about meaningful legal and political reform in that country.

Priority: Greater respect for human rights around the world

Bureau Initiatives: A. Respect for human rights in international fora. B. Improved human rights conditions in countries with poor human rights records. C. Effective use of annual human rights and religious freedom reports to promote U.S. policy objectives.

Bureau Indicators: A. UN Commission on Human Rights (UNCHR) adopts country-specific resolutions of highest interest; U.S. blocks efforts to eliminate country-specific resolutions. B. UNCHR elects to future Commissions more member-states with positive human rights records. C. Use of reports increases, with more translations and reductions in length of Human Rights report D. Amount and quality of post reporting on human rights violations pursuant to Leahy requirements regarding recipients of U.S. security assistance.

Progress (FY 2002): The U.S. was re-elected to the UN Commission on Human Rights for 2003-05. The Community of Democracies in November 2002 adopted a Plan of Action to strengthen cooperation and institutions to protect human and civil rights. Human rights reports were further refined and focused by consolidating reporting on religion and trafficking under the subheadings related specifically to those issues. The Bureau is also presently editing the reports with a view to meeting the goal of a 10 percent reduction in length. China reports are routinely translated into Chinese and posted on Department websites, as are Russia sections in Russian. Iraq reports are translated into Arabic, French and Spanish. Report introductions and country-specific sections, including Cuba and Colombia, have been translated into Spanish and posted. Individual embassies do translations according to local needs. All posts are vetting recipients of IMET, Expanded IMET, and other military training. New instructions will soon be sent to posts to ensure uniform scrutiny and implementation.

Priority: Promote new practices, partnerships, institutions, policies and agreements worldwide that protect worker rights and foster fair economic growth and political development

Bureau Initiatives: Promote labor-management practices that include protecting the right of organization and collective bargaining, and compliance with anti-sweatshop standards.

Bureau Indicators: A. Expanding number and coverage of public-private partnerships to advance respect for rule of law and worker rights, compliance with voluntary business codes among exporters to the U.S., and new launchings by individual countries to encourage adoption of codes. B. Rising number and viability of new independent, democratic trade unions, with multiple unions in countries of the Caucasus, Central Asia, the Middle East, China, Central America, and Africa.

DIPLOMATIC & CONSULAR PROGRAMS

Progress (FY 2002): The Secretary's Advisory Committee on Labor Diplomacy (ACLD) issued a new report on December 31, 2001, with nine recommendations. We have begun implementation of three and a fourth has been accepted but not yet implemented. The others are still under consideration. Impact is to change the overall focus of the ACLD to a more policy-oriented role; it is now evolving a new strategy. An Anti-Sweatshop program was initiated. The Partnership against Sweatshops Program has made notable progress working with NGO's, governments, and private enterprise to eliminate sweatshop conditions in over 30 countries. The Bureau is working for the implementation of the Africa Growth and Opportunity Act (AGOA), which requires AGOA countries to prohibit child labor and enforce international labor standards. 38 countries have qualified so far for U.S. assistance under AGOA to improve economic opportunities and income security, protect basic rights of workers, and conduct HIV/AIDS workplace education programs.

Priority: Make significant progress in the integration of religious freedom into U.S. foreign policy

Bureau Initiatives: A. Promote religious freedom and reduce religious persecution worldwide. B. Address cases and policies involving severe violations of religious freedom. C. Increase acceptance of religious pluralism and enhancing internal/regional stability.

Bureau Indicators: A. Increased travel and diplomatic engagement by Ambassador-at-Large, including two additional bilateral International Religious Freedon negotiations. B. Policies and actions adopted to provide higher level of legal protection for and social acceptance of religious freedom, and reduction of religious persecution worldwide.

Progress (FY 2002): The new Ambassador-at-Large for International Religious Freedom took office and began activities, including a visit to China. He is leading the religious freedom dialogue and human rights dialogues with China and Vietnam. The Fourth Report on International Religious Freedom was issued in October 2002. Six countries are currently designated "Countries of Particular Concern" – Iran, Iraq, China, North Korea, Sudan, and Burma. Relations with U.S. Commission on International Religious Freedom continue to improve. In Lebanon, a program is enabling establishment of inter-faith reconciliation in three localities. The NGO Institute of World Affairs administers grants and makes monthly progress reports. Project funding was ended for an Indonesia project that did not achieve desired results.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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 2002 Actual	98	0	0	98	$3,361	$7,941	$11,302
FY 2003 Estimate	99	0	0	99	$3,439	$8,266	$11,705
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$4	$58	$62
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$25	$25
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$13	$13
American Cost of Living Adjustment	0	0	0	0	$12	$139	$151
Domestic Price	0	0	0	0	$45	$0	$45
Total Built-in Changes	0	0	0	0	$61	$235	$296
FY 2004 Current Services	99	0	0	99	$3,500	$8,501	$12,001
FY 2004 Request	99	0	0	99	$3,500	$8,501	$12,001

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Democracy, Human Rights, and Labor	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**7**	**15**	**15**	**0**
Department Direction	7	15	15	0
Conduct of Diplomatic Relations	**87**	**80**	**80**	**0**
Political Affairs	87	80	80	0
Political Diplomacy	87	80	80	0
Public Diplomacy	**4**	**4**	**4**	**0**
Public Diplomacy - Program Costs	4	4	4	0
Total	98	99	99	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Democracy, Human Rights, and Labor	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$817**	**$1,571**	**$1,946**	**$375**
Department Direction	$817	$1,571	$1,946	$375
Conduct of Diplomatic Relations	**$9,449**	**$9,066**	**$8,995**	**($71)**
Political Affairs	$9,449	$9,066	$8,995	($71)
Political Diplomacy	$9,449	$9,066	$8,995	($71)
Public Diplomacy	**$438**	**$472**	**$483**	**$11**
Public Diplomacy - Program Costs	$438	$472	$483	$11
Information Resource Management	**$598**	**$596**	**$577**	**($19)**
Infrastructure Systems	$598	$596	$577	($19)
Information Management Security Implementation	$598	$596	$577	($19)
Total	$11,302	$11,705	$12,001	$296

FY 2004 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	**15**	**0**	**0**	**15**	**$562**	**$1,384**	**$1,946**
Department Direction	15	0	0	15	$562	$1,384	$1,946
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**	**$75**	**$408**	**$483**
Public Diplomacy - Program Costs	4	0	0	4	$75	$408	$483
Information Resource Management	**0**	**0**	**0**	**0**	**$577**	**$0**	**$577**
Infrastructure Systems	0	0	0	0	$577	$0	$577
Information Management Security Implementation	0	0	0	0	$577	$0	$577
Total	99	0	0	99	$3,500	$8,501	$12,001

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Democracy, Human Rights, and Labor	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	8	8	8	0
Office of International Religious Freedom	8	10	10	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	21	20	20	0
Deputy Assistant Secretary	2	2	2	0
Office of International Labor Affairs	9	9	9	0
Total	98	99	99	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Democracy, Human Rights, and Labor	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary	$931	$959	$959	$0
Office of International Religious Freedom	$931	$959	$1,446	$487
Principal Deputy Assistant Secretary	$233	$240	$240	$0
Office of Country Reports and Asylum Affairs	$2,211	$2,276	$2,276	$0
Office of Multilateral Affairs	$1,164	$1,199	$1,199	$0
Office of Strategic and External Affairs	$1,950	$2,030	$2,041	$11
Senior Coordinator for Democracy Promotion	$233	$240	$240	$0
Office of Human Rights and Democracy	$2,368	$2,483	$2,281	($202)
Deputy Assistant Secretary	$233	$240	$240	$0
Office of International Labor Affairs	$1,048	$1,079	$1,079	$0
Total	$11,302	$11,705	$12,001	$296

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Democracy, Human Rights, and Labor	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$5,969	$6,167	$6,495	$328
1200	Personnel Benefits	$2,900	$3,024	$2,963	($61)
2100	Travel & Trans of Persons	$653	$707	$934	$227
2300	Rents, Comm & Utilities	$292	$292	$290	($2)
2400	Printing & Reproduction	$340	$372	$178	($194)
2500	Other Services	$443	$442	$668	$226
2600	Supplies and Materials	$252	$251	$250	($1)
3100	Personal Property	$453	$450	$223	($227)
Total		$11,302	$11,705	$12,001	$296

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, and 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 include projects that will reap long-term benefits in terms of organizational and employee effectiveness, and that 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, modernization of information collection and management of electronic commerce and electronic government. The Bureau of Administration is working closely within the Department and with other Federal agencies and public and private sector change agents toward the goal of improving and web-enabling the delivery of administrative and information services.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Strengthen Diplomatic and Program Capabilities**

Strategic Goal: **Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

Priority: Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.

Bureau Initiative: 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.

DIPLOMATIC & CONSULAR PROGRAMS

Bureau 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 BBTU reduction rates in applicable buildings.

Progress (FY 2002): (A) Significant progress was made during FY 2002 in partnership with GSA in the initial phase of renovating the Harry S Truman headquarters building. This included 100% internal demolition of "Old State" (Phase 1A) and the beginning of infrastructure construction in that wing of the building. We are on schedule for tenant occupancy of this part of the building by the third quarter, FY 2004. 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. (B) In a parallel effort, the co-location in Foggy Bottom of Department of State and former USIA and ACDA offices by the end of FY 2004 is 85% complete.

(C) 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 meeting the FY 2002 objectives. The architectural design for a modern, secure, energy-efficient building is nearly complete. The GSA received demolition funding in FY 2002. We are poised to partner fully with the GSA in relocating USUN staff. Interim Office Building (IOB) space has been surveyed. The State Department's request to fund the IOB and State staff support, and GSA's separate request for the new construction, are both included in the President's FY 2003 budget request.

(D) We have continued construction at our Charleston Regional Center, which will consolidate the majority of the Department's domestic and worldwide financial services. (E) We leased a building in Northern Virginia to consolidate staff of the Bureau of Diplomatic Security (DS). When DS completes the move into the new space, the vacated offices will be used to accommodate new employees and as renovation swing space.

(F) 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 underway, including the long-term Truman building renovation.

Priority: The Department of State's domestic facilities are cost-effective and energy efficient, and enable employees to perform their duties.

Bureau Initiatives: Domestic and overseas Department of State employees, other U.S. Government employees, and public customers receive goods and services when needed.

Bureau Indicators: (A) Enhance administrative programs to improve the quality of work and life; (B) Strengthen our Federal records program and reduce the FOIA backlog; (C) Enhance logistics management by efficiently meeting customer needs, strengthening human resources professionalism, and deploying a modern logistics web-enabled system; (D) Increase the number of offices and posts using the State buy Interactive Platform (SIP) for E-Commerce and provide access to the web-based Federal Procurement Data System and Geographic Information System; and (E) Attain mandatory 75% of alternative fuel vehicles from the applicable inventory of domestic motor pool vehicles and shuttle buses.

Progress (FY 2002): (A) The Center for Administrative Innovation has been proactive in finding 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 also continue to reach out to other government agencies and private sector organizations for practices to emulate in such areas as gain-sharing and performance measurement.

(B) The Department receives approximately 2,000 Freedom of Information Act (FOIA) requests annually. Without commensurate staffing increases over the years to meet response time frames, there has been a consistent backlog of about 3,400 FOIA requests. We have closed over 2,000 cases in the last 12 months and are working towards full compliance. We achieved a reduction of 20% in 2002, and we continue hiring to achieve full staffing to further reduce the backlog to a level of 80% reduction by the end of FY 2004.

(C&D) Significant effort in FY 2002 was focused on E-Government initiatives responsive to the President's Management Agenda, in particular, the 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 $4 million and a return on investment of approximately 20 to 1. ILMS was, however, delayed until FY 2003.

(E) 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 now exceeded the goal with 79% of the applicable vehicle inventory converted.

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.

PROGRAM CHANGE JUSTIFICATION

2004 G-8 Summit of the Industrialized Nations, $10,930,000

The United States will host the 2004 Summit of the Industrialized Nations (commonly called the G-8 Summit). The G-8 summit provides an important occasion for the President to meet directly with the heads of state of other leading economies and discuss economic issues of common concern. Other participants include the heads of state and principals of Canada, France, Great Britain, Germany, Japan, Italy, Russia and the European Commission.

This summit has been held at different locations each year since 1975; and the Bureau of Administration has always been in charge of logistical operations on behalf of the Department. The United States last hosted the summit in 1997. The costs requested include: personnel support, travel, infrastructure support, interpreter support, installation and operation of data and voice communications, office and conference space rental, printing, and security. Funding is also included to cover costs associated with chairing the Roma/Lyon Group. This group is responsible for hosting eight foreign delegations and critical to establishing counter terrorism policy commitments that G-8 ministers will endorse.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Administration	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	671	1	0	672	$304,761	$62,292	$367,053
FY 2003 Estimate	681	1	0	682	$277,963	$63,908	$341,871
FY 2004 Built-in Changes							
Charleston Financial Services Center	0	0	0	0	$1,761	$0	$1,761
2003 American Cost of Living Adjustments	0	0	0	0	$69	$453	$522
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$253	$253
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$132	$132
American Cost of Living Adjustment	0	0	0	0	$255	$1,071	$1,326
Domestic Price	0	0	0	0	$2,409	$0	$2,409
GSA Rent	0	0	0	0	$25,694	$0	$25,694
MPSA Mail Increase	0	0	0	0	$2,860	$0	$2,860
Total Built-in Changes	0	0	0	0	$33,048	$1,909	$34,957
FY 2004 Current Services	681	1	0	682	$311,011	$65,817	$376,828
FY 2004 Program Changes							
2004 Summit of Industrialized Nations	0	0	0	0	$10,930	$0	$10,930
Total Program Changes	0	0	0	0	$10,930	$0	$10,930
FY 2004 Request	681	1	0	682	$321,941	$65,817	$387,758

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Administration	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**50**	**50**	**50**	**0**
Bureau Direction	50	50	50	0
Information Resource Management	**225**	**225**	**225**	**0**
Infrastructure Systems	10	10	10	0
Special Communications Support	10	10	10	0
Corporate Information Systems and Services	212	212	212	0
Administrative Systems	12	12	12	0
Information Services	200	200	200	0
Office Automation	3	3	3	0
Other Office Automation	3	3	3	0
Domestic Work Space	**50**	**58**	**58**	**0**
Domestic Investment in Current Assets	25	26	26	0
Colombia Plaza/Main State Renovations, Other Investments	25	26	26	0
Domestic Operations and Maintenance	25	32	32	0
Overseas Administrative Support	**1**	**1**	**1**	**0**
Overseas General Services	1	1	1	0
Domestic Administrative Support	**346**	**348**	**348**	**0**
Domestic Financial Services	7	7	7	0
Domestic Personnel Services	50	50	50	0
Domestic General Services	289	291	291	0
Supply, Transportation, and Acquisition	216	217	217	0
Language Services	20	20	20	0
White House Travel	6	6	6	0
Other Domestic General Services	47	48	48	0
Total	672	682	682	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Administration	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$8,049**	**$7,722**	**$7,895**	**$173**
Bureau Direction	$8,049	$7,722	$7,895	$173
Public Diplomacy	**$1,750**	**$204**	**$207**	**$3**
Public Diplomacy - Program Costs	$1,750	$204	$207	$3
Information Resource Management	**$77,554**	**$77,732**	**$82,498**	**$4,766**
Infrastructure Systems	$30,493	$24,977	$28,282	$3,305
Voice Communications Programs	$2,596	$2,577	$2,623	$46
Diplomatic Pouch and Mail	$22,860	$17,259	$20,422	$3,163
Special Communications Support	$5,037	$5,141	$5,237	$96
Corporate Information Systems and Services	$46,174	$52,045	$53,492	$1,447
Administrative Systems	$6,310	$4,383	$4,468	$85
Information Services	$39,864	$47,662	$49,024	$1,362
Office Automation	$887	$710	$724	$14
Other Office Automation	$887	$710	$724	$14
Domestic Work Space	**$204,455**	**$185,047**	**$213,844**	**$28,797**
Domestic Investment in Current Assets	$35,723	$22,287	$22,725	$438
Colombia Plaza/Main State Renovations, Other Investments	$35,723	$22,287	$22,725	$438
Domestic Leases	$104,352	$118,203	$143,897	$25,694
GSA Rent	$103,941	$117,785	$143,479	$25,694
Domestic Leases	$411	$418	$418	$0
Domestic Operations and Maintenance	$64,380	$44,557	$47,222	$2,665
Overseas Administrative Support	**$5,298**	**$5,413**	**$5,508**	**$95**
Overseas General Services	$5,298	$5,413	$5,508	$95
Domestic Administrative Support	**$69,947**	**$65,753**	**$77,806**	**$12,053**
Domestic Financial Services	$858	$829	$848	$19
Domestic Personnel Services	$11,204	$10,725	$10,949	$224
Domestic General Services	$57,885	$54,199	$66,009	$11,810
Supply, Transportation, and Acquisition	$37,851	$36,151	$36,627	$476
Language Services	$2,629	$2,634	$2,695	$61
White House Travel	$4,795	$6,518	$17,568	$11,050
Other Domestic General Services	$12,610	$8,896	$9,119	$223
Total	$367,053	$341,871	$387,758	$45,887

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of Administration	Positions				Funds ($ in thousands)		
	American Domestic	Overseas	FSN	Pos. Total	Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**50**	**0**	**0**	**50**	**$1,826**	**$6,069**	**$7,895**
Bureau Direction	50	0	0	50	$1,826	$6,069	$7,895
Public Diplomacy	**0**	**0**	**0**	**0**	**$207**	**$0**	**$207**
Public Diplomacy - Program Costs	0	0	0	0	$207	$0	$207
Information Resource Management	**225**	**0**	**0**	**225**	**$62,073**	**$20,425**	**$82,498**
Infrastructure Systems	10	0	0	10	$27,376	$906	$28,282
Voice Communications Programs	0	0	0	0	$2,623	$0	$2,623
Diplomatic Pouch and Mail	0	0	0	0	$20,422	$0	$20,422
Special Communications Support	10	0	0	10	$4,331	$906	$5,237
Corporate Information Systems and Services	212	0	0	212	$34,273	$19,219	$53,492
Administrative Systems	12	0	0	12	$3,270	$1,198	$4,468
Information Services	200	0	0	200	$31,003	$18,021	$49,024
Office Automation	3	0	0	3	$424	$300	$724
Other Office Automation	3	0	0	3	$424	$300	$724
Domestic Work Space	**58**	**0**	**0**	**58**	**$208,399**	**$5,445**	**$213,844**
Domestic Investment in Current Assets	26	0	0	26	$20,119	$2,606	$22,725
Colombia Plaza/Main State Renovations, Other Investments	26	0	0	26	$20,119	$2,606	$22,725
Domestic Leases	0	0	0	0	$143,897	$0	$143,897
GSA Rent	0	0	0	0	$143,479	$0	$143,479
Domestic Leases	0	0	0	0	$418	$0	$418
Domestic Operations and Maintenance	32	0	0	32	$44,383	$2,839	$47,222
Overseas Administrative Support	**0**	**1**	**0**	**1**	**$5,417**	**$91**	**$5,508**
Overseas General Services	0	1	0	1	$5,417	$91	$5,508
Domestic Administrative Support	**348**	**0**	**0**	**348**	**$44,019**	**$33,787**	**$77,806**
Domestic Financial Services	7	0	0	7	$213	$635	$848
Domestic Personnel Services	50	0	0	50	$6,004	$4,945	$10,949
Domestic General Services	291	0	0	291	$37,802	$28,207	$66,009
Supply, Transportation, and Acquisition	217	0	0	217	$15,659	$20,968	$36,627
Language Services	20	0	0	20	$427	$2,268	$2,695
White House Travel	6	0	0	6	$16,887	$681	$17,568
Other Domestic General Services	48	0	0	48	$4,829	$4,290	$9,119
Total	681	1	0	682	$321,941	$65,817	$387,758

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Administration	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary for Administration	15	15	15	0
Executive Office	47	47	47	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	6	7	7	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	1	1	1	0
Acquisitions Management	136	137	137	0
Operations Management	51	51	51	0
Policy and Program Management	22	22	22	0
Deputy Assistant Secretary for Operations	6	6	6	0
Office of Allowances	15	15	15	0
Office of Facilities Management Services	25	32	32	0
Office of Real Property Management	25	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	26	26	26	0
Directives	9	9	9	0
Total	672	682	682	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Administration	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Assistant Secretary for Administration	$2,351	$2,391	$2,444	$53
Executive Office	$10,213	$9,397	$9,594	$197
Presidential-Vice Presidential Travel Support	$6,475	$6,650	$6,771	$121
International Events Staff	$70	$72	$11,004	$10,932
Office of Small and Disadvantaged Business Utilization	$674	$671	$686	$15
Center for Administrative Innovation	$2,159	$1,101	$1,161	$60
Diplomatic Contingency Program	$5,037	$5,141	$5,237	$96
Office of the Procurement Executive	$3,232	$2,894	$2,958	$64
Deputy Assistant Secretary for Logistics Management	$1,049	$3,084	$3,144	$60
Customer Advocate Staff	$381	$506	$516	$10
Acquisitions Management	$16,741	$17,728	$18,131	$403
Operations Management	$12,874	$13,494	$13,756	$262
Policy and Program Management	$39,605	$25,703	$29,029	$3,326
Deputy Assistant Secretary for Operations	$740	$763	$781	$18
Office of Allowances	$1,599	$1,564	$1,601	$37
Office of Facilities Management Services	$42,736	$44,320	$46,981	$2,661
Office of Real Property Management	$27,060	$22,612	$23,056	$444
Office of Support Planning	$33,601	$994	$1,017	$23
Office of Overseas Schools	$6,980	$6,598	$6,728	$130
Office of Language Services	$2,629	$2,634	$2,695	$61
General Services Management	$6,391	$5,885	$6,001	$116
GSA & Other Rents Management	$104,352	$118,203	$143,897	$25,694
Deputy Assistant Secretary for Records and Publishing Services	$540	$550	$563	$13
IRM Programs and Services	$34,897	$44,354	$45,347	$993
Multi-Media Services	$2,798	$2,710	$2,770	$60
Directives	$1,869	$1,852	$1,890	$38
Total	$367,053	$341,871	$387,758	$45,887

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Administration	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$61,416	$63,076	$65,507	$2,431
1200	Personnel Benefits	$12,169	$12,496	$12,919	$423
2100	Travel & Trans of Persons	$9,231	$7,806	$8,994	$1,188
2200	Transportation of Things	$17,437	$17,644	$20,827	$3,183
2300	Rents, Comm & Utilities	$118,833	$134,360	$161,254	$26,894
2400	Printing & Reproduction	$2,141	$2,176	$2,315	$139
2500	Other Services	$128,602	$87,391	$97,978	$10,587
2600	Supplies and Materials	$3,349	$3,403	$3,634	$231
3100	Personal Property	$8,950	$8,514	$9,236	$722
4100	Grants, Subsidies & Contrb	$4,690	$4,766	$4,851	$85
4200	INS Claims & Indemnities	$235	$239	$243	$4
Total		$367,053	$341,871	$387,758	$45,887

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 both at home and abroad. 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 approximately 260 embassies, consulates, and other missions overseas. The Bureau is responsible for the security of personnel, information and facilities 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 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 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 the execution of programs and projects implemented and maintained through funds appropriated for Worldwide Security Upgrades.

DIPLOMATIC & CONSULAR PROGRAMS

Major Activities

Overseas Local Guards – This program augments the resources provided by host governments for protecting overseas office facilities and residences of U.S. government employees and dependents of all agencies. It is administered locally by the Regional Security Officer (RSO) who coordinates protection with host government officials. The RSO also administers the surveillance detection program initiated in FY 1999 with funding provided by the FY 1999 Emergency Supplemental Appropriation and maintained with Worldwide Security Upgrades (WSU) funds. WSU funds also support expanded vehicle inspection activities at selected posts.

Residential Security – This program provides for security upgrades to residences of U.S. employees assigned to overseas diplomatic and consular posts. Prior to occupancy, all newly acquired residential facilities are equipped with security features such as upgraded locks and doors, alarms, and shatter-resistant window film, depending on the nature of the threats at the particular post. This program also oversees the maintenance and repair of residential security enhancements installed around the world.

Physical Security – This program provides a physically secure environment for all U.S. Government personnel under the jurisdiction of the Chief of Mission. Through the physical security program, DS is dedicated to ensuring that all construction of new office buildings and major renovations to existing buildings meet the certification, accreditation and transit security requirements mandated by law. Facets of physical security include meeting standards for strengthening building exteriors, lobby entrances, walls and fences around embassy and consulate compounds as well as vehicle access points. Inside an embassy or consulate, closed-circuit televisions, explosive detection devices, walk-through metal detectors, hard-line walls and security doors provide protection. The defensive equipment and armored vehicle program procures and distributes ammunition, firearms, and other support equipment for defending our overseas facilities, protecting dignitaries and conducting criminal investigations. Research and development activities are conducted to identify new blast resistant materials and techniques to incorporate into building and perimeter walls as well as glazing materials for windows to mitigate injuries and deaths caused from terrorist bomb attacks.

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 United Nations General Assembly. There are over 150 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 World Economic Forum, Pan American Games in Santo Domingo and protective details in Kabul, Afghanistan 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 131 missions overseas. Marine Security Guard detachments are primarily responsible for preventing the compromise of classified material and equipment.

Protecting Information – DS operates a comprehensive program to ensure the protection and proper handling of national security information discussed at meetings in secure conference rooms or on secure telephones, processed and stored on computers, and/or preserved and communicated on paper. This program includes many elements such as: personnel security clearance investigations; courier protection of diplomatic pouches; construction security; access control equipment; Marine Security Guards controlling embassy access; locks for containers holding classified material; secure conference rooms; detecting and

containing emanation from processing equipment; counterintelligence investigations and briefings; and computer security. The scope of this program area is increasing with the escalated emphasis on computer security and the introduction of new technologies for knowledge management that are adding new mandates for vulnerability testing and countermeasure development.

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 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 responds to over 3,000 requests for information and assistance each year from other domestic and international law enforcement agencies and is working to increase coordination critical to successful identification and prevention of illegal activity associated with passport and visa fraud.

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, transnational and indigenous terrorism, political violence, counterintelligence, 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 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.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: Strengthen Diplomatic and Program Capabilities

Strategic Goal: Management and Ogranizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.

BUREAU PRIORITY #1) All USG personnel perform their official duties in safety from serious injury due to terrorism, political violence, or crime.

Bureau Initiatives: A. Implement and sustain security countermeasures that heighten security at lower threat posts to meet standards formerly only required at high and critical threat posts, as provided under the FY 1999 Emergency Supplemental Appropriation (ESA). B. Ensure that all posts have upgraded technical security equipment. C. Capital replacement plans are in place for vehicles and security equipment deployed under the ESA as countermeasures reach the end of their lifecycle.

DIPLOMATIC & CONSULAR PROGRAMS

Bureau Indicators: A. Completion of all 50 of the ESA projects. B. Technical security upgrades equipment installed at 174 posts over a 5-year period. C. Fluctuations in lifecycle replacement needs for capital equipment are accommodated within funding levels. D. No Accountability Review Board (ARB) is convened which finds that a serious injury, loss of life or significant destruction of a U.S. government mission was due to inadequate security management or countermeasures.

Progress:

- 95% of the 50 Emergency Supplemental Appropriation projects completed.
- Technical security upgrades. DS completed 66 posts and the implementation contractor completed 38 for a total of 104 posts.
- 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 and delivered to posts.
- 100% of the Chief of Mission vehicles have been armored and delivered to posts.
- All embassies and consulates that did not require physical modifications (87%) 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.

BUREAU PRIORITY #2) All classified and sensitive information abroad and in domestic facilities is safeguarded from physical and technical compromise.

Bureau Initiatives: A. Perform technical security surveys and technical surveillance countermeasure inspections. B. Conduct certification and accreditation on all Department networks. C. Monitor intrusion detection systems for both classnet and opennet systems domestically and abroad. D. Conduct periodic reinvestigations of all State employees every five years to meet Executive Order 12968. E. Increase compliance with Department of State regulations, procedures and authorities by foreign missions as well as state and local government organizations.

Bureau Indicators: A. Technical security surveys and technical surveillance countermeasure inspections are performed to safeguard national security information. B. Certification and accreditation in support of the Department's management decisions is completed on major components of the Department's networks. C. Intrusion detection systems for classnet and opennet are in place domestically and overseas. D. A sustained rate of 300 periodic reinvestigations per month of State employees is attained. E. The Office of Foreign Missions collects 98% of delinquent parking fines and validates that 100% of diplomatic vehicles are appropriately insured.

Progress:

- 100% of the Technical Surveillance Countermeasure inspection requirements were met. (23 overseas inspections in FY 2002)
- 99% of post Technical Security Assessments are complete.
- 97 % of network intrusion detection systems for OpenNet are in place.
- Rate of reinvestigations is up to an average of 189 per month.

BUREAU PRIORITY #3) All employees working in the Department of State domestic facilities and designated foreign dignitaries within the United States are protected from intentional physical harm.

DIPLOMATIC & CONSULAR PROGRAMS

Bureau Initiatives: A. Upgrade access control systems for Department of State facilities. B. Employ fully functioning and up-to-date physical security equipment to ensure a safe environment for foreign dignitaries and State employees. C. Employ fully functioning and up-to-date armored vehicles to transport selected Department personnel and foreign dignitaries.

Bureau Indicators: A. State-of-the-art access control systems are installed at Department of State facilities. B. Physical security equipment for domestic facilities is replaced on a lifecycle replacement schedule. C. Armored dignitary protection vehicles are replaced on a 7-year lifecycle schedule. D. No protectee suffers intentional physical harm while under DS protection.

Progress:

- No employee suffered intentional physical harm at a DoS facility due to inadequate physical security or access controls since the original Anthrax victim.
- 95% of the work to implement the access control system hardware installation at the Harry S Truman building has been completed, with the systems infrastructure and wiring being complete. 80% of the employees in the National Capitol Region have been photographed for their new Smart ID Card.
- Replacement of analog VCRs with digital VCRs at 39 domestic sites is 85% complete.
- Canine teams for explosives ordinance detection have been added in the National Capital Region.
- 33% of armored dignitary protection vehicles have been or are currently in the armoring phase as part of the seven-year domestic life-cycle replacement.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Bureau of Diplomatic Security	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	787	94	0	881	$172,135	$59,019	$231,154
FY 2003 Estimate	787	94	0	881	$173,510	$60,736	$234,246
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($2,574)	$0	($2,574)
2003 American Cost of Living Adjustments	0	0	0	0	$83	$431	$514
American Cost of Living Adjustment	0	0	0	0	$467	$1,029	$1,496
Domestic Price	0	0	0	0	$1,851	$0	$1,851
Local Guard Program & Other Global Inflation	0	0	0	0	$2,433	$0	$2,433
Domestic Guard Inflation	0	0	0	0	$1,186	$0	$1,186
Total Built-in Changes	0	0	0	0	$3,446	$1,460	$4,906
FY 2004 Current Services	787	94	0	881	$176,956	$62,196	$239,152
FY 2004 Request	787	94	0	881	$176,956	$62,196	$239,152

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Diplomatic Security	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**38**	**38**	**38**	**0**
Bureau Direction	38	38	38	0
Law Enforcement Cooperation	**220**	**220**	**220**	**0**
Diplomatic Security	**534**	**534**	**534**	**0**
Investigations and Counterintelligence	86	86	86	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	90	90	90	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	47	47	47	0
Domestic Protection of Information	23	26	26	0
Domestic Guards	5	8	8	0
Physical Security Protection of Information	18	18	18	0
Overseas Protection of Information	248	245	245	0
Technical and Procedural Protection of Information	85	85	85	0
Information Systems Security Policy	60	60	60	0
Diplomatic Courier and Transit Security	85	82	82	0
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	**33**	**33**	**33**	**0**
Security Training	33	33	33	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	881	881	881	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Diplomatic Security	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$2,820**	**$2,771**	**$3,985**	**$1,214**
Bureau Direction	$2,820	$2,771	$3,985	$1,214
Law Enforcement Cooperation	**$15,753**	**$16,341**	**$16,341**	**$0**
Diplomatic Security	**$176,107**	**$180,146**	**$183,838**	**$3,692**
Investigations and Counterintelligence	$12,951	$12,171	$14,117	$1,946
Domestic Protection of Life	$17,592	$17,006	$17,006	$0
Secretary's Detail	$8,791	$10,670	$10,670	$0
Foreign Dignitary Protection	$8,801	$6,336	$6,336	$0
Overseas Protection of Life	$72,970	$73,915	$74,161	$246
Local Guard Services	$61,028	$61,770	$62,770	$1,000
Physical Security Protection of Life	$6,586	$6,642	$6,642	$0
Overseas Protective Vehicles	$580	$591	$591	$0
Other Overseas Security Support	$4,776	$4,912	$4,158	($754)
Domestic Protection of Information	$24,102	$27,249	$28,749	$1,500
Domestic Guards	$15,960	$19,936	$20,936	$1,000
Physical Security Protection of Information	$8,142	$7,313	$7,813	$500
Overseas Protection of Information	$46,264	$47,542	$47,542	$0
Technical and Procedural Protection of Information	$19,673	$19,964	$19,964	$0
Information Systems Security Policy	$9,334	$9,172	$9,172	$0
Diplomatic Courier and Transit Security	$14,930	$15,678	$15,678	$0
Marine Security Guard Support	$594	$877	$877	$0
Construction Security	$1,733	$1,851	$1,851	$0
Mission Security Operations	$2,228	$2,263	$2,263	$0
Information Resource Management	**$10,566**	**$10,239**	**$10,239**	**$0**
Office Automation	$10,566	$10,239	$10,239	$0
Other Office Automation	$10,566	$10,239	$10,239	$0
Training Services	**$4,981**	**$4,650**	**$4,650**	**$0**
Security Training	$4,981	$4,650	$4,650	$0
Domestic Administrative Support	**$20,927**	**$20,099**	**$20,099**	**$0**
Domestic Administrative Management	$15,352	$14,448	$14,448	$0
Domestic Financial Services	$1,082	$1,075	$1,075	$0
Domestic Personnel Services	$1,252	$1,352	$1,352	$0
Domestic General Services	$3,241	$3,224	$3,224	$0
Other Domestic General Services	$3,241	$3,224	$3,224	$0
Total	$231,154	$234,246	$239,152	$4,906

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Bureau of Diplomatic Security	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
Executive Direction and Policy Formulation	**38**	**0**	**0**	**38**	**$189**	**$3,796**	**$3,985**
Bureau Direction	38	0	0	38	$189	$3,796	$3,985
Law Enforcement Cooperation	**220**	**0**	**0**	**220**	**$1,244**	**$15,097**	**$16,341**
Diplomatic Security	**440**	**94**	**0**	**534**	**$146,656**	**$37,182**	**$183,838**
Investigations and Counterintelligence	86	0	0	86	$6,928	$7,189	$14,117
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	90	0	0	90	$68,591	$5,570	$74,161
Local Guard Services	3	0	0	3	$62,566	$204	$62,770
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	47	0	0	47	$1,512	$2,646	$4,158
Domestic Protection of Information	26	0	0	26	$27,185	$1,564	$28,749
Domestic Guards	8	0	0	8	$20,596	$340	$20,936
Physical Security Protection of Information	18	0	0	18	$6,589	$1,224	$7,813
Overseas Protection of Information	151	94	0	245	$30,600	$16,942	$47,542
Technical and Procedural Protection of Information	44	41	0	85	$14,114	$5,850	$19,964
Information Systems Security Policy	60	0	0	60	$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	**33**	**0**	**0**	**33**	**$2,338**	**$2,312**	**$4,650**
Security Training	33	0	0	33	$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	787	94	0	881	$176,956	$62,196	$239,152

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Diplomatic Security	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	86	86	86	0
Office of Overseas Operations	56	56	56	0
Office of Field Office Management	158	158	158	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	33	33	33	0
Office of Countermeasures	21	21	21	0
Office of Analysis and Certification	17	17	17	0
Office of Info. Sec. Programs	46	46	46	0
Office of Dip. Courier Service	85	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	787	787	787	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Diplomatic Security	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Assistant Secretary for Diplomatic Security	$502	$504	$504	$0
Deputy Assistant Secretary for DS	$699	$701	$701	$0
Office of Protection Management	$20,719	$20,592	$23,592	$3,000
Office of Investigations & Counterintelligence	$11,951	$11,951	$11,951	$0
Office of Overseas Operations	$3,559	$3,559	$3,773	$214
Office of Field Office Management	$11,425	$11,425	$13,425	$2,000
Office of Intell. & Threat Analysis	$1,378	$1,378	$1,378	$0
Office of Anti-Terrorism Assistance	$989	$989	$989	$0
Deputy Assistant Secretary for Countermeasures and Info. Security	$208	$208	$208	$0
Office of Security Technology	$9,854	$9,854	$9,854	$0
Office of Countermeasures	$4,087	$4,087	$4,087	$0
Office of Analysis and Certification	$2,739	$2,739	$2,739	$0
Office of Info. Sec. Programs	$6,455	$6,455	$6,455	$0
Office of Dip. Courier Service	$14,911	$15,488	$15,488	$0
Office of Physical Sec. Programs	$76,170	$76,170	$75,862	($308)
Office of Domestic Operations	$21,955	$21,955	$21,955	$0
Executive Director	$15,352	$15,359	$15,359	$0
Office of Professional Development	$4,981	$6,750	$6,750	$0
Office of Policy Planning and Budget	$2,360	$2,360	$2,360	$0
Office of Administration	$14,961	$15,487	$15,487	$0
Total	$225,255	$228,011	$232,917	$4,906

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY POST
(positions)

Bureau of Diplomatic Security Country and Post	FY 2002 Actual			FY 2003 Estimate			FY 2004 Request			Increase/ (Decrease)		
	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	3	0	3	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	10	0	10	10	0	10	10	0	10	0	0	0
Italy, Rome	1	0	1	1	0	1	1	0	1	0	0	0
Kazakstan, Almatty	1	0	1	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
Australia, Canberra	3	0	3	3	0	3	3	0	3	0	0	0
Philippines, Manila	4	0	4	4	0	4	4	0	4	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
Finland, Helsinki Couriers	2	0	2	2	0	2	2	0	2	0	0	0
Germany, Frankfurt Couriers	35	0	35	35	0	35	35	0	35	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
Total	94	0	94	94	0	94	94	0	94	0	0	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY POST
($ in thousands)

Bureau of Diplomatic Security	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Cuba, Havana	$67	$67	$67	$0
Uruguay, Montevideo	$67	$67	$67	$0
Canada, Ottawa	$67	$67	$67	$0
Belgium, Brussels	$67	$67	$67	$0
Greece, Athens	$200	$200	$200	$0
Bulgaria, Sofia	$67	$67	$67	$0
United Kingdom, London	$67	$67	$67	$0
Finland, Helsinki	$67	$67	$67	$0
France, Paris	$67	$67	$67	$0
Germany, Frankfurt	$668	$668	$668	$0
Italy, Rome	$67	$67	$67	$0
Kazakstan, Almatty	$67	$67	$67	$0
Poland, Warsaw	$67	$67	$67	$0
Romania, Bucharest	$67	$67	$67	$0
Switzerland, Geneva	$67	$67	$67	$0
Russia, Moscow	$267	$267	$267	$0
China, Beijing	$67	$67	$67	$0
Australia, Canberra	$133	$133	$133	$0
Philippines, Manila	$267	$267	$267	$0
Morocco, Casablanca	$67	$67	$67	$0
United Arab Emirates, Abu Dhabi	$67	$67	$67	$0
Cote d'Ivoire, Abidjan	$67	$67	$67	$0
Kenya, Nairobi	$67	$67	$67	$0
Finland, Helsinki Couriers	$133	$133	$133	$0
Germany, Frankfurt Couriers	$2,045	$2,381	$2,381	$0
Thailand, Bangkok Couriers	$846	$846	$846	$0
Bahrain, Manama Couriers	$134	$134	$134	$0
Total	$5,899	$6,235	$6,235	$0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Diplomatic Security	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$60,834	$62,127	$63,827	$1,700
1200	Personnel Benefits	$17,061	$17,485	$18,165	$680
1300	Benefits Former Personnel	$101	$101	$106	$5
2100	Travel & Trans of Persons	$16,353	$16,353	$17,150	$797
2200	Transportation of Things	$5,804	$5,804	$6,087	$283
2300	Rents, Comm & Utilities	$4,694	$4,694	$4,923	$229
2400	Printing & Reproduction	$572	$572	$600	$28
2500	Other Services	$106,505	$107,880	$108,127	$247
2600	Supplies and Materials	$6,982	$6,982	$7,322	$340
3100	Personal Property	$11,962	$11,962	$12,545	$583
4100	Grants, Subsidies & Contrb	$286	$286	$300	$14
4200	INS Claims & Indemnities	$0	$0	$0	$0
Total		$231,154	$234,246	$239,152	$4,906

DIPLOMATIC & CONSULAR PROGRAMS

Counter-Terrorism Research & Development

OVERVIEW STATEMENT

The Office of the Coordinator for Counterterrorism (S/CT) has the overall supervision, including policy oversight of resources, of international counterterrorism (CT) activities. S/CT's mission is to develop, coordinate, and implement all U.S. CT policy and coordinate all international CT programs.

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. The Department of State also provides leadership, policy guidance and coordination of the overall program through it's lead and coordinating role on the Technical Support Working Group – the IWG/CT interagency sub working group established to oversee this effort.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **Counterterrorism - Prevent attacks against the United States, our allies and friends, and strengthen alliances and international arrangements to defeat global terrorism.**

Bureau Priority: **Reduce the danger of terrorist attacks on American citizens and interests, build effective international cooperation and efforts to curtail the capabilities of would-be terrorists, and punish known offenders.**

Bureau Initiative: Strengthen the U.S. Government's capability to combat the terrorist threat through the use of advanced technology.

Bureau Indicator: Currently funded Technical Support Working Group (TSWG) research projects are completed on time and within budget and the degree to which the number of projects accepted is increased.

Progress (FY 2002): Countering terrorism includes measures to develop technological solutions to specific CT problems/needs. Terrorist operations continue to grow in technical sophistication and lethality as terrorist groups exploit the Internet, acquire and utilize commercially available technology, and conduct cooperative training activities. In FY 2002, the TSWG bolstered the U.S. Government's capacity to counter the advance in terrorists' technology by completing 75% of all funded research projects on time and within budget.

The success of TSWG technology was demonstrated on September 11, 2001, when blast mitigation countermeasures and techniques developed by the TSWG and deployed in the Pentagon saved the lives of many Pentagon workers in offices surrounding the airplane's point of impact. The TSWG had been developing and fielding equipment and techniques to better secure structures against the effects of large explosive blasts. This included materials designed to preclude the implosion of windows. When hijackers crashed an airplane into the recently retrofitted west side of the Pentagon, although the damage at the immediate point of impact was complete, neither the building columns nor the windows adjacent to the point of impact collapsed or imploded.

The success of the global war on terrorism and the simultaneous defense of the U.S. homeland depend significantly on the Department's leadership in international R&D cooperation for counterterrorism technologies. The Department's Office of the Coordinator for Counterterrorism (S/CT)-chaired interagency Technical Support Working Groups (TSWG) contributes directly to this goal by supporting joint

counterterrorism R&D projects with our existing partners in the United Kingdom, Canada, and Israel. The Department, through the TSWG, has planned to establish additional cooperative R&D agreements with Singapore and Australia during FY 2004. The request for FY 2004 is critical to support and maintain these existing and newly proposed cooperative agreements. The funds will be used to leverage contributions from our international partners. Under terms of our joint agreements, partners share equally in financing joint projects.

The Department's existing international technical cooperative development programs directly fulfill the requirements of the President's global war on terrorism through the rapid prototyping and development of counterterrorism technologies for: chemical, biological, radiological, and nuclear countermeasures; explosives detection and improvised device defeat; infrastructure protection; physical security; surveillance, collection and operations support; and tactical operations support. U.S. embassies, and U.S. military, intelligence and law enforcement agencies, have utilized technology developed through the TSWG.

FY 2004 Request

SUMMARY STATEMENT

Counter-Terrorism Research & Development	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	0	0	0	0	$1,800	$0	$1,800
FY 2003 Estimate	0	0	0	0	$1,800	$0	$1,800
FY 2004 Current Services	0	0	0	0	$1,800	$0	$1,800
FY 2004 Request	0	0	0	0	$1,800	$0	$1,800

FUNDS BY PROGRAM ACTIVITY

($ in thousands)

Counter-Terrorism Research & Development	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Law Enforcement Cooperation	**$1,800**	**$1,800**	**$1,800**	**$0**
Total	$1,800	$1,800	$1,800	$0

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Counter-Terrorism Research & Development	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)

Counter-Terrorism Research & Development	FY 2002 Actual	FY 2003 Estimate	FY 2004 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)

Counter-Terrorism Research & Development	FY 2002 Actual	FY 2003 Estimate	FY 2004 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 Information Resource Management Bureau provides information infrastructure, telecommunications, and information management services in support of the Department of State's foreign policy mission. Most recently, Secretary Powell told the Senate Foreign Relations Committee**"... people who can't communicate rapidly and effectively in today's globalizing world can't carry out our foreign policy."** State now has 71 percent of its desktops connected to OpenNet Plus and will complete deployment by the end of 2003, providing Internet connectivity to staff members world-wide. But as the challenges of our increasingly interdependent, rapidly changing and information-intensive role increase, the Department will need secure modern technology that can provide timely and accurate information, the tools to analyze this information, and the means to communicate and share it throughout the foreign affairs community. IRM Bureau-managed resources are combined with other funding sources (e.g., IRM Central fund and Machine Readable Visa fees) to assist other bureaus with their information technology (IT) requirements, as well as manage and deploy Department-wide programs for which IRM has sole responsibility.

The Chief Information Officer heads the Bureau of Information Resource Management. The bureau's primary responsibilities are:

- Information Technology Infrastructure – Provide modernized systems and support essential applications for efficient administration and operation of Department programs, such as personnel, payroll, financial management, and the "consular visa look-out" as part of the U.S. Border Security Initiative, which includes critical security checks on aliens seeking visas for entry to the U.S.

- Telecommunications – Provide and support worldwide telecommunications between Washington and the more than 260 diplomatic and consular missions overseas. These services include official diplomatic messages, unclassified and classified electronic mail, and voice services via telephone and radio. The Department strives to have a robust, telecommunications systems to ensure timely transmissions of important diplomatic, consular and management communications.

- Information Management Services – Provide a wide-range of support to the Department for all information management activities. IRM provides data administration, develops and maintains computer software applications, provides hardware and the related maintenance and network management, manages IT projects and human resources. IRM conducts information management planning activities, establishes IT architecture standards, and provides other services to the foreign affairs community abroad (e.g., special communication links, and specialist technical training).

- IRM policies and standards - Coordinate the establishment of technology priorities through the IT senior review board, and the IRM Strategic and Tactical Plans, manages major technology acquisitions, and negotiates 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.

DIPLOMATIC & CONSULAR PROGRAMS

STRATEGIC OBJECTIVES & GOALS

***Strategic Objective*: Strengthen Diplomatic and Program Capabilities**

***Strategic Goal*: Management and Organizational Excellence – Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

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.

Bureau Indicators:

- Commercial-quality networking facilities available for unclassified and classified processing.
  Percentage of sites complete:
  OpenNet Plus is deployed to 100 percent of existing global OpenNet sites supporting all domestic offices and overseas posts by June 2003.
  Classified Connectivity Project completely deployed to all appropriate overseas post and employees desktops by December 2003.
- Percentage classified and unclassified desktop computers older than four years.
- Reliable telecommunications network and services.
- Percentage of major system security certifications and accreditations completed.

Progress (FY 2002): In FY 2002, the Department made substantial progress on IT security by implementing incident handling and response teams, 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 anti-virus program. Additional firewalls for enhanced security were installed, which blocked thousands of network penetration attempts and computer virus "hits" each day. By the end of FY 2004, the Department will certify and accredit all major IT systems.

During FY 2002, IRM deployed and maintained the infrastructure necessary to provide 185 overseas posts and 25 domestic bureaus with Internet web access. IRM is on target to provide and support the infrastructure necessary for Internet web services at all overseas posts and domestic offices by June 2003. The IRM-managed Classified Connectivity Project (CCP) program and related support services exceeded its FY 2002 target by deploying and maintaining 54 additional systems at State diplomatic posts overseas. This brought the total deployment and support of modernized CCP systems to 131 posts. IRM has deployed and now supports CCP at over 56 percent of the Department's embassies and consulates that are cleared for classified processing. CCP provides fully modernized classified automation including Intranet and e-mail capabilities. IRM is also on target to complete CCP deployment by December 2003, as scheduled.

Also in FY 2002, 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. ENM implemented a series of plans to establish 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, and put in place procedures to manage customer expectations and support levels and implemented enterprise-wide configuration tracking.

DIPLOMATIC & CONSULAR PROGRAMS

Having in previous years completed the production deployment of a modernized overseas unclassified infrastructure worldwide, the Department IRM professionals managed the technical refresh phase for this network in FY 2002. During the last fiscal year, 45 post systems were refreshed. In FY 2002, Department IRM professionals also continued to administer three Enterprise licensing and maintenance agreements for Microsoft, Oracle and Cisco.

In FY 2002 IRM technicians completed the initial deployment phase of the multi-year Secure Voice Program, which will provide for an orderly transition to the new, NSA-mandated Secure Telephone Equipment supporting all of the Department's business processes requiring secure telephonic communications. The IRM management and technical team also completed deployment of the Department's modern IT network to all overseas Public Affairs offices. This installation brought employees of the Public Affairs sections at overseas posts into the Department's unclassified OpenNet networks and systems, thus giving the former United State Information Agency overseas personnel full access to standard Department administrative and e-mail systems. By September 2002, the Department had completed installations and training at all 205 posts in this project.

The Department made progress in FY 2002 in moving toward commercial-style networking by managing and implementing the installation of VPNs between Washington and 54 posts abroad – exceeding our target by 8 percent – thereby increasing communications security by providing reliable alternatives to the primary communications method. As a result of these efforts, we project that network reliability will continue to improve from the FY 2002 achievement of 97 percent to the FY 2007 goal of over 99 percent.

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; official diplomatic record messaging systems and support; standard utilities and services for information exchange.

Bureau Indicators:

- Percentage of employees having connectivity to internal and external web based networks at their desktops;
- Number of posts having modern unclassified and classified computer systems, cable and e-mail capabilities installed;
- Progress toward elimination of the current cable system and processes (e.g., ACP-127 and IRM Communications Centers).

Progress (FY 2002): The Department made significant progress in FY 2002 in beginning work to eliminate the Department's outmoded, legacy official diplomatic messaging and records system, which has its origin in the 1940s. Over 40 agencies depend on telegrams delivered through this system.

During FY 2002, IRM fielded and supported "WebGram" at 102 posts. WebGram currently provides an on-line tool to supplement, not replace, access to official diplomatic message traffic. Via WebGram, unclassified, non-restricted official telegraphic traffic can be received at the user's OpenNet desktop PC. Previously, staff was required to go to another room or building to access this information, sometimes limited to paper form only.

The Department's Under Secretary for Management highlighted the project, called SMART (State Messaging and Archive Retrieval Toolset) as a critical initiative vital and fundamental to the Department's e-Diplomacy strategy. A program management office and a steering committee were established. SMART

is a solution that will allow State information to be shared more quickly and conveniently with other government entities, including with the intelligence, defense and other USG foreign affairs agencies.

SMART plans call for a web-based messaging and searching capability to replace current "cables," memoranda, e-mail and other formal and informal messages and documents. In FY 2002, a prototype was developed and made available to 500 users, domestically and overseas, to further define user requirements. In FY 2003, SMART plans are to fully develop the system solution, followed by a pilot and phased deployment beginning in FY 2004. In parallel, the Department will be planning and establishing redundant communications links to ensure the performance of the network.

During FY 2002, IRM provided and supported rapid and reliable Internet web-browsing services to the desktop of 71 percent of the Department's employees. Other significant services included providing formal and secure diplomatic communications support for the transmission and processing of some 30 million official diplomatic messages during FY 2002, a twenty percent increase over the previous year and the highest volume of message traffic in the last five years. This significant increase is attributed in large measure to the growth in communications related to visa matters in the post-9/11 environment.

IRM also provided unclassified computer systems, office automation and Intranet research and browsing capabilities and services to the desktops of approximately 43,500 employees, including the transmission of over 60 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 11,000 users and processed approximately 15 million e-mail messages during FY 2002. Also during FY2002, the Department decrease network downtime by 5 percent over previous baselines, achieving the Department's goal of 97 percent network availability.

Priority: Leveraging IT to Streamline Operations.
User-empowered administrative systems; consolidation of information technology facilities.

Bureau 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 (FY 2002): In FY 2002, IRM continued to supply world-class applications support to Department of State management officials. The Department continued to strengthen data administration initiatives by expanding the data dictionary and data repository. Also, Internet/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 2002 progress included maintenance of a 24/7 functional Help Desk, which responded to over 15,000 user calls from around the world. 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 2002, IRM professionals also continued a project, known as Enterprise Server Consolidation, which consolidated 125 domestic servers. Such consolidations of servers into centralized locations can improve systems reliability and security, while decreasing space, power, air conditioning and labor costs. During FY 2002, this project successfully. The project is projected to continue worldwide through FY 2005.

Priority: Sustaining a Trained and Productive Workforce.
A rewarding workplace for IT specialists; an effective distance learning program.

Bureau Indicators: Vacancy level; percentage of personnel having appropriate skill levels for approved activities.

Progress (FY 2002): The IRM Bureau continued to successfully lead the Department's efforts to sustain a trained and productive IT workforce. This was accomplished by a variety of management strategies, including competitively balancing IRM Bureau staff between government and private workforces to ensure results and efficiencies. Private corporations now provide sixty percent of the IRM Bureau's workforce.

Regarding government employees, IRM continues to conduct aggressive IT recruitment and retention programs. These initiatives are necessary given the highly competitive nature of the IT employment field and the general shortage of skilled IT workers. Successful IT human resource initiatives employed by IRM during FY 2002 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 over 750 current employees. Since its inception, this retention bonus for skills incentive program, the Department has increased the number of IT specialists possessing critically needed Microsoft Certified Engineer skills by over 400 percent – from only 49 in 1999 to over 250 at the end of FY 2002. 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. The Department also 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.

During FY 2002, State also played a leadership role in conducting the USG's first-ever, highly effective virtual IT job fair. Twenty-seven agencies participated in this on-line effort, and nearly 19,000 applications from U.S. citizens were received and quickly processed.

Thanks to these recruitment efforts, skills development, retention and competitive sourcing programs, the Department is maintaining the IT staff it needs to successfully, efficiently support American diplomacy in the information age. State has moved ahead, as President Bush asked, to "think differently ... to recruit talented and imaginative people to the public service." And, by adopting best practices already proven successful in the market, we have streamlined the process for U.S. citizens seeking to serve our nation, and achieved advantageous strategic IT human capital results.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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 2002 Actual	530	0	0	530	$118,814	$42,352	$161,166
FY 2003 Estimate	532	0	0	532	$121,600	$43,687	$165,287
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$19	$310	$329
American Cost of Living Adjustment	0	0	0	0	$65	$740	$805
Domestic Price	0	0	0	0	$1,780	$0	$1,780
Total Built-in Changes	0	0	0	0	$1,864	$1,050	$2,914
FY 2004 Current Services	532	0	0	532	$123,464	$44,737	$168,201
FY 2004 Request	532	0	0	532	$123,464	$44,737	$168,201

STAFF BY PROGRAM ACTIVITY
(positions)

Bureau of Information Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Information Resource Management	**530**	**532**	**532**	**0**
Infrastructure Systems	392	392	392	0
Central Management Functions	66	66	66	0
Information Management Security Implementation	42	42	42	0
ADP Communications and Message Centers	171	171	171	0
Voice Communications Programs	58	58	58	0
Special Communications Support	55	55	55	0
Office Automation	138	140	140	0
Foreign Affairs Information System	26	26	26	0
Other Office Automation	112	114	114	0
Total	530	532	532	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Information Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Public Diplomacy	**$558**	**$568**	**$577**	**$9**
Public Diplomacy - Program Costs	$558	$568	$577	$9
Information Resource Management	**$160,608**	**$164,719**	**$167,624**	**$2,905**
Infrastructure Systems	$115,965	$118,929	$121,022	$2,093
Central Management Functions	$12,704	$13,041	$13,285	$244
Infrastructure Maintenance	$32,165	$32,921	$33,425	$504
Information Management Security Implementation	$14,534	$14,900	$15,157	$257
ADP Communications and Message Centers	$31,598	$32,449	$33,068	$619
Voice Communications Programs	$13,544	$13,897	$14,150	$253
Special Communications Support	$11,420	$11,721	$11,937	$216
Office Automation	$44,643	$45,790	$46,602	$812
Foreign Affairs Information System	$21,344	$21,740	$22,086	$346
Other Office Automation	$23,299	$24,050	$24,516	$466
Total	$161,166	$165,287	$168,201	$2,914

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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**	**$577**	**$0**	**$577**
Public Diplomacy - Program Costs	0	0	0	0	$577	$0	$577
Information Resource Management	**532**	**0**	**0**	**532**	**$122,887**	**$44,737**	**$167,624**
Infrastructure Systems	392	0	0	392	$89,216	$31,806	$121,022
Central Management Functions	66	0	0	66	$8,111	$5,174	$13,285
Infrastructure Maintenance	0	0	0	0	$33,425	$0	$33,425
Information Management Security Implementation	42	0	0	42	$11,797	$3,360	$15,157
ADP Communications and Message Centers	171	0	0	171	$18,802	$14,266	$33,068
Voice Communications Programs	58	0	0	58	$9,462	$4,688	$14,150
Special Communications Support	55	0	0	55	$7,619	$4,318	$11,937
Office Automation	140	0	0	140	$33,671	$12,931	$46,602
Foreign Affairs Information System	26	0	0	26	$19,902	$2,184	$22,086
Other Office Automation	114	0	0	114	$13,769	$10,747	$24,516
Total	532	0	0	532	$123,464	$44,737	$168,201

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Bureau of Information Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Chief Information Officer	6	6	6	0
Deputy CIO for Management	49	49	49	0
Deputy CIO for Architecture and Planning	36	36	36	0
Deputy CIO for Customer Center	67	69	69	0
Deputy CIO for Operations	3	3	3	0
Systems Integration	77	77	77	0
Messaging Systems	185	185	185	0
Information Technology Infrastructure	82	82	82	0
Enterprise Network Management	25	25	25	0
Total	530	532	532	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Bureau of Information Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Chief Information Officer	$2,476	$2,175	$2,213	$38
Deputy CIO for Management	$10,607	$9,980	$10,180	$200
Deputy CIO for Architecture and Planning	$8,469	$8,906	$9,084	$178
Deputy CIO for Customer Center	$10,218	$10,603	$10,712	$109
Deputy CIO for Operations	$3,589	$2,551	$2,602	$51
Systems Integration	$21,359	$23,058	$23,520	$462
Messaging Systems	$38,797	$40,392	$40,900	$508
Information Technology Infrastructure	$48,761	$50,371	$50,987	$616
Enterprise Network Management	$16,890	$17,251	$18,003	$752
Total	$161,166	$165,287	$168,201	$2,914

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Information Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$37,345	$38,493	$39,404	$911
1200	Personnel Benefits	$9,368	$9,657	$9,886	$229
2100	Travel & Trans of Persons	$7,296	$7,463	$7,608	$145
2200	Transportation of Things	$1,349	$1,386	$1,419	$33
2300	Rents, Comm & Utilities	$9,817	$10,048	$10,249	$201
2400	Printing & Reproduction	$2,895	$2,963	$3,022	$59
2500	Other Services	$77,059	$78,862	$79,869	$1,007
2600	Supplies and Materials	$10,002	$10,238	$10,443	$205
3100	Personal Property	$6,035	$6,177	$6,301	$124
Total		$161,166	$165,287	$168,201	$2,914

DIPLOMATIC & CONSULAR PROGRAMS

Diplomatic Telecommunications Service Program Office

OVERVIEW STATEMENT

Telecommunications is vital to support the U.S. presence abroad. The Diplomatic Telecommunications Service, Program Office (DTS-PO), in response to Congressional concern over this vital need. With particular concern regarding 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 47 different U.S. government departments and agencies at some 270 locations worldwide.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: Management and Organizational Excellence

Strategic Goal: Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.

Priority: Cost-Effective Customer Service

Bureau Initiative: 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.

Bureau 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 2002): Since March 2002, the Program Office has launched a program of change to:

- Transform the DTS network into a global architecture employing mesh topology, multiple tiers, regional rings and high-speed core, building on the early success of the Western European Network (WEN) prototype;
- Restructure DTS bandwidth acquisition processes to take advantage of strategic relationships with suppliers, bundled acquisitions, service level agreements, and network management features;
- Segment the network to include an Internet-based element, supporting the Virtual Private Network (VPN) needs and economies of multiple customer agencies;
- Standardize and modernize DTS network baseband systems and shipping processes to achieve enhanced configuration management, lower costs, and improved network performance and customer service;

- Reorganize the Program Office based on rational components of core work and augmenting customer service elements;
- Restructure our service contracts to improve processes and secure economics; and
- Continue progress towards full cost recovery.

Priority: Network Integration and Consolidation

Bureau Initiative: 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.

Bureau 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 2002): In response to the financial instability and eventual demise of its earlier host, the WEN was moved to fiber owned by BT Ignite. In the process, the network core was upgraded from DS-3 (44.736 mega bit) to OC-3 (155.52 mega bit) speed and two true sonet rings were implemented. The result is a high-bandwidth regional network with high reliability and low latency, operating at significant reduction from prior rates for service to West Europe. The WEN also plays a strategic role in high-speed transport home of traffic originating in North Africa, the Middle East, and points east.

In the Pacific Rim, we created a DS-3 based core network, driving costs down while increasing capacity, creating the first legs of an eventual OC-3 ring topology that will take advantage of partnering opportunities with the other US Government service providers. As the next phase of that topology is created, we will also design linked mesh network elements for other regions of East Asia.

Deployment of the Asyncronous Transfer Mode (ATM) layer of the DTS network, key to the global mesh topology, has begun with regional relay facilities and Berlin and will continue in several other larger "on-net" sites this fiscal year.

Progress (FY2003): The "Spectrum" Indefinite Delievery Indefinite Quantity (IDIQ) bandwidth acquisition contract – providing for bundled bandwidth solutions, stringent SLA's, and rigorous network management – has been awarded. We are contracting with five offerors and will award an initial seven bandwidth work orders whose cost, at $8.3 million, is much lower than we have paid for bandwidth traditionally in the areas in question.

A Request for Proposal (RFP) to contract for the initial phase of "DTS-Lite," our proposed Internet-based network segment, was released January 30, 2003. We deployed to approximately 50 overseas sites, calibrated to the strongest areas of customer requirements. We plan to integrate this network segment with the larger VPN's among our customers – i.e., DoS and USAID – to the eventual good of our broader customer base.

In the immediate future, we will define and engineer a set of standard baseband systems (ranging from four/five rack systems for larger embassies to the portable communications system called "Mini-Me""for very small non-pro sites). As we deploy such systems to all overseas sites eventually, we will gradually eliminate "unique" system configurations from the DTS network and benefit from assembly line production, predictable technology refresh, and configuration management. These Quick Deployable Systems (QDS) will be designed for remote maintenance, fault analysis and rapid replacement. Within FY 2003 DTS-PO plans to move from our current average 456 days to process, integrate, test, ship and install a communications system overseas to 30 days or less, and to reduce our related costs.

FY 2004 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 2002 Actual	53	0	0	53	$44,484	$3,180	$47,664
FY 2003 Estimate	53	0	0	53	$44,492	$3,273	$47,765
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$0	$23	$23
American Cost of Living Adjustment	0	0	0	0	$0	$55	$55
Domestic Price	0	0	0	0	$667	$0	$667
Total Built-in Changes	0	0	0	0	$667	$78	$745
FY 2004 Current Services	53	0	0	53	$45,159	$3,351	$48,510
FY 2004 Request	53	0	0	53	$45,159	$3,351	$48,510

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Diplomatic Telecommunication Service Program Office	FY 2002 Actual	FY 2003 Estimate	FY 2004 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Information Resource Management	**$47,664**	**$47,765**	**$48,510**	**$745**
Infrastructure Systems	$47,664	$47,765	$48,510	$745
DTS Leased Lines	$47,664	$47,765	$48,510	$745
Total	$47,664	$47,765	$48,510	$745

FY 2004 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**	**$45,159**	**$3,351**	**$48,510**
Infrastructure Systems	53	0	0	53	$45,159	$3,351	$48,510
DTS Leased Lines	53	0	0	53	$45,159	$3,351	$48,510
Total	53	0	0	53	$45,159	$3,351	$48,510

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Diplomatic Telecommunication Service Program Office	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Program Direction	3	3	3	0
Systems Group	8	8	8	0
Field Support Group	9	9	9	0
Counter Narcotics	1	1	1	0
Network Management	8	8	8	0
Requirements	2	2	2	0
Transmission Systems	1	1	1	0
Administration	11	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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Program Direction	$626	$638	$657	$19
Systems Group	$3,531	$3,547	$3,606	$59
Field Support Group	$6,924	$6,934	$7,082	$148
Counter Narcotics	$161	$162	$166	$4
Network Management	$21,949	$21,966	$22,267	$301
Requirements	$355	$358	$378	$20
Transmission Systems	$516	$519	$589	$70
Administration	$8,599	$8,619	$8,744	$125
Beltsville Information Management Center	$5,003	$5,022	$5,021	($1)
Total	$47,664	$47,765	$48,510	$745

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

Diplomatic Telecommunication Service Program Office	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100 Personnel Compensation	$2,450	$2,510	$2,565	$55
1200 Personnel Benefits	$730	$763	$786	$23
2100 Travel & Trans of Persons	$717	$717	$717	$0
2200 Transportation of Things	$597	$597	$597	$0
2300 Rents, Comm & Utilities	$17,795	$17,803	$17,803	$0
2400 Printing & Reproduction	$25	$25	$25	$0
2500 Other Services	$17,000	$17,000	$17,667	$667
2600 Supplies and Materials	$750	$750	$750	$0
3100 Personal Property	$7,600	$7,600	$7,600	$0
Total	$47,664	$47,765	$48,510	$745

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) Protect the National Security of the United States. 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) 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. 4) 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.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the nation**

***Strategic Goal*: American Citizens - Assist American citizens to travel, conduct business, and live abroad securely.**

Priority: To protect American citizens from abuses of privileges and immunities by foreign missions and their personnel in the U.S.

Bureau Initiatives: 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.

Bureau 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 (FY 2002): As part of its ongoing legislative and law enforcement outreach, OFM continues to meet with and sponsor seminars for state and local elected officials and law enforcement executives to educate them relative to the privileges and immunities enjoyed by diplomatic and consular personnel and staff in the United States in order to insure appropriate treatment. The Joint Transportation Committee of the New Jersey state legislature has passed the model notification bill making it a legal requirement for local police to notify OFM when stopping someone who presents a State Department driver license or otherwise claims immunity. Passage appears probable when full Legislature votes on bill. The model bill, so far, has been enacted by legislatures in Arizona, Illinois, Louisiana, Maryland, New Hampshire, New Mexico, Texas and Wyoming.

OFM ordered the departure from the United States of two mission members for repeat alcohol-related driving offenses, and one family member for failing to comply with an OFM driving suspension. In the interest of promoting public safety, OFM requires the departure from the U.S. of a mission or family member who's been involved in two alcohol-related driving incidents.

In other alcohol-related cases, OFM imposed one-year driving suspensions in seven cases because the foreign governments refused to waive immunity to allow prosecution of an initial DUI charge. In six other cases, OFM imposed one-year administrative driving suspensions based on detailed allegations of DUI in police incident reports. In FY2002, 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. OFM suspended driving privileges in two cases for excessive accumulation of points.

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. In calendar year 2002, 21 nations took steps that eliminated or reduced taxes or customs restrictions.

A reduction in vehicle holding requirements for our U.S. missions to allow the foreign embassies 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 including remote data entry, which will make it possible for missions to complete and print forms from their own computers.

***Strategic Objective*: Strengthen Diplomatic and Program Capabilities**

***Strategic Goal*: Management and Organizational Excellence - Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities.**

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

Bureau Initiatives: 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.

DIPLOMATIC & CONSULAR PROGRAMS

Bureau 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 (FY 2002): A. Negotiations continue with the Peoples Republic of China to sign a Conditions of Construction Agreement (COCA) which will regulate on conditions of reciprocity the various concerns involved with the simultaneous construction of our respective Embassies in Washington DC and Beijing, China. B. Cote d'Ivoire entered into negotiations to resolve property issues and transferred funds to resume construction of the new chancery. C. Achieved 99% compliance level by foreign missions with OFM regulations relating to the acquisition and disposition of real property in the United States. D. 101 nations give full tour of duty entry privileges to administrative and technical staff members. No nations restrict customs privileges for diplomatic agents or consular officers.

Priority: Strengthen the ability of the United States to achieve its International Affairs goals and respond through effective and efficient information management.

Bureau Initiatives: A. To enhance the performance of the new TOMIS automated database 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.

Bureau Indicators: A. Web enabled 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 (FY 2002): The new TOMIS automated database 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. A full backup server for the TOMIS automated database was installed at one of the regional offices with replication of data allowing an enhanced continuity of operations capability. 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.

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Office of Foreign Missions	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	0	0	0	0	$4,794	$0	$4,794
FY 2003 Estimate	0	0	0	0	$4,273	$0	$4,273
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$13	$0	$13
American Cost of Living Adjustment	0	0	0	0	$40	$0	$40
Domestic Price	0	0	0	0	$34	$0	$34
Total Built-in Changes	0	0	0	0	$87	$0	$87
FY 2004 Current Services	0	0	0	0	$4,360	$0	$4,360
FY 2004 Request	0	0	0	0	$4,360	$0	$4,360

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of Foreign Missions	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$306**	**$313**	**$335**	**$22**
Bureau Direction	$306	$313	$335	$22
Conduct of Diplomatic Relations	**$2,896**	**$2,329**	**$2,351**	**$22**
Political Affairs	$2,896	$2,329	$2,351	$22
Foreign Mission Activities	$2,896	$2,329	$2,351	$22
Information Resource Management	**$1,034**	**$1,059**	**$1,080**	**$21**
Office Automation	$1,034	$1,059	$1,080	$21
Other Office Automation	$1,034	$1,059	$1,080	$21
Domestic Administrative Support	**$558**	**$572**	**$594**	**$22**
Domestic Administrative Management	$558	$572	$594	$22
Total	$4,794	$4,273	$4,360	$87

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 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**	**$335**	**$0**	**$335**
Bureau Direction	0	0	0	0	$335	$0	$335
Conduct of Diplomatic Relations	**0**	**0**	**0**	**0**	**$2,351**	**$0**	**$2,351**
Political Affairs	0	0	0	0	$2,351	$0	$2,351
Foreign Mission Activities	0	0	0	0	$2,351	$0	$2,351
Information Resource Management	**0**	**0**	**0**	**0**	**$1,080**	**$0**	**$1,080**
Office Automation	0	0	0	0	$1,080	$0	$1,080
Other Office Automation	0	0	0	0	$1,080	$0	$1,080
Domestic Administrative Support	**0**	**0**	**0**	**0**	**$594**	**$0**	**$594**
Domestic Administrative Management	0	0	0	0	$594	$0	$594
Total	0	0	0	0	$4,360	$0	$4,360

FUNDS BY DOMESTIC ORGANIZATION UNIT

($ in thousands)

Office of Foreign Missions	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Office of the Deputy Assistant Secretary	$429	$440	$430	($10)
Office of Vehicles, Tax, Customs	$3,155	$2,594	$2,544	($50)
Office of Travel, Property, Construction, Goods and Services	$638	$653	$633	($20)
Administrative Support Staff	$572	$586	$753	$167
Total	$4,794	$4,273	$4,360	$87

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of Foreign Missions	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$0	$0
1200	Personnel Benefits	$0	$0	$0	$0
2500	Other Services	$4,794	$4,273	$4,360	$87
Total		$4,794	$4,273	$4,360	$87

DIPLOMATIC & CONSULAR PROGRAMS

Post Assignment Travel

OVERVIEW STATEMENT

The Post Assignment Travel function supports the Department's worldwide activities in the areas of change of station 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. Except for travel funded by other appropriations, this account funds all allowable appointment, transfer, home leave, and separation travel covered for both Foreign Service and Civil Service. The Department's tour of duty policy has been three years at most overseas posts or two years at posts with extreme hardship conditions. Effective summer cycle 2002, however, the Department has increased 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 training, which these per diem payments support, prepares Foreign Service Officer and Specialists for their next overseas assignment..

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
SUMMARY STATEMENT

Post Assignment Travel	Positions American Domestic	Overseas	FSN	Pos Total	Funds ($ in thousands) Bureau Managed	American Salaries	Funds Total
FY 2002 Actual	0	0	0	0	$136,055	$0	$136,055
FY 2003 Estimate	0	0	0	0	$135,389	$0	$135,389
FY 2004 Built-in Changes							
One-Time 2003 Hiring Plan Costs	0	0	0	0	($8,740)	$0	($8,740)
Overseas Inflation	0	0	0	0	$1,181	$0	$1,181
Domestic Price	0	0	0	0	$1,654	$0	$1,654
Total Built-in Changes	0	0	0	0	($5,905)	$0	($5,905)
FY 2004 Current Services	0	0	0	0	$129,484	$0	$129,484
FY 2004 Request	0	0	0	0	$129,484	$0	$129,484

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Post Assignment Travel	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Post Assignment Travel	**$136,055**	**$135,389**	**$129,484**	**($5,905)**
Total	$136,055	$135,389	$129,484	($5,905)

FY 2004 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**	**$129,484**	**$0**	**$129,484**
Total	0	0	0	0	$129,484	$0	$129,484

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Post Assignment Travel	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Other Post Assignment Travel	$136,055	$135,389	$129,484	($5,905)
Total	$136,055	$135,389	$129,484	($5,905)

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Post Assignment Travel	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$0	$0	$0	$0
1200	Personnel Benefits	$7,015	$7,598	$7,598	$0
2100	Travel & Trans of Persons	$36,478	$70,000	$65,054	($4,946)
2200	Transportation of Things	$79,934	$47,659	$46,700	($959)
2500	Other Services	$12,628	$10,132	$10,132	$0
Total		$136,055	$135,389	$129,484	($5,905)

DIPLOMATIC & CONSULAR PROGRAMS

Population

OVERVIEW STATEMENT

The Bureau of Population, Refugees & Migration provides policy coordination and leadership to the U.S. Agency for International Development and other U.S. government agencies to help people worldwide achieve healthly families of the size they desire by promoting voluntary, fully informed and non-coercive decision-making and methods that respect human rights and do not involve abortion (1). At the family level, couples need health education and care, as well as nutrition and clean water, shelter and sanitation, and education. The Department works to promote good governance, economic opportunity, and other methods of making these goods available, and also works to decrease the incidence of abortion, communicable and non-communicable diseases, and other causes of mortality and morbidity. The Department also works to help governments react appropriately to new demographic challenges, including declining fertility rates, aging populations, gender imbalances, and abnormal demography caused by the impact of war, changing social behavior, and diseases such as HIV/AIDS. These efforts promote American security, growth and values by helping create a healthy and educated world population whose members can participate in and promote global democratic good governance, economic opportunity, and environmental and human rights protection.

(1) In conformity with the Mexico City policy as re-instituted by President Bush, USAID assistance to foreign NGOs is provided only to those that do not perform or promote abortions. In addition, in accordance with law, USAID is prohibited from providing U.S. assistance to fund the performance of abortion as a method of family planning or any biomedical research that relates to the performance of abortion as a method of family planning, or to motivate or coerce any person to practice abortion, or to fund any organizations or programs that support or participate in the management of a program of coercive abortion or forced sterilization.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Advance Sustainable Development and Global Interests**

Strategic Goal: **Social and Environmental Issues - Improve health, education, environment, migrant management, and other conditions for the global population.**

Priority: Advance U.S. goals in bilateral and multilateral fora, including the goal of helping couples worldwide achieve healthy families of the size they desire by promoting voluntary, fully informed and non-coercive decision-making and methods that respect human rights and do not involve abortion.

Bureau Initiatives: Work bilaterally and multilaterally to end all coerced abortion, sterilization and other coercive birth control measures; support voluntarism, fully informed decision-making and the primary role of the family with regard to family planning and all health programs; reduce the incidence of abortion.

Bureau Indicators: A. Promotion of U.S. policies bilaterally and multilaterally at conferences and other meetings dealing with these issues. B. Increase in public diplomacy and stakeholder outreach activities, including meetings with international and U.S. NGOs.

Progress (FY 2002): In 2002, the U.S. promoted these policies at a number of meetings of UN agencies. At the UN Commission on Population and Development, the U.S. promoted measures designed to improve reproductive health and reduce the incidence of STDs, particularly HIV/AIDS. At the Executive Board meetings of the UN Population Fund (UNFPA) and the UN Development Program, the U.S., a member of the Executive Board, helped to pass reform measures to minimize programmatic redundancies across the UN agencies. The 2002 Fifth Asian and Pacific Population Conference, sponsored jointly by UNFPA and

the UN Economic and Social Commission for Asia and the Pacific, the U.S. achieved improvements in the treatment of women, migrants, and vulnerable populations in that region, and acknowledgement of the critical importance to development efforts of good governance, economic freedom, and investments in the health and education of the population. In addition, the U.S. withheld funding from UNFPA in FY 2002 because the Secretary of State determined that UNFPA provided funds and other support to the Chinese governmental entities charged with enforcing China's birth limitation program, which relies upon coercive abortion. The U.S. is working closely with UNFPA to seek reforms of the UNFPA program so that UNFPA will cease its involvement with coercion and future funding of UNFPA will be legally possible. Finally, the U.S. also conducted outreach acitivities through speeches as well as meetings with international and U.S. NGOs and other stakeholders.

FY 2004 Request
SUMMARY STATEMENT

Bureau for Population, Refugees & Migration	Positions American Domestic	Positions American Overseas	Positions FSN	Pos Total	Funds ($ in thousands) Bureau Managed	Funds ($ in thousands) American Salaries	Funds ($ in thousands) Funds Total
FY 2002 Actual	0	0	0	0	$506	$0	$506
FY 2003 Estimate	0	0	0	0	$486	$0	$486
FY 2004 Built-in Changes							
Domestic Price	0	0	0	0	$7	$0	$7
Total Built-in Changes	0	0	0	0	$7	$0	$7
FY 2004 Current Services	0	0	0	0	$493	$0	$493
FY 2004 Request	0	0	0	0	$493	$0	$493

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau for Population, Refugees & Migration	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Domestic Administrative Support	**$506**	**$486**	**$493**	**$7**
Domestic Administrative Management	$506	$486	$493	$7
Total	$506	$486	$493	$7

DIPLOMATIC & CONSULAR PROGRAMS

FY 2004 Request
PROGRAM ACTIVITIES

Bureau for Population, Refugees & Migration	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Domestic Administrative Support	**0**	**0**	**0**	**0**	**$493**	**$0**	**$493**
Domestic Administrative Management	0	0	0	0	$493	$0	$493
Total	0	0	0	0	$493	$0	$493

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau for Population, Refugees & Migration	FY 2002 Actual	FY 2003 Estimate	FY 2004 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	$506	$486	$493	$7
3300	Investments and Loans	$0	$0	$0	$0
Total		$506	$486	$493	$7

DIPLOMATIC & CONSULAR PROGRAMS

International Criminal Justice

OVERVIEW STATEMENT

This Diplomatic and Consular Program 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).

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 2004 Request
SUMMARY STATEMENT

Office of International Criminal Justice	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	9	0	0	9	$0	$1,041	$1,041
FY 2003 Estimate	9	0	0	9	$0	$1,071	$1,071
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$0	$8	$8
American Cost of Living Adjustment	0	0	0	0	$0	$18	$18
Total Built-in Changes	0	0	0	0	$0	$26	$26
FY 2004 Current Services	9	0	0	9	$0	$1,097	$1,097
FY 2004 Request	9	0	0	9	$0	$1,097	$1,097

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Office of International Criminal Justice	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Law Enforcement Cooperation	**9**	**9**	**9**	**0**
Total	9	9	9	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of International Criminal Justice	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Law Enforcement Cooperation	**$1,041**	**$1,071**	**$1,097**	**$26**
Total	$1,041	$1,071	$1,097	$26

FY 2004 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	**9**	**0**	**0**	**9**	**$0**	**$1,097**	**$1,09**
Total	9	0	0	9	$0	$1,097	$1,09

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Office of International Criminal Justice	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Organized Crime Division	9	9	9	0
Total	9	9	9	0

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Office of International Criminal Justice	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Organized Crime Division	$1,041	$1,071	$1,097	$26
Total	$1,041	$1,071	$1,097	$26

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Office of International Criminal Justice	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$833	$857	$883	$26
1200	Personnel Benefits	$208	$214	$214	$0
Total		$1,041	$1,071	$1,097	$26

DIPLOMATIC & CONSULAR PROGRAMS

Trafficking in Persons

OVERVIEW STATEMENT

Trafficking in persons is among the fastest growing human rights violations and transnational crimes internationally. This modern-day form of slavery involves both sexual and labor exploitation, adopting such forms as indentured servitude, debt bondage, chattel slavery and peonage. Estimates vary, but at least 700,000 and possibly up to 4 million people, primarily women and children, are annually trafficked worldwide, including 50,000 victims brought into the United States each year. The lead governmental advocate is the Office to Monitor and Combat Trafficking in Persons at the Department of State, established in October 2001 pursuant to the Trafficking Victims Protection Act of 2000 (TVPA). The Office is responsible for developing, monitoring, and overseeing the USG anti-trafficking policy and programs; compiling the largest government-produced annual Trafficking in Persons Report (the TIP Report); and, advancing public awareness and advocacy involving practical solutions to combat human trafficking worldwide. The Office works with other governments, USG agencies, Non-Governmental Organizations (NGOs), international organizations, Congress, and the media, with a vision of trafficking eradication globally.

STRATEGIC OBJECTIVES & GOALS

Strategic Objective: **Protect the Nation**

Strategic Goal: **International Crime and Drugs - Minimize the impact of international crime and illegal drugs on the United States and its citizens.**

Office Priority #1) **ERADICATING TRAFFICKING IN PERSONS. Strengthen international, regional and country efforts to combat trafficking through increased governmental capacity building, public awareness, and victim service provision.**

Bureau Initiatives: A. Strengthen capacity of governments and NGOs to fight trafficking particularly in Tier 3 countries of the TIP Report (defined as failing to meet minimum standards for the elimination of trafficking), and Tier 2 countries (defined as not yet fully complying with the minimum standards but making significant efforts to bring themselves into compliance). B. Relevant agencies adopt complimentary guidelines for evaluating international USG-funded, anti-trafficking programs in a consistent manner. C. Increase awareness through public diplomacy and outreach both internationally and domestically among governments, NGOs, USG agencies, Congress and media.

Bureau Indicators: A. Significantly increased capacity building and coordinated assistance to eligible governments and NGOs whose countries are in Tiers 3 and 2, and specific references to anti-trafficking in relevant bureau budgets. B. Development and implementation of Embassy action plans for host governments and NGOs in TIP countries. C. Institutionalized, solution-oriented anti-trafficking advocacy and reporting. D. Programs integrated into USG policy complimented by on-going engagement with informed relevant governments, Congress, NGOs and the media.

Progress (FY 2002): During FY 2002, the Department funded or implemented approximately 110 different programs in over 50 countries. Programmatic emphasis was on the development and implementation of anti-trafficking programs in countries in Tiers 2 and 3, and other countries with a significant need and demonstrated willingness to combat trafficking. The Office has compiled a comprehensive list of Department and USAID anti-trafficking programs for FY 2002 and developed a tracking system to identify USG expenditures. This system describes the project type, funding sources, and funding awards for each Department bureau, region, country, and award recipient. The tracking system shows that Department and USAID anti-trafficking funding more than doubled from approximately $17 million in FY 2001 to an estimated $37 million in FY 2002. The TIP Office further streamlined the process for submitting proposals to posts, bureaus, and agencies. Staff traveled to several countries to review State Department and other

USG-funded anti-trafficking programs in the Dominican Republic, Brazil, Lebanon, Ethiopia, Nigeria, Moldova and Latvia. Overall, program funding combined with diplomatic efforts has promoted increased NGO and government cooperation in South Asia and enhanced strategy-oriented regional cooperation in West Africa and East Asia.

The TIP Office expanded substantially its public diplomacy activities this year, both domestically and abroad. Increasing trafficking awareness, the Office hosted five public briefings for the press, NGOs and congressional staff, including featured speakers Secretary Powell and Sebastian Junger. Office staff spoke at several U.S. and international conferences, including Lebanon, Egypt, Chile, the Vatican, Tanzania, Kenya, Ethiopia, Moldova, Latvia, and Finland. Domestically, staff trained personnel at FSI, law enforcement academies, and universities. The Office increased use of Digital Video Conferences, featuring Washington, D.C. based-staff discussions with foreign government officials, media and NGOs assembled at US embassies globally. The Office hosted several International Visitors Programs, and prepared testimonies for five Senate Foreign Relations Committee, House International Relations Committee, and Helsinki Commission hearings held by Members of Congress. Providing strategic support to foreign governments, the Office assisted in completing a draft Model Anti-Trafficking Law and continues to collaborate with NGOs and universities on strategies to promote increased prosecution of traffickers to full conviction and sentencing. The Office is coordinating an international conference on trafficking scheduled for February 2003 to produce regional, cooperative strategies to combat sexual exploitation globally.

Office Priority #2) COORDINATING IMPLEMENTATION OF THE TRAFFICKING VICTIMS PROTECTION ACT OF 2000. Coordinate with U.S. government agencies implementing domestic and international anti-trafficking efforts and serve as secretariat to the President's Interagency Task Force on Trafficking in Persons.

Bureau Initiatives: A. Strengthen collaboration among government agencies. B. Institutionalize the USG's anti-trafficking effort. C. Serve as a central repository for information on USG's anti-trafficking efforts and as advisors on human trafficking generally.

Bureau Indicators: A. Increased strategic coordination among USG agencies. B. Increased training for relevant government personnel. C. Policy shifts to advance anti-trafficking efforts government-wide, reflected in budgets, programs, initiatives, and investigations, both intra and inter-agency.

Progress (FY 2002): Advancing inter-agency cooperation, the TIP Office facilitated the President's Interagency Task Force on Trafficking in Persons and the Senior Policy Advisory Group which promotes integrated anti-trafficking policy and implementation of the TVPA. The Office coordinated with the Departments of Justice, Labor, and Health and Human Services, the CIA, and USAID to implement anti-trafficking policy through: conducting training programs for USG officials; establishing guidelines for victim protection; assisting the coordination of victim assistance including shelters, protection, and certification of benefits by HHS; and creating informational materials for trafficking victims, NGOs and law enforcement personnel. The TIP Office has prepared a report summarizing TVPA implementation by USG agencies with the assistance of detailees from DOJ, HHS, and the CIA.

Office Priority #3) ASSESSING COUNTRY PROGRESS IN MEETING MINIMUM STANDARDS FOR ELIMINATION OF TRAFFICKING. Annually publish and distribute the TIP Report, identifying countries with significant trafficking problems and measuring anti-trafficking efforts.

Bureau Initiatives: A. Compile information for and produce the Annual TIP Report. B. Act as a central resource for data collection and analysis. C. Assess anti-trafficking efforts to combat trafficking in Tier 2 and Tier 3 countries, and formulate practical next steps utilizing release of the report as an opportunity to leverage diplomatic engagement with other governments.

Bureau Indicators: A. Compilation and submission of the TIP Report by the June deadline. B. Development of a central repository of trafficking information and improved data collection, including intelligence and law enforcement information. C. USG's programmatic and diplomatic initiatives targeted to assist governments in meeting minimum standards for eliminating trafficking in persons

DIPLOMATIC & CONSULAR PROGRAMS

Progress (FY 2002): The second annual TIP Report was presented by Secretary Powell and submitted to Congress on June 5, 2002. In follow-up, the Office coordinated and produced, with the regional bureaus, over 30 individual, country-specific, anti-trafficking strategies by global region, as well as two comprehensive regional plans. Simultaneously, the Office facilitated numerous, high-level meetings with foreign ambassadors to discuss solutions for combating human trafficking. Also, the Office hosted several working-level meetings with foreign government officials, NGOs, and international organizations to craft practical anti-trafficking plans. This resulted in concrete strategies implemented worldwide such as the creation of national action plans, passage of anti-trafficking laws, formation of vetted law enforcement units, increased prosecutions of traffickers, establishment of crisis centers and shelters, and the development of comprehensive public awareness campaigns. Staff have developed an extensive overseas network of contacts which have substantially enhanced anti-trafficking efforts, aided reporting, program creation and monitoring, and promoted awareness and advocacy strategies.

FY 2004 Request

SUMMARY STATEMENT

Trafficking in Persons	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
FY 2002 Actual	14	0	0	14	$2,648	$1,058	$3,706
FY 2003 Estimate	15	0	0	15	$2,521	$1,158	$3,679
FY 2004 Built-in Changes							
2003 American Cost of Living Adjustments	0	0	0	0	$0	$8	$8
Annualization of 2003 Hiring Increases	0	0	0	0	$0	$25	$25
Annualization of FY 2003 Diplomatic Readiness Initiative Hiring	0	0	0	0	$0	$13	$13
American Cost of Living Adjustment	0	0	0	0	$0	$18	$18
Domestic Price	0	0	0	0	$38	$0	$38
Total Built-in Changes	0	0	0	0	$38	$64	$102
FY 2004 Current Services	15	0	0	15	$2,559	$1,222	$3,781
FY 2004 Request	15	0	0	15	$2,559	$1,222	$3,781

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY PROGRAM ACTIVITY
(positions)

Trafficking in Persons	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**14**	**15**	**15**	**0**
Political Affairs	14	15	15	0
Political Diplomacy	14	15	15	0
Total	14	15	15	0

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Trafficking in Persons	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Conduct of Diplomatic Relations	**$3,706**	**$3,679**	**$3,781**	**$102**
Political Affairs	$3,706	$3,679	$3,781	$102
Political Diplomacy	$3,706	$3,679	$3,781	$102
Total	$3,706	$3,679	$3,781	$102

FY 2004 Request
PROGRAM ACTIVITIES

Trafficking in Persons	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Conduct of Diplomatic Relations	**15**	**0**	**0**	**15**	**$2,559**	**$1,222**	**$3,781**
Political Affairs	15	0	0	15	$2,559	$1,222	$3,781
Political Diplomacy	15	0	0	15	$2,559	$1,222	$3,781
Total	15	0	0	15	$2,559	$1,222	$3,781

DIPLOMATIC & CONSULAR PROGRAMS

STAFF BY DOMESTIC ORGANIZATION UNIT
(positions)

Trafficking in Persons	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Trafficking in Persons Office	14	15	15	0
Total	14	15	15	0

FUNDS BY DOMESTIC ORGANIZATION UNIT
($ in thousands)

Trafficking in Persons	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Trafficking in Persons Office	$3,706	$3,679	$3,781	$102
Total	$3,706	$3,679	$3,781	$102

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

	Trafficking in Persons	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$740	$810	$926	$116
1200	Personnel Benefits	$318	$348	$371	$23
1300	Benefits Former Personnel	$0	$0	$0	$0
2100	Travel & Trans of Persons	$0	$0	$110	$110
2200	Transportation of Things	$0	$0	$0	$0
2300	Rents, Comm & Utilities	$0	$0	$10	$10
2400	Printing & Reproduction	$0	$0	$20	$20
2500	Other Services	$648	$2,521	$230	($2,291)
2600	Supplies and Materials	$0	$0	$14	$14
3100	Personal Property	$0	$0	$300	$300
3200	Real Property	$0	$0	$0	$0
3300	Investments and Loans	$0	$0	$0	$0
4100	Grants, Subsidies & Contrb	$2,000	$0	$1,800	$1,800
4200	INS Claims & Indemnities	$0	$0	$0	$0
9000	Other	$0	$0	$0	$0
9100	Unvouchered	$0	$0	$0	$0
Total		$3,706	$3,679	$3,781	$102

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 2004, the D&CP request for the FSNSLTF is $8,224,000, an increase of $278,000 to cover FSN wage inflation and funding requirement offsets based on the annual evaluation of the Fund.

FY 2004 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 2002 Actual	0	0	0	0	$7,677	$0	$7,677
FY 2003 Estimate	0	0	0	0	$7,946	$0	$7,946
FY 2004 Built-in Changes							
Local Guard Program & Other Global Inflation	0	0	0	0	$278	$0	$278
Total Built-in Changes	0	0	0	0	$278	$0	$278
FY 2004 Current Services	0	0	0	0	$8,224	$0	$8,224
FY 2004 Request	0	0	0	0	$8,224	$0	$8,224

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

FSN Separation Liability Trust Fund Payment	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Public Diplomacy	**$1,460**	**$1,511**	**$1,564**	**$53**
Public Diplomacy - Program Costs	$1,460	$1,511	$1,564	$53
Overseas Administrative Support	**$6,217**	**$6,435**	**$6,660**	**$225**
Overseas Administrative Management	$6,217	$6,435	$6,660	$225
Total	$7,677	$7,946	$8,224	$278

FY 2004 Request

PROGRAM ACTIVITIES

FSN Separation Liability Trust Fund Payment	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Public Diplomacy	**0**	**0**	**0**	**0**	**$1,564**	**$0**	**$1,564**
Public Diplomacy - Program Costs	0	0	0	0	$1,564	$0	$1,564
Overseas Administrative Support	**0**	**0**	**0**	**0**	**$6,660**	**$0**	**$6,660**
Overseas Administrative Management	0	0	0	0	$6,660	$0	$6,660
Total	0	0	0	0	$8,224	$0	$8,224

DIPLOMATIC & CONSULAR PROGRAMS

FUNDS BY OBJECT CLASS
($ in thousands)

FSN Separation Liability Trust Fund Payment	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
2500 Other Services	$7,677	$7,946	$8,224	$278
Total	$7,677	$7,946	$8,224	$278

BORDER SECURITY PROGRAM

Summary Statement

($ in thousands)

Appropriation/Fund	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Border Security Program	$440,212	$616,821	$736,013	$119,192

Note: FY 2003 and FY 2004 includes the shift of 233 positions and $100,000,000 in consular operating expenses from the D&CP appropriation to funding by MRV fees in accordance with the FY 2003 President's Budget request.

OVERVIEW

The Department's Border Security Program, funded from the Machine Readable Visa (MRV) application fee paid by persons seeking non-immigrant visas, is a critical element in the Department of State's goal to protect American citizens and safeguard the nation's borders. During FY 2003 and FY 2004, the Department will continue to analyze and review all consular processes, policies and procedures, and seek ways to better protect the nation's security in close collaboration with the Department of Homeland Security. Our border security program strategy is focused on five major objectives:

- **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 regarding that applicant. Information sharing also facilitates the operations of other agencies by providing them access to Department of State data.
- **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 among overseas posts, the Department of State, and other federal agencies. 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.
- **Connectivity.** Provide worldwide and redundant connectivity in support of passport and visa issuance, including sufficient bandwidth to support data sharing and the transmission of electronic images, biometric information and passport applications.
- **Human Resources.** Meet the growing demand for overseas and domestic consular and passport services, 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 and enhance U.S. homeland security.
- **Integrity.** Ensure the integrity of consular 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			
Program Activity	**FY 2002 Estimate**	**FY 2003 Estimate**	**FY 2004 Request**
Consular Project Initiatives			
Consular Systems Install and Operations	32,000	31,000	36,000
Consular Systems Modernization and Support	43,950	70,100	105,600
Automated Namecheck Systems: CLASS	11,990	13,500	14,250
MRV Administrative Support	35,025	39,775	41,225
Public Information Support	1,050	5,000	5,000
Document Integrity/Fraud Programs	500	3,600	1,675
Consular Training	2,706	4,220	4,310
Passport Operations	26,131	30,290	29,820
Passport Facilities	3,465	3,950	3,950
Passport Systems	22,000	28,700	44,500
Visa Processing	8,600	15,000	44,000
American Citizen Services	2,915	2,000	2,100
TIPOFF-Terrorism and Crime	4,125	3,360	3,460
Kentucky Processing Center	4,966	1,700	1,750
Diplomatic Security			
Investigative Support/Guards	7,475	9,040	9,380
Technology Backbone - IRM			
IRM Computer Systems and Operations/Diplomatic Telecommunications Support	24,910	19,840	19,900
Subtotal: Project Initiatives	**231,808**	**281,075**	**366,920**
Border Security Staff (American Salaries)			
Consular Affairs	53,965	82,424	85,937
Bureau of Administration		54	55
Information Resource Management	2,705	2,775	2,849
Diplomatic Security	12,842	13,176	13,542
Overseas Staff	77,369	81,767	90,515
Subtotal: Border Security Staff	**146,881**	**180,196**	**192,898**
Border Security Support			
Consular Affairs	54,571	93,590	114,235
Information Resource Management	4,084	4,090	4,090
Diplomatic Security	868	870	870
Western Hemisphere Affairs (BCC)	2,000	2,000	2,000
Overseas Support		55,000	55,000
Subtotal: Border Security Support	**61,523**	**155,550**	**176,195**
Total Border Security Program	**440,212**	**616,821**	**736,013**

Excludes reimbursement to INS for Border Crossing Card Program ($18 million in FY2003 and FY2004)

BORDER SECURITY PROGRAM

CURRENT PROGRAMS

Overseas Consular Systems Install and Operations: $36,000,000
In FY 2003 and FY 2004, we will continue our efforts to provide systems equipment and on-site training to all consular officers worldwide. We will also continue our program of upgrading both hardware and software on a routine basis. During FY 2003, we will operate on a four-year equipment replacement cycle consistent with Department of State information technology guidelines. Training of new hires and refresher training for consular personnel will continue on an 18 to 24-month training schedule.

During FY 2003 and FY 2004, we plan to complete several major deployments, including the introduction of a more secure visa, called the "Lincoln" visa. We will install a redesigned Automated Cash Register System for consular fee collection as well as a new Back-Up Namecheck system. This system features real-time update of local lookout files from the Department's Consolidated Consular Database. We will purchase scanning equipment for posts overseas so that they will be able to electronically capture data elements from selected visa and passport applicants. In the area of American citizen services, we will support a web registration application for American citizens. As in prior years, we will continue to operate the Overseas Support Desk, which provides critical systems support to our overseas operations on a 24-hour basis.

Overseas Consular Systems Modernization and Support: $105,600,000
Consular operations, which are heavily dependent upon information technologies to conduct day-to-day business, require a high quality modernization and support effort. As part of this effort, we will continue to improve access to information by consular officers responsible for making visa adjudication decisions. A key tool used by visa officers is the Consular Consolidated Database (CCD). As of January 2003, this database contains files on more than 53 million applicants and 27 million photographs. It provides case history records, as well as consular management information, and plays a key role in the Department's efforts to strengthen U.S. homeland security as well as its disaster recovery plans. In FY2003 and FY 2004, we will expand the CCD's capabilities to include the storage of biometric information. We will also expand our efforts to share the CCD data with border security partners.

In FY 2003 and FY 2004, we will introduce web-based technologies to our non-immigrant visa systems as well as those systems that support American citizen services. We plan to introduce scanning technologies that will enable the Department to replace paper files with image storage and retrieval. In accordance with the requirements of the Enhanced Border Security Act and Visa Entry Reform Act, we will introduce biometrics into the visa. To support the Department's role as the Central Authority under the Hague Convention on International Adoptions, we will develop additional functionality to existing systems to support the tracking and monitoring of all incoming and outgoing international adoption cases. We will continue to support and enhance the domestic automated systems used in the processing of immigrant and selected non-immigrant visas at the Department's Visa Office, at the National Visa Center in New Hampshire, and the Kentucky Consular Center.

Finally, we will continue to implement the Department's security guidelines as well as continue our Independent Verification and Validation (IV&V) program, which is devoted to testing and validating new software releases and communications interfaces to other systems within and outside of the Department.

Automated Namecheck Systems: CLASS and BNS: $14,250,000
The Consular Lookout and Support System (CLASS) is the key security element in the visa and passport adjudication process. The CLASS database consists of biographic information on aliens who have been denied a U.S. visa or who may be excludable from the United States because of their ties to international terrorism, drug trafficking, crime or national security reasons, or owing to prior contact with U.S. enforcement agencies. The database also includes biographic information on U.S. citizens currently

ineligible for a U.S. passport. As a result, the CLASS database has grown significantly during FY2002 and now consists of 15 million records. We expect this database to grow during FY2003 and FY 2004 as we continue to expand and enhance CLASS. Among the enhancements will be the ability to conduct identity checks on the basis of photos and other biometric features. The Department will also continue development on linguistic algorithms against which names can be checked. We currently have the linguistic algorithms for Arabic, Russo/Slavic and Hispanic names. The establishment of an Asian algorithm is under review.

CLASS includes a back-up system for times when communications are unavailable between remote locations and the mainframe database located in the U.S. The Backup Namecheck System (BNS) will ensure that visa and passport production are uninterrupted. Furthermore, and consistent with the Department's responsibilities for Critical Infrastructure Protection, a second mainframe computer to support the CLASS system is being installed at the Kentucky Consular Center and will be operational early in calendar year 2003.

MRV Support Costs: $41,225,000
The Department will continue to use MRV fees to finance administrative costs associated with the Machine Readable Visa program and efforts to strengthen homeland security. These efforts include paying for bank charges associated with off-site bank collections and expanding data collection requirements associated with efforts to improve U.S. homeland security. We will also continue to provide temporary staffing, such as temporary duty (TDY) assistance, to meet staffing gaps, seasonal visa fluctuations, and work resulting from changes in visa processing procedures. We will also provide funds for posts to hire local personnel to help them meet their workload requirements. As in previous years, we will fund the limited procurement and installation of furniture and furnishings for a select number of existing consular facilities where the infrastructure is inadequate to sustain increased workloads and staffing. We will also be upgrading microphones and signage in existing consular facilities. In FY2003 and FY 2004, this budget will continue to pay the salaries and benefits of consular associates and Fascell Fellows performing consular-related duties. We will also continue to support the consular agent program, paying the salaries and benefits of agents and providing a basic equipment toolkit to all agencies. We expect to open approximately five new consular agencies in the next two years. Ongoing support to Mexico's Border Crossing Card Program will continue. In FY 2003, we will conduct a study to examine our fee structure in light of the changes in our processes, demand for consular services, and new national security requirements. The purpose of this study is to determine whether our current fee structure adequately and accurately captures all the costs associated with new security initiatives.

Public Information Support: $5,000,000
During FY 2003 and FY 2004, we will continue to strengthen our public information efforts. We will enhance the operation of the current consular information program by establishing customer contact centers, operated by third parties, that provide information and respond to public inquiries on various consular matters. The call centers will provide information on visas, passports and also provide routine and non-Privacy Act information regarding the safety and welfare of American citizens abroad.

Document Integrity and Anti-Fraud Programs: $1,675,000
Recent events have only underscored the Bureau's assessment that document security, and the detection of false documents, is vital to Border Security. We will continue to make targeted investments designed to deter further attacks, to monitor technology leaps related to document security, and to produce even more tamper-resistant documents. We will also continue our efforts to provide anti-fraud training to all consular personnel. As in prior years, the Department will provide training to staff assigned to fraud prevention units overseas. The Department will continue to conduct workshops, prepare self-instructional guides, and issue publications on fraud trends and how to detect them.

BORDER SECURITY PROGRAM

FSI – Consular Training: $4,310,000
During FY 2004, the Foreign Service Institute will continue to conduct classes for consular FSNs, FSOs, consular agents, passport staff and systems personnel who support consular systems. Training for FSOs will include a special emphasis on Department's namecheck system (CLASS).

Passport Operations: $29,820,000
Funds will be used to support on-going passport operations. We anticipate processing 7.1 million passport applications in FY 2003 and 7.6 million passports applications in FY 2004. Since FY 2002, all passports issued by domestic passport agencies incorporate printed digital photographs and security embedded in the book. These applications also reflect recent policy decisions to shift most overseas passport production to the U.S. to ensure that all U.S. passports benefit from security advantages offered by the passport photodigitization process. As a result, any individual seeking a long-term passport overseas will now receive a photodigitized passport. In FY 2003 and FY 2004, we will continue our commitment to strengthen the passport document and processes against potential fraud. To improve our ability to determine the validity of a passport application, we will convert into digital images passport applications processed between 1994 and 1999 that were previously microfilmed. These data images of valid passport holders will then be available to all posts worldwide and to the passport agencies through the Department's application database, PRIZM. By mid-FY 2004, we expect to have scanned and digitized approximately 30 million applications. During FY 2003 and FY 2004, we will also review our passport production processes to incorporate enhanced reliance on biometric technology. We will also continue to work with the Social Security Administration to verify the issuance and authenticity of birth, death and social security records prior to the issuance of a passport.

Passport Facilities: $3,950,000
Funds will be used to maintain the infrastructure of passport facilities including headquarters space in Washington, DC, and to pay for utility and facility maintenance expenses at the Charleston, South Carolina Passport Center. We will also invest in physical security upgrades to resolve vulnerabilities that were identified in a security survey of all passport agencies. Funds will also be used to for maintenance and/or upgrades of appointments systems, telephone systems, and videoconferencing equipment at passport agencies.

Passport Systems Support: $44,500,000
Passport Systems provide the network, operational and Help Desk support for users at the 16 domestic Regional Passport agencies and processing centers. It also provides the system support needed to store, maintain, archive and retrieve all data and records associated with passport issuances. In FY 2003 and FY 2004, passport systems will be enhanced to include complete data redundancy. We will develop the capability for all passport agencies and overseas posts to check the status of passport applications. We are continuing to explore the role of biometrics in the passport process. These plans are complex since they require international cooperation and are resource intensive owing to the widely distributed network of more than 5,000 U.S. domestic passport acceptance facilities. Finally, we will incorporate passport data into the Consolidated Consular Database.

Visa Processing: $44,000,000
During FY 2002, we instituted several measures in support of enhanced border security. We now require additional background checks for applicants from certain countries, implemented new supplemental visa application information for all men ages 16 to 45, and developed a supplemental form to comply with a requirement of the Enhanced Border Security and Visa Entry Reform Act. We also implemented new procedures for posts seeking security advisory opinions on targeted cases of interest. In FY 2003 and FY 2004, we will continue to review our visa processes. We expect these changes and the expansion of

homeland security initiatives to continue to significantly increase workload and the amount of time required to process visa cases.

In FY 2003, the Department will continue to shift the clerical functions related to immigrant visa processing to the National Visa Center (NVC) located in New Hampshire. The Kentucky Processing Center (KCC), which supports the Diversity Lottery Program, will undergo expansion in FY 2003 in order to provide enhanced screening and support for overseas posts involved in processing certain non-immigrant visa categories. Anti-fraud programs are being established at both NVC and KCC.

Included in this program activity is FY 2004 funding to begin to collect a biometric from individuals seeking a non-immigrant visa to travel to the U.S. This requirement will have a major impact on visa processes overseas, although the full scope of this change is currently being discussed within the interagency border security community. The integrity of this process will be under the control of on-site Department of State personnel.

American Citizen Services: $2,100,000
During FY 2003 and FY 2004, the Department will continue to provide consular services to Americans residing or traveling abroad. We will continue to provide a global Voting Assistance Outreach Program and continue to meet our treaty obligations as the U.S. Central Authority for the Hague Convention on Intercountry Adoption. We will share adoption information with the INS and we will continue to work closely with parents whose children have been abducted overseas.

INR – TIPOFF/Terrorism: $3,460,000
The TIPOFF/Terrorism program is a cornerstone of U.S. border security efforts. It is a counter terrorism/crime tool that utilizes information from the intelligence and law enforcement communities to detect known or suspected terrorists or other persons of serious concern as they apply for U.S., Canadian, or Australian visas or as they attempt to pass through border entry points in nations. Information from the TIPOFF database is also provided to consular officers adjudicating visa applications overseas and to other personnel located at U.S. ports of entry.

Bureau of Administration – Facilities Management: $1,750,000
Funds will be used to provide utilities, facilities maintenance, and custodial services at the Kentucky Consular Center, the National Visa Center in New Hampshire, and at the Charleston Passport Center.

Bureau of Diplomatic Security: $9,380,000
In FY 2003 and FY 2004, funds will be used to support increased guard services needed at all passport agencies nationwide, at the National Visa Center and at the Kentucky Processing Center. Criminal investigations of illegal passport and visa issuance will continue, including investigations of Russian Organized Crime. As in prior years, we will continue to fund travel of Department employees required to testify at trials relating to passport and visa fraud. This program will also help finance the Department's continuing efforts to investigate and bring to prosecution persons or groups who attempt to subvert U.S. passport and visa laws.

Technology Backbone - IRM: $19,900,000
Funds are used to provide mainframe support for CLASS, including around-the-clock systems operations and maintenance, secure connectivity, redundancy, and contingency operations. During FY 2003 and FY 2004, we will establish and operate a second CLASS processing facility located at the Kentucky Consular Center, consistent with our responsibilities for Critical Infrastructure Protection.

BORDER SECURITY PROGRAM

BORDER SECURITY STAFF AND SUPPORT COSTS

American Salaries: $192,898,000
In FY 2002, the Border Security Program funded the salaries and benefits of 2,157 full-time consular, DS and IRM employees. In FY 2003, the salaries and benefits for 233 existing Consular positions that were previously funded within Diplomatic and Consular Program appropriation were transferred to the Border Security Program ($26,372,000). Our FY 2003 position request consists of 52 positions (39 overseas positions and 13 domestic positions). In FY 2004 we plan to hire an additional 125 positions, consisting of 80 overseas positions and 45 domestic positions. A major factor driving the Department's position growth in FY 2004 is the need to implement the national security requirement to collect and process a biometric from passport and visa applicants. This biometric effort accounts for 19 of the 45 domestic positions and 40 of the 80 overseas positions requested in FY 2004. The additional domestic and overseas positions are required to handle increasing workload and operational requirements.

Border Security Support: $176,195,000
This program activity funds such direct costs as supplies used in passport and visa processing, as well as the Border Crossing Card Program. Funds are also used to pay for the start-up and recurring costs for new consular positions. Beginning in FY 2003, this will include all administrative support costs associated with new officer positions assigned overseas. Also in FY 2003, the Department will shift $73,628,000 in consular operating expenses from the Department's Diplomatic and Consular Programs appropriation to the Border Security Program. In FY 2002, these expenses were funded under the Department's Diplomatic and Consular Programs appropriation.

BCC Reimbursement to INS: $18,000,000
Since FY 1999, the Department has 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 to INS and is not included in relevant charts and tables that summarize the Border Security Program. In FY 2003 and FY 2004, the Department plans to reimburse $18,000,000 to the INS annually.

PART Analysis of Visa and Consular Programs

OMB's PART analysis noted that various portions of the Border Security program are frequently evaluated and their analysis found that the overall visa and consular programs regularly achieve the annual targets relating to the protection and safety of Americans who travel or live abroad and the facilitation of travel for qualified foreign visitors. Overall, Consular Affairs is relatively effective and heavily scrutinized. The Department is working on improving their program measures to better link annual and long-term goals and to improve the quality of performance data.

BORDER SECURITY PROGRAM

FY 2004 Request

PROGRAM ACTIVITIES

Machine Readable Visa Fees	Positions				Funds ($ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Conduct of Diplomatic Relations	**0**	**0**	**0**	**0**	**$3,460**	**$0**	**$3,460**
Intelligence and Research	0	0	0	0	$3,460	$0	$3,460
Conduct of Consular Relations	**1,391**	**1,016**	**0**	**2,407**	**$499,936**	**$176,309**	**$676,245**
Domestic Passport Services	888	0	0	888	$120,071	$58,892	$178,963
Overseas Visa Services	203	906	0	1,109	$316,673	$88,368	$405,041
Overseas Citizens Services	147	65	0	212	$5,880	$15,214	$21,094
Overseas Consular Management	153	45	0	198	$57,312	$13,835	$71,147
Law Enforcement Cooperation	**122**	**0**	**0**	**122**	**$10,539**	**$13,703**	**$24,242**
Information Resource Management	**37**	**0**	**0**	**37**	**$23,990**	**$2,886**	**$26,876**
Corporate Information Systems and Services	37	0	0	37	$23,990	$2,886	$26,876
Machine Readable Visa Program	37	0	0	37	$23,990	$2,886	$26,876
Training Services	**0**	**0**	**0**	**0**	**$5,190**	**$0**	**$5,190**
Professional Development	0	0	0	0	$5,190	$0	$5,190
Professional Development/Area Studies	0	0	0	0	$5,190	$0	$5,190
Total	1,550	1,016	0	2,566	$543,115	$192,898	$736,013

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

Bureau	FY 2002 Actual		FY 2003 Estimate		Built-In Changes		Current Services		Program Changes		FY 2004 Request	
	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds	Pos	Funds
Intelligence and Research	0	$4,125	0	$3,360	0	$0	0	$3,360	0	$100	0	$3,460
Western Hemisphere Affairs	417	$37,442	427	$58,209	0	$0	427	$58,209	14	$5,238	441	$63,447
European Affairs	208	$18,295	218	$41,148	0	$0	218	$41,148	15	$4,294	233	$45,442
East Asian and Pacific Affairs	171	$15,491	178	$28,990	0	$0	178	$28,990	7	$2,440	185	$31,430
Near Eastern Affairs	67	$6,404	69	$12,153	0	$0	69	$12,153	21	$6,933	90	$19,086
South Asian Affairs	54	$5,359	56	$10,228	0	$0	56	$10,228	16	$5,271	72	$15,499
African Affairs	55	$4,711	63	$11,850	0	$0	63	$11,850	7	$1,660	70	$13,510
Diplomatic Security	122	$21,185	122	$23,258	0	$0	122	$23,258	0	$984	122	$24,242
Information Resource Management	37	$31,699	37	$26,705	0	$0	37	$26,705	0	$171	37	$26,876
Administration	0	$4,966	0	$1,700	0	$0	0	$1,700	0	$50	0	$1,750
Post Assignment Travel	0	$2,585	0	$2,855	0	$0	0	$2,855	0	$555	0	$3,410
Foreign Service Institute	0	$2,706	0	$5,059	0	$0	0	$5,059	0	$131	0	$5,190
Consular Affairs	1,026	$285,244	1,271	$391,306	0	$0	1,271	$391,306	45	$91,365	1,316	$482,671
Total	2,157	$440,212	2,441	$616,821	0	$0	2,441	$616,821	125	$119,192	2,566	$736,013

Note: FY 2003 and FY 2004 includes the shift of 233 positions and $100,000,000 in consular operating expenses from the D&CP appropriation to funding by MRV fees in accordance with the FY 2003 President's Budget request.

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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, $31,703,000, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980, as amended (Public Law 96–465), as it relates to post inspections.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

OFFICE OF INSPECTOR GENERAL

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
314	$29,000	314	$29,264	314	$31,703	0	$2,439

OVERVIEW

This request funds the activities of the Office of Inspector General (OIG) which supports the Department of State and the Broadcasting Board of Governors (BBG) in achieving their missions as effectively, efficiently, and economically as possible. To this end, the OIG reviews and evaluates the operations and programs of both the Department and BBG overseas and domestically, and it conducts inspections, audits, and investigations to prevent and detect waste, fraud, abuse, and mismanagement of U.S. Government resources. At the request of Congress or senior management officials, it conducts special reviews of Department and BBG operations to ensure consistency with foreign policy objectives.

CURRENT PROGRAMS

OIG has developed the following strategic goals:

- The Department and BBG effectively, efficiently, and economically advance the foreign policy interests of the United States;
- The Department and BBG adequately protect the people, information, and facilities under their control in the United States and abroad;
- The Department and BBG have the necessary financial and support systems and controls to meet legal and operational requirements; and
- The Department and BBG ensure accountability and prevent or eliminate fraud, waste, abuse, and mismanagement in programs and operations.

During FY 2004, OIG will continue to focus its work on the four strategic goals detailed in its five-year strategic plan and annual work plan. Additional requested funding will expand oversight to the Department's and BBG's efforts to protect the people, information, and facilities under their control in the United States and abroad; to enhance oversight of intelligence coordination at overseas missions; and to step up oversight of the Department's visa and passport border security programs. Internally, OIG will continue its initiatives in response to the President's Management Agenda, specifically improving its own financial management and accountability, strengthening human resource management through better training and reduced attrition, and implementation of a budget-performance integration system. The latter initiative will enable OIG to track the timeliness of projects and their relative costs. By aligning projects with specific performance goals, OIG will evaluate more accurately the expenditure of resources in support of its organizational goals and objectives.

Progress to date during FY 2003

Audits: FY 2003 OIG audits are emphasizing work in support of the President's Management Agenda. Activity related to improving financial performance is particularly significant. Draft reports were

OFFICE OF INSPECTOR GENERAL

completed related to the Department's management of federal assistance programs, travel card program, and the Federal Managers Financial Integrity Act remediation plan status. In addition, a joint assessment by State and USAID OIG resulted in an agreement by both agencies to study the feasibility of integrating their financial systems and operations. Also, in connection with the Department's material weakness related to information system security, OIG completed an assessment of the Department's connection approval and certification and accreditation processes. OIG also completed work related to the Department's humanitarian de-mining program, and its Colombian drug interdiction program.

Management Inspections: FY 2003 OIG inspections are emphasizing work in support of the Department's global rightsizing initiative; diplomatic missions' contributions to homeland security--including accountability and management controls in place to protect against visa and passport fraud; the adequacy of Department and BBG management of and investments in its human capital; and real property management issues.

- ***Rightsizing:*** Findings to date indicate that the rapid expansion of federal agencies' activities abroad has resulted in overcrowding and shortfalls in support services.

- ***Passport Fraud:*** In a review of domestic passport operations, OIG found that the Bureau of Consular Affairs had established adequate internal control procedures for cashiering and blank passport book controls, but the adjudication audit program created to prevent and detect malfeasance among passport adjudicators has not been properly implemented.

- ***War on Terrorism:*** Inspections of several small remote embassies found, that while they were conducting active public and bilateral diplomacy programs and were carrying out expanded intelligence sharing and more stringent control over consular operations, most did not fully understand their role in advancing homeland security. OIG has recommended that the Department take corrective action by issuing expanded guidelines to diplomatic missions.

- ***Human Capital Management:*** Many of the smaller embassies and those operating under difficult conditions are not getting the human resources they need. OIG has recommended changes in personnel policies to get failing missions back on course.

- ***Real Property:*** OIG identified critical infrastructure needs due to old, inadequate, and overcrowded facilities in all geographic regions, along with significant additional resource requirements.

International Broadcasting Oversight: FY 2003 marks the first full year of operation for OIG's recently established Office of International Broadcasting Oversight. During this period OIG has completed a program evaluation of the Office of Cuba Broadcasting, a program with significant foreign policy implications. OIG recommended corrective action for a number of deficiencies in contracting talent vendors and in the selection of new programs. We have begun reviewing Radio Free Europe/Radio Liberty personnel management practices as a grantee. This was prompted by a referral from the Office of Investigations. Thus far we have found a well-managed program without abuse. Finally, work is almost completed in planning for the initiation of a project focusing on the measurement of performance and linking performance goals to budget, a Presidential Management Agenda focus.

Security and Intelligence Oversight: During the first quarter of FY 2003 OIG performed three full scope and five limited scope security oversight inspections and two compliance reviews. OIG conducted a study on certified shielded enclosures and is examining the effectiveness of unit security officers in protecting classified information in Main State. We have begun monitoring the planning and construction of a new embassy compound in Beijing. OIG is also conducting two major audit

reviews of the protection of classified information overseas and major physical security upgrades. SIO will also continue to conduct its intelligence oversight inspections and assist with other special IG-mandated projects.

Investigations: During the first quarter of the fiscal year, one of OIG's investigations went to trial. At its conclusion, the jury found the defendant, an immigration attorney, guilty of all 57 counts of a federal indictment. A State Department contract employee, who was also involved in the fraud scheme and had pleaded guilty last August to five criminal charges, testified against the attorney. The State Department contractor's employment at the Department had been terminated shortly after his arrest in July. He has been sentenced to eight years in prison and forfeited $4 million. The sentencing of the immigration attorney is pending.

Information Technology: At inspected posts, OIG assessed the missions' implementation of IT security laws and federal and Department policies and procedures for management, operational, and technical IT security controls, and identified a number of key areas where information security management can be improved. OIG conducted a review of the Department's strategy for establishing the "common knowledge management system" under the auspices of the Foreign Affairs Systems Integration (FASI) program. This review concluded that the program is currently at risk of not meeting an important objective, namely effective support of a common approach to communications and knowledge management among U.S. agencies with overseas operations. OIG also determined in a separate audit that the Department's e-government plan has not adequately followed OMB guidelines or met the Administration's e-government objectives.

JUSTIFICATION OF PROGRAM ACTIVITIES

OIG is requesting an increase of $2,403,000 for FY 2004. The requested increase will fund ten authorized but unfunded positions ($1,700,000) and anticipated wage/price increases ($703,000). Funding for positions includes compensation, travel, training, and related support costs. The authorized positions to be funded include:

Four security and intelligence positions in the Office of Security and Intelligence Oversight. This request would allow the OIG to provide appropriate oversight to expanded DOS programs to combat terrorism, to protect U.S. Government property, and to protect the lives of U.S. Government employees and their families assigned to diplomatic missions abroad.

Three inspectors in the Office of Inspections. This request will serve multiple objectives: increased ability to respond quickly and effectively to an increasing number of requests from senior managers in the State Department and from members of Congress for unscheduled, quick turnaround reviews of specific foreign policy and management issues; and increased ability of OIG to conduct more frequent management inspections of critical diplomatic missions.

Three Border Security/Consular positions in the Consular Operations Division of the Office of Inspections. This request would allow the OIG to conduct timely reviews of consular operations at U.S. diplomatic missions and domestic passport operations that relate directly to border security and homeland security. They also will enable OIG to reduce its dependence on retired Foreign Service and Civil Service employees to conduct reviews of consular issues--a field where policies and operational requirements are changing rapidly.

OIG policies and strategies are set forth in detail in the FY 2004 Performance Plan.

OFFICE OF INSPECTOR GENERAL

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Office of Inspector General	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Executive Direction and Policy Formulation	**$1,950**	**$1,950**	**$2,013**	**$63**
Administration and Staff Activities	**$6,291**	**$6,291**	**$6,287**	**($4)**
Inspections, Audits, Investigations	**$20,759**	**$21,023**	**$23,403**	**$2,380**
Total	$29,000	$29,264	$31,703	$2,439

Executive Direction and Policy Formulation
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	11	0	$2,013	$63

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

Inspections, Audits, Investigations

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	246	0	$23,403	$2,380

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.

Administration and Staff Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	57	0	$6,287	($4)

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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OFFICE OF INSPECTOR GENERAL

FUNDS BY OBJECT CLASS
($ in thousands)

Office of Inspector General	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100 Personnel Compensation	$19,147	$19,000	$20,622	$1,622
1200 Personnel Benefits	$4,064	$5,045	$5,475	$430
2100 Travel & Trans of Persons	$2,485	$1,335	$1,434	$99
2300 Rents, Comm & Utilities	$369	$539	$579	$40
2400 Printing & Reproduction	$242	$248	$266	$18
2500 Other Services	$2,287	$2,755	$2,960	$205
2600 Supplies and Materials	$305	$242	$260	$18
3100 Personal Property	$101	$100	$107	$7
Total	$29,000	$29,264	$31,703	$2,439

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EDUCATIONAL & CULTURAL EXCHANGE PROGRAMS

Proposed Appropriation Language

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized, $345,346,000, 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 pro-grams as authorized.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
309	$247,000	309	$245,306	309	$345,346	0	$100,040

Note: */a The FY 2002 enacted includes $10,000,000 for the 2002 Supplemental Appropriation for Further Recovery From and Response to Terrorist Attacks on the United States (as enacted in P.L. 107-206). These funds will be obligated in FY 2003.*

/b 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 2002, a total of $176,366,223 was available for obligations (including FY 2001 balances of $29,708,639, FY 2002 transfers of $144,464,160 and FY 2002 recoveries of $2,193,424). A total of $126,125,441 was obligated; $1,017,812 lapsed and $49,222,960 in balances will be available in FY 2003. Additional transfers from USAID for SEED, FSA, and ESF are anticipated in FY 2003.

/c In FY 2002, the Department allocated $977,680 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.

/d In FY 2004, exchanges focused on Russia and the New Independent States and Central and Southeastern Europe previously funded from the FSA and SEED accounts within the Foreign Operations appropriations act are included within the ECE appropriation request.

OVERVIEW

The FY 2004 request funds the Department's academic, professional, and cultural exchange-of-persons programs, and associated staff and administrative costs. 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 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. The programs are rooted in the conviction that greater understanding of U.S. policies and values abroad will "assist in the development of friendly, sympathetic, and peaceful relations between the United States and the other countries of the world." The Bureau of Educational and Cultural Affairs (ECA) programs enable about 25,000 exchange participants (8,000 Americans, 17,000 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. In the struggle of ideas, exchanges are a critical component. They provide for U.S. diplomacy efforts abroad a flexible, precision capability directed at improving understanding of and support for U.S. policy. They increase the number of people of goodwill, encourage and empower moderates, and discredit intolerance.

Exchanges' much-discussed potential to address anti-American sentiment is vitally important to the campaign against terrorism. Evaluation shows that foreign alumni, compared to people who have not had a U.S. educational 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.

In FY 2004, exchange programs will target youth, education, and leadership development through *Partnerships for Learning* (P4L), a refined continuation of the exchanges 9/11-crisis action plan. P4L attacks the breeding ground and ideological bases of terrorism by reaching beyond "elites" in applying

exchanges—Fulbright, International Visitors, Citizen Exchanges—to convey American values, shatter stereotypes and address anti-American sentiment. These programs' 700,000 alumni are valuable assets in promoting an accurate image of America since September 11, 2001.

These exchanges offer a fuller picture of how religious, ethnic, and cultural 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.

The Department requests $345,346,000 for FY 2004 exchange program requirements, including $245,306,000 for base exchange programs, level with the President's FY 2003 request, and $100,040,000 for exchanges focused on Russia and the New Independent States and Central and Southeastern Europe previously funded from the Freedom Support Act (FSA) and Support for Eastern European Democracy Act (SEED) accounts within the Foreign Operations appropriations act.

Exchanges and National Interests

Exchanges build networks of informed opinion leaders in the national political, economic, and social infrastructures of foreign countries. 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 publics a context for understanding American policies that might otherwise be misunderstood.

Exchanges in National Strategy

The exchange of persons and ideas is fundamental to the foreign, economic, and security policy of the United States. Exchanges emphasize learning aimed at correcting inaccurate views held by foreign publics and providing them with a better understanding of the United States. Exchanges promote better appreciation of the United States abroad and greater receptivity for U.S. policies among foreign publics.

Recognition of the role played by international experience underscores the importance of educational and cultural exchanges necessary to reach current and future overseas opinion molders, agenda setters, and decision- makers. Rapport achieved through exchanges promotes relationships that provide for sustained U.S. access and influence in important sectors of foreign societies critical to long-term international security and transitions to democracy.

Partnerships

Exchanges leverage substantial support from American society through partnerships with U.S. state and local governments, higher education, business, and non-governmental organizations. Our strategy is to focus these partnerships in ways that support U.S. strategic goals, in coordination with other USG agencies. This gross program support totals over $500 million annually, primarily 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 Department'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 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 Department has made much progress to improve and strengthen the international relations of the United States by promoting mutual respect between Americans and the peoples of the world through educational and cultural exchanges. Exchanges goals are set relative to the Department's long-term regional objectives. We are progressively repurposing exchanges to support the war on terrorism and more substantive U.S. engagement with the Islamic world.

The Department conducts evaluations designed to assess the impact of programs, and this research shows that exchanges have a significant impact on individuals, institutions, and societies. Exchange experiences provide new information, knowledge and skills to participants, whose changed attitudes, beliefs, and values affect institutions, leading to societal change.

To quantify and measure the benefits of these life-changing occurrences, the Department gathers and analyzes statistical data on inputs, processes and outputs. We receive success stories and in-depth reports from U.S. diplomatic missions, NGO partners, and program alumni. In tracking indicators that reflect short, medium, and long-term goals of particular programs, the Department looks at these measures across programs:

- Alumni who report increased knowledge, skills, and abilities in a given thematic area
- Alumni who report increased understanding of the host country
- Individual and institutional linkages developed and maintained
- Educational developments and accomplishments of program alumni
- Significant institutional or curricular change measured by external evaluators
- Democratic and market-oriented practices of alumni
- Economic impact within a local American community
- Perceived value of the program

CURRENT PROGRAMS

This appropriation supports several major lines of activity: Academic Exchanges, Professional and Cultural Exchanges, and Exchanges Support. These include the functional shift in FY 2004 of exchanges with Central and Southeastern Europe and Russia/NIS formerly funded through FSA/SEED.

Academic Exchanges

Academic Exchanges include exchanges of short- and long-term scholars, students, and teachers, U.S./foreign educational partnerships, the study of the English language abroad, and advising foreign students about U.S. educational opportunities. Highlights include:

- Enrichment workshops for 750 Fulbright visiting students focused on American identity and its values in the post-September 11 period.

- A Fulbright American Studies Institute for university educators from the Islamic world on "Religion in Contemporary America: Church, State and Society" at the Boisi Center for Religion

and American Public Life at Boston College. This institute increased understanding of religious pluralism and enhanced teaching about American institutions in Muslim countries.

- Although U.S. universities published statements announcing their strong international commitment in September 2001, many of the statements did not reach the intended audience. The Department dispelled damaging rumors in the Middle East about the climate on U.S. campuses for Muslim and Arab students through its overseas educational advising operations and media contacts. Through a grant to AMIDEAST, nine U.S. university administrators traveled to Middle East countries in fall 2002 to assure government officials, academics, and students about the atmosphere on U.S. campuses.

- The chairman of Indonesia's second largest Islamic organization, the Muhammadiyah (with a membership of between 30 and 40 million people), credited his Fulbright experience in the U.S. with a drastic change in his views. In a feature story in the May 29, 2002, *Jakarta Post* newspaper, Dr. Syafii Ma'arif admitted that he abandoned his idea of establishing an Islamic state in Indonesia after he obtained his Ph.D. in Islamic Studies from the University of Chicago. He is a frequent speaker at interfaith forums. He has been working closely with Indonesia's largest Islamic organization to promote a more moderate form of Islam.

- The Fulbright Conflict Resolution Program for African Students brought five professionals from Rwanda, Kenya, Tanzania, and Uganda to work together on regional issues. The students, experienced in peacekeeping issues with NGO and government agencies, are enrolled in M.A. programs in Peace Studies/Conflict Resolution at the University of San Diego and University of Notre Dame. The students work in fields such as community initiatives for peace, National Council of Churches of Kenya, conflict resolution/peace studies for the Center for Foreign Relations in Dar es Salaam and Tanzanian NGOs, the Human Rights Commission in Uganda, and peace and women's rights.

- SEED undergraduate scholarships, allowing one year of bachelor's degree study in the U.S. to a dozen Balkans students in fields such as American studies, business, criminal justice, education, management, journalism, and political science, advanced democratic and free market reform in Bosnia-Herzegovina.

Professional and Cultural Exchanges

Professional and Cultural Exchanges include exchanges of current and emerging leaders in professional, youth, and cultural arenas. Highlights include:

- Ten Islamic world quick-start projects increased the understanding by 95 key foreign decision-makers and opinion leaders—journalists, religious leaders, student leaders, government spokespersons, community organizers—of America's post-9/11 objectives through individual and group International Visitor Program experiences in the United States.

- *After September 11: Images from Ground Zero*, a photographic art exhibit of 28 images by the photographer Joel Meyerowitz, depicted the physical damage at the World Trade Center site and the human drama of the recovery effort. ECA produced 26 exhibition sets, which have been presented to millions in over 135 cities in 60 countries worldwide. The exhibit provided U.S. Missions a visual reminder for foreign audiences that served as the centerpiece for ancillary programming on U.S. counter-terrorism policy. In Afghanistan, a female Afghanistan National Gallery of Art exhibit guide publicly observed: "I show people here the destruction in America and

it shows we are not so different. We understand the tragedy in America because we lived with tragedy under the Taliban and through years of war."

- Fourteen Afghani women representing five ministries and the Kabul Public Security Court in the new Afghan government participated in the "U.S. Leadership Management and Computer Education" program September 21 - October 22, 2002. The project was designed to give women working in the new Karzai government the opportunity to prepare to reenter the social, political and economic life of a liberated and reconstructed Afghanistan. Laptop computers donated by the private sector were provided to each participant.

- On July 1, 2002, Indian Supreme Court Chief Justice B.N. Kirpal mandated the implementation of judicial case management and mediation in all civil cases before the Indian courts. The result of several years of close consultation and cooperation between the American and the Indian legal communities initiated and facilitated by the Citizen Exchange Program, this is a revolutionary change in the Indian civil court system heretofore plagued by 15-to-20-year backlog and delays in case adjudication. U.S. Supreme Court Justices O'Connor and Breyer, in particular, have followed these efforts with interest and have engaged in a series of Supreme Court exchanges in order to facilitate the adoption and implementation of the reform measures.

- The Freedom Support-funded Armenia School Connectivity Program reaches out to kindergartners to teach computer skills through participation in online collaboration with American schools. In providing Armenian secondary schools that have a minimum of three computers with free Internet connectivity for one year, the program promotes long-term development and self-governance of Internet access through active involvement of communities and the public in general.

- Forty-nine women political activists and leaders from the Arab world visited the U.S. in November 2002 to examine the role of women in politics. During their 19-day program, they met with candidates, campaign organizers, lobbyists, strategists, journalists and voters as they followed the run-up to the mid-term elections. In Washington, they met with National Security Advisor Condoleeza Rice and Secretary Powell, and observed election night activities.

- Twenty young American political leaders traveled to Saudi Arabia for three weeks during summer 2002 for homestays and cross-cultural enrichment. The Saudi business community shared the costs.

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.

- J Visa Program Designation: ECA works with U.S. organizations to establish exchange programs using the educational exchange visa ("J visa") that enable foreign nationals—including academic, government, foreign medical graduates, training, camp counselors, summer work/travel and au

pairs—to come to the United States temporarily. About 1,500 organizations are designated to use the J visa and sponsor some 250,000 participants.

- Program Analysis and Evaluation: In FY 2002, ECA completed six program evaluations and one monitoring project that demonstrate exchange programs are achieving their goals. The most common finding was the need for alumni tracking and to stay engaged with alumni. 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); 23 Fulbright alumni are Nobel laureates and over 35 are Pulitzer Prize winners. The OMB Program Assessment Rating Tool (PART) evaluated the bureau's range of exchange programs in the Near East and South Asia regions. OMB's analysis helped ECA to identify areas for improvement in its performance measures to make them stronger. ECA will further develop the performance indicators and an improved performance management system in 2003.

- Grants Management: In FY 2002, ECA 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 more than $220 million dollars, including the competitive review of 800 proposals for new grants; the award of 366 new grants and 292 amendments to existing grants.

Program Assessment Rating Tool

In 2002, the Administration conducted a Program Assessment Rating Tool (PART) examination of exchange programs in Near East Asia and South Asia. The overall purpose, planning, and management of exchanges were rated high. The review identified difficulty in strategic planning; shortcomings in well-defined targets, timeframes, and baseline data were observed. Additionally, exchange programs' long-term goals are global and performance indicators were program-based, and as such, it was not possible to report regional performance. However, multiple program evaluations conducted by independent evaluators demonstrate that exchanges are highly effective at achieving their goals. These evaluations, including counter-terrorism programming in the Near East and South Asia, demonstrated 91 percent of program participants gain a better understanding of the United States after their exchange experience and that 81 percent still communicate with Americans they met on their program even 15 years later. The PART will assist ECA in refining its performance measures to include the ability to track performance by region in addition to program, timeframes for each indicator, targets based on verified and validated data from two years worth of baseline information. ECA is already employing ideas generated through the PART exercise in its administration of the Partnerships for Learning (P4L) initiative through program integration and coordination. A needs assessment has taken place to provide empirical evidence for assisting in determining which countries and which key audiences could be the best source of ECA program funding. This strategy answers OMB's request that ECA work to identify the program participants who would further the public diplomacy efforts through more tailored programming of strategic audiences.

FY 2004 PLANS

FY 2004 Net Built-In Changes ($100,040,000)

The Department requests $345,346,000 for FY 2004 exchange program requirements, including:

- $245,306,000 for base exchange programs, level with the FY 2003 President's budget request without allowances for wage and price increases; and

- $100,040,000 for the functional shift into this appropriation of FSA/SEED exchanges formerly funded through the Foreign Operations appropriations act.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

FY 2004 Prior Year Balances ($22,149,000)

The request reflects $22,149,000 non-recurred from FY 2003 for one-time program costs related to the FY 2002 Emergency Supplemental and commitments from prior year balances.

FY 2004 Prioritization of Effort and Achievement of Efficiencies ($6,919,000)

Unless unobligated balances and recoveries are available in FY 2004, this request assumes prioritization of programs and achievement of efficiencies.

JUSTIFICATION OF PROGRAM ACTIVITIES

Strategies to position the nation for this century emphasize robust exchange programs that directly engage foreign publics in international affairs in ways that support U.S. foreign policy goals. Adequate funding is needed to maintain a resolute, flexible, and coordinated approach to support of U.S. foreign, economic, and security policy through exchange programs.

The FY 2004 request seeks the resources necessary to affirm the U.S. commitment to exchanges so that America's world leadership role and commitment to international cooperation over conflict are recognized. The request will improve international understanding consistent with ensuring American primacy and advancing essential national interests.

In 2002, the Department redirected 5 percent of base exchanges resources ($12 million) to the war on terrorism and strengthening U.S. engagement with the Islamic world through increasing people-to-people relations. *Partnerships for Learning* continues this emphasis in 2003 in response to the attacks on America through Fulbright, International Visitor, and Citizen Exchange activities that build on and project America's strengths—our open and vigorous educational systems and our rich culture.

P4L reaches younger and more diverse audiences to engage the successor generation, emphasizing specific regions (and countries within regions, e.g., Turkey, Saudi Arabia, Morocco, Jordan, Algeria, Indonesia), focusing 50 percent on the Middle East, 20 percent on South Asia and 10 percent on East Asia, Africa and Eurasia respectively.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary of Net Requirements
($ in thousands)

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
A. Academic Exchanges				
1. Fulbright Program				
a. Students, Long-and Short-term Scholars, Teachers	119,245	128,663	121,257	(7,406)
b. Hubert H. Humphrey Fellowship Program	6,134	6,108	6,108	-
Subtotal, Fulbright Program	125,379	134,771	127,365	(7,406)
2. Global Academic Exchanges				
a. Educational Advising and Student Services	3,842	3,699	2,615	(1,084)
b. English Language Programs	3,048	5,160	3,223	(1,937)
Subtotal, Global Academic Exchanges	6,890	8,859	6,838	(2,021)
3. Special Academic Exchanges				
a. Edmund S. Muskie Fellowship Program	250	250	250	-
b. American Overseas Research Centers	2,570	2,415	2,415	-
c. South Pacific Exchanges	500	500	500	-
d. East Timor Exchanges	695	500	500	-
e. Benjamin A. Gilman International Scholarship Program	1,500	1,562	1,562	-
f. Disability Exchange Clearinghouse	500	500	500	-
g. Dante B. Fascell North-South Center	1,203	1,025	1,025	-
Subtotal, Special Academic Exchanges	7,218	6,752	6,752	-
Total, Academic Exchanges	139,487	150,382	140,955	(9,427)
B. Professional and Cultural Exchanges				
1. International Visitor Program	49,678	55,660	50,355	(5,305)
2. Citizen Exchange Program	16,589	23,989	16,572	(7,417)
3. Special Professional and Cultural Exchanges				
a. Congress-Bundestag Youth Exchange Program	2,918	2,994	2,994	-
b. Mike Mansfield Fellowship Program	2,200	2,290	2,290	-
c. Irish Institute	500	250	250	-
d. Atlantic Corridor	500	250	250	-
e. Interparliamentary Exchanges with Asia	150	150	150	-
f. Youth Science Leadership Institute of the Americas	100	100	100	-
g. Montana Technical Foreign Exchange Program	100	-	-	-
h. Africa Workforce Development	300	-	-	-
i. U.S. Foreign Music Linkages	400	-	-	-
j. Joiner Fellowship in War and Peace	100	-	-	-
k. University of Northern Iowa-Cedar Falls/Russia Exch.	100	-	-	-
l. University of Nevada-Las Vegas Global Business Exch.	100	-	-	-
m. University of Nevada-Reno Int'l Business Exch.	100	-	-	-

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

n. Grand Valley State University (Mich.) Pados Int'l Cen.	100	-	-	-
o. Ngwang Choephel fellows (Tibet)	486	500	500	-
Subtotal, Special Professional and Cultural Exchanges	8,154	6,534	6,534	-
Total, Professional and Cultural Exchanges	74,421	86,183	73,461	(12,722)
C. FSA/SEED Exchanges /a	-	-	100,040	100,040
Total, All Exchanges	213,908	236,565	314,456	77,891
D. Exchanges Support				
1. Employee Compensation and Benefits	24,527	26,385	26,385	-
2. Program Direction and Administration	3,455	4,505	4,505	-
Total, Exchanges Support	27,982	30,890	30,890	-
Total, Direct Obligations	241,890	267,455	345,346	77,891
Reconciliation to Appropriation	-	-	-	-
Deduct Balances In /b	(7,784)	(22,149)	-	22,149
Deduct Recoveries	(9,254)	-	-	-
Add Unobligated Balances Lapsing	-	-	-	-
Add Balances Out /c	22,149	-	-	-
Subtotal, Reconciliation to Appropriation	5,110	(22,149)	-	22,149
Subtotal, Direct Appropriation	247,000	245,306	345,346	100,040

Note:

/a In FY 2004 FSA and SEED will be included in the ECE appropriation originally funded within the Foreign Operations appropriations act.

/b The balance applied from prior years 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 were obligated in FY 2002 under the Professional and Cultural Exchanges ($2,429,068) and Exchanges Support ($282,442).

/c FY 2002 carry forward balance includes 10,000,000 for the FY 2002 Supplemental Appropriation for Further Recovery from and Response to Terrorist Attacks on the United States (as enacted in P.L 107-206). These funds will be obligated in FY 2003.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Academic Exchanges	139,487	150,382	140,955	(9,427)

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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Fulbright Program	125,379	134,771	127,365	(7,406)

In partnership with the Presidentially appointed **J. William Fulbright Foreign Scholarship Board**, the Department 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 255,000 emerging 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 Department 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 educational partnerships and exchanges of special Congressional interest that focus on Vietnam and Tibetan refugees.

The Fulbright program net decrease of $7,406,000 results from non-recurring prior year balances and one time program costs for the FY 2002 Emergency Supplemental.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Global Academic Exchanges	6,890	8,859	6,838	(2,021)

Educational Advising and Student Services promote U.S. higher education abroad by advising prospective foreign students, scholars, ministry officials, and others on U.S. study opportunities. A network of 450 educational advising centers worldwide responds to more than 5 million inquiries annually about U.S. study. Additionally, centers provide on-line advising and educational information via the Internet to an estimated additional 20 million prospective students. The 583,000 foreign students in the United States contribute diversity to U.S. higher education and make a major contribution to the U.S. economy, resulting in over 100,000 U.S. jobs and an export services industry worth $12 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 decrease of $2,021,000 results from non-recurring prior year balances and one time program costs for the FY 2002 Emergency Supplemental.

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Special Academic Exchanges	7,218	6,752	6,752	-

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). **The Benjamin A. Gilman International Scholarship Program** provides scholarships for overseas study by financially disadvantaged American university students. The **Dante B. Fascell 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.

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Professional and Cultural Exchanges	74,421	86,183	73,461	(12,722)

Professional and Cultural Exchanges increase understanding and acceptance of U.S. strategic goals by foreign decision-makers, opinion leaders, and broader publics. These exchanges develop cadres of foreign leaders and populations 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
International Visitor Program	49,678	55,660	50,355	(5,305)

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 44 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 decrease of $5,305,000 results from non-recurring prior year balances and one time program costs for the FY 2002 Emergency Supplemental.

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Citizen Exchange Program	16,589	23,989	16,572	(7,417)

The Citizen Exchange Program deals flexibly with contentious foreign policy issues (e.g., Middle East peace). They bolster U.S. strategic goals and alliances through 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. The request will permit continuation of open competition, the main thrust of the Citizen Exchange Program 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 policies, values, and systems and allow Americans to share their expertise and broaden U.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.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

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 2003 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 $7,417,000 results from non-recurring prior year balances and one time program costs for the FY 2002 Emergency Supplemental.

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Special Professional and Cultural Exchanges	8,154	6,534	6,534	-

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.

This request of $6,534,000 is $181,000 less than a current services level of funding for this activity, resulting in fewer U.S.-German youth exchanges and U.S. government employees studying the Japanese language and political economy as interns with Japanese government institutions or NGOs.

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
FSA/SEED Exchanges	-	-	100,040	100,040

Exchanges in Central and Southeastern Europe and the countries of the former Soviet Union (Eurasia) are oriented toward the development of democratic institutions, political pluralism, and free-market systems. In prior years, with funding provided by the Freedom Support Act (FSA) and the Support for East European Democracy (SEED) Act, ECA implemented a wide array of academic and professional development exchanges and related programs (including related staff and administrative costs).

Exchange programs in Eurasia and Central and Southeastern Europe engage young leaders, promote the development of attitudes and institutions that will support civil society, and build capacity in skills that were neglected or rejected under communism. Through professional exchange programs, government officials, NGO leaders, and private sector professionals study and train in the United States to learn about American approaches to issues ranging from management to social service provision to NGO development to public policy. Secondary education exchanges bring high school students to live with U.S. host families and attend U.S. high schools as well as support European and Eurasian teachers of English, American studies, and civic education.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Academic programs support undergraduate, graduate, and academic exchanges and programs focused on business administration, management, economics, journalism, public administration, public policy, and other topics. These programs also support academic advising centers, advisors on English-language activities, and partnerships between U.S. institutions and universities in the region focused on the development of journalism, public administration, and other programs. Other programs offer free public access to Internet facilities throughout Eurasia. Many programs directed towards Southeast Europe focus on interethnic cooperation and diversity awareness training.

The net increase of $100,040,000 results from the functional shift to the ECE appropriation of these exchanges formerly funded through the Foreign Operations appropriations act. Compared to the FY 2003 FSA/SEED request for exchanges with Central and Southeastern Europe and Russia/NIS, this functional shift in FY 2004 reflects a net 20-percent reduction ($25,000,000).

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Exchanges Support	27,982	30,890	30,890	-

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Employee Compensation and Benefits	24,527	26,385	26,385	-

These costs include Bureau of Educational and Cultural Affairs domestic staff and Regional English Language Officers (RELO's) abroad.

($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Program Direction and Administration	3,455	4,505	4,505	-

These costs include Bureau of Educational and Cultural Affairs operational, organizational, and administrative management support for exchanges, including technology, travel, communications, supplies, procurement, metrocheck benefits for employees, printing and shipping. Costs related toimplementing 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

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of Educational & Cultural Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$20,131	$21,655	$24,434	$2,779
1200	Personnel Benefits	$4,396	$4,730	$5,337	$607
2100	Travel & Trans of Persons	$1,168	$1,149	$2,224	$1,075
2200	Transportation of Things	$294	$289	$789	$500
2300	Rents, Comm & Utilities	$339	$333	$833	$500
2400	Printing & Reproduction	$480	$472	$972	$500
2500	Other Services	$4,244	$4,176	$5,876	$1,700
2600	Supplies and Materials	$782	$771	$1,021	$250
3100	Personal Property	$313	$308	$513	$205
4100	Grants, Subsidies & Contrb	$214,853	$211,423	$303,347	$91,924
Total		$247,000	$245,306	$345,346	$100,040

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REPRESENTATION ALLOWANCES

Proposed Appropriation Language

REPRESENTATION ALLOWANCES

For representation allowances as authorized, $9,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

REPRESENTATION ALLOWANCES

Summary Statement

($ in thousands)

Activities	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Appropriation Total	$6,485	$9,000	$9,000	$0

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 2004 PLANS

The FY 2004 request maintains funding at FY 2003 estimated levels to support U.S. national interests, economic activities, and other diplomatic functions by providing resources for representationl events at the more than 260 embassies, missions, and consulates worldwide. With this request 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 partially.

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.

REPRESENTATION ALLOWANCES

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Representation Allowances	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Public Diplomacy	**$1,562**	**$1,800**	**$1,800**	**$0**
Public Diplomacy - Program Costs	$1,562	$1,800	$1,800	$0
Promotion of U.S. National Interests	**$4,295**	**$6,053**	**$6,053**	**$0**
Promotion of U.S. Citizens' Interests	**$105**	**$159**	**$159**	**$0**
Promotion of Economic Activities	**$279**	**$646**	**$646**	**$0**
Commemorative and Ceremonial Requirements	**$244**	**$342**	**$342**	**$0**
Total	$6,485	$9,000	$9,000	$0

Promotion of U.S. National Interests
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$6,053	$0

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 2004 Request	0	0	$159	$0

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 and in the event of a natural disaster or act of terrorism.

Promotion of Economic Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$646	$0

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.

REPRESENTATION ALLOWANCES

Commemorative and Ceremonial Requirements

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$342	$0

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 overseas are also responsible for the presentation of visiting noted personages and personnel of visiting U.S. naval vessels and special U.S. Government aircraft to local leaders.

Public Diplomacy

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,800	$0

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.

REPRESENTATION ALLOWANCES

FUNDS BY OBJECT CLASS
($ in thousands)

Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
2500 Other Services	$6,485	$9,000	$9,000	$0
Total	$6,485	$9,000	$9,000	$0

BUYING POWER MAINTENANCE FUND

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 Department is not seeking additional FY 2004 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 FY 1994 ($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.

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BUYING POWER MAINTENANCE FUND

FUNDING SUMMARY STATEMENT
($ in thousands)

Fiscal Year	Opening Balance	Appropriation	Transfers In/(Out)	Net Cum. Balance
2002	$16,386	$0	$0	$16,386
2003	$16,386	$0	$0	$16,386
2004	$16,386	$0	$0	$16,386

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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, $10,000,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$9,400	0	$11,000	0	$10,000	0	($1,000)

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 2003 budget request for this program is $8,700,000.

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 2003 budget request for this program is $2,300,000.

FY 2004 PLANS

The Department's budget request of $10,000,000 (to remain available for two fiscal years) funds the anticipated requirements for the extraordinary protection of international and foreign missions and officials in the United States. The decrease of $1,000,000 from the FY2003 estimate reflects an adjustment of protection requirements accross the country taking into account the number of posts and anticipated protective detal costs.

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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Extraordinary Protection of Foreign Missions/Officials New York	**$8,100**	**$8,700**	**$8,000**	**($700)**
Extraordinary Protection of Foreign Missions/Officials Rest of U.S.	**$1,300**	**$2,300**	**$2,000**	**($300)**
Total	$9,400	$11,000	$10,000	($1,000)

Extraordinary Protection of International Organizations, Foreign Missions & Officials in New York

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$8,000	($700)

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.

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

Extraordinary Protection of International Organizations, Foreign Missions & Officials Elsewhere in the United States

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,000	($300)

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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
2100 Travel & Trans of Persons	$45	$45	$41	($4)
2500 Other Services	$9,355	$10,955	$9,959	($996)
Total	$9,400	$11,000	$10,000	($1,000)

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. 292–303), 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, $653,000,000, 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, $861,400,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
787	$1,517,326	797	$1,305,000	797	$1,514,400	0	$209,400

Note: FY 2002 includes $200.516 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206) and $42.85 million transferred from the Emergency Response Fund.

OVERVIEW

The mission of the Bureau of Overseas Buildings Operations (OBO) is to manage the Department of State's (DOS) real property assets to provide U.S. diplomatic and consular missions with secure, safe, and functional facilities to assist them in achieving U.S. foreign policy objectives. In furtherance of this mission, the past year has been incredibly busy and highly productive as OBO ushered in a new era – and embarked on an overseas construction program on a scale unprecedented in the history of the Department. The progress made in the past year is noteworthy. In addition to opening new chanceries in Kampala, Uganda and Doha, Qatar, an annex in Bogota, Columbia, and a new facility for the U.S. Agency for International Development (USAID) in Lima, Peru, the Department has 19 new embassy compound (NEC) projects under construction, with another five NECs and three annexes planned for execution in FY 2003. Within the next year, seven NECs will be completed and ready for occupancy.

This progress is the first step in addressing the monumental task facing OBO of ensuring that 260 U.S. diplomatic posts have appropriate facilities in which to perform their vital work. The value of the OBO real estate portfolio exceeds $12 billion and includes over 15,000 properties. Unfortunately, many facilities lack adequate security and safety, and are overcrowded as a result of the increased international role many government agencies are exercising to advance vital American interests. Many overseas facilities have simply been neglected for too long and need extensive work to restore their serviceability. OBO continues working diligently to ensure that existing facilities become safe, secure, and functional. When this is not feasible or possible, they must be replaced as expeditiously as possible.

To aggressively tackle the overseas facility issues that confront the Department, OBO had to change the way it did business. The first priority was to restructure the organization internally to streamline management functions and provide strategic vision and focus required to meet commitments to the Department, other agencies, and the American people. The internal restructuring, which is now complete, clarifies the roles of management, ensures accountability, and eliminates organizational bottlenecks. OBO now operates with the best practices of an innovative, high performance, customer-focused organization.

The FY 2004 request reflects the implementation of the first stage of a Capital Security Cost Sharing Program. Under this program, all agencies occupying overseas facilities will pay a share of the cost of the capital security construction program. The purpose of this program is not only to accelerate the construction of new safe and secure facilities for all overseas staff, but also to provide incentive to agencies to rightsize their overseas presence. The Program will be phased in over a five-year period, with FY 2004 being a transition year in which the State Department will pay the full $120 million first year cost. Beginning in FY 2005, all agencies having an overseas presence will pay a share of urgent security-driven capital projects as delineated in the Long-Range Overseas Buildings Plan.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

FY 2004 Request

The FY 2004 budget request of $1,514,400,000 and 797 positions for Embassy Security, Construction, and Maintenance (ESCM) is an increase of $209,400,000 over the FY 2003 President's Budget with no increase in personnel. Of this increase, $18,745,000 is to maintain operations at a current services level. An additional $190,655,000 supports worldwide security and capital projects as well as other program increases.

Worldwide Security Upgrades - $861,400,000

The request includes $761.4 million for Capital Security projects, of which $120 million is for the first year cost of the Capital Security Cost Sharing Program. The FY 2004 plan includes:

- Construction of NEC facilities in Accra, Ghana; Algiers, Algeria; Belgrade, Serbia and Montenegro; Lome, Togo; Panama City, Panama; Rangoon, Burma; and Surabaya, Indonesia.
- Construction of USAID facilities in Abuja, Nigeria; Accra, Ghana; and Kingston, Jamaica.
- Acquisition of sites for future NEC projects and planning activities.

In addition, $100.0 million, $46.4 million less than FY 2003, is requested to continue the Department's program of compound security upgrades. The FY 2004 request will fund installation, service, and replacement of forced entry/ballistic resistant roof hatches, safe havens, vault doors, and emergency generator enclosures; burial of fuel tanks; maintenance and replacement of shatter resistant window film; and procurement of construction security equipment. The request also includes a ramp-up in the program to provide physical security improvements to residential compounds. The net reduction of $46.4million in the Compound Security Program reflects the phase out of the completed physical perimeter security program.

In 2002, the Administration conducted a Program Assessment Review Tool (PART) examination of the security construction program. The review determined that the program has excellent planning, purpose, and management; however, the results of recent planning and management reforms have not been fully assessed. Since the program is new, results should improve significantly over time, particularly once the effects of the new management (since 2001), the reorganization of the planning mechanism (2001), and the new standard embassy design efforts (also 2001) are more apparent.

Non-Security Construction - $128,300,000

With the unification of Germany, and the transition of the new capital from Bonn, the need for the construction of a new U.S. Embassy in Berlin is imperative. Currently, embassy operations are located at four different sites, some as far as 12 miles apart. This makes effective administration of embassy operations very difficult. To help alleviate this problem, the Department intends to build a new Chancery on Pariser Platz, the site of our pre-World War II embassy. The Non-Security Construction request of $128.3 million will provide funding for the construction of the NEC in Berlin, Germany.

Operations – $517,250,000

The Operations requests provide funding for the six major program areas within OBO: Planning and Development, Real Estate and Property Management, Project Execution, Operations and Maintenance, Information Management and Support, and Main State and Domestic Renovations.

Planning and Development - $10,000,000

Proper planning is the key component of OBO's philosophy of "getting it right". The Planning and Development Office provides the central focus for overseas facility planning efforts and is the linchpin in OBO's efforts to change from a "budget drives planning" mindset to one of "planning drives the

budget." This office is responsible for producing the Long-Range Overseas Buildings Plan (LROBP), conducts business case analyses, and provides the detailed master planning, space requirements planning, project development, and cost engineering support necessary to design and construct new facilities or renovate existing ones.

With an increase of $1.45 million, this request maintains current services for the salary and support costs of the 72 positions in the Planning and Development Office. It also supports the update and maintenance of the LROBP and specialized private sector planning and cost engineering support.

Real Estate and Property Management - $6,150,000
Site selection, acquisition and approval are critical steps in the success of any new construction project, but it can be the most difficult to negotiate and complete. This program supports all aspects of real property management, acquisition, and disposal, including the salary and support costs for 40 positions. The FY 2004 request provides an increase of $0.15 million for wage and price increases.

Project Execution - $97,200,000
The Project Execution (PE) Office is the single point of responsibility and accountability for the execution of construction, rehabilitation, compound security, and special maintenance and improvement projects. The request is comprised of several different programs responsible for different aspects of execution.

- Construction and Commissioning - $27,700,000. This program funds expenses for the domestic and on-site construction management staff that oversees the work of the general contractors building and renovating the Department's overseas facilities. The request reflects an increase of $2.5 million to maintain current services and support costs for 122 positions and inflationary price increases.

- Design and Engineering - $25,900,000. The Design and Engineering program 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 $5.1 million, of which $3.6 million will fully fund salary and support costs for 118 positions and provide for pay raise and inflationary price increases. The request also expands the value-engineering program and includes the realignment of the Energy Conservation ($4.0 million) and Seismic ($0.9 million) Programs into Design and Engineering.

- Security Management - $31,650,000. This program provides security measures that safeguard overseas construction sites and materials from potentially hostile intelligence efforts for functional and non-security construction, and includes the salary and support costs for 52 positions. The FY 2004 request reflects a $0.65 million increase to cover wage and price increases.

- Interiors and Furnishings - $11,950,000. This program provides interior planning and design for new office and support buildings, existing office facilities under rehabilitation, and new lease fit-outs, and includes the salary and support costs for 30 positions in the Interior and Furnishings Division. In addition, it formulates policy, standards, and procedural guidance for interiors of

office facilities and provides for the maintenance and replacement of furniture, furnishings, and equipment in representational spaces. This request includes $0.25 million for wage and price increases.

Operations and Maintenance - $346,200,000

The Operations and Maintenance (OM) Office is the single point of responsibility and accountability for operations and maintenance of U.S. Government-owned or leased structures. Included in this office are the Leasehold, Maintenance and Repair of Buildings, Facility Management, Facility Rehabilitation, Fire Protection, Post Communications, and Safety, Health and Environmental Management programs.

- Leaseholds - $155,000,000. Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease, lease-purchase, and build-lease agreements. The decision to lease or purchase a property is based on economic analysis of the cost alternatives and the availability of funds. This program funds all activities associated with leasing overseas properties, including market assessments, legal expenses, and fee recording. It also provides living quarters allowance payments to Department employees at selected posts where U.S. Government provided housing is not available.

  The Leasehold Program funds long-term leased (i.e., lease terms of ten years or longer) residential and non-residential properties overseas supporting all foreign affairs agencies under the 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 FY 2004 request reflects includes $5.0 million for anticipated overseas inflation.

- Maintenance and Repair of Buildings - $69,900,000. 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 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. In addition, this program funds the staff salary and support costs for 33 Area Management and 5 Art in Embassies positions.

  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. This request includes an increase of $1.4 million to cover wage and price increases.

  In addition, the request includes $1.5 million for the Art in Embassies program which administers loans and donations of American works from museums, institutions, corporations, galleries and individual artists and collectors to communicate American values and cultural diversity through the

display of these works at overseas posts. The FY 2004 request reflects an increase of $0.1 million due to higher insurance premiums and inflationary wage and price increases.

- Facilities Rehabilitation and Support System Replacement - $41,000,000. 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. The FY 2004 request reflects an additional $1.0 million to keep pace with inflationary cost increases.

- Facility Management - $59,800,000. This program 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 where such assistance is not otherwise available. Support is provided by the Washington Maintenance Assistance Center (WASHMAC), the Facility Maintenance Specialist (FMS), the Global Condition Survey (GCS) and the Facilities Evaluation and Assistance (FEAP) programs. Included in the Facility Management program are salary and support costs for 191 domestic and overseas positions. The FY 2004 request reflects an increase of $1.8 million for wage and price increases.

  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.

- Fire Protection - $8,700,000. This program performs a variety of services to the Department's overseas posts, including conducting fire inspections, promoting and presenting training programs, installing fire detection alarm systems, and supplying posts with critical fire and life safety equipment. The program also funds the salary and support costs for the 20 positions in the Fire Protection Division. The FY 2004 request includes an increase of $0.2 million for wage and price increases.

- Safety, Health and Environmental Management - $3,700,000. The Safety, Health and Environmental Management (SHEM) program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize the environmental impact of Department activities, and to provide occupational health and environmental services to Department of State facilities. This is done by providing technical expertise and support to overseas managers to help them avoid accidents, eliminate workplace hazards and environmental contaminants, and comply with Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) requirements. The program includes salary and support costs for 16 positions. This request provides an increase $0.3 million for wage and price increases.

- Post Communications - $8,100,000. The Post Communications program provides funding for the life-cycle replacement of all telephone systems located in U.S. Government-owned and long-term leased, non-residential facilities. Currently, 35% of the 260 overseas posts 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. This request includes $0.1 million for inflationary price increases.

Information Management and Support – $34,700,000
The request for Information Management and Support provides funding for all information technology (IT) and administrative services to OBO program offices, and includes the salary and support costs for 41 positions. This request will keep IT capacity in line with the dramatic growth of the construction/security programs and sustain management reforms in administrative services.

The FY 2004 request provides an increase of $3.7 million to support mandatory wage and price increases ($0.7 million) and to cover rent payments on additional office space required for the expanding capital and security programs ($3.0 million).

Main State and Domestic Renovations - $23,000,000
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 long identified deficiencies in these facilities.

The FY 2004 request includes $19.2 million for the continued renovation of the old section of the Harry S Truman Building including construction costs for offices, the seventh floor mechanical room, new computer room and auditorium addition, telecommunications administration/ cable/equipment, security equipment, modular office and conference room furniture, and project support costs. The remaining $3.8 million supports various maintenance and repair projects at other domestic facilities maintained by the Department.

Headquarters - $7,450,000

This request provides for the salaries and support costs of the 57 positions providing executive direction, resource management, and developmental training for the entire OBO staff. Of the request, $6.5 million or 87% is for personnel compensation and benefits. The request includes an increase of $0.3 million to provide adequate funding for a central training program, specialized management support for front office personnel, and improvements to resource management (including implementation of the President's Management Agenda and improving the internal review/audit function) in addition to $0.7 million for inflationary wage and price increases.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Performance in OBO's Results Based Organization

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

- Security of Existing Facilities – Provide physical and environmental security upgrades to overseas facilities and compounds to protect employees from terrorist and other security threats.

- New Construction – Construct overseas facilities and complete the fit-out of newly acquired buildings scheduled in the Long-Range Overseas Buildings Plan on-time, within budget, and with a rightsized staffing plan.

- Maintenance of Assets – Maintain, repair, and rehabilitate overseas Diplomatic and Consular facilities in an effective manner that enhances the quality of life of employees while allowing them to perform their duties in safe, secure, and functional facilities.

- Asset Management – Acquire, dispose of, and manage real property in a professional manner that meets Department needs and follows Federal procurement guidelines.

- Information Management – Provide effective, efficient, and secure information management systems to OBO to enable it to manage its dramatically increasing workload.

In support of these five goals, each component of the OBO organization has established performance targets that benchmark critical functions. Management reviews these targets monthly to identify issues and ensure effective performance. In addition, this request introduces a new budget and performance summary linking funding, positions, and performance targets for each significant component.

Performance Targets and Results

Capitalizing on the benefits of a realigned and streamlined organization, OBO has embraced a new culture of accountability and performance with clear goals and targets. In accordance with the President's Management Agenda, program performance targets and results have been integrated with the budget and appear in each justification. However, OBO's overall achievement is summarized in the following bullet points:

- Increased obligations to $1.8 billion in FY 2002. This performance represents the highest level of obligations in OBO history – 84% over the previous high set in FY 2001. Project obligations include:
  - $699.1M for 13 New Embassy Compounds (NECs)
  - $7.2M for 3 new embassy annexes
  - $48.3M for site acquisitions
  - $40.2M for a new housing compound
  - $14.9M for 4 Marine security guard quarters
  - $22.9M for Marine security guard facility requirements (10 detachments)
  - $152.6M for perimeter/compound security upgrades
  - $45.0M for 62 major rehabilitation projects
  - $58.6M for maintenance and repair projects.

- Saved an estimated $63 million in FY 2002 NEC awards (13% of the new construction program).
- Increased OBO's participating contractor pool for NECs from 5 to 14 today.
- Increased work under management to $3.5 billion, compared with $0.6 billion at the beginning of FY 2001. This includes more than $1.5 billion in 20 capital projects under construction.
- Increased OBO's "new starts" management capacity to $1.8 billion per annum.
- Established critical indicators, aligned throughout the organization, which measure controllable performance and promote individual commitment and accountability.
- Initiated the development of performance measures at the branch and employee levels, having successfully developed results-oriented performance measures at the office or division levels.

Through careful strategic planning OBO has made significant progress in FY 2002. However, a majority of facilities still need to be repaired, rehabilitated, rebuilt, restored, or replaced. Proper funding is critical the success of OBO initiatives in order to sustain and build upon this progress.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

FY 2004
SUMMARY STATEMENT OF BUDGET AUTHORITY
($ in thousands)

Program	*2002 Estimate*	*2003 Estimate*	*2004 Request*	*Increase Decrease*
Worldwide Security Upgrades				
Capital Projects	865,516 /a	608,550	761,400	152,850
Compound Security	179,530 /b	146,450	100,000	(46,450)
Other Security Upgrades/Support Costs	14,280	–	–	–
Subtotal, Security Upgrades	**$1,059,326**	**$755,000**	**$861,400**	**$106,400**
Non-Security Construction	***15,000***	***50,000***	***128,300***	***78,300***
Operations:				
Planning and Development	2,814	8,555	10,000	1,445
Real Estate and Property Management	3,772	6,000	6,150	150
Project Execution	79,515	88,645	97,200	8,555
Operations and Maintenance	310,429	336,300	346,200	9,900
Information Management and Support	16,893	31,000	34,700	3,700
Main State/Domestic Renovations	24,000	23,000	23,000	–
Subtotal, Operations	***$437,423***	***$493,500***	***$517,250***	***$23,750***
Headquarters	***5,577***	***6,500***	***7,450***	***950***
APPROPRIATION TOTAL	***$1,517,326***	***$1,305,000***	***$1,514,400***	***$209,400***

/a Includes $200.516 million provided through the Emergency Supplemental Act, 2002 (P.L. 107-206)
/b Includes $42.85 million transferred from the Emergency Response Fund.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

FY 2004
SUMMARY STATEMENT OF POSITIONS

Program	*2002 Enacted*	*2003 Enacted*	*2004 Request*	*Increase Decrease*
Worldwide Security Upgrades				
Capital Projects	-	-	-	-
Compound Security	-	-	-	-
Other Security Upgrades/Support Costs	40	-	-	-
Subtotal, Security Upgrades	**40**	-	-	-
Non-Security Construction	-	-	-	-
Operations:				
Planning and Development	49	72	72	-
Real Estate and Property Management	33	40	40	-
Project Execution	312	322	322	-
Operations and Maintenance	265	265	265	-
Information Management and Support	36	41	41	-
Main State/Domestic Renovations	-	-	-	-
Subtotal, Operations	***730***	***740***	***740***	-
Headquarters	***52***	***57***	***57***	-
GRAND TOTAL	***787***	***797***	***797***	-

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

WORLDWIDE SECURITY UPGRADES
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation*	**$1,059,326**
FY 2003 Estimate	**$755,000**
Program Increases/Decreases:	
Capital Projects	152,850
Compound Security	-46,450
Total Program Increase	***106,400***
FY 2004 Request	***$861,400***

* FY02 Appropriation includes $200.5 million provided through the Emergency Supplemental Act, 2002 (PL 107-206) and $42.9 million transferred from the Emergency Response Fund

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	40	0	0
Foreign Service – Domestic	0	0	0
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Percent of physical security upgrade projects completed	85%	87%	100%	N/A
New NEC sites acquired in accordance with the LROBP	7	10	7	7
Number of new capital construction projects awarded in accordance with LROBP	9	13	7	11
Percent of construction projects completed during the fiscal year within schedule	100%	100%	100%	100%
Percent of construction projects completed during the fiscal year within budget	100%	96%	100%	100%

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Budget Justification

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 Security Projects

With FY 2002 appropriations, the Department completed construction of an annex in Bogota, Colombia; awarded design/build contracts for NECs in Cape Town, South Africa; Conakry, Guinea; Dushanbe, Tajikistan; Kabul, Afghanistan; Phnom Penh, Cambodia; Tashkent, Uzbekistan; Tbilisi, Georgia; and Yaounde, Cameroon; started design and pre-construction activities in Beijing, China; acquired a facility in Frankfurt, Germany and annex sites in Athens, Greece and Jerusalem; and awarded design/build contracts for Marine Security Guard residences at Dar es Salaam, Tanzania; Istanbul, Turkey; Nairobi, Kenya; and Zagreb, Croatia.

In FY 2003, the Department intends to award design/build contracts for NECs in Astana, Kazakhstan; Bamako, Mali; Bridgetown, Barbados; Frankfurt, Germany; Kingston, Jamaica; and annexes in Athens, Greece and Tirana, Albania. A contract will also be awarded for the design of a new annex in Moscow, Russia. These funds will also support the continuation of the new embassy compound project in Beijing, China

The Department's FY 2004 request supports the Department's continued commitment to improving the security and safety of U.S. Government personnel and facilities overseas. The request includes $761.4 million to support the next tranche of urgent, security-driven projects, including the construction of NECs in Accra, Ghana; Algiers, Algeria; Lome, Togo; Belgrade, Serbia and Montenegro; Panama City, Panama; Rangoon, Burma; and Surabaya, Indonesia; and USAID annexes in Abuja, Nigeria; Accra, Ghana; and Kingston, Jamaica; plus the acquisition of sites for future NOB projects. Detailed descriptions of these capital projects are provided in Appendix B.

Compound Security

In addition, FY 2004 funding is also requested to continue the Department's program of worldwide compound security upgrades. The request includes $100.0 million to continue the construction of critical security projects, including safe havens, emergency generator enclosures, and fuel tank burials; the installation, service, and replacement of forced entry/ballistic resistant roof hatches, vault doors; maintenance of shatter resistant window film; the ramp-up of a residential security program; and the maintenance of existing security features.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

NON-SECURITY CONSTRUCTION
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$15,000**
FY 2003 Estimate	**$50,000**
Program Increases/Decreases:	
Berlin NEC	128,300
Non-recurring Projects	-50,000
Total Program Increase	***78,300***
FY 2004 Request	**$128,300**

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Number of new capital construction projects awarded in accordance with LROBP	-	-	N/A	1
Percent of construction projects completed during the fiscal year within schedule	100%	-	100%	100%
Percent of construction projects completed during the fiscal year within budget	100%	-	100%	100%

Budget Justification

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. If the requirement for new construction is primarily for other than security reasons, funding is included in the Non-Security Construction request. However, regardless of the category in which a project falls or the account from which it is funded, all new facilities will be constructed to meet security standards. Examples of non-security construction include:

- The host country has relocated its capital city,
- The United States has established, re-established, or expanded representation with a country,
- The post needs significantly exceed the existing facility,
- The cost of renovating, rehabilitating or expanding an existing facility is so great that it cannot be accommodated in the functional programs, 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 2002, the Department completed construction on the Lima, Peru USAID facility and began design activities for the new embassy compound in Beijing, China.

In FY 2003, the Department will use both non-security capital and worldwide security capital funding to continue the new office building project in Beijing. OBO will use the funds appropriated in fiscal year 2002 to open a new post in Dili, East Timor, and complete the perimeter security portion of a planned facility rehabilitation in Khartoum, Sudan.

The FY 2004 request will fund the construction of a NEC in Berlin, Germany. A detailed description of this project is provided in Appendix B.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

PLANNING AND DEVELOPMENT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$2,814**
FY 2003 Estimate	**$8,555**
Current Services Increases:	
Full Cost of Authorized Positions	1,094
Pay Raise	344
Inflation	7
Total Increases	***1,445***
FY 2004 Request	**$10,000**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	47	70	70
Foreign Service – Domestic	2	2	2
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Complete annual review and update of LROBP	July 1	Yes	July 1	July 1
Percent of space requirement programs developed for posts before project execution	100%	100%	100%	100%
Percent of projects where actual project cost is within 10% of planning estimate	100%	100%	100%	100%

Budget Justification

The mission of the Planning and Development (PD) program is to manage long-range overseas facility requirements' planning for replacement facilities and major facilities renovations. The FY 2004 request of $10,000,000 provides program support and salaries for 70 civil service, and 2 domestic foreign service positions.

Effective planning for overseas facilities is critical to the Department of State's overall diplomatic readiness, and is a priority requirement from the Office of Management & Budget and the Congress. PD's planning efforts are an integral part of the overall strategic facility planning conducted by the Department to rationally link resources with policy-driven requirements.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

The program performance goal is to effectively manage this pivotal function to ensure that the Department's overseas building program successfully meets the goal of providing safe, secure, and functional facilities. The performance strategies are as follows:

- To review and update the LROBP on an annual basis covering a six-year period;
- To incorporate the LROBP project and targets into operational workload and assign planners;
- To extract data from scopes of work to quantify and determine cost requirements.

In FY 2002, the office was reorganized and provided partial-year funding to improve current planning activities and implement new tools.

FY 2003 funds will allow the program to provide the central focus for major overseas facility planning efforts. In addition, the Department will undertake independent evaluations of space requirements planning and cost estimating methodologies to support program improvements and evaluate the effectiveness of the planning function.

The FY 2004 request includes the full cost of authorized positions and current services adjustments.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

REAL ESTATE AND PROPERTY MANAGEMENT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$3,772**
FY 2003 Estimate	**$6,000**
Current Services Increases:	
Pay Raise	150
Total Increases	***150***
FY 2004 Request	**$6,150**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	32	39	39
Foreign Service – Domestic	1	1	1
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Meet or exceed the estimated market value in at least 80% of sales where viable appraisals are obtainable	80%	81%	80%	80%
Meet or exceed the threshold Individual Rate of Return (IRR) on 85% of non-security related properties	85%	100%	85%	85%
Purchase at least 85% of non-security related properties at no more than 110% of certified value, where viable appraisals are obtainable	85%	100%	85%	85%

Budget Justification

The Real Estate and Property Management Office is responsible for all aspects of real property management, acquisition, and disposal. The FY 2004 request of $6,150,000 provides program support and salaries for one domestic foreign serviceand 39 civil service positions.

The amount of activity associated with NEC site acquisitions, complex leasing agreements, and build/lease transactions has increased dramatically. The build/lease activity alone has risen from only periodic (typically one ongoing project at any given time) to a current level of over fifteen active projects. Likewise,

the activitiy associated with property disposals is increasing as the new NEC projects are completed and the Department disposes of old facilities.

The program performance goal is to acquire, dispose of and manage real property in a professional manner that meets Department needs and on terms favorable to the US Government and defensible to the Office of Management and Budget and Congress. The performance strategies are as follows:

- Sell excess and underutilized properties to generate funds to purchase new facilities where lease costs are exorbitant or to invest in new facilities where they are urgently required.
- Switch the priority for the proceeds of sale from capital projects to non-capital (housing) purchases to reduce the vulnerability of the Department's unfunded liabilities in the leasehold account.
- Seek opportunities worldwide to acquire essential properties at reasonable prices below market appraisals.

The FY 2002 funds, which provided partial year funding for this office, consolidated OBO real property management functions and developed a robust acquisition and disposal program.

The FY 2003 request provides full-year funding for the salaries and support costs and the necessary program resources to manage department real property, acquire new properties when market conditions are favorable, and dispose of underutilized inventory. The aspirations of this newly formed program is to keep the result-based focus of the organization while increasing emphasis on efficiently completing projects on time and within budget.

The FY 2004 request provides an increase of $150,000 for mandatory wage inflation.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

CONSTRUCTION & COMMISSIONING
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$16,854**
FY 2003 Estimate	**$25,193**
Current Services Increases:	
Full Cost of Authorized Positions	1,486
Pay Raise	792
Inflation	229
Total Increases	***2,507***
FY 2004 Request	**$27,700**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	50	48	48
Foreign Service – Domestic	24	24	24
Foreign Service - Overseas	40	50	50

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Percent of construction projects within or ahead of the schedule authorized in the construction contract	100%	100%	100%	100%
Percent of projects within the authorized budgets.	100%	100%	100%	100%
Construction management costs as percent of total project costs (under $5M)	15%	11.5%	15%	15%
Construction management costs as percent of total project costs ($5M-$10M)	12.5%	10.4%	12.5%	12.5%
Construction management costs as percent of total project costs ($10M-$25M)	10.5%	6.9%	10.5%	10.5%
Construction management costs as percent of total project costs (over $25M)	7%	4.9%	7%	7%
Maintain safety record at or better than the U.S. industry standard of 3.26	1.5 to 2.0	0.21	1.5 to 2.0	1.5 to 2.0

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Budget Justification

Construction and Commissioning 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. The FY 2004 request of $27,700,000 provides program support and salaries for 48 civil service, 24 domestic foreign service and 50 overseas foreign service positions.

The program performance goal is to provide professional construction management of overseas new construction and renovation projects with a focus on safety, security, cost, schedule, quality, contract administration and coordination with contractors, posts and host countries. The performance strategies are as follows:

- Complete the construction phase of a project within the schedule authorized in the contract.
- Complete projects within the authorized budget.
- Conduct cost-effective on-site construction management.

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 for the administrative support provided at post to OBO's onsite project staff.

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.

The FY 2004 request provides an increase $2,507,000 to maintain current services and support and to cover mandatory wage and price increases.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

DESIGN & ENGINEERING
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$16,699**
FY 2003 Estimate	**$20,752**
Current Services Increases:	
Pay Raise	693
Full Staffing	2,767
Inflation	151
Program Increases:	
Increase in Travel (Business Class)	1,237
Building Technology	300
	5,148
FY 2004 Request	**$25,900**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	120	118	118
Foreign Service – Domestic	0	0	0
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Percent of requests for technical services responded to within 17 business days	90%	89%	90%	90%
Number of times per year design criteria is reviewed and updated	1	2	1	1
Percent of projects meeting Value Engineering (VE) requirements on projects over $1 M	100%	82%	100%	100%
Return on investment for every VE dollar spent on all programs	$20	$35.73	$20	$20
Number of Integrated Design Reviews (IDRs) completed for each major project (over $10 M)	4	4	2	2
Number of IDRs completed for each mid-sized project (between $250K and $10M)	2	2	2	2
Number of IDRs completed for each small Post managed project (under $250K)	1	1	1	1
Percent of design projects completed within the scope, schedule, and budget	100%	100%	100%	100%

authorized in the approved PAM (Project Authorization Memo) or PAD (Project Authorization Document)				
Internal rate of return for Energy Conservation Measure (ECM) implementation	15%	15%	15%	15%
Percent of reduction in ECM backlog	10%	13%	10%	10%
Percent of 7552 funds allotted or committed	100%	100%	100%	100%
Percent of reduction in energy consumption at Posts	5%	5%	5%	5%
Percent of seismic funds allotted	100%	100%	100%	100%
Number of assessments performed in support of major real estate acquisitions annually	2	3	2	2
Number of seismic strengthening studies performed annually	2	2	2	2
Number of limited seismic updates in seismic zones 3 and 4	New Measure	New Measure	5	5
Number of Posts provided with outreach, education and preparedness information	6	6	6	6

Budget Justification

The mission of the Design & Engineering Division is to provide new and renovated facility designs, which incorporate security, safety, functionality, and economical construction to create quality work environments. Our goal is to provide facilities that appropriately express the values of the American people and meet Post needs. The Division provides a variety of services including Post consultation and support, project definition, design management, design services, construction support, standards and criteria development, Computer Aided Design and Drafting (CADD), building technology and value engineering. The FY 2004 request of $25,900,000 provides program support and salaries for 118 civil service positions.

The increase covers mandatory wage and price inflation and costs for full staffing. The program increase covers increase covers allowances for business class travel on certain types of trips and the Building Technology Program.

Building Technology Program: This program develops standardized designs and building methods and identifies innovative products. It is anticipated that through research and development activities, some of the Department's unique requirements can be delivered in a more cost effective manner. Examples of potential areas for investigation include innovative structural designs and interior systems, environmental security, and to develop designs leading to reduced life cycle costs.

Training allows for the professional development of direct hire employees requiring architectural and engineering licenses. The training will provide for classes required to maintain professional architectural and engineering licenses and certifications.

Value Engineering (VE): This program uses VE techniques to reduce costs, increase productivity, and improve quality on facilities design and construction projects. The Department is committed to using this Congressionally and OMB mandated program as a management tool to control program and acquisition costs and achieve best value for the U.S. Government.

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Seismic Program: This program identifies properties occupied by the U.S. Government that are vulnerable to seismic activity and promotes strategies and solutions to reduce seismic risk. The Seismic Program funds activities that are required by the National Earthquake Hazards Reduction Act of 1977 (P.L. 103-374). Funding will be used to conduct two Phase I assessments, two seismic strengthening studies, and two post-earthquake assistance/damage inspections.

Energy Conservation and Investment (ECIP): This program identifies and implements projects which improve energy efficiency and reduce operating costs at the Department's overseas facilities. This budget request responds to Executive Order 13123 – Greening the Government through Efficient Energy Management.

The Department is committed to becoming a model of energy efficiency among federal agencies and is aggressively pursuing a worldwide program to increase energy efficiency. It does this by setting ambitious goals for energy efficiency for all new major construction projects, carrying out on-site surveys at Posts to identify and implement energy conservation measures (ECMs), and training facility managers to improve operating energy efficiency.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

SECURITY MANAGEMENT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$28,698**
FY 2003 Estimate	**$31,000**
Current Services Increases:	
Pay Raise	505
Inflation	145
Total Increases	**650**
FY 2004 Request	**$31,650**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	26	30	30
Foreign Service – Domestic	6	6	6
Foreign Service - Overseas	16	16	16

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Prepare Construction Security Plans (CSPs) for certification (+$1 million) of New Embassy Compound (NEC) and major upgrade projects	28	28	34	66
Prepare Construction Security Plans (CSPs) for certification of minor (-$1 million) and post projects	81	79	86	76
Ensure construction security requirements for accreditation are met on all capital and functional projects	8	4	11	17
Perform on-site reviews of site security operations	8	8	9	14
Provide construction security personnel (SSM, CAGs, CSTs) at NECs and major upgrade project sites	39	38	34	66

Note: While accreditation requirements for four projects and CSPs for two projects were not completed in FY 2002 as planned, all were completed or scheduled for completion in FY 2003.

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Budget Justification

The Construction Security Program ensures 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 includes incorporating appropriate security safeguards into all overseas diplomatic facility construction projects, and protecting overseas construction sites and materials from potentially hostile intelligence efforts. The FY 2004 request of $31,650,000 provides program support and salaries for 30 civil service, 6 domestic foreign service, and 16 overseas foreign service positions.

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. The program employs Government and contractor personnel as site security managers (SSMs), cleared American guards (CAGs), construction surveillance technicians (CSTs) and cleared American escorts (CAEs) to provide access control for personnel and to prevent compromise of controlled construction material. The program also includes the procurement and installation of construction security technical equipment (CSTE) to protect against technical security penetration during project construction. Project requirements are determined by a post-specific assessment of threat level, project complexity, and duration.

SM also provides local guards required for ensuring post security during OBO construction projects. The guards monitor the local construction workers, and secure construction entrances required for the project.

The Security Management performance goal is to ensure construction security measures are implemented on all capital and functional projects involving work in controlled access areas and that all capital and functional projects are successfully accredited at the conclusion of the project. The performance objectives are as follows:

- Ensure construction security requirements for accreditation are met on all capital and major functional projects.
- Prepare Construction Security Plans (CSPs) for all new capital and functional projects; and to provide construction security personnel in accordance with project schedules.

The FY 2002 the Construction Security program supported the start of 12 new capital projects and support for 25 functional projects.

The FY 2003 plan provides construction security support for nine new capital projects and 28 functional projects. In addition, staff will be working with the Bureau of Diplomatic Security to identify and address requirements at residential facilities.

The FY 2004 increase of $650,000 covers mandatory wage and price increases. These funds will support the start of ten new capital projects and provide construction security support for 13 functional projects.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

INTERIORS & FURNISHINGS
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$10,201**
FY 2003 Estimate	**$11,700**
Current Services Increases:	
Pay Raise	102
Inflation	148
Total Increases	***250***
FY 2004 Request	**$11,950**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	30	30	30
Foreign Service – Domestic	0	0	0
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Percentage of representational residences surveyed, designed and furnished	6%	8%	7%	12%
Percentage of maintenance requests approved when funds and resources are available	100%	100%	100%	100%
Percentage of design reviews for staff housing projects	100%	100%	100%	100%
Percentage of design services of scheduled NECs completed within established schedules	100%	100%	100%	100%
Percentage of other requests for office facilities design services completed within established schedules	85%	100%	85%	85%
Percentage of funded OOFP requests from posts processed within 20 days	95%	95%	95%	95%

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Budget Justification

The mission of the Interior and Furnishings (IF) Division is to design and implement creative, cost effective, functional interiors that appropriately support official and representational needs at diplomatic missions. The FY 2004 request of $11,950,000 will provide program support and salaries for 30 civil service employees.

The program performance goal is to provide professional interior planning, design and installation services for Department of State representational residences, office facilities and new staff housing projects. The performance strategies are as follows:

- Provide full-service professional residential interior design support for Ambassadors, Deputy Chiefs of Mission (DCMs), Consuls General (CGs) (when principal officer), and new staff housing projects.
- Plan and provide professional turn-key interior design and project execution for the new construction, renovation and lease build-out facilities.
- Provide Overseas Office Furniture Program to all posts.

In FY 2002, the Department's office facilities designers managed and performed in-house design services, using computer-aided design and imaging, for 29 capital projects and 73 functional projects, participated in 29 special projects, and responded to 38 post requests for assistance. The demand for space planning and design support services is expected to increase in support of chancery replacement projects funded under the Worldwide Security Upgrades program.

During FY 2002, the Department also provided representational equipment and maintenance to 237 residences (out of a total of 327), including 25 major refurbishments. The Department responded to 220 post requests for Representational china, silver, glassware, and kitchen equipment.

In FY 2003, the Department plans to continue the FY 2002 level of maintenance support to representational residences.

The FY 2004 request includes wage and price increases for activities and continues the refurbishment of twenty-three residences per year.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

LEASEHOLDS
Budget/Performance Summary

FY 2004 Budget Summary
($ In thousands)

FY 2002 Appropriation	**$140,917**
FY 2003 Estimate	**$150,000**
Current Services Increase:	
Inflation	5,000
Total Increases	***5,000***
FY 2004 Request	**$155,000**
Estimated Reimbursements	55,000
Total FY 2004 Resources	**$210,000**

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Attainment of funding targets for leases to include quarter's allowances.	$199.0M	$215.4M	$205.0M	$210.0M
Percentage of required leasehold funds allotted.	100%	100%	100%	100%

Budget Justification

Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease, build-lease and lease-purchase arrangements. The FY 2004 request of $155,000,000 provides program support for all long-term leased and Department of State requirements.

The decision of whether to lease or purchase a property is based on economic analysis of the cost alternatives and the availability of funds. This program funds all activities associated with leasing overseas properties, 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.

The Leasehold Program funds long-term leased (i.e., lease terms of ten years or longer) 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 (ICASS) 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 (MSG) deployed overseas.

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The program performance goal is to lease overseas diplomatic mission facilities appropriate for the operational and quality of life requirements in a cost effective, timely manner. The performance strategy is to cover all required leasehold payments for available fiscal year funds.

The FY 2004 request of $155,000,000 reflects an inflationary increase of $5 million. This request, in addition to $55 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 living quarters allowance payments to Department employees.

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MAINTENANCE & REPAIR OF BUILDINGS
Budget/Performance Summary

FY 2004 Budget Summary
($ In thousands)

FY 2002 Appropriation	**$64,862**
FY 2003 Estimate	**$68,400**
Current Services Increases:	
Pay Raise	228
Inflation	1,230
Program Increase:	
Art Insurance	42
Total Increases	***1,500***
FY 2004 Request	**$69,900**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	10	10	10
Foreign Service – Domestic	28	28	28
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Number of overseas posts visited by Area Managers to review and confirm facility requirements	200	201	200	200
Allot routine and special maintenance funds to post	New Measure	New Measure	100%	100%
Ensure obligation of routine and special maintenance funds	New Measure	New Measure	100%	100%
Number of art exhibits provided to post	70	70	60	60
Percent of art exhibits provided within 6 months of Ambassador's confirmation	50%	63%	70%	80%

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Budget Justification

The Department's existing inventory of 4,800 U.S. Government-owned and long-term leased overseas properties is estimated to be worth more than $11 billion. Proper stewardship of these valuable assets requires a continuing investment in maintenance and repair to retain their value, to retard deterioration, to avoid more expensive emergency repairs, and to ensure their serviceability as an adequate platform from which to conduct diplomacy. The Department's current deferred maintenance backlog is $723.2 million. The FY 2004 request of $69,900,000 will provide program support and salaries for 10 civil service and 28 domestic foreign service positions.

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* funds each mission to provide the staff with the appropriate resources to perform routine maintenance tasks. Routine maintenance includes preventive maintenance of buildings 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* funds are allocated 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.

This request also includes funding for the Art-in Embassies Program (AIEP) to promote national pride and a sense of the distinct cultural identity to America's art and its artists. This innovative program traverses cultural and language barriers by providing original works of art by U.S. citizens for the representational rooms of U.S. ambassadorial residences worldwide.

The AIEP program performance goals are to provide representative American art to Chiefs of Mission (COM). The performance strategies are as follows:

- To coordinate with COMs, partner with art lenders, and liaise with regional bureaus to produce and deliver exhibitions of American art for COM residences worldwide.
- To maintain and increase network of contacts and inventories through outreach efforts and partnering with local and national artists, museums, foundations, corporate and private collectors.

The FY 2004 request provides an increase of $1.5 million for mandatory wage and price increases and to offset rising art insurance premiums.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

FACILITY REHABILITATION AND SUPPORT SYSTEMS REPLACEMENT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$38,564**
FY 2003 Estimate	**$40,000**
Current Services Increases:	
Inflation	1,000
Total Increases	***1,000***
FY 2004 Request	**$41,000**

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Number of construction projects started in accordance with the LROBP	14	14	7	5

Budget Justification

The Facility Rehabilitation and Support System Replacement program supports the major rehabilitation projects planned for Department of State overseas facilities. The FY 2004 request of $41,000,000 provides program support for the planned major rehabilitation projects.

The Major Rehabilitation Program renovates, rehabilitates, replaces, and upgrades systems in order to extend the life of the building, ensure continued serviceability, provide a safe and secure environment, allow for the efficiencies of new technologies and changing workloads, and meet the objectives of the U.S. foreign affairs community. With the average age of our buildings overseas exceeding 40 years, the number of buildings that could benefit from major rehabilitation is extensive. However, only those buildings with the greatest need and highest priority are placed in the LROBP. New rehabilitation projects take into consideration all applicable security standards as well as the placement of the post in the Department's list of posts that are scheduled to receive new facilities.

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 Americans with Disability Act requirements. The program allows for projects to fit-out 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, including physical security upgrades, to gain economies-of-scale and to minimize the intrusion on post operations.

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Determining the scope and cost for major rehab projects is difficult. The schedules and cost estimates for projects included in this program are subject to change resulting from unforeseen conditions, political developments, and operational considerations. Estimating the cost of major rehabilitation projects is particularly difficult, especially during the early planning stage. Unlike estimating the cost of constructing a new building, existing buildings, especially those with exceptional age, are fraught with unknowns. Even with extensive planning, site studies, and pre-design work, followed by a well-planned project design, unforeseen conditions and opportunities often arise during the construction phase. These are evaluated and, if determined to be appropriate, are incorporated into the project, often at great expense.

Using a holistic approach, all facility requirements at each post are integrated to the greatest extent possible. To do this, greater emphasis is placed on the up front planning of projects, including the identification of hidden costs like value-added taxes and time delays like host government permit requirements. With this focused, disciplined planning, the Major Rehabilitation Program will maintain itself as a key pillar in the Department's efforts to provide safe, secure and functional overseas facilities.

A summary of major rehabilitation projects and costs by fiscal year is included in Appendix A.

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FACILITIES MANAGEMENT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$50,858**
FY 2003 Estimate	**$58,000**
Current Services Increases:	
Pay Raise	910
Inflation	771
Program Increases:	
Change of Station Transfer Costs	119
Total Increases	**1,800**
FY 2004 Request	**59,800**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	41	41	41
Foreign Service – Domestic	9	9	9
Foreign Service - Overseas	141	141	141

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Number of square meters surveyed for global conditions	206,000 square meters	246,410 square meters	228,600 square meters	228,600 square meters
Number of maintenance assistance visits	10 posts	12 posts	10 posts	10 posts
Number of roof design/replace/repair efforts	111	107	132	132

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FACILITIES MANAGEMENT
Budget/Performance Summary
(continued)

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Inspect one-third of all elevators each year	100%	106%	100%	100%
Percent of critical posts with a rating of 11 or above with a Facility Manager	80%	95%	100%	100%
Percent of repairs completed within 3 months requiring cleared American WASHMAC support assistance	75%	75%	100%	100%
Percent of rehabilitation and minor construction projects requiring cleared American WASHMAC support assistance completed within 12 months of identification	50%	66%	100%	100%
Number of preventive maintenance visits	75	59	76	88
Percent of remediation of environmental hazards within one year of identification	85%	100%	100%	100%
Percent of medium voltage critical failure points to correct within 6 months of identification	90%	100%	100%	100%
Number of rate and metering survey conducted	3	2	6	6
Percent of post help desk support issues completed within 3 working days	90%	90%	100%	100%
Percent of help desk customers highly satisfied	80%	100%	100%	100%
Number of worldwide Facility Manager O&M Management Seminars	1	1	0 (biannual)	1
Number of posts where Pilot Computerized Maintenance Management System is implemented	60 posts	123 posts	160	260

Budget Justification

The mission of the Facility Management program is to support the management and operational maintenance of the Department's overseas buildings to ensure United States Government personnel are provided safe, secure and functional facilities. This is accomplished through collecting, storing and analyzing facilities condition information, providing maintenance expertise and specialty programs, supplying long-range maintenance planning, and assisting with environmental hazard abatement. The FY 2004 request of $59,800,000 provides program support and salaries for 41 civil service, 9 domestic foreign service, and 141 overseas foreign positions.

Program work is carried out via the following related activities: Utility Management, Washington Based Support, Washington Maintenance Assistance Center (WASHMAC), Technical Support Group,

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Comprehensive Maintenance Plans, Facility Managers Program, Global Condition Survey Program, Other Maintenance Assistance (includes elevator repair and replacement program and roof management program), and Hazardous Materials and Containment.

The program performance goal is to support the management and operational maintenance of the Department's overseas buildings. The performance strategies are as follows:

- Maintain current information on overall condition of building systems and components
- Provide maintenance planning and technical support
- Remediate environmental hazards
- Improve utility management and reduce risk of electrical failures
- Conduct training for Facility Managers
- Measure performance of overseas posts by using Key Performance Indicators
- Improve reporting of field activities
- Streamline and improve the quality of new building construction by using the Reliability Centered Maintenance model
- Monitor performance through stakeholder feedback

In FY 2002, Global Condition Surveys were completed at 18 posts for a total of 246,410 square meters surveyed. WASHMAC completed 74 maintenance and repair visits, 127 elevator safety inspections, 16 condition monitoring visits, and support for 51 projects. Preventive Maintenance on UPS systems were completed at 43 posts, automatic voltage regulator preventive maintenance at 3 posts, generator overhauls at 10 posts, and 19 overseas trips were made to provide assistance to posts. Asbestos and CFC training was received by 23 persons, 22 asbestos abatements/survey inspections were conducted, 13 underground storage tank leak remediation projects were completed, 40 posts received CFC recovery/recycle equipment and training, and 117 inspections/installations of water treatment equipment.

The FY 2003 funds will continue to provide in-house and contract preventive maintenance and repairs to our overseas facilities including electrical, mechanical, and building systems.

The FY 2004 request provides an increase of $1.7 million for mandatory wage and price increases and $0.1 million to partially offset the rising cost of mandatory change of station transfers.

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FIRE PROTECTION
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$6,603**
FY 2003 Estimate	**$8,500**
Current Services Increases:	
Pay Raise	90
Inflation	110
Total Increases	**200**
FY 2004 Request	**$8,700**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	20	20	20
Foreign Service – Domestic	0	0	0
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Number of square feet of new or-replaced fire protection systems.	250,000	327,000	250,000	329,000
Number of residential smoke detector requests satisfied	9,000	12,300	9,000	9,000
Number of fire extinguisher requests satisfied	3,000	3,500	3,000	3,000
Prevention inspections and training conducted	117 Posts	98 Posts	117 Posts	117 Posts
Percent of fire prevention training conducted at scheduled FSI Classes	100%	100%	100%	100%
Percent of fire/safety trouble calls resolved via telephone or e-mail systems	50%	63%	50%	50%

Budget Justification

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, replacing, and maintaining fire alarm detection systems; and supplying posts with critical fire and life safety equipment such as fire extinguishers, exit signs, emergency lighting units, and residential smoke detectors. The Department has reduced the number of incidents of overseas posts from

69 in FY 1997 to 63 in FY 2002. The FY 2004 request of $8,700,000 provides program support and salaries for 20 civil service positions.

The program performance goal is to minimize fire risk to post personnel and property overseas by conducting ongoing fire prevention and training program, provide fire protection systems, equipment and associated technical support to overseas posts. The performance objectives are as follows:

- To install fire alarm detection systems in all chanceries by the end of FY2003; begin the replacement of old, outdated, and hard-to-maintain systems; and provide all overseas residences with appropriate fire safety equipment.
- To conduct fire prevention inspections and training at category I (high risk) posts every two years and category II (average risk) posts every three years, with categories predicated on the relative fire safety facilities and the level of local fire protection services available.
- To resolve all fire protection system trouble calls from overseas posts and to return all out-of-service systems to full service within 3 months.
- To provide specialized fire and safety training at all FSI, Diplomatic Security (DS), and MSG training courses.

The Fire Protection program met or exceeded all of the performance targets for fiscal year 2002 except the target for prevention inspections and training. Staffing shortages prevented only allowed program representative to visit 98 posts to conduct inspections and training instead of the planned 117 posts. The Fire Program is filling vacant positions and anticipates meeting this goal for fiscal year 2003.

In FY 2002, the Department installed fire alarm detection systems for approximately 327,000 square feet of facility space in Dhaka, Bangladesh; Banjul, Gambia; Maseru, Lesotho; Wellington and Auckland, New Zealand; Tirana, Albania; Bangui, Central African Republic; and Matamoros and Merida, Mexico. Fire prevention inspections and fire prevention seminars were completed at 98 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 2003 funds will continue the installation/replacement of fire alarm detection systems in principal buildings overseas safeguarding an additional 250,000 square feet, support on-site inspections and training, and supply the minimum fire safety equipment to posts. Also included are the salaries, travel, logistical support, and other necessary administrative expenses.

The FY 2004 request includes an increase for mandatory wage and price increases.

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SAFETY, HEALTH & ENVIRONMENTAL MANAGEMENT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$2,700**
FY 2003 Estimate	**$3,400**
Current Services Increases:	
Full Cost of Authorized Positions	179
Pay Raise	69
Inflation	37
Program Increases:	
Chem/Bio Incident Response	15
Total Increases	***300***
FY 2004 Request	**$3,700**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	16	16	16
Foreign Service – Domestic	0	0	0
Foreign Service – Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Percent of Posts Receiving SHEM visits Each Year	40%	40%	40%	40%
Number of Overseas Seminars for Safety and Health Officers/FSNs	3	5	10	9

Budget Justification

The Safety, Health and Environmental Management (SHEM) program mission is to protect the life, health, and safety of U.S. Government employees, family members and others who work and live in overseas Department facilities and to minimize the environmental impact of Department activities. The FY 2004 request of $3,700,000 provides program support and salaries for 16 civil service positions.

The program performance goal is to protect Department employees and overseas family members from environmental health and safety hazards and to reduce costs due to mishaps. The performance strategy is to provide overseas posts with timely technical support, training and other assistance focused on safety, health and environmental risks.

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In FY 2002, the Department completed its first full fiscal year of the expanded field implementation program by visiting 40% of overseas posts. These visits are designed to provide the assistance necessary to ensure that effective SHEM programs have been established and appropriate follow-up needs are identified. In addition, the Department doubled its ongoing training and awareness programs, including pilot seminars for foreign service nationals (FSNs) in high-risk operations such as Integrated Pest Management. The SHEM program played a key role in responding to an inhalation anthrax incident at one of our facilities, which impacted worldwide operations. While the program faces many continuing challenges, it is clear that extensive efforts to increase awareness and provide on-site support are showing positive results. The role of this program has been expanded in light of recent chem/bio/nuclear/radiological (CBNR) concerns.

In FY 2003, the Department will continue to expand its training activities to account for additional hiring associated with the Diplomatic Readiness Initiative. Included in this effort will be a continuation of our regional seminar program for post occupational safety and health officers (POSHOs) as well as a significant expansion of the FSN seminar activity based on the success of the pilot programs. In addition, this funding level will allow the Department to visit posts requiring more comprehensive support with greater frequency.

In FY 2004, The Department will continue its varied activities to minimize mishaps and operational disruption and to establish special emphasis programs where required. This request includes the full cost of authorized positions, current services adjustments per OMB guidance and a modest program increase for SHEM support associated with chemical/biological incidents and other mishap responses.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

POST COMMUNICATIONS SUPPORT PROGRAM
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$5,925**
FY 2003 Estimate	**$8,000**
Current Services Increase:	
Inflation	100
Total Current Services Increases	***100***
FY 2004 Request	**$8,100**

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Number of overseas system upgrades	9	9	10	9

Budget Justification

The Post Communications Program provides funding for the life-cycle replacement of all telephone systems located in U.S. Government-owned and long-term leased chanceries, consulates, and other non-residential facilities. The FY 2004 request of $8.1 million provides for new telephone system installations at 9 posts.

Currently, 35% of the 260 overseas missions have old, obsolete telephone systems that are no longer supported by their manufacturers. To maintain the security integrity of the classified operations, and in accordance with non-secure telephone standards, all telephone systems must be procured in the U.S., shipped to post via classified diplomatic pouch, equipped with security- approved hand sets, and installed by top secret-cleared American technicians.

The program performance goal is to replace obsolete telephone systems with modern, reliable, digital systems capable of delivering a full range of services. The upgrades provide a threat call recorder; security and productivity enhancements, such as direct inward dialing, call accounting, voice mail, automated voice attendant (multiple language); and system management tools.

With FY 2002 funds, new telephone system installations were completed at nine posts: Brasilia, Brazil; Cotonou, Benin; N'Djamena, Chad; Nassau, The Bahamas; Nouakchott, Mauritania; Rangoon, Burma; Seoul, Korea; Tijuana, Mexico; and Vladivostok, Russia. FY 2002 funds were also used to complete a number of telephone projects initiated in FY 2001.

In FY 2003, the Department anticipates completing telephone system replacements at ten posts: Accra, Ghana; Addis Ababa, Ethiopia; Amman, Jordan; Antananarivo, Madagascar; Lahore, Pakistan; Libreville, Gabon; Madrid, Spain; Riyadh, Saudi Arabia; Valletta, Malta; and Warsaw, Poland.

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The FY 2004 request of $8.1 million will provide for the continuation of the current 23-year cycle. With this funding the Department will complete telephone systems replacements at nine posts: Barcelona, Spain; Caracas, Venezuela; Copenhagen, Denmark; Luxembourg, Luxembourg; Manama, Bahrain; Nicosia, Cyprus; Sanaa, Yemen; Sapporo, Japan and The Hague, Netherlands.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

INFORMATION RESOURCE MANAGEMENT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$7,233**
FY 2003 Estimate	**$20,251**
Current Services Increases:	
Pay Raise	95
Inflation	354
Total Increases	***449***
FY 2004 Request	**$20,700**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	20	25	25
Foreign Service – Domestic	0	0	0
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Percent (cumulative) of expansion in classified LAN systems	40%	50%	50%	50%
Percent of customers, based on quarterly surveys, satisfied with IRM support	70%	62%	70%	70%

Budget Justification

The OBO Information Resource Management Division (OBO/IRM) provides cost-effective information technology solutions in direct support of OBO business needs. The FY 2004 request of $20,700,000 provides program and salaries for 25 civil service personnel.

This request seeks to keep OBO/IRM's capacity in line with the recent dramatic growth of the construction and security programs. The request also seeks to enhance compliance with numerous statutory and policy requirements applicable to information technology.

OBO/IRM has enacted an Information Technology Strategic Plan that sets forth four program goals: (1) to become a mission partner; (2) to provide information services that exceed customer needs; (3) to improve IT management processes; and (4) to ensure that OBO information management resources are secure. The Strategic Plan also sets forth 24 specific strategies ranging from providing "user friendly" services to linking enterprise architecture and IT investment, ensuring these goals are realized.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

FY 2002 funds enabled major system infrastructure improvements to be made during the first full year of OBO's seat management performance based contract. The number of classified PCs increased to over 300 units and network bandwidth increased from 10MB to 100MB. Most importantly, many outdated PCs, servers, and printers were replaced when OBO/IRM installed over 600 PCs, 30 servers, 50 network printers, and 15 network devices.

OBO also had significant accomplishments in the area of web development: OBO developed a new internet presence enabling private sector companies to conduct business with OBO via the world-wide web. OBO also began web-enabling existing client-server applications, and developed new web-based applications, including an application to automate posts' requests for OBO products and services, and an application to track overseas health and safety conditions. OBO/IRM also implemented an IT governance process and led the effort to establish important new procedures for managing IT capital planning, to better ensure OBO's IRM program is aligned with OBO's and the Department's mission.

The FY 2003 request will provide OBO/IRM with the resources to address the President's Management Agenda E-Government objectives and employ digital technologies to improve effectiveness, efficiency, and service delivery. OBO/IRM expects to identify requirements for an Executive Information System portal and expand the use of construction management systems acquired from the Army Corps of Engineers. Commercial off-the-shelf systems will be a major component of this effort including: a document management system with advanced search capabilities, a digital media management system, and on-site "project cams" to allow OBO staff to view construction sites via the internet. Custom software development efforts will be limited and performed only when other sources of applications software are not available. The overall process of software development in OBO will be re-engineered and improved. As part of this process improvement effort, OBO/IRM expects to achieve a CMM level 2 in 2003. OBO/IRM will also complete its enterprise architecture design that will further enhance OBO's systems integration with the Department's overall architecture.

The FY 2004 request provides an increase of $449,000 for mandatory wage and price inflation.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

MANAGEMENT SUPPORT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**9,660**
FY 2003 Estimate	**$10,749**
Current Services Increases:	
Pay Raise	94
Inflation	188
Program Increases:	
GSA Rent	2,969
Total Current Services & Program Increases	***3,251***
FY 2004 Request	**14,000**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	16	16	16
Foreign Service – Domestic	0	0	0
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Ensure all OBO employees complete at least one security training session during the fiscal year	New Measure	New Measure	100%	100%

Budget Justification

The newly established Management Support (MS) Division is the administrative "hub" of the organization and provides for the on-going support needs of OBO domestic and overseas staff. The FY 2004 request of $14,000,000 provides program support and salaries for 16 civil service personnel.

The OBO reorganization created the MS division to improve management of critical support functions. The $14,000,000 request is necessary to sustain these reforms and provides funding for three branches: General Services, Administrative, and Security/Safety. The General Services Branch will provide operational basics for rent, utilities, procurement and facility issues. The Administrative Support Branch will handle travel management, communications, and publications services. The Security/Safety Branch will reflect a renewed focus and emphasis on security, improving security management and initiating training programs on industrial, information, and physical security issues.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

The program performance goal is to provide quality management support necessary to meet the on-going general services, administrative support and security/safety needs of OBO. The performance strategy is to establish a strong, effective Management Support Division infrastructure that will provide quality services by:

- Establishing, developing and implementing effective management support systems.
- Providing OBO staff with instant access to reliable and complete information that will enable the proper deployment of personnel, funding, and materials to effectively build, renovate, maintain and sustain secure, safe and functional facilities.
- Consolidating management procedures and developing tools necessary for the MS branches to carry out all functional roles efficiently and effectively.

With FY 2002 funds, OBO completed the long awaited relocation of the Arts and Embassies Division from the State Department in Washington D.C. to the OBO facility in Rosslyn, VA (State Annex-6), and the renovation of two floors within SA-6.

Projects to be completed in FY 2003 include the OBO Contingency Plan to enable continuity of operations during an emergency, asset inventory to manage and control all OBO assets, and the development of an OBO Staff Manual providing critical information and procedures.

The FY 2004 request provides an increase of $0.3 million for mandatory wage and price increases and $3.0 million for additional space in support of continuity of operations, security and capital programs.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

MAIN STATE/DOMESTIC RENOVATIONS
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$24,000**
FY 2003 Estimate	**$23,000**
Program Increases/Decreases:	
Main State Renovation	19,225
Capital Improvement Plan	3,775
Non-recurring Projects	-23,000
Total Program Increases	***0***
FY 2004 Request	**$23,000**

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Continuation of phase I of the Main State renovation	"Old State" internal demolition; infrastructure construction	"Old State" 100% internal demolition; infrastructure construction under way	"Old State" infrastructure construction completed and build-out contract awarded; design planning started for next renovation phase	"Old State" build-out completed; design/ planning completed for next renovation phase
Capital Improvement Plan; projects completed base on funds	100%	100%	100%	100%

Budget Justification

The purpose of the renovation program for the Harry S Truman headquarters building is to provide safe, secure, cost-effective and energy efficient workspace for employees to perform their duties. This program includes the Capital Improvement Program developed to protect the real property investment and to correct building system deficiencies through upgrades. The FY 2004 request of $23,000,000 provides for specific renovation and security improvements to Department of State domestic facilities.

The program performance goal is to ensure that Department domestic facilities are cost-effective and enable employees to perform their duties. The performance objectives are as follows:

- Renovation of the original "Old State" building
- Identify all technical needs and funding requirements for projects identified in the Capital Improvement Plan and to implement the projects in order of priority.

In FY 2002, Phase I of the Harry S Truman renovation program, which includes the renovation of the basement and the original "Old State" portion of the building, was continued. Resources were used to fund maintenance and repair projects at other domestic facilities. These included several engineering and

mechanical improvements to Main State, the replacement of HVAC chiller as well as replacement of electrical switch gear in the Blair House, the replacement of carpeting at the Beltsville Information Management Center, installation of carpeting at the Charleston Regional Center, renovation of cottages 50 and 51, air control system for the central plant, loading dock repairs and parking lot paving at the National Foreign Affairs Training Center.

Full funding approval for FY 2003 will provide $19,225,000 for the continuation of Phase I renovations and enhancements to the "Old State" portion of the Harry S Truman Building. The remaining $3,775,000 is for maintenance and repair projects for domestic facilities. This includes generator replacement 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.

The FY 2004 request includes $19,225,000 for the continued renovation of the old section of the Harry S Truman Building. This includes construction costs for offices, new computer room and auditorium addition, telecommunications administration/cable/equipment, security equipment, modular office and conference room furniture, and project support costs. In addition, the initial design work for the next area of the Truman building scheduled for renovation will commence. The remaining $3,775,000 supports various maintenance and repair projects at other domestic facilities maintained by the Department.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

HEADQUARTERS
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

FY 2002 Appropriation	**$5,577**
FY 2003 Estimate	**$6,500**
Current Services Increases:	
Pay Raise	657
Inflation	20
Program Increases:	
Front Office Support	179
Training	94
Total Increases	***950***
FY 2004 Request	**$7,450**

FY 2004 Position Summary

Position Type	FY02 Authorized	FY03 Estimate	FY04 Request
Civil Service	52	57	57
Foreign Service – Domestic	0	0	0
Foreign Service - Overseas	0	0	0

FY 2004 Performance Summary

Indicator	FY02 Target	FY02 Results	FY03 Target	FY04 Target
Complete monthly analysis of funds	100%	100%	100%	100%
Inquiries and issues tasked within three working days of receipt (Congressional, GAO, OIG, etc)	90%	90%	90%	90%
All personnel recruitment requests processed within 10 workdays	90%	100%	90%	90%

Budget Justification

The mission of the Headquarters program is to issue and ensure the proper dissemination, enactment, and monitoring of policies and decisions. This program includes the Front Office, Financial Management, Policy and Programming, and Human Resources. The FY 2004 request of $7,450,000 provides program and salary support for 57 civil service positions.

The program performance goal is to exercise sound management of financial resources for the operating elements of OBO; provide responsive policy analysis; and execute a full range of human resources support. The performance objectives are as follows:

- To work with Department, OMB, and Congressional staff to secure program approvals.

- To respond to GAO and OIG audit and inspection recommendations and issues.
- To carry out comprehensive budget and accounting programs to deliver accurate budget data throughout the year, with continuous attention to internal controls.
- To conduct timely recruitment actions for new or vacant positions.

In FY 2002, the Headquarters program was created as part of the OBO reorganization that aligned operational units with business processes. The program processed many personnel actions and completed the realignment of resources in conjunction with the OBO reorganization. The renewed focus on performance has resulted in setting targets at the office and division levels. In addition, Headquarters instituted monthly Program Performance Reviews, developed a performance award program, and injected greater financial discipline by conducting more detailed reviews of the OBO status of funds. Noteworthy is OBO's establishment of a bureau-wide training and certification program for all Contracting Officer's Representatives (CORs). The Department's Office of the Inspector General recognized this training program as a "best practice" in its Review of the Department of State's Contracting Performance.

In FY 2003 OBO will capitalize on prior accomplishments by improving advice and services to managers regarding resource management, personnel and policy issues. The focus will be on implementing the principles of President's Management Agenda, including improving the linkage between budget and performance so every dollar is tied to a performance outcome. Personal accountability will be emphasized and performance targets will be set for the staff in addition to the higher-level organization goals.

The FY 2004 request provides an increase of $677,000 for mandatory wage and price inflation and $273,000 for front office support and training.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

ASSET MANAGEMENT
Budget/Performance Summary

FY 2004 Budget Summary
($ in thousands)

	FY 2002 Actual	FY 2003 Enacted	FY 2004 Request
Financing			
Unobligated Balance, SOY	127,901	118,509	118,509
Budget Authority	**0**	**0**	**0**
Recoveries	22,494	0	0
Reimbursements	43,247	80,000	50,000
Reprogramming	0	0	0
Obligations	**-75,133**	**-80,000**	**-50,000**
Unobligated Balance, EOY	118,509	118,509	118,509
Program			
Asset Management	75,133	80,000	50,000
Total Program	**75,133**	**80,000**	**50,000**

The Asset Management Program was established to segregate the proceeds of sale of real property 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 2002, the Department collected real property sales of $43.2 million and obligated $75.1 million to acquire real property worldwide. A complete list of sales and acquisitions for FY 2002 is attached.

Over the FY 2003-2004 period, the Department expects to realize more than $130.0 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 & MAINTENANCE

ASSET MANAGEMENT
FY 02 ACTUAL OBLIGATIONS
($ in thousands)

Properties	Amount
Capital Projects:	
Abuja NEC	2,994
Berlin GSO	912
Berlin NEC	12,633
Luanda NEC	2,604
Seoul CMP	41,266
Other Acquisitions:	
Brussels Housing	4,097
Chisinau CMR	456
Brazil INSS a)	8,128
Other Acquisition Expenses	2,043
FY 2002 Obligations	**$75,133**

a) This amount was deobligated in October 2002 pending reprogramming of funds.

ASSET MANAGEMENT
FY 02 COLLECTIONS
($ in thousands)

Properties	Amount
Amman - DCMR	223
Bangkok – Lot	568
Bangui - Residence	244
Caracas – Residence/Apartments	528
Dar Es Salaam – Residence	200
Dhaka - GSO	923
Karachi – Apartments	1,078
Jakarta – Residence	394
Kampala - Annex	399
La Paz – CMR	908
London - Residence	387
Nicosia – MSGQ	1,314
New Delhi – Residence	276
Paris – Residence	4,805
Seoul – Installment Payment	30,000
Vilnius – CMR	1,000
FY 2002 Collections	**$43,247**

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

PRIORITIES FOR ASSET MANAGEMENT FUNDING
FISCAL YEARS 2003-2004

Beijing, China [New Compound Site]
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, funded from capital appropriations, began in FY 2002.

Berlin, Germany [New Embassy Complex]
With the unification of East and West Germany and the transition of the capital from Bonn, the need for the construction of a new U.S. Embassy in Berlin is imperative. The U.S. Mission in Berlin currently functions out of four different localities within the city of Berlin. The small, 115-year old Mitte building, which currently serves as the chancery, is in need of major repairs and does not meet security standards.

Effectively administering an Embassy the size of Berlin from four different locations, some as far as 12 miles apart, is very difficult. To alleviate this problem, the Department intends to construct a new embassy on the USG-owned site at the Brandenburg Gate, on the Pariser Platz. Design was awarded in FY 2002 and construction is planned for FY 2004. Construction of this project will be funded with a combination of asset management funds ($70 million) and capital appropriations ($128.3 million).

Luanda, Angola [New Embassy Complex]
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. In FY 2001 the Department signed a contract to construct a new chancery on an U.S. Government-owned, 1.6-acre site. Asset management funds have been earmarked to continue construction in FY 2003 and FY 2004.

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. Construction award is planned in FY 2003.

New Delhi, India [Enclave Mechanical/Electrical Upgrade]
The existing power plant on the New Delhi embassy compound is inadequate and outdated. In addition, the utility costs from using the existing HVAC and electrical systems are expensive. In FY 2003, the Department proposes to upgrade and expand the capacity of the HVAC system, and realign the electrical power on the compound to meet the anticipated demand and improve efficiency, thus reducing utility costs. Funding is also provided for removal of any asbestos located during the upgrade.

Taipei, Taiwan (New Office Compound)
The American Institute in Taiwan (AIT) occupies a building that was originally constructed in the mid-1950s. Although the Department is upgrading the perimeter to provide improved security, the facility is

still overcrowded, dilapidated, seismically deficient, and fails to meet fire safety standards. The lease on this property is held by three different entities and expires in 2004. One of the landlords is pressuring AIT to relocate to make room for the construction of a new school and a major thoroughfare.

AIT and the Department have launched a comprehensive effort to locate and secure a new office compound site sufficiently large to locate all elements. With support from the Taiwanese authorities, negotiations for a site are nearly complete. Asset Management funds are earmarked in FY 2003 and FY 2004 for the design.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

PROGRAM AND FINANCING
($ in thousands)

	FY 2002 Actual	FY 2003 Enacted	FY 2004 Request
Financing			
Unobligated Balance, SOY	879,802	891,404	876,404
Budget Authority	**1,517,326**	**1,305,000**	**1,514,400**
Recoveries	166,646	0	0
Reimbursements	103,220	135,000	105,000
Reprogramming	0	0	0
Obligations	**-1,775,590**	**-1,455,000**	**-1,619,400**
Unobligated Balance, EOY *	891,404	876,404	876,404
Program			
Capital Projects	582,798	608,550	761,400
Compound Security	127,834	146,450	100,000
Other Security Upgrades/Support Costs	26,799	-	-
Non-Security Capital	32,670	50,000	128,300
Planning & Development	3,571	8,555	10,000
Real Estate & Property Management	3,630	6,000	6,150
Construction & Commissioning	16,422	25,193	27,700
Security Management	62,032	31,000	31,650
Design & Engineering	21,047	20,752	25,900
Interiors & Furnishings	11,671	11,700	11,950
Program Management	6,129	-	-
Leaseholds	216,391	205,000	210,000
Maintenance & Repairs of Buildings	76,596	68,400	69,900
Facility Rehabilitation	53,170	40,000	41,000
Facility Management	56,771	58,000	59,800
Fire Protection	7,223	8,500	8,700
Post Communications	17,325	8,000	8,100
Safety, Health & Environmental Mgt	3,005	3,400	3,700
Information Management & Support	28,512	31,000	34,700
Main State/Domestic Renovations	24,095	23,000	23,000
Headquarters	8,199	6,500	7,450
Asset Management	75,133	80,000	50,000
Kabul/Dushanbe Supplemental	177,768	22,748	-
Kosovo Supplemental	7,878	15,105	-
Emergency Response Fund	28,921	-	-
Total Program	**1,775,590**	**1,455,000**	**1,619,400**

Note: Unobligated balances are predominately attributable to ongoing multi-year construction projects for which remaining obligations will be incurred throughout the life of the project.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

FUNDS BY OBJECT CLASS
($ in thousands)

Overseas Building Operations	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100 Personnel Compensation	$72,473	$67,112	$78,000	$10,888
1200 Personnel Benefits	$23,432	$18,133	$26,000	$7,867
1300 Benefits Former Personnel	$0	$5	$0	($5)
2100 Travel & Trans of Persons	$13,340	$12,631	$16,000	$3,369
2200 Transportation of Things	$7,170	$3,111	$7,000	$3,889
2300 Rents, Comm & Utilities	$163,477	$115,621	$248,000	$132,379
2400 Printing & Reproduction	$664	$1,003	$1,000	($3)
2500 Other Services	$654,166	$216,073	$860,400	$644,327
2600 Supplies and Materials	$23,740	$3,366	$27,000	$23,634
3100 Personal Property	$35,700	$40,915	$44,000	$3,085
3200 Real Property	$522,164	$827,030	$205,000	($622,030)
3300 Investments and Loans	$0	$0	$2,000	$2,000
4100 Grants, Subsidies & Contrb	$1,000	$0	$0	$0
4200 INS Claims & Indemnities	$0	$0	$0	$0
Total	$1,517,326	$1,305,000	$1,514,400	$209,400

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

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
NEC	New Embassy Compound
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

APPENDIX A
FACILITY REHABILITATION SUMMARY
($ in thousands)

Post	Project	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request
Accra	OBC Elec Rehab	231	1,400	
Adana	Consular Relocation		1,000	
Ankara	Space Reconfiguration		1,000	
Asmara	Construct PCC	1,680	320	
Astana	Lease Fitout		1,500	
Bangkok	Replace Warehouse & MotorPool	798		
Bangkok	OBC Elevator Replacement		2,205	
Beirut	Consular Expansion	1,518		
Bissau	Master Plan Addition		165	
Brasilia	OBC Rehab	775		
Brussels	OBC Rehab	537		
Budapest	OBC Rehab	481	1,000	
Budapest	OBC Structural Upgrade	88	412	
Cairo	OBC Cooling Tower Upgrade	459		
Canberra	OBC HVAC	3,653	422	422
Casablanca	COB Rehab	210		
Chengdu	Staff Housing Rehab	291		
Chennai	COB Rehab/Expansion	395		
Chisinau	OBC Addition		1,980	200
Colombo	OBC Roof Replacement	493		
Copenhagen	OBC Rehab	300	100	
Frankfurt	Staff Housing Rehab	185	1,478	1,860
Guatemala	OBC Rehab	110	800	
Hanoi	Windows/Façade Repairs	170	2,500	200
Helsinki	OBC Rehab	399	470	
Hong Kong	SDA Renovation	247		
Islamabad	Collocation Project	7,045		
Istanbul	COB Restore Frescoes	31	469	
Jakarta	OBC/GSO-Phase I	35	3,500	350
Jakarta	OBC Phase II		300	
Kabul	OBC/CMP Rehab	3,301		
Karachi	Phase II Collocation		6,000	
Kingston	Staff Housing Fitout	369	8,100	
Kuala Lumpur	Implement MP/Cons Rec & Whse	315		
Lagos	COB Rehab		275	550
La Paz	OBC HVAC Rehab	900	100	
Lilongwe	OBC/CMP Rehab	321	400	
London	OBC Rehab	62		
Lusaka	Master Plan New Annex	165		
Madrid	OBC Rehab	343		

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX A
FACILITY REHABILITATION SUMMARY
($ in thousands)

Post	Project	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request
Manila	COB Annex Rehab	604		7,700
Manila	OBC Pilings/Life Safety		350	900
Minsk	OBC Rehab and Addition	443	368	8,000
Monrovia	OBC Rehab	297	800	
Montevideo	OBC Rehab	1,616		
Moscow	CMP Rehab Phase I Consular	900	526	
Moscow	CMP Int. Retaining/Planter Walls	7	376	
Moscow	Elec Power Stabilization	900	576	
Mumbai	OBX Chiller/Apt Fitout		75	
Munich	COB Façade Repair	2,858	1,813	
New Delhi	OBX West Bldg Rehab	395		7,500
Niamey	OBC Compound Rehab	368		
Nouakchott	OBC/CMP Rehab		350	
Oslo	OBC Rehab		450	
Paris	A&B Bldgs HVAC	309		
Paris	SDA Rehab Boulogne Phase II	2,659		
Paris	Relocation of Personnel		9,500	
Pt. Au Prince	OBC Rehab	375		
Prague	OBC Roof Repairs	1,321		
Rabat	OBC Rehab	1,918		5,018
Rome	OBC CMP & Sardenga Move	632	6,618	
Seoul	Housing Rehab		200	1,000
Shanghai	Consular Fitout	729		
Shanghai	EOB Structural Upgrade	332	2,100	
Stockholm	OBC Rehab	400	200	
Tegucigalpa	OBC Rehab	117		400
Tel Aviv	OBC Roof Replacement	986		
Ulaanbaatar	OBC Rehab		350	400
Vienna	UNVIE OBX Acq. And Fit out	55	650	
Vienna	Rathaus Apt's Façade Rehab	3,898	350	
Vilnius	OBC/CONS Annex Rehab	853		9,000
Program Level Obligations		4,291		
Project Planning and Pre-Design				2,500
TOTAL PLANNED OBLIGATIONS		**$53,170**	**$61,548**	**$46,000**

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX A
FACILITY REHABILITATION SUMMARY
($ in thousands)

Financing Schedule			
	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request
Unobligated Balance SOY	(24,524)	(13,548)	
Recoveries of PY Obligations	(3,102)	(3,000)	(3,000)
Reimbursements	(528)	(5,000)	(2,000)
Proceeds of Sale			
Reprogramming			
Unobligated Balance EOY	13,548		
Budget Authority	**38,564**	**40,000**	**41,000**

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

ACCRA, GHANA

The Need:

Three separate compounds provide the infrastructure to support U.S. diplomatic needs in Accra, Ghana. None of the three compounds fully meet current security standards.

The chancery, occupied by the Department since 1983, occupies a three-story building built in the 1940s as a villa, which does not have sufficient space to accommodate current staffing. A separate lot containing an administrative annex adjoins the chancery property. The chancery site is located five kilometers from the downtown and government zone. A second compound houses the consular section and GSO offices and is one kilometer from the chancery. The GSO/warehouse (Rushmore) compound is about three kilometers from the chancery. All of the office, warehouse, and support facilities suffer from security and operational defects. The chancery also suffers from seismic problems.

Project Rationale and Description:

Ties between the U.S and Ghana ties remain strong. This implies a long-term commitment that must be supported with safe, secure and functional facilities. The disparate existing compounds cannot be made secure or functional. A new compound that can accommodate all functions is needed. The new compound will include a chancery, GSO warehouse and support facilities, a Marine Security Guard Quarters and an USAID annex. The project will be "fast-tracked" using the best practices of industry and the most appropriate delivery system.

Funding ($000)							
Accra, Ghana **Program**	**Prior Years**	**FY 2002**	**FY 2003**	**FY 2004**	**To Complete**		**Total by Program**
Site Acquisition/ Predevelopment			$5,750				$5,750
Design/Build NEC							
NOB				$86,000			$86,000
GSO				$4,300			$4,300
MSGQ				$2,300			$2,300
USAID Annex				$25,000			$25,000
VAT				$5,400			$5,400
TOTAL			$5,750	$123,000			$128,750

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

ALGIERS, ALGERIA

The Need:

The Algiers Compound is made up of three smaller compounds: (1) A long-term leased 1.5-acre compound containing the chancery, administrative annex, and ambassador's residence (CMR), (2) a USG-owned 4.7-acre compound (Al-Oued Compound) containing the deputy chief of mission residence (DCR) and the general services office (GSO) annex, and (3) a short-term leased (STL) residential compound, containing 12 residential units. The facilities cannot support the current staff, are old, and lack adequate security. Offices are situated in old residential buildings that cannot be modernized.

Project Rationale and Description:

Algiers's role in providing stability to the region will undoubtedly require a long-term commitment by the U.S. Government. Algiers has long been on the list for a new chancery. In fact, a design for a new chancery was completed in the early 1990's but the political and security situation caused the project to be cancelled. The ability to secure a construction site and protect contractors has improved, and the Department believes the project could now move forward.

The USG owns a site that is currently used for GSO operations. It is on that site that the new embassy compound will be built. The compound will include a Chancery building, Marine Security Guard Quarters, GSO support facilities. The design completed earlier will be reviewed to determine if it can be adjusted to fit the current requirements.

The project will be "fast tracked" utilizing industry's best practices and the optimum delivery system.

Funding ($000)							
Algiers, Algeria **Program**	**Prior Years**	**FY 2002**	**FY 2003**	**FY 2004**	**To Complete**		**Total by Program**
Design/Build NEC							
NOB				$75,000			$75,000
GSO				$4,100			$4,100
MSGQ				$2,500			$2,500
VAT				$8,300			$8,300
TOTAL				$89,900			$89,900

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

BELGRADE, SERBIA AND MONTENEGRO

The Need:

The chancery complex in Belgrade does not meet security setback requirements. The entire compound measures 1.4 acres and includes the chancery, annexes; former recreational facilities and apartments. The compound is at one end of a city block and has streets on three sides. Tall apartment buildings have common walls along the backside of the compound and other tall apartments face the compound from across the narrow side street. The entire site is narrow and congested.

The chancery was constructed in 1936-37 and purchased in 1950. In March 1999, the USG closed and evacuated the U.S. mission in Belgrade before NATO bombed the city. All of the annexes suffered extensive water damage during the 18 months that the post was closed. All electrical, water, heating and ventilating systems suffered extensively and require major repair. In addition, the structural integrity of the buildings is weak and they have been placed on the Department's seismically deficient buildings list.

Staffing at post has been severely limited because of the inability to occupy adequate, safe, and secure office space. These restrictions currently do not allow for full consular services, vigorous public diplomacy efforts, or staff-intensive aid programs. Although the Department is rehabilitating the existing compound in order to use it on a temporary basis, given the severe deterioration suffered by the compound and the vulnerability of the facility, the construction of a new NEC is necessary.

Project Rationale and Description:

Belgrade is designated as the number one priority of the Bureau for European and Eurasian Affairs for a new facility. The existing facility simply cannot be secured, and renovation costs would be exhorbitant. Therefore, the Department proposes to construct, on a site of sufficient size, a chancery, a GSO/warehouse facility, and a Marine Security Guard Residence. The project will be executed on a "fast track" utilizing industry's best practices and the optimum delivery system.

Funding ($000)							
Belgrade, Yugoslavia							
Program	**Prior Years**	**FY 2002**	**FY 2003**	**FY 2004**	**To Complete**		**Total by Program**
Site Acquisition/ Predevelopment			$5,950				$5,950
Design/Build NEC							
NOB				$87,000			$87,000
GSO				$6,100			$6,100
MSGQ				$2,300			$2,300
VAT				$9,200			$9,200
TOTAL			$5,950	$104,600			$110,550

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

LOME, TOGO

The Need:

The chancery, on a corner and right next to the street, does not meet current Department security setback requirements. It is of inadequate size and is inefficiently set up for Embassy functions.

The chancery was built in about 1950 and acquired by the USG in 1964. The facility is too small for the number of people assigned to the post. This problem is compounded by the fact that the space is not very functional. Access to the upper floors is up a very narrow staircase. The administrative offices are in an old villa on the other side of the compound parking lot. The layout of offices in both the chancery and the administrative building are neither functional nor conducive to a good business flow. The Department and the GOT are working closely on identifying a site for a new chancery compound.

Project Rationale and Description:

The existing facility is too small and cannot provide adequate security for embassy employees. The Chancery has no setback and is located in the busiest part of town. With Mission operations being conducted from several sites, and the facilities being functionally obsolete, the Department will identify potential sites that will allow for the construction, with proper setback, of a Chancery, GSO/Warehouse facility, and a Marine Security Guard Residence.

The project can be "fast-tracked" using industry's best practices and the most appropriate delivery system after a site has been acquired.

Funding ($000)							
Lome, Togo							
Program	**Prior Years**	**FY 2002**	**FY 2003**	**FY 2004**	**To Complete**		**Total by Program**
Site Acquisition/ Predevelopment			$4,450				$4,450
Design/Build NEC							
NOB				$60,800			$60,800
GSO				$3,700			$3,700
MSGQ				$2,300			$2,300
VAT				$5,600			$5,600
TOTAL			$4,450	$72,400			$76,850

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

PANAMA CITY, PANAMA

The Need:

The Embassy office buildings are scattered around the city and do not meet the current Department security standards, to include setback. The dysfunctional facilities result in inefficient utilization of fiscal and human resources.

The chancery, a four-story building constructed in 1939, is a nondescript, concrete-framed structure with plastered, concrete exterior walls. Located on a half-hectare lot, the compound lacks proper setback. Repeated attempts to close streets around the compound have failed because of the presence of hospitals in the vicinity, which also cause a high volume of traffic.

The Administrative Annex (Torre Miramar Building) is a facility over which the Post and the landlord maintain a confrontational relationship. In addition, the facility does not meet seismic standards. A replacement for this facility, which accommodates Consular Affairs, GSO, Administration, PD, and the health unit, is needed.

Project Rationale and Description:

Replacing the embassy in Panama is the top priority of the Bureau of Western Hemisphere Affairs. With its strategic location, Panama will remain important to U.S. interests. Over the years the department has searched for replacement facilities, without success. Recently, new sites have become available and the Department is evaluating their suitability.

The Department has identified a site and now intends to construct a new chancery compound, consisting of a chancery building, a GSO/warehouse facility and Marine Security Guard Quarters, to meet all collocation needs. The project will be executed on a "fast track" utilizing industry's best practices and the optimum delivery system.

Funding ($000)							
Panama City, Panama							
Program	**Prior Years**	**FY 2002**	**FY 2003**	**FY 2004**	**To Complete**		**Total by Program**
Site Acquisition/ Predevelopment			$12,500				$12,500
Design/Build NEC							
NOB				$110,000			$110,000
GSO				$6,100			$6,100
MSGQ				$2,500			$2,500
VAT				$2,800			$2,800
TOTAL			$12,500	$121,400			$133,900

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

RANGOON, BURMA

The Need:

The USG-owned chancery is a downtown office building that can never fully meet current security requirements because of its proximity to adjacent buildings. In addition, the building, constructed in 1921 as a bank and acquired by the USG in 1948, is old and in poor repair. The lack of structural integrity prohibits any major renovations. Furthermore, the chancery has inadequate space for current staffing levels, an awkward internal design that impedes efficiency, and no fire sprinkler system. The current GSO facility, on its own compound, has fire protection deficiencies, and has inadequate warehouse and shop space to service the post.

Project Rationale and Description:

The volatile nature of the political and economic situation in Burma complicates planning, as do special problems involving Burmese property sales laws that must be overcome in order to acquire a NEC site. The 11-acre USG-owned embassy residential compound could possibly accommodate a NEC but would require the relocation of the existing housing. The Department, following the development of a business case that evaluates both options, will make a decision which option to pursue. Should the acquisition of a new site be the chosen solution, the Department will require a site that would be large enough to accommodate a chancery, GSO/warehouse facility, and a Marine Security Guard Residence.

Once a site has been agreed upon, the project can be "fast-tracked" using the best practices of industry and the most appropriate construction delivery system.

Funding ($000)							
Rangoon, Burma **Program**	**Prior Years**	**FY 2002**	**FY 2003**	**FY 2004**	**To Complete**		**Total by Program**
Design/Build NEC							
NOB				$84,000			$84,000
GSO				$4,300			$4,300
MSGQ				$2,400			$2,400
VAT				$2,200			$2,200
TOTAL				$92,900			$92,900

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

SURABAYA, INDONESIA

The Need:

Consulate Surabaya is housed in a leased residence that has been converted for office and consular operations. Despite some limited internal remodeling, inefficiencies remain. More critically, in what has become a violence-prone country, the Consulate's setback does not meet current requirements. Demonstrators overran the property in 2000, which prompted a number of security upgrades to be made. These can only do so much, however, in compensating for the lack of setback. Also, the current facility does not provide enough workspace for collocation of other U.S. agency personnel.

Project Rationale and Description:

While no significant increases in staffing are projected, the lack of adequate safety and security of the existing building warrant the development of a new compound that will allow for total collocation of USG functions into safe secure buildings. Since the cost to construct a new compound for relatively few staff is high, the Department's first choice is to lease space in an existing building. Only if that option is not feasible will a new compound be constructed. Costs in this document reflect the new construction option.

The project will be executed on a "fast track," utilizing industry's best practices and the optimum delivery system.

Funding ($000)							
Surabaya, Indonesia							
Program	**Prior Years**	**FY 2002**	**FY 2003**	**FY 2004**	**To Complete**		**Total by Program**
Site Acquisition/ Predevelopment			$17,500				$17,500
Design/Build NEC							
NOB				$49,000			$49,000
GSO				$2,800			$2,800
VAT				$2,300			$2,300
TOTAL			$17,500	$54,100			$71,600

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

BERLIN, GERMANY

The Need:

The U.S. Mission in Berlin currently functions out of four different localities within the City of Berlin (Mitte Building, Clay Allee Compound, Curtiusstrasse Compound, and Amerika House). When the U.S. Government opened relations with the German Democratic Republic (former East Germany), it leased the Mitte building to serve as the Chancery. After the unification of Germany, ownership problems arose. Additionally, the small 115-year-old building is in need of major repairs, plus the building does not meet security standards for setback.

At present the U.S. Government occupies two buildings in the large Clay Allee Compound, one houses the consular and administrative sections, the other serves as Marine Security Guard Quarters. The U.S. Government owns the facilities at Curtiusstrasse where the Warehouse and GSO offices and shops are located. The Public Affairs Office is located in the Amerika House.

Project Rationale and Description:

With the unification of East and West Germany, and the transition of the new capital from Bonn, the need for the construction of a new U.S. Embassy in Berlin is imperative. Effectively administering an Embassy the size of Berlin out of four different locations, some as far as 12 miles apart, is very difficult. To help alleviate this problem, the Department intends to build a new Chancery on Pariser Platz, the site of our pre-World War II embassy.

Funding ($000)							
Berlin Germany Program	**Prior Years**	**FY 2002**	**FY 2003**	**FY 2004**	**To Complete**		**Total by Program**
Design		$11,200	$5,000				$16,200
Construct				$166,150			$166,150
VAT				$15,900			$15,900
TOTAL		$11,200	$5,000	$182,050			$198,250
Note: FY 2004 funds includes $128,300 from appropriations; remainder from asset management							

EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE

APPENDIX B
CAPITAL PROJECT SUMMARIES

USAID Annex Buildings

The Department began design and construction of new embassy compounds in Abuja, Nigeria in FY 2002 and Kingston, Jamaica in FY 2003. Those projects included new chanceries, GSO facilities, and MSGQs. Funds were not available at that time for the USAID Annexes also needed at these posts. FY 2004 funds will be used to design and construct stand-alone USAID buildings on each of the embassy compounds. The new annexes will fully meet all security standards and will complete the NEC projects at these posts.

Funding ($000)							
USAID Annexes							
Program	Prior Years	FY 2002	FY 2003	FY 2004	To Complete		Total by Program
Abuja, Nigeria				$24,900			$24,900
Kingston, Jamaica				$15,000			$15,000
TOTAL				$39,900			$39,900

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EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Proposed Appropriation Language

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses nessary to enable the Secretary of State to meet unforeseen emergencies arising in the Dipomatic and Consular Service, $1,000,000, 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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$16,500	0	$15,000	0	$1,000	0	($14,000)

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 2002, obligations totaled approximately $17.8 million, including $9.7 million from the Emergency Response Fund (P.L. 107-38) provided in the immediate aftermath of the September 11, 2001 terrorist attacks.

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

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 2000, and continued through FY 2001, as evidenced by the obligation of approximately $4.3 million for evacuations, including $3.2 million from the Emergency Response Fund for evacuations related to the September 11, 2001, terrorist attacks. FY 2001 evacuations occurred at the following posts: Abidjan, Cote D'Ivoire; Monrovia, Liberia; Port-au-Prince, Haiti; San Salvador, El Salvador; Kinshasa, Congo; Baku, Azerbaijan; Sanaa, Yemen; Skopje, Macedonia; Islamabad, Peshawar, Lahore, and Karachi, Pakistan; Jakarta and Surabaya, Indonesia; Ashgabat, Turkmenistan; and Bishkek, Kyrgyzstan.

In FY 2002, the Department obligated approximately $14 million from the evacuations and other activities component of the EDCS appropriation, including $9.6 million from the Emergency Response Fund. In FY 2002, evacuations occurred in Abidjan, Cote d'Ivoire; Antananarivo, Madagascar; and Caracas, Venezuela. Also funds provided from the Emergency Response Fund supported evacuations from Islamabad, Peshawar, Lahore, and Karachi, Pakistan; Jerusalem, Israel; Damascus, Syria; and New Delhi, Chennai, Calcutta, and Mumbai, India.

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 2002, the Department's representation activities included unanticipated expenses associated with our efforts in Afghanistan and impromptu overseas summits.

Terrorism, Narcotics, and War Crimes Rewards Program

Between FY 1989 and FY 2001, the Department expended $15,365,000 in the rewards program. In FY 2002, the Department expended $3,793,000 in the rewards program as follows:

- $1,672,000 for cases concerning terrorist acts;
- $2,000,000 for cases concerning narcotics traffickers; and
- $121,000 for cases concerning war crimes.

A massive publicity campaign was launched in FY 2002 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 United Texas Petroleum (UTP) murders in Karachi and U.S. Consulate murders in Karachi; 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.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

FY 2003 PLANS

For FY 2003, $15 million is available in new budget authority for evacuations and other activities, including $9 million to provide reimbursements to DOD for hostage rescue contingencies, such as the transportation of special equipment, personnel and other material to assist in the location of abducted American citizens. In addition, the FY 2002 carryover balance of $17.5 million from the Emergency Response Fund is available in FY 2003 for evacuations and other activities (includes $7.5 million for evacuations and other activities, and $10 million for reimbursement to DOD for hostage rescue contingencies).

For FY 2003, $22.4 million is available from the FY 2002 carryover balance for the rewards program, including $20.6 million from the Emergency Response Fund. The Department's aggressive publicity campaign has produced substantial information for U.S. authorities concerning acts of terrorism and narcotics related activities. Enactment of legislation increased the ceiling on individual rewards to $5 million, and in significant cases up to $25 million.

FY 2004 PLANS

The FY 2004 request of $1,000,000 is $14,000,000 below the FY 2003 level. Additional funds provided under the Emergency Response Fund (P.L. 107-38) for expenses related to the September 11 terrorist attack in the U.S. are being used for evacuations and other emergencies and for rewards..

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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Emergency Evacuations & Other Activities	**$13,500**	**$15,000**	**$1,000**	**($14,000)**
International Terrorism, Narcotics & War Crimes Rewards	**$3,000**	**$0**	**$0**	**$0**
Total	$16,500	$15,000	$1,000	($14,000)

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Emergency Evacuations & Other Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,000	($14,000)

The FY.2004 budget request of $1 million for evacuations and other activities is $14 million below the FY 2003 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;
- emergency "fly-away" crisis teams that respond immediately to disasters involving American citizens abroad;
- reimbursements to DOD for hostage rescue contingencies; and
- reimbursements to HHS for travel, per diem, equipment and salaries of International Medical Surgical Response Team (IMSuRT) physicians who provide emergency medical services to assess, treat, and prepare for evacuation of injured American personnel and their families in the event of natural or manmade disaster.

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.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

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.

International Terrorism, Narcotics & War Crimes Rewards

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$0	$0

The projected FY 2003 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 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.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
9100 Unvouchered	$16,500	$15,000	$1,000	($14,000)
Total	$16,500	$15,000	$1,000	($14,000)

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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

REPATRIATION LOANS PROGRAM ACCOUNT

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$1,219	0	$1,219	0	$1,219	0	$0

OVERVIEW

The FY 2004 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 2002 731 repatriation loan cases were processed abroad in the following regions: Africa, 96 cases; the Americas 281 cases; Asia (including Near East, South Asia and Pacific), 184 cases; and Europe 170 cases.

REPATRIATION LOANS PROGRAM ACCOUNT

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Consular Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Administration	**$607**	**$607**	**$607**	**$0**
Subsidy	**$612**	**$612**	**$612**	**$0**
Total	$1,219	$1,219	$1,219	$0

Subsidy
($ in thousands)

	Positions American	Positions FSN	Total Funds	Increase/(Decrease)
FY 2004 Request	0	0	$612	$0

FY 2004 subsidy request of $612,000 will provide a loan level of $865,000. The subsidy appropriation represents the estimated costs to the U.S. Government of loans that are unlikely to be repaid. For FY 2004, 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	Positions FSN	Total Funds	Increase/(Decrease)
FY 2004 Request	0	0	$607	$0

The FY 2004 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
2500 Other Services	$607	$607	$607	$0
3300 Investments and Loans	$612	$612	$612	$0
Total	$1,219	$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, $19,773,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$17,044	0	$18,817	0	$19,773	0	$956

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 agreements and 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 acts as the 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 coordination of negotiations and agreements. 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: 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 as mandated by OMB Circular Cost Principles for Non-Profit Organizations, AIT continues to work toward a resolution of property issues. A

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

property survey was performed by the Department 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 the Department on planning and design of a new office building complex. The Project Analysis Package was completed October 2002, and completion of design is anticipated by late FY 2003.

JUSTIFICATION OF PROGRAM ACTIVITIES

Of the additional $956,000 requested, $452,000 will fund estimated increases in American and Foreign National cost of living adjustments and pay raises, domestic and overseas inflation, and other mandatory cost increases. The remaining $504,000 will fund two additional information management officers identified by the Department as a critical need in FY 2002. FY 2004 also represents a move of one position from the Commercial to the Economic Sections, a position previously shared by the two sections and previously staffed by Commerce. The position is now staffed by the State Department. Please note that the Traveler Services Section has been changed to Consular Section and the Cultural Information Section has been changed to Public Affairs. Both changes were effective November 1, 2002.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Program Expenses	**$17,044**	**$18,817**	**$19,773**	**$956**
Economic Section	$975	$1,024	$1,426	$402
Commercial Section	$1,627	$1,708	$1,449	($259)
Consular Section	$2,442	$2,564	$2,730	$166
Public Affairs Section	$2,117	$2,693	$2,480	($213)
Other Services	$7,925	$8,682	$9,550	$868
Agriculture Affairs	$459	$482	$500	$18
Washington Office	$1,499	$1,664	$1,638	($26)
Total	$17,044	$18,817	$19,773	$956

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Economic Section

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,426	$402

Taiwan is the eighth largest trading partner of the United States. The Economic Section reports on economic developments in Taiwan and on Taiwan's growing trade and investment links with the People's Republic of China and other Asian economies. Specific focus issues include efforts to improve the protection of intellectual property rights; remove trade barriers against exports of U.S. products and services; resolve specific trade disputes; and conduct negotiations on trade, financial 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 the implementation of the obligations and commitments pursuant to Taiwan's accession to the World Trade Organization, the protection of intellectual property rights, agricultural, telecommunication and pharmaceutical market access, 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 2004 Economic Section Increase

The increase represents American Salary adjustments of $36,000, Foreign National Salary adjustments of $11,000 and $13,000 for inflation of support costs, including housing and utilities. The increase also represents a transfer of $342,000 for salary, benefit and support costs of one position from the Commercial Section to the Economic Section.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Commercial Section

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,449	($259)

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 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 2004 Commercial Section Increase

The program cost represents American Salary adjustments of $21,000, Foreign National Salary adjustments of $32,000 and $30,000 for inflation of support costs, including housing and utilities. This amount also represents a transfer from the Commercial Section of $342,000 to the Economic Section for one position as previously noted.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Consular Section

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,730	$166

The Consular Section provides visa and other consular related services. In FY 2003 this section expects to process approximately 200,000 non-immigrant visa applications (down from 284,000 in FY 2000 and 249,000 in FY 2001, and 200,000 actual in FY 2002) and 6,000 immigrant visa applications. The growing permanent American community is estimated at more than 70,000 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 a May 1996 Presidential 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 2004 Consular Section Increase

The increase represents American Salary adjustments of $52,000, Foreign National Salary adjustments of $55,000 and $59,000 for inflation of support costs, including housing and utilities.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Public Affairs Section

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,480	($213)

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 PA 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 2004 Public Affairs Section Increase

The increase represents American Salary adjustments of $14,000, Foreign National Salary adjustments of $39,000 and $34,000 for inflation of support costs, including housing and utilities. The FY 2003 request reflected a one-time cost of $300,000 for the move of Public Affairs staff and offices. The decrease in this year's request reflects a reduction for move costs, with an upward adjustment of $87,000 for increased salary and support costs noted above.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Other Services
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$9,550	$868

Other Services covers a diverse and vital range of functions performed at AIT/Taipei. This funding category includes all administrative elements in Taipei such as financial management, human resources, information technology and communication, procurement and general services. In addition, these funds support all Taipei executive and front office positions, as well as the political section which covers activities such as international law enforcement cooperation relating to drug trafficking and international crime, and political reporting. The March 1996 missile crisis in the Taiwan Strait underlined the challenges of preserving peace and stability in the region, an important U.S. foreign policy objective, 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 on these topics.

Justification of FY 2004 Other Services Increase

The increase represents American Salary adjustments of $167,000, Foreign National Salary adjustments of $28,000 and $169,000 for inflation of support costs, including housing and utilities. In addition, $504,000 is requested for salary and support costs of two Information Management Officers identified by the Department as a critical need. The positions were filled in FY 2002/3 by the Department from D&CP, but for the long term should be included as AIT core staff positions.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Agriculture Affairs

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$500	$18

Taiwan is the sixth 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 2004 Agricultural Affairs Increase

The increase represents American Salary adjustments of $5,000, Foreign National Salary adjustments of $9,000 and $4,000 for inflation of support costs, including housing and utilities.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Washington Office

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,638	($26)

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.

Agreements between AIT and TECRO represents a variety of U.S. government agencies including 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 2004 Washington Office Increase

The increase represents an increase in American Salary and support costs of adjustments of $64,000. The FY 2003 request included $90,000 for the non-recurring cost of replacing office furniture with ergonomic workspace and fixtures, a cost not repeated in the FY 2004 request resulting in a decrease of $26,000 for this request.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

FUNDS BY OBJECT CLASS
($ in thousands)

	Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase (Decrease)
1100	Personnel Compensation	$8,606	$9,261	$9,689	$428
1200	Personnel Benefits	$2,256	$2,405	$2,570	$165
2300	Rents, Comm & Utilities	$2,864	$3,277	$3,559	$282
2500	Other Services	$2,217	$2,628	$2,768	$140
3100	Personal Property	$1,101	$1,246	$1,187	($59)
Total		$17,044	$18,817	$19,773	$956

PAYMENT TO THE 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, $134,979,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT & DISABILITY FUND

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$135,629	0	$138,200	0	$134,979	0	($3,221)

OVERVIEW

This appropriation provides funding to the Foreign Service Retirement and Disability Fund (FSRDF). This appropriation finances, by 30 equal annual installments, any unfunded liability created by new or liberalized benefits, new groups of beneficiaries, and salary increases. This appropriation is one of several sources of income to the FSRDF. Funding is maintained through contributions by employees; agency contributions; special government contributions, including this program; interest on investments; and voluntary contributions. This request includes the State Department's portion of these Foreign Service costs. The U.S. Agency for International Development (USAID) is responsible for requesting its share of the cost in a separate appropriation.

This separate payment by the State Department into the FSRDF is authorized by Section 821of 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 822 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 2004 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 $3,221,000 decrease below the FY 2003 estimate is primarily the result of the end of a 30 year amortization payment schedule with the new amortization schedule beginning in FY 2004. The amount of the appropriation is the result of the annual evaluation of the Fund balance performed by the Government Actuary at the Department of Treasury.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT & DISABILITY FUND

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Resource Management	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
9100 Unvouchered	$135,629	$138,200	$134,979	($3,221)
Total	$135,629	$138,200	$134,979	($3,221)

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Contributions to International Organizations
Contributions for International Peacekeeping Activities

Summary Statement
($ in thousands)

Appropriations	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Contributions to International Organizations	$899,206	$891,378	$1,010,463	$119,085
Contributions for Int'l. Peacekeeping Activities	$824,967	$725,981	$550,200	($175,781)
TOTAL APPROPRIATIONS	$1,724,173	$1,617,359	$1,560,663	($56,696)

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CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Proposed Appropriation Language

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS (CIO)

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, $1,010,463,000: 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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Summary Statement

($ in thousands)

Activities	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Annual Requirements	$860,633	$926,436	$1,029,144	$102,708
FY 2002 UN Buydown	($15,166)	$0	$0	$0
FY 2003 UN Buydown	$46,739	($46,739)	$0	$46,739
FY 2004 UN Buydown	$0	$11,681	($11,681)	($23,362)
FY 2002/2003 Supplemental	$7,000	$0	($7,000)	($7,000)
Appropriation Total	$899,206	$891,378	$1,010,463	$119,085

Note: FY 2002 reflects the transfer of $42,206,000 from the Contributions for International Peacekeeping Activities (CIPA) appropriation for UN-Buydown and $7,000,000 provided through the 2002 Supplemental Appropriations Act (P.L. 107-206).

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 provides 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 request is expressed in terms of Total Annual Requirements, and Funds Available:

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

CURRENT PROGRAMS

The FY 2003 estimate totals $891,378,000 which represents full funding of annual requirements for 43 international organizations and reflects a UN buy-down from FY 2002 of $46,739,000. The request recognizes the United States' international obligations to the UN and other international organizations.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2004 request $1,010,463,000 represents full funding; consistent with statutory restrictions, of U.S. assessed contributions to the 44 international organizations funded through this appropriation. The request recognizes the United States' international obligations to the UN and other international organizations. The request includes $71.4 million to support renewed U.S. membership in the UN Educational, Scientific and Cultural Organization (UNESCO), consistent with the President's decsion to rejoin UNESCO as of October 1, 2003.

This request provides $13 million to fund the U.S. share of the fourth quarter of UNESCO's 2003 budget and should result in a surplus that could be used by the organization for programs of high priority to the United States. This request also provides $52.9 million for the U.S. share of UNESCO's 2004 budget and $5.5 million for a one-time contribution to the UNESCO Working Capital Fund.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

($ in thousands)

Organization	FY 2002 FY-02 Request	FY 2002 Appropriation Adjustment	FY 2002 Actual Appropriation	FY 2003 FY-03 Column of FY-03 Bud.	FY 2003 Exch. Rate/ Estimate Adjustment	FY 2003 Revised FY 2003 Estimate	FY 2004 a/ Annual Requirements	FY 2004 a/ Appropriation Adjustment	FY 2004 a/ Total FY 2003 Request	Total Increase/Decrease Annual Requirements	Total Increase/Decrease Appropriation Adjustment	Total Increase/Decrease Total Inc./ Decr.
UN and AFFILIATED AGENCIES												
FAO	72,741	0	72,741	72,457	0	72,457	72,457	0	72,457	0	0	0
IAEA	47,473	2	47,475	52,230	4,942	57,172	54,282	0	54,282	-2,890	0	-2,890
ICAO	12,011	0	12,011	12,464	0	12,464	12,608	0	12,608	144	0	144
ILO	55,361	-52	55,309	50,333	5,392	55,725	50,425	0	50,425	-6,300	0	-6,300
IMO	1,209	-116	1,093	1,145	101	1,246	1,189	0	1,189	-57	0	-57
ITU	5,800	1	5,801	5,937	986	6,923	6,558	0	6,558	-365	0	-365
UN-Regular	266,194	-45	266,149	279,327	0	279,327	340,700	0	340,700	61,373	0	61,373
UN-War Crimes Tribunals	23,990	-223	23,767	27,213	0	27,213	30,027	0	30,027	2,814	0	2,814
Cambodia War Crimes Commission	3,000	-3,000	0	0	0	0	0	0	0	0	0	0
Iraq War Crimes Commission	4,000	-4,000	0	4,000	0	4,000	2,000	0	2,000	-2,000	0	-2,000
UN - Capital Master Plan Assessment	0	0	0	8,140	0	8,140	0		0	-8,140	0	-8,140
UN - Capital Master Plan Task Force	0	0	0	1,000	0	1,000	0		0	-1,000	0	-1,000
UNESCO	0	0	0	0	0	0	71,429		71,429	71,429	0	71,429
UPU	1,295	8	1,303	1,325	33	1,358	1,316	0	1,316	-42	0	-42
WHO	108,109	0	108,109	93,616	-1	93,615	93,615	0	93,615	0	0	0
WIPO	823	-1	822	825	72	897	880	0	880	-17	0	-17
WMO	9,332	-8	9,324	9,359	973	9,232	9,318	0	9,318	-914	0	-914
Subtotal	610,336	-7,434	602,904	618,371	13,398	631,769	745,804	0	745,804	114,035	0	114,035
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	55,295	0	55,295	1,099	0	1,099
PAHO	55,340	-375	54,965	56,367	0	56,367	56,367	0	56,367	0	0	0
PAIGH	324	0	324	324	0	324	324	0	324	0	0	0
Subtotal	126,420	-375	126,045	127,447	0	127,447	128,546	0	128,546	1,099	0	1,099
Regional Organizations												
APEC	601	0	601	601	0	601	601	0	601	0	0	0
CPCTC	15	0	15	15	0	15	15	0	15	0	0	0
NATO PA	563	10	573	582	120	702	635	0	635	-67	0	-67
NATO	42,502	0	42,502	45,310	6,740	52,050	46,695	0	46,695	-5,355	0	-5,355
OECD	49,176	3,923	53,099	58,796	9,850	68,646	62,463	0	62,463	-6,183	0	-6,183
SPC	1,080	-34	1,046	1,066	142	1,207	1,048	0	1,048	-159	0	-159
Subtotal	93,937	3,899	97,836	106,369	16,852	123,221	111,457	0	111,457	-11,764	0	-11,764
Other Organizations												
CCC	2,709	-45	2,656	2,794	411	3,205	2,770	0	2,770	-435	0	-435

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

($ in thousands)

Organization	FY 2002 FY-02 Request	FY 2002 Appro-priation Adjustment	FY 2002 Actual Appro-priation	FY 2003 FY-03 Column of FY-03 Bud.	FY 2003 Exch. Rate/ Estimate Adjustment	FY 2003 Revised FY 2002 Estimate	FY 2004 a/ Annual Require-ments	FY 2004 a/ Appro-priation Adjustment	FY 2004 a/ Total FY 2003 Request	Total Increase/Decrease Annual Require-ments	Total Increase/Decrease Appro-priation Adjustment	Total Increase/Decrease Total Inc./ Decr.
HCOPIL	102	-1	101	106	23	129	111	0	111	-18	0	-18
IARC	1,649	1	1,650	1,692	0	1,692	1,692	0	1,692	0	0	0
IBPCA	18	2	20	19	5	24	21	0	21	-3	0	-3
IBPCT	84	3	87	87	17	104	89	0	89	-15	0	-15
IBWM	764	27	791	791	150	941	784	0	784	-157	0	-157
ICCROM	748	-56	692	748	-56	692	692	0	692	0	0	0
ICSG	54	-1	53	56	11	67	55	0	55	-12	0	-12
ICAC	226	0	226	252	4	256	280	0	280	24	0	24
IGC	429	10	439	447	54	501	453	0	453	-48	0	-48
IHO	77	3	80	80	16	96	84	0	84	-12	0	-12
IIUPL	95	0	95	99	16	115	98	0	98	-17	0	-17
ILZSG	54	3	57	56	13	69	55	0	55	-14	0	-14
IOE	90	-2	88	93	17	110	95	0	95	-15	0	-15
IOLM	89	4	93	93	15	108	95	0	95	-13	0	-13
IRSG	120	2	122	125	12	137	124	0	124	-13	0	-13
ISTA	7	0	7	7	1	8	7	0	7	-1	0	-1
ITTO	159	34	193	190	5	195	195	0	195	0	0	0
IUCN	247	0	247	259	45	304	260	0	260	-44	0	-44
OPCW	11,337	77	11,414	13,022	1,927	14,949	14,276	0	14,276	-673	0	-673
OPCW IV & V	2,432	-705	1,727	4,146	669	4,815	5,737	0	5,737	922	0	922
UPOV	161	0	161	165	28	193	166	0	166	-27	0	-27
WTO(TR)	12,826	21	12,847	13,966	1424	15,289	15,196	0	15,196	-91	0	-91
Subtotal	34,471	-629	33,848	39,192	4,807	43,999	43,337	0	43,337	0 -662	0	-662
Subtotal CIO	865,166	-4,533	860,633	891,379	35,057	926,436	1,029,144	0	1,029,144	102,708	0	102,708
FY 2002 UN Buydown	-15,166	0	-15,166	0	0	0	0	0	0	0	0	0
FY 2003 UN Buydown	0	4,533	4,533	0	-46,739	-46,739	0	0	0	46,739	0	46,739
FY 2004 UN Buydown	0	0	0		11,681	11,681	-11,681		-11,681	-23,362		-23,362
Fy 2002 Reprogram from CIPA to UN Buydown	0	42,206	42,206									
FY 2002/03 Emergency Supplemental-UN	0	7,000	7,000				-7,000		-7,000	-7,000		-7,000
Appropriation Total	850,000	48,706	**899,206**	891,379	-1470	**891,378**	1,010,463	0	**1,010,463**	119,085	0	119,085

a/ Estimates are subject to change. U.S. dollar estimates for foreign currency payments reflect 4/30/02 exchange rates.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

United Nations and Affiliated Agencies

($ in thousands)

	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Food and Agriculture Organization	72,457	72,457	0
International Atomic Energy Agency	57,172	54,282	(2,890)
International Civil Aviation Organization	12,464	12,608	144
International Labor Organization	56,725	50,425	(6,300)
International Maritime Organization	1,246	1,189	(57)
International Telecommunication Union	6,923	6,558	(365)
United Nations Regular Budget	279,327	340,700	61,373
United Nations - War Crimes Tribunals	27,213	30,027	2,814
United Nations - War Crimes Commissions	4,000	2,000	(2,000)
United Nations - Capital Master Plan	9,140	0	(9,140)
United Nations Education, Science and Cultural Organization	0	71,429	71,429
Universal Postal Union	1,358	1,316	(42)
World Health Organization	93,615	93,615	0
World Intellectual Property Organization	897	880	(17)
World Meteorological Organization	9,232	8,318	(914)
Total Annual Requirements	631,769	745,804	114,035

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 the 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;

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

- environmental issues, e.g., through organizations/conferences like the UN, Food and Agriculture Organization, World Meteorological Organization, and International Maritime Organization;
- 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 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 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: $0

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members	367,840	370,073	370,073
United States % Share	22	22	22
United States Assessment	80,925	81,416	81,416
Tax Equalization Fund Credit	(8,184)	(8,959)	(8,959)
Funds Available and Current FY Request	72,741	72,457	72,457

Explanation of Estimate:

The FY 2004 estimate is intended to provide funding of net annual requirements for calendar year 2003, the second 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 fields represent 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 into FAO'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.

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 Codex Alimentarius

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: -$2,890

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members	37,421	41,940	42,141
United States % Share	25.56	25.767	25.77
United States Assessment (in Dollars)	9,565	10,807	10,860
Less Prior years' Surplus	(248)	(265)	0
Net U.S. Assessment (in Dollars)	9,317	10,542	10,860
Tax Reimbursement Agreement	555	555	555
U.S. Requirement in Dollars	9,872	11,097	11,415
Assessment Against Members (in Euros)	169,299	177,628	184,262
United States % Share	25.6309	25.8056	25.8
United States Assessment (in Euros)	43,393	45,838	47,540
Less Prior years' Surplus (in Euros)	(1,729)	(74)	0
Net U.S. Assessment (in Euros)	41,664	45,764	47,540
Approx. Exchange Rate Euros to $1	1.108	0.9933	1.109
U.S. Requirement in Dollars	37,603	46,075	42,867
Funds Available and Current FY Request	47,475	57,172	54,282

Explanation of Estimate:

The U.S. assessment to the IAEA is paid in U.S. dollars and Euros. The FY 2004 request is intended to provide full funding of U.S. requirements for calendar year 2003.

Purpose and Benefits to the United States:

The International Atomic Energy Agency (IAEA) serves critical U.S. security, counter-terrorism and nuclear non-proliferation interests. The international safeguards system implemented by the IAEA serves as the first line of defense against both nuclear proliferation and nuclear terrorism. IAEA safeguards provide essential assurance that nuclear materials used in peaceful nuclear programs are not diverted and misused for nuclear explosive purposes or by terrorists.

The IAEA responded quickly to the tragic events of September 11, 2001 by defining a comprehensive program to expand its work in nuclear material security. This includes increased on-site evaluation of security at specific nuclear sites, enhanced training, improved emergency response, and increased work against nuclear sabotage. The U.S. strongly supports this program, which was formally approved by the IAEA Board of Governors in March 2002.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

IAEA's response to September 11, 2001 represents the most recent instance in which the Agency was called upon to expand its activities significantly. Over the past two decades crises such as the Chernobyl reactor accident, the 1991 discovery of Iraq's secret nuclear weapon program, and the 1993-4 nuclear crisis with North Korea have resulted in a major expansion of IAEA's workload.

At the same time, IAEA's safeguards responsibilities have steadily increased. Under the Nuclear Non-Proliferation Treaty (NPT), those states party to the Treaty that do not have nuclear weapons are required to conclude a comprehensive safeguards agreement with the IAEA. Since 1985, the number of countries accepting this requirement has grown from 129 to 182. In addition, the IAEA applies safeguards to designated nuclear facilities in certain non-NPT countries and in all five of the nuclear weapon states, each of which has agreed to accept safeguards on peaceful nuclear activities (U.S., Russia, UK, France and China).

Just as the number of states accepting IAEA safeguards has increased, so also has the number and complexity of nuclear facilities subject to safeguards. The U.S. continues to work closely with the IAEA and other IAEA member states to support the continued evolution of a technically sound and effective safeguards system.

In conjunction with U.S. leadership on safeguards development, in May 2002, President Bush submitted to the U.S. Senate for its advice and consent to ratify 'The Protocol Additional to the Agreement Between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America." The Model Protocol on which the U.S. Additional Protocol is based represents an important effort to strengthen international safeguards to detect secret nuclear activities such as those pursued by Iraq prior to the Persian Gulf War. The new safeguard measures call for the Model Protocol will give the IAEA important new tools with which to address the problem of clandestine nuclear problems. A central goal of the President's nuclear non-proliferation policy is to promote universal adoption of the Model Protocol.

In the aftermath of the Persian Gulf War, the United Nations Security Council assigned major responsibilities to the IAEA to dismantle Iraq's secret nuclear weapon program and to monitor Iraq's nuclear activities in the future. In December 1998, Iraq refused access to IAEA inspectors as well as to UN inspectors dealing with Iraq's chemical, biological and missile programs. Like the UN, IAEA stands ready to resume its work in Iraq whenever Iraq permits.

Just as it did with Iraq, the Security Council turned to the IAEA to monitor the freeze of nuclear activities in the Democratic Peoples' Republic of Korea (DPRK). Under the terms of the 1994 "Agreed Framework" between the U.S. and the DPRK, the IAEA provides continuous oversight at specific nucelar sites in North Korea to ensure that the freeze remains in effect. In both Iraq and the DPRK, the ultimate achievement of U.S. national security objectives depends in substantial part on the success of the IAEA.

In addition to its work in countering nuclear proliferation and terrorism, the IAEA works "to accelerate and enlarge the contribution of atomic energy to peace, health, and prosperity throughout the world." Toward this end, the IAEA implements a broad program of technical cooperation with over 90 of its 134 member states. This program is designed to complement and promote the development objectives in recipient states, with particular attention to the least developed countries. Through projects including medical applications, agriculture, basic industry, hydrology, and the environment, the IAEA seeks to expand the contribution of nuclear applications to the quality of human life worldwide.

Finally, IAEA continues its leadership role in strengthening international nuclear safety practices and standards. Particular attention is focussed on Eastern Europe, the newly Independent States of the former

Soviet Union and Asia. As is the case with other IAEA programs, the United States is an active participant in and supporter of efforts to enhance nuclear safety in all states.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Civil Aviation Organization (ICAO)

Montreal, Canada
($ in thousands)

Change in Annual Requirements: $144

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members	49,940	49,940	50,330
United States % Share	25	25	25
United States Assessment	12,485	12,485	12,583
Tax Reimbursement Agreement	26	28	25
Credit from Surplus	(500)	(49)	0
Funds Available and Current FY Request	12,011	12,464	12,608

Explanation of Estimate:

The FY 2004 estimate is intended to provide partial funding of U.S. assessed requirements for calendar year 2003, the second year of the 2002-2004 ICAO triennial budget and partial funding of assessed requirements for calendar year 2004, the third 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. FAA provided $6 million in FY 2001.

The FY 2004 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 2004 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: -$6,300

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members (in Swiss Francs)	357,615	384,125	384,125
United States % Share	25	22	22
United States Assessment	89,404	84,508	84,508
Prior Year Credits	(223)	(3,719)	(3,719)
Total U.S. Requirements	89,181	80,789	80,789
Approx. Exchange Rate Swiss Franc to $1	1.627	1.4367	1.618
U.S. Requirement in Dollars	54,815	56,232	49,931
Tax Reimbursement Agreement	494	493	494
Funds Available and Current FY Request	55,309	56,725	50,425

Explanation of Estimate:

The FY 2004 request is intended to provide full funding of U.S. requirements for calendar year 2003, the second year of ILO's CY 2002-2003 biennial budget, and represents a zero nominal growth budget.

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 include:

- 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 countries that have not ratified the ILO's "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" of all country practices 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 the Declaration.

- 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 and independent assessment, the ILO highlights serious abuses of basic worker rights in specific countries and endorses actions such as a special missions and/or censure. In particular, the ILO has initiated never-before used Constitutional procedures to draw heightened attention to gross violations of forced labor in Burma.

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 also remove children from such hazardous work as harvesting flowers sprayed with pesticides in Latin America.

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 International Monetary Fund (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: -$57

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Pounds Sterling)	18,902	19,429	20,400
United States % Share	3.69	3.69	3.69
United States Assessment	697	717	753
Credit Surplus	0	0	0
Net U.S. Assessment	697	717	753
Approx. Exchange Rate Pounds Sterling to $1	0.692	0.621	0.686
U.S. Requirement in Dollars	1,007	1,155	1,098
Tax Reimbursement Agreement	86	91	91
Funds Available and Current FY Request	1,093	1,246	1,189

Explanation of Estimate:

The FY 2004 estimate represents the first year of the IMO's 2004-2005 biennial budget, which will be approved by the Assembly in 2003. The estimate is intended to provide full funding of U.S. requirements for CY 2004.

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 improve maritime security and 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 four 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. Along with maritime security issues, 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: -$365

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Swiss Francs)	112,672	112,672	127,433
United States % Share	8.387	8.387	8.193
United States Assessment	9,450	9,450	10,441
Approx. Exchange Rate Swiss Franc to $1	1.659	1.386	1.618
U.S. Requirement in Dollars	5,696	6,818	6,453
Tax Reimbursement Agreement	105	105	105
Funds Available and Current FY Request	5,801	6,923	6,558

Explanation of Estimate:

The U.S. assessment is paid in Swiss Francs. The FY 2004 estimate represents the first year of ITU's 2004-2005 biennial budget. FY 2004 estimates are intended to provide full funding of U.S. requirements for calendar year 2004.

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:

(1) 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: $108,112

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members	1,213,382	1,286,711	1,569,032
United States % Share	22	22	22
United States Assessment	266,944	283,076	341,475
Credit from Working Capital Fund	0	(3,000)	0
United States Net Assessment	266,944	280,076	341,475
Sec 144, P.L. 99-93, (PLO)	(795)	(749)	(775)
Sub-Total, Regular Budget	266,149	279,327	340,700
FY 2001 Appropriation Gains	(15,166)	0	0
FY 2002 Appropriation Gains	46,739	(46,739)	0
Funds Available and Current FY Request	297,722	232,588	340,700

Explanation of Estimate:

The FY 2004 estimate provides funding for the U.S. assessed share of the UN regular budget for the second year (calendar year 2003) of the 2002-03 biennium. This estimate reflects effective rate for 2003 due to the accession of new members and adjutments for existing members.

The estimate reflects the revised level and the 2002-03 UN budget ($2,890,818,700), which includes increases for priority and/or unavoidable activities relating to: (1) enhanced security measures for UN headquarters and for UN duty stations (mainly one-time costs); (2) a new UN operation in Afghanistan; (3) costs relating to the Counter-terrorism Committee; and (4) updated estimates for the rates of inflation and exchange. In addition, the FY 2004 estimate reflects additional costs to adjustments in the final level of the 2000-01 UN budget.

FY2001 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.

FY 2002 Appropriation Gains (FY 2003- CY 2002) reflects reprogrammed funds from the FY 2002 CIO appropriation that were used to pay part of the U.S. assessment for CY 2002 including $42 million transferred from the Contribution to International Peacekeeping Activities (CIPA) appropriation. The action reduced by (46.739 million) the funding requirement for FY 2003.

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

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: $2,814

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Int'l. War Crimes Tribunal (FRY)	13,241	14,051	15,833
Int'l. War Crimes Tribunal (Rwanda)	10,526	13,162	14,194
Funds Available and Current FY Request	23,767	27,213	30,027

Explanation of Estimate:

The FY 2004 estimates are intended to provide the U.S. share of funding for calendar year 2004 requirements for the International War Crimes Tribunals for the former Yugoslavia and Rwanda. The requirements represent the first year of the Tribunals' budgets for the 2004-05 biennium. Both budgets will be approved by the General Assembly in Autumn 2003.

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: -$2,000

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Cambodia War Crimes Commission (CWCC)	0	0	0
Iraqi War Crimes Commission (IWCC)	0	4,000	2,000
Funds Available and Current FY Request	0	4,000	2,000

Explanation of Estimate:

The FY 2004 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 2004.

Purpose and Benefits to the United States:

The United States is working to establish judicial mechanisms in the UN for crimes committed by Saddam Hussein and his regime in Iraq. It is possible such mechanisms could be in place by FY 2004 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 previously 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 the signing of a formal agreement by the Cambodian government and the UN to establish the new Tribunal-like mechanism. It is unclear if and when this will occur.

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 2002	Estimate FY 2003	Request FY 2004
UN Capital Master Plan	0	8,140	0
UN Capital Master Plan Taskforce	0	1,000	0
Funds Available and Current FY Request	0	9,140	0

Explanation of Estimate:

The proposed renovations of the UN headquarters complex in New York (UN Capital Master Plan) is under review by the UN General Assembly. Decisions to be taken relate to scope, costs and funding of the overall project, all which could impact the U.S. funding requirements.

Purpose and Benefits to the United States:

The UN Secretary-General has proposed 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 2002, the UN membership had grown to 191 member states.

As authorized by the General Assembly (GA), the UN is proceeding with design, project management and pre-construction work on the Capital Master Plan (CMP) for presentation to the General Assembly at its 58th session. The UN also will report to the GA on the status of possible funding arrangements for the overall CMP, including possible financial support from the host country. In addition, the UN will report on the status of efforts by the UN Development Corporation (a public benefit corporation comprised of N.Y. City and State representatives) to construct a new building adjacent to the existing UN complex. The building could be used as swing space during the renovation and to consolidate other UN elements currently dispersed throughout Manhattan.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

United Nations Education, Science and Cultural Organization (UNESCO)

Paris, France
($ in thousands)

Change in Annual Requirements: $71,429

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	0	0	132,455
United States % Share	0	0	22
United States Assessment (in Euros)	0	0	29,140
U.S. Assessment (Oct-Dec,2003) (in Euros)	0	0	7,285
Total U.S. Assessment (in Euros)	0	0	36,425
Approx. Exchange Rate Euros to $1	0	0	1.109
U.S. Requirement in Dollars	0	0	32,845
Assessment Against Members (in Dollars)	0	0	119,761
United States % Share	0	0	22
United States Assessment (in Dollars)	0	0	26,347
U.S. Assessment (Oct-Dec,2003)	0	0	6,587
Total U.S. Assessment (in Dollars)	0	0	32,934
Contribution to Working Capital Fund	0	0	5,500
Tax Reimbursement Agreement	0	0	150
U.S. Requirement in Dollars	0	0	38,584
Funds Available and Current FY Request	0	0	71,429

Explanation of Estimate:

The U.S. plans to accede to membership in UNESCO on October 1, 2003. The estimate for FY 2004 provides funding for the U.S. assessed share of costs relating to, (1) three months in calendar year 2003 (October - December), and (2) the full calendar year 2004, which represents the first year of the UNESCO budget for the biennium 2004-2005, which is predicated on zero nominal growth. Member assessments in UNESCO are based on a split-currency formula, comprised of Euros and U.S. dollars.

The FY 2004 estimate includes a one-time contribution to the UNESCO Working Fund (WCF), which is payable upon accession to membership in the organization. The U.S. contribution of $5.5 million represents 22 percent of the total WCF level of $25 million. In addition, the FY 2004 estimate includes a provisional amount regarding the U.S. requirement under the Tax Reimbursement Agreement (TRA). The actual requirement will be determined at the conclusion of negotiations with UNESCO on the TRA.

Purpose and Benefits to the United States:

The United States has an historic opportunity to further its policy goals and shape reform at the United Nations Educational, Scientific and Cultural Organization (UNESCO). The United States withdrew from

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

UNESCO in 1984 because of chronic concerns over corruption, anti-Western bias, misinformation campaigns and flagging results from the organization. Since withdrawal, the Department of State has maintained an Observer Mission at UNESCO, provided representation at every meeting of UNESCO's governing bodies and contributed about two million dollars in voluntary funding annually to support high priority programs.

On September 12, 2002, President George W. Bush announced in his speech to the United Nations General Assembly that the United States would return to UNESCO and that the organization had been reformed. The UNESCO preamble, which calls for the use of education, cultural dialogue and scientific cooperation to create a culture of peace, was written by the United States and expresses the ideals of this country. UNESCO activities and conferences are ideally suited for participation by a broad spectrum of Americans, ranging from scientists and educators to jurists, environmentalists and biotech businesses.

UNESCO now carries the intergovernmental brief on some of the most difficult and farreaching concerns of this century. These include:

- **Education:** "Education for All", a mirror of the Bush Administration's "No Child Left Behind" program, a program whose goal is to eradicate global illiteracy in the next 15 years. UNESCO programs also reflect the goals of USAID and other U.S. Government programs to educate women, expand awareness of public health issues and fight poverty through education.

- **Post-conflict Strategy:** UNESCO's work in areas trying to recover from conflict, such as the Balkans and Afghanistan, is critical to a successful conclusion of these conflicts. UNESCO is currently taking the lead in coordinating the educational process and university re-opening in Afghanistan and has sponsored the publication of the first independent newspaper in Kabul, as well as the revitalization of radio and TV broadcast facilities. Dialogue on producing more tolerant curriculums in Israel and Palestinian textbooks have been undertaken under UNESCO auspices at the request of those parties, as have scientific and academic exchanges.

- **Science and Ethics:** UNESCO is currently discussing the creation of bio-ethical and other standards having worldwide impact. Developments in science and technology have significant commercial ramifications and great moral and ethical consequences. It is critical that the U.S. participate in UNESCO's efforts to developing in these areas.

Career Japanese diplomat Koichiro Matsuura was elected Director General in October 1999. He has shown the ability to implement significant reforms and is putting in place the necessary infrastructures and management team capable of maintaining the reform he has launched. By June 2001, Matsuura had eliminated 60 of the 180 director-level posts he had inherited upon taking office. Matsuura also simplified internal structures and prioritized program activities. While downsizing the Secretariat, Matsuura increased the staff of the internal oversight office (IOS) from eight to eighteen. The IOS is responsible for audits, inspection, investigation and program evaluation.

Matsuura has publicly embraced his predecessor's proactive stance on the free press and is committed to fundamental human rights and democratic principles.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Universal Postal Union (UPU)

Bern, Switzerland
($ in thousands)

Change in Annual Requirements: -$42

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Swiss Francs)	34,339	34,587	34,339
United States % Share	5.696	5.69	5.69
United States Assessment	1,956	1,968	1,954
English Translation Service	80	75	70
Total U.S. Requirements (in Swiss Francs)	2,036	2,043	2,024
Approx. Exchange Rate Swiss Franc to $1	1.659	1.594	1.618
U.S. Requirement in Dollars	1,227	1,282	1,251
Tax Reimbursement Agreement	76	76	65
Funds Available and Current FY Request	1,303	1,358	1,316

Explanation of Estimate:

The UPU contribution is assessed and paid in Swiss francs. The FY 2004 estimate is intended to provide full funding of U.S. contributions for calendar year 2004. FY 2004 represents the second 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: $0

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members	460,477	421,327	421,327
United States % Share	25	22	22
United States Assessment	115,119	92,692	92,692
Tax Equalization Fund Credit	(6,987)	1,000	1,000
Incentive Fund Credit	(23)	(20)	(20)
UNDP Credit	0	(57)	(57)
Total Annual Requirements	108,109	93,615	93,615
Tax Equalization Fund Reduction	0	0	0
Funds Available and Current FY Request	108,109	93,615	93,615

Explanation of Estimate:

The FY 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2003, the second year of the 2002-03 biennial budget.

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 implemented significant reforms and brought new strategic directions to 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 it results-based and 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. WHO aims to eradicate polio worldwide by the end of the decade.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

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 asserted themselves in alarming numbers in the developing world. Strong attention is also being given to 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 global fight against AIDS and has taken the lead in the health sector response. This includes collection of data on the incidence of HIV/AIDS, assistance to countries in blood screening and testing, and promotion of prevention, education, treatment, and care activities. 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. WHO is also among the partners in the work of the new Global Fund to Fight AIDS, Tuberculosis, and Malaria, a new public-private partnership addressing these major infectious disease killers.

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: -$17

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members (in Swiss Francs)	17,526	17,295	17,295
United States % Share	6.5	6.59	6.59
United States Assessment	1,139	1,140	1,140
Approx. Exchange Rate Swiss Franc to $1	1.628	1.4709	1.618
U.S. Requirement in Dollars	700	775	705
Tax Reimbursement Agreement	122	122	175
Funds Available and Current FY Request	822	897	880

Explanation of Estimate:

The United States assessment to WIPO is paid in Swiss francs. The FY 2004 request is intended to provide full funding of U.S. requirements for calendar year 2003. CY 2003 represents the second 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 are at present 21 treaties in force administered by WIPO, including the Paris Convention on Industrial Property (1883), the Berne Convention on Copyright (1886), and the WIPO Convention itself (1967). WIPO membership as of April 2002 was 179 contracting states. Each member state pays one assessment for participation in WIPO and any or all of its unions. The U.S. currently is party to nine treaties, ratifying most recently the Trademark Law Treaty (2000), the WIPO Copyright Treaty (2002) and the WIPO Performances and Phonograms Treaty (2002). More than 90 percent of WIPO's revenue is generated by fees for services, including most prominently those under the Patent Cooperation Treaty of 1970, which allows inventors to establish a priority filing date with all member states. Fees paid by United States nationals are roughly 40 percent of WIPO's fee revenue. WIPO was influential in proposing the creation of a mechanism for settling disputes over the use of Internet domain names and since 2000 has offered such a service. The United States, as the world's leading creator and user of intellectual property of all kinds, is a major beneficiary of the protections offered worldwide through the unions.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

World Meteorological Organization (WMO)

Geneva, Switzerland
($ in thousands)

Change in Annual Requirements: -$914

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members (in Swiss Francs)	62,200	62,200	62,200
United States % Share	21.54	21.55	21.561
United States Assessment	13,398	13,404	13,411
Credit: Working Capital Fund	0	0	(138)
Net United States Assessment (in Swiss Francs)	13,398	13,404	13,273
Approx. Exchange Rate Swiss Franc to $1	1.6269	1.4702	1.618
U.S. Requirement in Dollars	8,235	9,117	8,203
Tax Reimbursement Agreement	89	115	115
Funds Available and Current FY Request	8,324	9,232	8,318

Explanation of Estimate:

FY 2004 estimates are intended to provide full funding of U.S. requirements for calendar year 2003, the second 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 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Inter-American Institute for Cooperation on Agriculture	16,560	16,560	0
Organization of American States	54,196	55,295	1,099
Pan American Health Organization	56,367	56,367	0
Pan American Institute of Geography and History	324	324	0
Total Annual Requirements	127,447	128,546	1,099

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, indigenous rights, 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 challenge to flawed 2000 elections in Peru raised the stature as well as expectations for OAS monitoring missions. 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 a graduated series of preventative and remedial measures to promote and defend democracy. 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 and drafted a Convention Against Terrorism. The OAS plays a critical role in resolving a number 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 judgments 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 25 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 2002	Estimate FY 2003	Request FY 2004
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 2001 Deferral	4,090	0	0
Calendar year 2002 Deferral	(4,090)	4,090	0
Calendar year 2003 Deferral	0	(4,090)	4,090
Calendar year 2004 Deferral	0	0	(4,090)
Calendar year 2005 Deferral	0	0	0
Funds Available and Current FY Request	16,560	16,560	16,560

Explanation of Estimate:

The FY 2004 request is intended to provide full funding of U.S. requirements for U.S. fiscal year 2004 (October 1, 2003 - September 30, 2004). The calendar year requirements for 2004 represent the second 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's new Director General was elected on a platform of institutional reform and has already abolished five regional offices, substantially reducing personnel and administrative overhead.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

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 integral 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: $1,099

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members	74,652	74,652	77,116
United States % Share	59.47	59.47	59.47
United States Assessment	44,396	44,396	45,861
Tax Reimbursement Agreement	9,800	9,800	9,800
U.S. Requirement in Dollars	54,196	54,196	55,661
Calendar year 2001 Deferral	11,099	0	0
Calendar year 2002 Deferral	(11,099)	11,099	0
Calendar year 2003 Deferral	0	(11,099)	11,099
Calendar year 2004 Deferral	0	0	(11,465)
Calendar year 2005 Deferral	0	0	0
Funds Available and Current FY Request	54,196	54,196	55,295

Explanation of Estimate:

The FY 2004 request is intended to provide full funding of U.S. requirements for U.S. fiscal year 2004 (October 1, 2003 - September 30, 2004). The estimates for FY 2004 reflect a 3.3 percent increase, which is intented to provide for the U.S. share of funding for new mandates arising from the Summit of the Americas.

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 2002, it institutionalized a Justice Studies Center, improved the multilateral evaluation mechanism for drug abuse control, launched 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 and the new Terrorism Convention, which establishes concrete measures for enhancing regional cooperation, are 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.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

The OAS Unit for the Promotion of Democracy (UPD) carries out a wide range of programs to consolidate incipient democracies and respond to democratic crises in the region. The UPD's Electoral Observation Mission in Nicaragua helped ensure free and fair elections in November 2001, and in Colombia in May 2002. In compliance with a Summit mandate to strengthen political parties, the Unit launched the first annual forum for political parties in December 2001, which brought together some 100 representatives of political parties, governments, electoral organizations, parliaments, civil society organizations, communications media, and academic institutions. The UPD'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 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. The OAS budget finances approximately 100 undergraduate fellowships per year for Latin American and Caribbean students to study in the United States. The Fulbright Program, for example, uses the OAS to offer a greater number of ecology fellowships at U.S. universities than Fulbright otherwise would be able to afford by itself. Because of its association with the OAS, the Fulbright Ecology Program, for the first time in its history, is establishing a presence in Canada. OAS funds also pay the travel costs for approximately 700 students per year to take short-term training courses offered by institutions in the United States and elsewhere, allowing U.S. agencies to share their expertise with counterparts in the Americas.

The OAS has repeatedly shown itself to be 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. In May 2002, the follow-up mechanism to monitor implementation launched its first round of evaluations of preventative measures, mutual assistance and technical cooperation.

Since September 11, 2001, the OAS prepared an Inter-American Convention Against Terrorism that was signed by Member States, including the U.S., in June 2002.

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. In December 2002, the U.S. hosted the Summit-mandated conference on CSBMs to further mutual confidence. The OAS Transparency Convention, which provides for notification by members of acquisitions of major weapons systems 90 days after their entry into national inventories, is expected to enter into force in the summer of 2002 with just one more ratification

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.

The OAS' Trade Unit, through its Foreign Trade Information System (SICE), provides trade and trade-related information to the Hemisphere through its Internet Website; works in support of the FTAA process by maintaining, as a member of the Tripartite Committee, the official FTAA Website; maintains an ongoing calendar of deadlines established by the negotiating groups for inputs from delegations; and manages the Document Distribution Service (DDS), a secure, distribution system of the FTAA negotiation process documents. The OAS Trade Unit provides analytical support and technical assistance and related studies as requested in the Trade Ministerial Declarations of San Jose, Toronto, and Buenos Aires under the FTAA process. The OAS supports the collaborative activities of the Trade Unit with the Tripartite Committee, and those with other specialized regional, sub-regional, and multilateral organizations and institutions. The

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

OAS provides technical assistance related to FTAA issues to member countries that request it, particularly smaller economies, as mandated by the Trade Ministers in San Jose, Toronto and Buenos Aires, and in the Plan of Action of the Third Summit of the Americas. The OAS Trade Unit provides technical assistance to member countries as planned in the "New Strategy for WTO Technical Cooperation: Technical Cooperation for Capacity Building, Growth and Integration" endorsed by Trade Ministers in Doha and by the Trade Ministerial Declarations of San Jose, Toronto and Buenos Aires.

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: $0

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members	98,775	98,775	98,775
United States % Share	59.445	59.445	59.445
United States Assessment	58,717	58,717	58,717
Tax Equalization Fund Credit	(2,850)	(2,350)	(2,350)
U.S. Requirement in Dollars	55,867	56,367	56,367
Calendar year 2001 Deferral	13,065	0	0
Calendar year 2002 Deferral	(13,967)	14,092	0
Calendar year 2003 Deferral	0	(14,092)	14,092
Calendar year 2004 Deferral	0	0	(14,092)
Calendar year 2005 Deferral	0	0	0
Funds Available and Current FY Request	54,965	56,367	56,367

Explanation of Estimate:

The FY 2004 request is intended to provide funding for U.S. requirements for the deferred portion (one quarter) of the 2003 assessed contribution and for three quarters of the first year of PAHO's 2004-2005 biennial budget.

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 all people in the Americas. 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 separate regular budget to provide for one integrated program with 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. PAHO's program in disaster assistance has become indispensable in the region and is a model for WHO as a whole.

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 2002	Estimate FY 2003	Request FY 2004
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 2004 request is intended to provide full funding of PAIGH's calendar year 2004 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 the fields of cartography, geophysics, geography and history 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, the Census Bureau and the Library of Congress, as well as private and public universities have been able to share information and experiences with their 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. It is currently in the process of producing a digital map of the entire Western Hemisphere, as well as preparing maps for use by the visually-impaired. 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 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Asia-Pacific Economic Cooperation	601	601	0
Colombo Plan Council for Technical Cooperation	15	15	0
NATO Parliamentary Assembly	702	635	(67)
North Atlantic Treaty Organization	52,050	46,695	(5,355)
Organization for Economic Cooperation and Development	68,646	62,463	(6,183)
The Pacific Community	1,207	1,048	(159)
Total Annual Requirements	123,221	111,457	(11,764)

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 2002	Estimate FY 2003	Request FY 2004
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 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2004.

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 free trade, 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 2002	Estimate FY 2003	Request FY 2004
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 2004 request represents the estimated U.S. assessed share of the CPCTC's fiscal year 2004 budget which begins on July 1, 2003 and ends on June 30, 2004.

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: -$67

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	2,922	2,992	3,141
United States % Share	22.41	22.41	22.41
United States Assessment (in Euros)	655	671	704
Approx. Exchange Rate Euros to $1	1.1426	0.955	1.109
Funds Available and Current FY Request	573	702	635

Explanation of Estimate:

The U.S. assessment to the NATOPA is paid in Euros. The FY 2004 estimate is intended to provide full funding of U.S. requirements for CY 2004.

Purpose and Benefits to the United States:

The North Atlantic Assembly (NAA), 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: -$5,355

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	156,122	178,401	189,106
United States % Share	22.41	22.41	22.41
United States Assessment	34,987	39,980	42,379
Less: Credit for U.S. Gov't Employees on Loan to NATO	(1,661)	(1,661)	(1,727)
Less: Prior year adjustments	0	0	(2,218)
Net U.S. Assessment	33,326	38,319	38,434
Approx. Exchange Rate Euros to $1	1.0898	0.955	1.109
U.S. Requirement	30,579	40,125	34,656
Headquarters	9,000	9,000	9,000
Tax Reimbursement Agreement	60	63	63
Net U.S. Requirements	39,639	49,188	43,719

Direct Cost of U.S.Gov't Employees on Loan to NATO	2,863	2,862	2,976
Funds Available and Current FY Request	42,502	52,050	46,695

Explanation of Estimate:

The U.S. assessment for NATO is paid in Euros. FY 2004 estimates are intended to provide full U.S. requirements for CY 2004 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. Government Employees on Loan to NATO estimate is based on projected salaries of USG employees assigned to the NATO International Staff.

Purpose and Benefits to the United States:

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 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.

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's 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.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

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: -$6,183

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members (in Euros)	152,980	154,060	156,833
United States % Share	24.975	24.975	24.975
United States Assessment-Part I	38,207	38,476	39,169
United States Assessment-Part II	8,565	8,836	8,995
Fiscal Adjustment	74	74	74
Funding for Pension Capitalization	7,302	8,242	8,741
U.S. Assessment	54,148	55,628	56,979
OECD Building Renovation	3,633	8,468	10,831
Net U.S. Assessment	57,781	64,096	67,810
Tax Reimbursement Agreement	1,464	1,461	1,461
U.S. Requirement	59,245	65,557	69,271
Approx. Exchange Rate Euro to $1	1.1158	0.955	1.109
Funds Available and Current FY Request	53,099	68,646	62,463

Explanation of Estimate:

The FY 2004 (CY 2003) assessed regular budget estimate reflects a 1.8% increase and represents the first year of the OECD's CY 2003-2004 biennial budget. The request also includes the contribution for the pension fund and the headquarters-building renovation project.

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 a share paid out of the CIO appropriation and is paid on a current year basis. 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 €70 million ($66 million) if the project is funded on a "pay as you go" basis. The U.S. share of costs in FY 2004 is estimated at €10.8 million ($10.2 million) under the "pay as you go" option. The asbestos remediation/renovation project will take an estimated eight years to complete. During this time, costs related to the project will include: asbestos remediation and renovation of the OECD headquarters and conference facilities; rental of temporary office space for several hundred staff, moving and installation costs; and fees for legal, design and engineering, and other expert advice. The Administration will establish a "cap" for the total U.S. contirubution towards this project prior

to providing any funding to the OECD to support the renovation and will keep the Congress informed throughout the process.

Purpose and Benefits to the United States:

The OECD is comprised of 30 market democracies in Europe, North America and the Pacific Rim. It has been in the forefront of our effort to break down barriers to financial, service, investment and trade flows. The United States uses the OECD to advance U.S. international economic and political interests through policy coordination with other developed countries, macroeconomic performance reviews and analysis and development of best policy options on a range of socioeconomic issues. The OECD also supports U.S. economic interests through the negotiation and implementation of important international agreements and codes and assists transition economies and emerging economies committed to economic reform.

The OECD helps the U.S. by assessing the implications of aging societies 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 is also working to strengthen its outreach to civil society organizations. Current U.S priorities include strict implementation of an international convention to criminalize bribery of foreign public officials; using the OECD as a forum to reduce excess capacity in global steel production while eliminating subsidies that distort global trade in steel; developing recommendations to support the growth of electronic commerce; negotiating environmental guidelines for export credit agencies; reducing harmful tax practices by improving transparency and information exchange; combating money laundering; and providing analytical support for a new round of trade negotiations.

In addition to its codes and agreements, the OECD 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. Support for new members – Mexico, Hungary, the Czech Republic, Poland, Korea and Slovakia —has helped to liberalize these economies. 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.

The OECD is also contributing in its areas of expertise to the fight against terrorism. The Financial Action Task Force (FATF), an independent international body housed at OECD headquarters, has expanded its mandate to combat money laundering to help lead international efforts to combat terrorist financing. The OECD is also updating guidelines on protecting network and information systems security, and is collaborating with the Department of Education on helping schools improve their security posture and cope with terrorist attacks.

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 has 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, starting in 2003. This will improve the OECD's strategic planning and strengthen Member's control over the Organization's budgets.

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. 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: -$159

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Central Pacific Francs)	764,607	764,693	764,693
United States % Share	17.97	17.97	17.97
United States Assessment	137,400	137,415	137,415
Approx. Exchange Rate Central Pacific Franc to $1	133.3	115.273	132.4
U.S. Requirement	1,031	1,192	1,038
Tax Reimbursement Agreement	15	15	10
Funds Available and Current FY Request	1,046	1,207	1,048

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 2004 request is intended to provide full funding of U.S. requirements for calendar year 2004.

Purpose and Benefits to the United States:

The Pacific Community, the oldest regional institution in the South Pacific, brings together key Western countries – 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. It 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 Pacific sea lanes and are all friendly towards the United States. U.S. membership the SPC provides one of the few remaining avenues for engaging Pacific island countries, and helps ensure their continued diplomatic support for our counterterrorism objectives in international fora.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

The island countries also provide support on other 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 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Customs Cooperation Council	3,205	2,770	(435)
Hague Conference on Private International Law	129	111	(18)
International Agency for Research on Cancer	1,692	1,692	0
International Bureau of the Permanent Court of Arbitration	24	21	(3)
International Bureau for the Publication of Customs Tariffs	104	89	(15)
International Bureau of Weights and Measures	941	784	(157)
International Center for the Study of the Preservation and Restoration of Cultural Property	692	692	0
International Copper Study Group	67	55	(12)
International Cotton Advisory Committee	256	280	24
International Grains Council	501	453	(48)
International Hydrographic Organization	96	84	(12)
International Institute for the Unification of Private Law	115	98	(17)
International Lead and Zinc Study Group	69	55	(14)
International Office of Epizootics	110	95	(15)
International Organization for Legal Metrology	108	95	(13)
International Rubber Study Group	137	124	(13)
International Seed Testing Association	8	7	(1)
International Tropical Timber Organization	195	195	0
International Union for the Conservation of Nature and Natural Resources	304	260	(44)
Organization for the Prohibition of Chemical Weapons	19,764	20,013	249
International Union for the Protection of New Varieties of Plants	193	166	(27)
World Trade Organization	15,289	15,198	(91)
Total Annual Requirements	43,999	43,337	(662)

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.

Base Program:

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

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: -$435

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	11,961	11,961	11,961
United States % Share	25	25	25
United States Assessment	2,990	2,990	2,990
Approx. Exchange Rate Euros to $1	1.157	0.955	1.109
U.S. Requirement	2,584	3,131	2,696
Tax Reimbursement Agreement	74	74	74
Funds Available and Current FY Request	2,658	3,205	2,770

Explanation of Estimate:

The U.S. assessment to the CCC is paid in Euros. FY 2004 estimates are intended to provide full funding of U.S. requirements for CCC's fiscal year 2003/04 budget (July 1, 2003 to June 30, 2004). 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: -$18

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	1,710	1,969	1,969
United States % Share	6.43	6	6
United States Assessment	110	118	118
Approx. Exchange Rate Euros to $1	1.147	0.955	1.109
U.S. Requirement	96	124	106
Tax Reimbursement Agreement	5	5	5
Funds Available and Current FY Request	101	129	111

Explanation of Estimate:

The U.S. assessment to the HCOPIL is paid in Euros. The FY 2004 request is intended to provide full funding of U.S. requirements for HCOPIL's fiscal year 2004 (July 1, 2003 to June 30, 2004).

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, commercial finance, international commerce and the protection of children (international parental child abduction; intercountry adoption; and 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 Apostille Convention abolishes the requirement of legalization for documents to be used abroad and 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: $0

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members	16,700	17,122	17,122
United States % Share	9.88	9.88	9.88
Funds Available and Current FY Request	1,650	1,692	1,692

Explanation of Estimate:

FY 2004 estimate represents the first year of IARC's 2004-2005 biennial budget. The FY 2004 request is intended to provide full funding of U.S. requirements for IARC's calendar year 2004.

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: -$3

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	331	331	331
United States % Share	6.88	6.88	6.88
United States Assessment	23	23	23
Approx. Exchange Rate Euros to $1	1.147	0.955	1.109
Funds Available and Current FY Request	20	24	21

Explanation of Estimate:

The U.S. assessment to the IBPCA is paid in Euros. The FY 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2004.

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: -$15

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	1,498	1,623	1,623
United States % Share	6.472	6.12	6.12
United States Assessment	97	99	99
Approx. Exchange Rate Euros to $1	1.121	0.955	1.109
Funds Available and Current FY Request	87	104	89

Explanation of Estimate:

The U.S. assessment to the IBPCT is paid in Euros. FY 2004 estimates are intended to provide full funding of U.S. requirements for IBPCT's fiscal year 2004 budget (April 1, 2003 to March 31, 2004).

Purpose and Benefits to the United States:

The Bureau, with a current membership of 66 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. In addition, the Bureau is looking into the possibility of translating the U.S. tariff schedule into other languages, facilitating communication between the U.S. and other countries.

The Bureau has also started an initiave to distribute translations via CD-Rom, promoting a more efficient and cost-effective means for disseminating information.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International Bureau of Weights and Measures (IBWM)

Sevres, France
($ in thousands)

Change in Annual Requirements: -$157

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	8,828	8,960	8,828
United States % Share	9.84	9.84	9.84
United States Assessment (in Euros)	869	882	869
Credit/Debit Adjustments	14	17	0
Net U.S. Assessment (in Euros)	883	899	869
Approx. Exchange Rate Euros to $1	1.116	0.955	1.109
Funds Available and Current FY Request	791	941	784

Explanation of Estimate:

The U.S. assessment to the IBWM is paid in Euros. The FY 2004 estimate represents the U.S. share for the fourth year of the 2001-2004 quadrennial budget, and is intended to provide full funding of U.S. requirements for calendar year 2004.

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 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members	3,145	3,145	3,145
United States % Share	22	22	22
Funds Available and Current FY Request	692	692	692

Explanation of Estimate:

The FY 2004 estimate represents the first year of ICCROM's 2004-2005 biennial budget. FY 2004 estimates are intended to provide full funding of U.S. requirements for calendar year 2004.

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: -$12

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	688	715	701
United States % Share	8.717	8.95	8.717
United States Assessment	60	64	61
Approx. Exchange Rate Euros to $1	1.132	0.955	1.109
Funds Available and Current FY Request	53	67	55

Explanation of Estimate:

The U.S. assessment for the ICSG is paid in Euros. The FY 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2004.

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: $24

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members	1,301	1,346	1,346
United States % Share	11.6	11.5	13.3
United States Assessment	151	155	179
Tax Reimbursement Agreement	75	101	101
Funds Available and Current FY Request	226	256	280

Explanation of Estimate:

The FY 2004 estimate is intended to provide full funding of U.S. requirements for ICAC's Fiscal Year 2004 (July 1, 2003, to June 30, 2004).

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 significantly higher in the period relevant for FY 2004. "Tax Reimbursement Agreement" line for the FY 2004 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: -$48

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Pounds Sterling)	1,280	1,310	1,310
United States % Share	23.75	23.75	23.75
United States Assessment	304	311	311
Approx. Exchange Rate Pounds Sterling to $1	0.692	0.621	0.686
Funds Available and Current FY Request	439	501	453

Explanation of Estimate:

The U.S. assessment to the IGC is paid in Pounds Sterling. FY 2004 estimates are intended to provide full funding of U.S. requirements for the IGC's fiscal year 2003-2004 (July 1, 2003 to June 30, 2004).

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 grains trade and the international 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: -$12

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	2,250	2,277	2,320
United States % Share	4	4.02	4.02
United States Assessment	90	92	93
Approx. Exchange Rate Euros to $1	1.129	0.955	1.109
Funds Available and Current FY Request	80	96	84

Explanation of Estimate:

The FY 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2004. The U.S. assessment to the IHO is paid in Euros.

Purpose and Benefits to the United States:

The International Hydrographic Organization (IHO) is an intergovernmental consultative and technical organization established in 1921 with its primary objective to support safety of navigation around the world. To accomplish this, the IHO assists in coordinating the activities of national hydrographic offices; establishes standards to promote uniformity among nautical charts and navigational documents on a worldwide basis; and explores methods of carrying out and exploiting hydrographic surveys. The IHO also facilitates the exchange of data and marine information between the National Hydrographic Authorities of Member States Governments, and develops voluntary standards for hydrographic surveys and nautical products. The IHO is a nonpolitical, independent organization comprised of over 70 maritime nations that share the objectives of the organization and membership is open to any maritime nation.

The United States Government (specifically NOAA, NIMA and the Navy) benefits directly by being able to access valuable and critical navigational data through the cooperation of IHO Member States. 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: -$17

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	1,740	1,763	1,740
United States % Share	6.24	6.24	6.24
United States Assessment	109	110	109
Approx. Exchange Rate Euros to $1	1.144	0.955	1.109
Funds Available and Current FY Request	95	115	98

Explanation of Estimate:

The U.S. assessment for the IIUPL (UNIDROIT) is paid in Euros. The FY 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2004.

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 also completed 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: -$14

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Pounds Sterling)	529	527	506
United States % Share	7.56	8.12	7.56
United States Assessment	40	43	38
Approx. Exchange Rate Pounds Sterling to $1	0.703	0.621	0.686
Funds Available and Current FY Request	57	69	55

Explanation of Estimate:

The U.S. assessment to the ILZSG is paid in Pounds Sterling. The FY 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2004.

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: -$15

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	3,487	3,544	3,544
United States % Share	2.93	2.97	2.97
United States Assessment	102	105	105
Approx. Exchange Rate Euro to $1	1.156	0.955	1.109
Funds Available and Current FY Request	88	110	95

Explanation of Estimate:

The U.S. assessment to the IOE is paid in Euros. The FY 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2004.

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 158 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: -$13

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	1,152	1,170	1,188
United States % Share	8.33	8.33	8.33
United States Assessment	96	97	99
English Translation Center (in Euros)	5	6	6
Net U.S. Assessment (in Euros)	101	103	105
Approx. Exchange Rate Euros to $1	1.088	0.955	1.109
Funds Available and Current FY Request	93	108	95

Explanation of Estimate:

The U.S. assessment to IOLM is paid in Euros. The FY 2004 budget will be the fourth year of the 2001-2004 quadrennial budget. FY 2004 estimates are intended to provide full funding of U.S. requirements for calendar year 2004.

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 percent 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 Rubber Study Group (IRSG)

London, England
($ in thousands)

Change in Annual Requirements: -$13

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Pounds Sterling)	646	650	650
United States % Share	13	13	13
United States Assessment	84	85	85
Approx. Exchange Rate Pounds Sterling to $1	0.6885	0.621	0.686
Funds Available and Current FY Request	122	137	124

Explanation of Estimate:

The U.S. assessment to the IRSG is paid in Pounds Sterling. The FY 2004 request is intended to provide full funding of U.S. requirements for the IRSG's fiscal year 2004 (July 1, 2003 to June 30, 2004).

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: -$1

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Swiss Francs)	782	806	830
United States % Share	1.4	1.4	1.4
United States Assessment	11	11	12
Approx. Exchange Rate Swiss Franc to $1	1.674	1.386	1.618
Funds Available and Current FY Request	7	8	7

Explanation of Estimate:

The U.S. assessment to ISTA is paid in Swiss Francs. FY 2004 estimates are intended to provide full funding of U.S. requirements for calendar year 2004.

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 (2001/2002) shows the United States exported seeds at an annual value of about $745.5 million and imported seeds at an annual value of about $465.35 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: $0

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members	4,400	4,400	4,400
United States % Share	4.15	4.2	4.2
United States Assessment	183	185	185
Tax Reimbursement Agreement	10	10	10
Funds Available and Current FY Request	193	195	195

Explanation of Estimate:

The FY 2004 estimate is intended to provide full funding of U.S. requirements for calendar year 2004. 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. share of imports of timber from tropical countries rose slightly in the year on which the assessment is based.

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 and sustainably 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: -$44

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Swiss Francs)	8,755	8,792	8,755
United States % Share	4.7	4.8	4.8
United States Assessment	411	422	420
Approx. Exchange Rate Swiss Franc to $1	1.662	1.386	1.618
Funds Available and Current FY Request	247	304	260

Explanation of Estimate:

The U.S. assessment to the IUCN is paid in Swiss francs. FY 2004 estimates are intended to provide full funding of U.S. requirements for calendar year 2004. 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 the Ramsar 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: $249

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Euros)	58,233	64,056	70,462
United States % Share	22	22	22
United States Assessment (in Euros)	12,811	14,092	15,502
Articles IV/V Costs (in Euros)	1,715	4,598	5,777
US Assessment & Articles IV/V Costs (in Euros)	14,526	18,690	21,279
Approx. Exchange Rate Euros to $1	1.1113	0.9553	1.0793
U.S. Assessment & Articles IV/V Costs	13,071	19,565	19,716
Tax Reimbursement Agreement	70	199	297
Funds Available and Current FY Request	13,141	19,764	20,013

Explanation of Estimate:

The U.S. assessment to the OPCW is paid in Euros. The FY 2004 request includes approximately $5.2 million for costs associated with Articles IV and V of the Chemical Weapons Convention for FY 2004. 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. In FY 2004, chemical weapons destruction operations will commence at two additional U.S. sites, Pine Bluff Arsenal and Newport, Indiana. FY 2004 estimates are intended to provide full funding of U.S. assessed requirements for calendar year 2004 and Article IV/V requirements for FY 2004.

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 internationally confirmed, 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: -$27

Computation of Estimate	Actual FY 2002	Estimate FY 2003	Request FY 2004
Assessment Against Members (in Swiss Francs)	2,776	2,776	2,776
United States % Share	9.66	9.67	9.67
United States Assessment	268	268	268
Approx. Exchange Rate Swiss Franc to $1	1.666	1.386	1.618
Funds Available and Current FY Request	161	193	166

Explanation of Estimate:

The U.S. assessment to the UPOV is intended to provide full funding of U.S. requirements for calendar year 2004.

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: -$91

Computation of Estimate	Actual FY 2002 (CY 2001)	Estimate FY 2003 (CY 2002)	Request FY 2004 (CY 2003)
Assessment Against Members (in Swiss Francs)	133,349	142,100	153,800
United States % Share	15.631	15.723	15.899
United States Assessment	20,844	22,342	24,453
Less Incentive scheme Credit	(3)	(18)	(32)
Net U.S. Assessment	20,841	22,324	24,421
Approx. Exchange Rate Swiss Franc to $1	1.6316	1.4702	1.618
U.S. Requirement	12,773	15,184	15,093
Tax Reimbursement Agreement	74	105	105
Funds Available and Current FY Request	12,847	15,289	15,198

Explanation of Estimate:

The U.S. assessment is paid in Swiss francs. The FY 2004 request is intended to provide full funding of U.S. requirements for calendar year 2003. 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) (22 U.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 April 24, 1997, instrument of ratification deposited April 25. Entered into force on April 29, 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.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

FUNDS BY OBJECT CLASS
($ in thousands)

International Organizations	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$899,206	$891,378	$1,010,463	$119,085
Total	$899,206	$891,378	$1,010,463	$119,085

CONTRIBUTIONS TO INTERNATIONAL PEACEKEEPING ACTIVITIES

Proposed Appropriation Language

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES (CIPA)

For necessary expenses to pay assessed and other expenses of inter-national peacekeeping activities directed to the maintenance or restoration of international peace and security, $550,200,000, of which 15 percent shall remain available until September 30, 2005: Provided, That none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peace-keeping 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 peace-keeping 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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Summary Statement

($ in thousands)

Activities	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Appropriation Total	$824,967	$725,981	$550,200	($175,781)

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.

CURRENT PROGRAMS

The UN peacekeeping is a valuable tool for U.S. national strategy. 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 2004 PLANS

The FY 2004 request provides funds for the United States' share of the expenses of United Nations (UN) peacekeeping operations. The FY 2004 request is $550,200,000 for funding of projected FY-2004 operations. The FY 2004 budget request reflects lower UN peacekeeping assessment rates budgeting for offsetting credits from the UN and projected rapid downsizing of missions in Sierra Leone, Kosovo, Ethiopia/Eritrea and East Timor. The Department requests that 15% of these funds be appropriated as "two-year funds" due to the demonstrated unpredictability of the requirements in this account from year to year and the nature of multi-year operations that have mandates overlapping the United States' fiscal year.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

JUSTIFICATION OF PROGRAM ACTIVITIES

The following table presents the FY 2004 budget request by activity.

Allocation by Mission

($ in thousands)

Activities	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request
U.N. Disengagement Observer Force on the Golan Heights (UNDOF)	$10,454	$8,365	$10,065
U.N. Interim Force in Lebanon (UNIFIL)	$18,831	$33,520	$30,795
U.N. Iraq / Kuwait Observer Mission (UNIKOM)	$4,595	$4,479	$4,784
U.N. Mission for the Referendum in Western Sahara (MINURSO)	$13,324	$11,792	$10,785
U.N. Mission in Bosnia and Herzegovina (UNMIBH)	$18,279	$0	$0
U.N. Mission in Kosovo (UNMIK)	$67,111	$96,534	$85,225
U.N. Peacekeeping Force in Cyprus (UNFICYP)	$5,964	$5,219	$5,809
U.N. Observer Mission in Georgia (UNOMIG)	$7,340	$6,516	$8,998
War Crimes Tribunal - Yugoslavia	$16,418	$14,656	$19,431
War Crimes Tribunal - Rwanda	$13,052	$12,100	$17,420
U.N. Mission in Sierra Leone (UNAMSIL)	$205,941	$145,803	$84,014
U.N. Transitional Administration in East Timor (UNTAET)	$103,519	$58,177	$9,358
U.N. Operations in the Democratic Republic of the Congo (MONUC)	$226,390	$273,226	$210,012
U.N. Mission in Ethiopia and Eritrea (UNMEE)	$67,648	$55,594	$53,504
U.N. Other	$46,101	$0	$0
Appropriation Total	$824,967	$725,981	$550,200

Note: UN Other represents carryover to FY 2003 that will be applied to assessment for Strategic Deployment Stocks (SDS) and unpaid peacekeeping mission balances.

FY 2002 reflects $42,206,000 that was transferred to the Contributions to International Organizations (CIO) appropriation for UN Buy-down and $23,034,000 provided for MONUC through the 2002 Supplemental Appropriations Act (P.L. 107-206).

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Disengagement Observer Force on the Golan Heights (UNDOF)

Established	Personnel	FY 2004 Request
May 31, 1974	1,036 (0 U.S.)	$10,065,000

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 2004 Request
March 19, 1978	3639 (0 U.S.)	$30,795,000

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.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Iraq / Kuwait Observer Mission (UNIKOM)

Established	Personnel	FY 2004 Request
April 9, 1991	1,099 (11 U.S.)	$4,784,000

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 2004 Request
April 29, 1991	253 (15 U.S.)	$10,785,000

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 2004 Request
June 10, 1999	4,556 (566 U.S.)	$85,225,000

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. In anticipation of progress, we are projecting a 10 percent decrease in FY 2004 operations.

U.N. Peacekeeping Force in Cyprus (UNFICYP)

Established	Personnel	FY 2004 Request
March 4, 1964	1,231 (0 U.S.)	$5,809,000

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 2004 Request
August 24, 1993	106 (2 U.S.)	$8,998,000

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 2004 Request
February 22, 1993	961	$19,431,000

War Crimes Tribunal - Rwanda

Established	Personnel	FY 2004 Request
November 8, 1994	872	$17,420,000

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 2004 Request
October 22, 1999	17,420 (0 U.S.)	$84,014,000

UNAMSIL's mandate is to assist the Government of Sierra Leone to extend state authority, restore law and order, and stabilize the situation progressively throughout the country. 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; and, assisting Sierra Leone's law enforcement authorities in the maintenance of law and order. UNSC resolution 1436 of September 24, 2002 authorized the expansion of the size and role of the UN civilian police contingent. This expanded program will bolster the development of Sierra Leone's own police force, and will support the phase-out of UNAMSIL and the mission hands over responsibility for internal security to Sierra Leone authorities.

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. The success of this mission to date has enabled a draw-down of forces to begin, with the expectation that the mission will be less than half its current size in FY 2004.

U.N. Transitional Administration in East Timor (UNTAET)

Established	Personnel	FY 2004 Request
October 25, 1999	8,528 (63 U.S.)	$9,358,000

The UN mission in Timor-Leste (the renamed East Timor) assists the government of Timor-Leste post independence with security, civilian police, and civil administration as it becomes a self-sufficient independent nation. UNMISET is the successor to the UN Transitional Administration in East Timor (UNTAET, which was established in October 1999) to provide administration of the territory of East Timor (then so named) during its transition to independence, in accordance with the outcome of the popular consultation conducted in August 1999. UNMISET is projected to close in FY 2004.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Operations in the Democratic Republic of the Congo (MONUC)

Established	Personnel	FY 2004 Request
August 6, 1999	3,386 (0 U.S.)	$210,012,000

The UN peacekeeping mission in the Democratic Republic of the Congo helps the signatories of the Lusaka accords to carry out the withdrawal of all foreign forces and to disarm, demobilize and repatriate armed rebels.

In December 2002, the UN Security Council adopted a resolution authorizing MONUC to carry out disarmament, demobilization, and repatriation of rebels and approving an increased UN troop ceiling. With the exception of Burundi and Uganda, all foreign forces have withdrawn. The remaining Ugandan forces are present under an agreement between Uganda and DROC.

The U.S. has an interest in upholding regional stability and in preventing the resurgence of genocide and mass killing in Central Africa. Continued fighting will further threaten economic growth, investment, poverty alleviation and trade for the region. The U.S. has a national interest in resolving the multi-state conflict in the Democratic Republic of Congo, and encouraging the evolution of a stable, democratic Congo at peace with its neighbors.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

U.N. Mission in Ethiopia and Eritrea (UNMEE)

Established	Personnel	FY 2004 Request
July 31, 2000	3,739 (7 U.S.)	$53,504,000

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 carrying out 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 demarcates a new international boundary between the two countries. In anticipation of progress, we are projecting a 10 percent decrease in FY 2004 operations.

Completed Operations

The mandate of the following peacekeeping operations ended December 2002 and no funds are requested in FY 2004:

UN Mission in Bosnia and Herzegovina (UNMIBH) and The UN Mission of Observers in Prevlaka (UNMOP) – These missions closed in December 2002 and no funds are requested.

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CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

FUNDS BY OBJECT CLASS
($ in thousands)

International Organizations	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$824,967	$725,981	$550,200	($175,781)
Total	$824,967	$725,981	$550,200	($175,781)

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

Summary Statement

($ in thousands)

Appropriations	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
International Boundary & Water Commission				
Salaries & Expenses	$24,705	$27,404	$31,562	$4,158
Construction, Operations & Maintenance	$5,450	$9,401	$8,901	($500)
Subtotal, International Fisheries Commissions	$30,155	$36,805	$40,463	$3,658
International Fisheries Commissions	$20,480	$19,780	$20,043	$263
American Sections				
Border Environment Cooperation Commission	$2,040	$2,083	$2,133	$50
International Joint Commission	$6,882	$7,456	$7,810	$354
International Boundary Commissions	$989	$1,143	$1,261	$118
TOTAL APPROPRIATIONS	$60,546	$67,267	$71,710	$4,443

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 Inter-national 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, $31,562,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

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

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
280	$24,705	280	$27,404	280	$31,562	0	$4,158

OVERVIEW

Under a series of treaties between the United States and Mexico, the International Boundary and Water Commission (IBWC) is charged with the solution of water and boundary problems arising along the common 1,952 mile border. This border encompasses 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 is made up 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 the 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 2004 reflects an increase of $4,158,000 for the USIBWC planning process for short and long-term projects. The planning process will allow the USIBWC to conduct feasibility studies before seeking construction funding for long-term projects. Program growth in this activity is required to keep up with increasing demands for USIBWC services due to the rapid population growth and urban development on the border.

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 internal policies and procedures and strategic plans. The USIBWC has advanced information management capabilities that require much support and is staffed with its own legal counsel and professional staff for dealing with international agreements.

Engineering efforts focused on water quality issues include the 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; and ensuring compliance with the National Pollutant Discharge Elimination System (NPDES). These efforts also consist of retaining permits for the Nogales International Wastewater Treatment Plant (NIWTP) located in Nogales, Arizona, and the South Bay International Wastewater Treatment Plant (SBIWTP) located in San Ysidro, California both treating wastewater that is wholly or in part generated in Mexico. Other efforts include the conducting of compliance studies and monitoring of the Nuevo 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 involve all internal and external efforts required to coordinate projects with potential trans-boundary impacts. The Commission provides coordination for all IBWC projects by private interests and projects by other government agencies in both the U.S. and Mexico. Coordination activities include general planning and project development, design review for a variety of structures, review of environmental documentation, conducting hydraulic studies to assure passage of design floods, geo-technical studies to determine site conditions for future construction, and groundwater studies. Specific projects include four activities: 1) environmental work for the Rio Grande Canalization project located in south central New Mexico; 2) boundary mapping and demarcation under the 1970 Boundary Treaty; 3) flood control planning study at Nogales, AZ and 4) conducting hydraulic studies for International flood protection on 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.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2004 budget request of $31,562,000 for the Salaries and Expenses activities is broken down as follows: $6,300,087 for Administration, $5,011,000 for Engineering, and $20,251,000 for Operations and Maintenance (O&M). This amount will increase funding for the Salaries and Expenses (S&E) appropriation by $4,158,000 above the FY 2003 request of $27,404,000. An increase of 15 FTE's represent auththorization for 15 positions previously funded under the Construction Appropriation. The significant elements in the funding increase consists of the following:

- Mandatory wage and price increases $1,158,000: Administration $138,000, Engineering $306,000, Operations & Maintenance $714,000.

- New requirements $3,000,000: Engineering $2,500,000 and Operations & Maintenance $500,000

Summary of increases:

- $358,000 for mandatory labor increases.
- $800,000 inflation for non-labor related costs and mandatory increased electric utility rates.
- $2,000,000 for SWTP Secondary Treatment Process/Sludge Storage Study Design/Compliance
- $500,000 for Lower Rio Grande Flood Control Projects Environmental Commitments Project
- $250,000 for Nogales International Wastewater Treatment Plant Toxicity Reduction Evaluation Project
- $250,000 for U. S. Environmental Compliance Requirements

See the following activity requests and the last page, Summary of Changes, for details.

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

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Boundary & Water Commission, El Paso, Texas	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Administration	**$5,375**	**$6,162**	**$6,300**	**$138**
Engineering	**$2,131**	**$2,205**	**$5,011**	**$2,806**
General Engineering Activities	$2,131	$2,205	$5,011	$2,806
Operations and Maintenance	**$17,199**	**$19,037**	**$20,251**	**$1,214**
Total	$24,705	$27,404	$31,562	$4,158

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

Administration

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	62	0	$6,300	$138

The FY 2004 budget request of $6,300,000 for the Administration activity will provide an increase of $138,000 above the FY 2003 budget request of $6,162,000. After excluding one-time funding from previous years and including FY 2004 requirements, the request includes:

$138,000 for mandatory FY 2004 labor rate increases.

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 are managing the operation and maintenance of 12 international boundary and water project offices and negotiating agreements for and providing recommendations to both Governments for solutions to boundary and water problems. In addition, these functions manage and support ongoing and new construction projects approved by the two governments. Furthermore these functions require managing the resources and personnel of the organization, including the administrative programs and financial responsibilities of the U.S. Section.

FY 2004 objectives consist of the following:

- 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 of unapportioned 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
- Continue 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 plans which must conform with federal statutes and regulations. It accomplishes this by using in-house legal counsel and a 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 2004 Request	32	0	$5,011	$2,806

The FY 2004 budget request for the Engineering activity is $5,011,000 a net increases of $2,806,000 from the FY 2003 budget request of $2,205,000. The net change consists of the following:

- $50,000 for FY 2004 mandatory pay and $256,000 to provide for inflation in a variety of non-labor costs.
- $2,000,000 for South Bay International Water Treatment Plant to investigate the causes of toxicity as required to comply with the National Pollutant Discharge Elimination System permit, and to comply with Congressional mandates.
- $250,000 for Nogales International Wastewater Treatment Plant Toxicity Reduction Evaluation Project.
- $250,000 for U. S. Environmental Compliance Requirements

The Engineering activity funds one Principal Engineer, a variety of other engineers, environmental specialists, and technical and clerical staffs 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 issues.

The major Engineering activities planned for FY 2004 include:

- Implementation of the most feasible measures for solving border sanitation problems originating at the Mexican cities of Tijuana and Mexicali in Baja California, Nogales in Sonora, Reynosa and Nuevo Laredo in Tamaulipas, Piedras Negras and Ciudad Acuna in Coahuila, and Ciudad Juarez and Ojinaga in 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, AZ);
- Monitoring of the 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 in part is generated in Mexico;
- Compliance studies and monitoring of three international wastewater treatment plants;
- Completion and implementation of the Falcon Reservoir Cultural Resource Management Plan;
- Completion of hydraulic studies to assure passage of flood waters as designed and 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

Justifications:

SBIWTP Compliance ($2,000,000) - Chronic and Acute toxicity identification evaluations are required to comply with the NPDES permit. This is intended to investigate the causes of toxicity in the SBIWTP effluent. Environmental Study for Secondary Treatment is required to determine type of treatment process in order to integrate the operation of the SBIWTP with the negotiations and new Commission Minute for Public Law 106-457, and as supported by Strategic Objective 3-4. Flood Control Channel Clearing Study is also necessary in order to stay in compliance. This survey must be conducted of the existing Treatment Plant as requested by local stakeholders at a 2001 public meeting, in response to citizen complaints regarding odors, and is supported by Strategic Objective 4-5.

Environmental Study for Flood Control Channel Clearing is needed to allow vegetation clearing and annual maintenance of the Tijuana Flood Control Channel under Commission Minute 258, and as supported by Strategic Objective 3-3.

Nogales International Wastewater Treatment Plant Toxicity Reduction Evaluation Project ($250,000) – This plant treats both Mexican and US waste waters. The treated wastewater discharges into a stream that serves as a source of domestic water and a habitat for endangered species. Recently, the plant discharge toxicity exceeded the permitted limit, requiring additional testing to identify the sources of toxicity and address those sources. If the studies are not conducted as required, the plant will be subject to immediate costly litigation and court imposed actions. Water quality in the Santa Cruz River, the receiving stream, is already a highly political issue in this region. Permit violations have already resulted in the USIBWC signing a consent decree that requires the USIBWC to come into compliance with the permit requirements. Not funding this request will result in closure of the treatment plant and our inability to treat wastewater, which violates Article 3 of the 1944 International Treaty and will subject the Government to other legal and imminently costly liability resulting from environmental lawsuits.

U S Environmental Compliance Requirements ($250,000) – Funds are required for USIBWC to comply with EPA mandated plans and reports such as the Clean Air Act – Risk Management Plan (CAA-RMP), facility emergency response plans, Emergency Planning and Community Right-to-Know Act (EPCRA), Tier Two Reports and Toxic Release Inventory (TRI), and Spill Pollution Prevention and Countermeasures (SPCC) plans at several USIBWC Field Offices to ensure that hazardous materials are properly handled. Storm water control plans are required for compliance with the Clean Water Act. Site investigations are required for contaminated sites. Investigations are required for facility renovations to comply with Resource Conservation Recovery Act (RCRA) and the CAA. Failure to fund this request will place a legal and potentially costly liability on the Government, in the form of fines, lawsuits, and negative media attention. The USIBWC must address these requirements through the proposed program to prevent significant negative impacts.

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 2004 Request	186	0	$20,251	$1,214

The FY 2004 budget request for the Operations & Maintenance is $20,251,000. A net increases of $1,214,000 from the FY 2003 budget request of $19,037,000. The net change consists of the following:

- $214,000 for FY 2004 mandatory increases and $500,000 to provide for inflation and mandatory increased electric utility rates at SBIWTP.
- $500,000 for Lower Rio Grande Flood Control Projects Environmental Commitments Project.

Mandatory:

SBIWTP Electrical Utility Service Increased Costs ($500,000) - Mandatory increases to the Electrical Utility Service required to operate and maintain the South Bay International Water Treatment Plan as defined in Contract IBM 01-06, are required under Commission Minutes 283,296, and as supported by Strategic Objectives 3-4. Increased utilities cost is a "must pay" bill that cannot be avoided, delayed or excluded from the SBIWTP budget program. Lack of funding will negatively impact the SBIWTP's ability to meet legal requirements and stay in compliance with regulations that govern its existence.

Lower Rio Grande Flood Control Projects Environmental Commitments ($500,000) - A court ordered consent decree issued in the mid 1990's and a subsequent biological opinion in 1993 require the USIBWC to secure easements to protect two endangered species (cats) found within our operational areas. The easements create wildlife travel corridors, which allow the USIBWC to continue maintenance of the flood control project in this area. The flood control project protects human lives and property for over 2 million people. Previous floods in 1998 resulted in $831 million in damages, not including disaster relief.

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

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

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.

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 $2,506,986 will be requested in FY 2004 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.

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

Water Quality Control: The two Governments currently operate and maintain several joint water quality projects, as follows:

- 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.

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

FUNDS BY OBJECT CLASS
($ in thousands)

International Boundary & Water Commission, El Paso, Texas		FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$11,700	$12,120	$10,691	($1,429)
1200	Personnel Benefits	$2,924	$3,029	$4,562	$1,533
2100	Travel & Trans of Persons	$384	$534	$1,038	$504
2200	Transportation of Things	$527	$579	$560	($19)
2300	Rents, Comm & Utilities	$2,844	$4,358	$4,870	$512
2400	Printing & Reproduction	$27	$33	$78	$45
2500	Other Services	$5,337	$4,515	$6,741	$2,226
2600	Supplies and Materials	$732	$1,871	$1,035	($836)
3100	Personal Property	$230	$365	$1,831	$1,466
4100	Grants, Subsidies & Contrb	$0	$0	$156	$156
Total		$24,705	$27,404	$31,562	$4,158

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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, $8,901,000, to remain available until expended, as authorized.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
33	$5,450	33	$9,401	33	$8,901	0	($500)

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.

Funding for FY 2004 is the 500,000 less than FY 2003. The FY 2004 request for Construction of $8,901,000 reflects funding for ten on-going construction projects and three new projects: two for the South Bay International Wastewater Treatment Plant (SBIWTP) - $2,450,000 to comply with the Surfrider Consent Decree and complete the advanced primary plant; and reconstruction of the American Canal Project - $700,000.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

CURRENT PROGRAMS

In FY 2004, 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:

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 2003, 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 2003, 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 2003, 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 2003 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 2003, the USIBWC continued with the conceptual design work for the reconstruction of the American Canal.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

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 2003, the USIWBC will continue EIS work and the design of erosion protection works.

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 2003, 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 2003, 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 2003 funds for this multi-year project will be used to continue studies for implementing this remedial work.

The **Secondary Treatment of Tijuana Sewage (Public Law 106-457) - $2,000,000:** Starting in FY 2003 the Commission will undertake planning - level studies incident to the development of a conceptual minute in furtherance of the implementation of the PL. The FY 2004 request will fund enviornmental studies to satisfy the NEPA compliance requirement of the PL.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

FY 2004 PLANS

In FY 2004, 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 with investigations and studies of those projects to identify full or partial solutions. These studies include initiating a new trans-boundary aquifer assessment. Then initiating required boundary mapping and demarcation activities. Next, continuing to conduct environmental studies for the flood control and preservation project activities. Afterward, continuing to perform hydraulic studies of flood control projects to determine the extent of support for increased vegetation within the floodway. Later, conducting hydraulic studies at the two international dams to determine spillway adequacy and developing flow inundation maps for final releases. Finally, conducting dam break studies of both international dams to comply with the National Dam Safety Program concerning high hazard dams.

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2004 request of $8,901,000 will decrease the USIBWC's Construction FY 2003 request by $500,000. Support for the USIBWC FY 2004 and future years funding requests is found 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. 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
IBWC-Construction	**33**	**33**	**33**	**0**
Boundary-Wide Construction	6	4	4	0
Facilities Renovation Continuation	1	2	2	0
Land Mobile Radio System Replacement	1	1	1	0
Hydrologic Data Collection System Rehab	1	1	1	0
Construction Administration	3	0	0	0
Rio Grande Construction	25	26	26	0
Rio Grande American Canal Extension	5	5	0	(5)
Rio Grande Canalization	6	6	6	0
Rio Grande Flood Control System Rehabilitation	8	9	9	0
Safety of Dams Rehabilitation	6	6	6	0
Reconstruction of the American Canal	0	0	5	5
Western Boundary Construction	2	3	3	0
Colorado River Boundary and Capacity Preservation	2	2	2	0
Secondary Treatment of Tijuana Sewage	0	1	1	0
Total	33	33	33	0

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Boundary & Water Commission, El Paso, Texas	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
IBWC-Construction	**$5,450**	**$9,401**	**$8,901**	**($500)**
Boundary-Wide Construction	$2,156	$2,475	$1,601	($874)
Facilities Renovation Continuation	$656	$725	$600	($125)
Heavy Equipment Replacement	$500	$500	$250	($250)
Land Mobile Radio System Replacement	$500	$750	$500	($250)
Hydrologic Data Collection System Rehab	$500	$500	$251	($249)
Rio Grande Construction	$2,954	$3,426	$3,450	$24
Rio Grande American Canal Extension	$250	$476	$0	($476)
Rio Grande Canalization	$800	$800	$800	$0
Rio Grande Flood Control System Rehabilitation	$1,150	$1,150	$500	($650)
Rio Grande Boundary Preservation	$0	$0	$700	$700
Safety of Dams Rehabilitation	$754	$1,000	$750	($250)
Reconstruction of the American Canal	$0	$0	$700	$700
Western Boundary Construction	$340	$3,500	$4,550	$1,050
Colorado River Boundary and Capacity Preservation	$340	$500	$100	($400)
Secondary Treatment of Tijuana Sewage	$0	$3,000	$2,000	($1,000)
Advanced Primary Plant Completion	$0	$0	$800	$800
Surfriders Consent Decree Compliance	$0	$0	$1,650	$1,650
Total	$5,450	$9,401	$8,901	($500)

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Facilities Renovation Continuation

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	2	0	$600	($125)

The FRP, originally funded in 1992, will continue with the rehabilitation work of many USIBWC project facilities, most of which were constructed between the 1930 and 1950. These facilities need major rehabilitation work to meet OSHA safety standards, current environmental laws, and to provide a more efficient and effective working environment. The rehabilitation work includes but is not limited to electrical re-wiring of facility buildings; roof replacements; structural reinforcing of building/structures; replacement of underground fuel storage tanks; ADA compliance; fire protection for buildings; construction of storage facilities for hazardous wastes; compliance with Clean, Air and Drinking Water Acts; and replacing old sewer and potable water distribution systems.

Heavy Equipment Replacement

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$250	($250)

The HER, originally funded in FY 2001, will continue to replace existing heavy equipment such as dozers, scrapers, excavators, dump trucks, water trucks, graders, cranes, front-end loaders, and other essential heavy equipment. Due to the old age of the heavy equipment, excessive repair and maintenance expenses have been incurred by the Commission in order to keep the equipment operational. Funding will improve the USIBWC's normal operations by eliminating the constant repairing of old obsolete equipment and thus converting "down-time" to productive time. In addition, the purchase of new equipment will greatly improve the USIBWC's flood fighting capabilities and bring the program up to standard. By having the appropriate heavy equipment available and in good working condition during a flood event, this will result in providing adequate protection to lives and property located along USIBWC's flood protection projects. The USIBWC's flood control projects provide protection to approximately 3 million residents and 1.5 million acres of adjoining farmland.

Safe and properly working equipment will eliminate possible accidents and employee injuries due to the old age of the existing equipment. New equipment will also provide a more efficient and effective working environment during normal day-to-day operations such as levee maintenance (grading, slope reconditioning), floodway mowing, erosion control, arroyo (drain) clearing, roadway maintenance, riprap replacement, and sludge and silt removal.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Land Mobile Radio System Replacement

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	1	0	$500	($250)

The LMR, originally funded in 2001, will continue with the replacement of existing LMR systems currently in operation at twelve USIBWC 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 (NTIA) and to assure that wireless/radio communication is available for day-to-day coordination of field activities or during emergency flood situations. The NTIA requires that all Federal Government radio systems, Very High Frequency (VHF) and Ultra High Frequency (UHF) must migrate to narrowband technology effective January 1, 2005, and January 1, 2008, respectively (Title IV of the Omnibus Budget Reconciliation Act of 1993).

The current agency LMR systems are outdated and have deteriorated over the years and need replacement. The LMR systems have been in service over 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 area along the border. Also, due to extensive use of radio communication by industries along the border area, the USIBWC has experienced extensive radio interference, many times the use of radio communication is impossible.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Hydrologic Data Collection System Rehab

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	1	0	$251	($249)

The HDR, originally funded in 2001, will continue to upgrade existing hydrological data collection and transmission system (telemetry) and to renovate existing river flow gaging stations. 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 and 1906 Convention.

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 and is unable to meet current requirements to make hydrological data available to the general public on the Internet. The telemetry system is used to remotely monitor river flows and the data obtained is essential to the safe monitoring of flood events and operation of our flood control dams, diversions and containment projects.

Rio Grande American Canal Extension

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$0	($476)

The **Rio Grande American Canal Extension** project, originally funded in FY 1991, completed 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 funding from prior years. 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. In FY 2002, the USIBWC started the conceptual design work for the reconstruction of the American Canal.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Rio Grande Canalization

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	6	0	$800	$0

The RGC, which started in 1993, will continue to stabilize the Rio Grande channel between Caballo Dam in New Mexico and American Dam at El Paso, Texas. The project was authorized by the Act of August 29, 1935 (49 Stat. 961) to facilitate water deliveries to Mexico under the 1906 Convention, to protect against Rio Grande floods, and was recorded in 22 USC 277d-29, Rio Grande Canalization Project. Channel scouring has exposed foundations of bridges, siphons, flumes and diversion dams in portions of the Rio Grande channel. In addition, hydraulic studies indicate 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. The USIBWC has recently experienced levee failure with minimal flows. 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. Another project goal is to established a more environmentally friendly project by creating restored habitat at locations along the Rio Grande channel between Caballo Dam in New Mexico and American Dam in El Paso, Texas while maintaining flood protection and assuring proper conveyance of treaty waters to Mexico.

Rio Grande Flood Control System Rehabilitation

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	9	0	$500	($650)

This project started in FY 2001, will continue a multi-year program to evaluate and rehabilitate the Rio Grande Flood Control System along the international segment of the river, downstream of the Rio Grande Canalization Project. The anticipated work includes evaluation of 380 miles of the levee system, rehabilitation of the inadequate levees, replacement of the failed Riverside diversion dam, preservation of the river channel and flood plain, and boundary mapping and demarcation efforts along the Rio Grande. In FY 2004, the USIBWC will begin the lower Rio Grande Flood Control System rehabilitation efforts. The USIBWC will repair and/or reinforce deficient levee sections identified to be inadequate as a result of the hydraulic studies and geotechnical levee evaluations.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Safety of Dams Rehabilitation

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	6	0	$750	($250)

The SOD, originally funded in FY 2001, will continue a multiyear program to rehabilitate all USIBWC dams and to properly address the Safety of Dams Programs. The U.S. Section of the IBWC is solely responsible for operation and maintenance of two diversion dams on the Rio Grande (American and International), and jointly responsible for four international dams (Amistad, Falcon, Anzalduas, and Retamal). 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.

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 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 manmade 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 Dam combined, provide flood protection to approximately 2 million residents and 0.8 million acres of adjoining farmland.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Reconstruction of the American Canal

($ in thousands)

	Positions		Total Funds	Increase/(Decrease
	American	FSN		
FY 2004 Request	5	0	$700	$700

New in FY 2004, this project will provide for the design and reconstruction of the 1938 American Canal. The canal separates U.S. waters from the international portion of the Rio Grande to ensure U.S. deliveries allotted under the 1906 Convention (Treaty). The 1938 American Canal is in poor structural condition and has deteriorated to the point where it may collapse. If the American Canal fails, then the U.S. will be unable to meets its 1906 Treaty obligations, and the recently constructed American Canal Extension will be rendered useless, totally shutting down the U.S. irrigation system in the El Paso Valley.

This project is required to maintain compliance with the 1906 Convention between the U.S. and Mexico. FY 2004 funds will be used for mitigation efforts of cultural resources impacts and the design of Phase 1 (lower segment). The complete Phase 1 design package will include the design for the canal and the environmental treatment of contaminated soil and groundwater.

Colorado River Boundary and Capacity Preservation

($ in thousands)

	Positions		Total Funds	Increase/(Decrease
	American	FSN		
FY 2004 Request	2	0	$100	($400)

The CRP, originally funded in FY 2001, will improve the carrying capacity and stabilize that portion of the lower Colorado River that partially forms the international boundary between the United States and Mexico. 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 the levees in Arizona and Baja California Norte, Mexico.

The river, due to flood events in 1983 and 1993, has filled with approximately 20 million cubic yards of sediment, which threaten the U.S. 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 the Yuma, Arizona area. In addition, the sediment buildup has reduced the flood carrying capacity in the 24-mile international segment of the Colorado River. Mexico has asserted that a salinity problem exists in the water being delivered, an issue that would also be included for study under this project.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Secondary Treatment of Tijuana Sewage

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	1	0	$2,000	($1,000)

Starting in FY 2003, will construct new facilities in both the United States and Mexico as mandated by Public Law 106-457 to address secondary treatment of Tijuana sewage. The project will include a pump station at the existing SBIWTP site; a force main for conveying primary-treated effluent to the WWTP at the Alamar River site; the return pipeline conveying secondary-treated effluent to the South Bay Ocean Outfall; and most importantly, the wastewater treatment plant itself consisting of an aerated pond facility in Mexico. The FY 2004 request will be used to complete planning and environmental studies, and develop a trust fund for the design and construction of the secondary wastewater treatment facilities in the U.S. and Mexico.

Advanced Primary Plant Completion

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$800	$800

New in FY 2004. This project will provide for the design and construction of facilities, not funded by EPA, that are critical to the efficient operation of the plant. The USIBWC desperately needs a maintenance building with specific areas for welding, mechanical, painting, and sand blasting operations to maintain the plant. A new grit chamber is needed, because the existing grit chamber cannot handle the amount of fine grit provided and is prematurely wearing out mechanical parts in the plant. An Administration building is required to house the laboratory, controls, and administration functions of the plant. The FY 2004 Request will fund the design of a Maintenance Building, Grit Chamber, and an Administration Building for the existing Advanced Primary Plant.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

Surfriders Consent Decree Compliance

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,650	$1,650

This project will initiate a two-year study, required by a court consent decree, to assess the impacts of the SBIWTP's discharge on the neighboring coastal marine environment, and identify the source of bacterial pollution. The request will also provide for the coastal marine environment studies required by Court Order. The USIBWC is currently involved in a lawsuit due to noncompliance with the Clean Water Act, California Ocean Plan, and the NPDES permit.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES - CONSTRUCTION

FUNDS BY OBJECT CLASS
($ in thousands)

International Boundary & Water Commission, El Paso, Texas		FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100	Personnel Compensation	$1,042	$1,080	$306	($774)
1200	Personnel Benefits	$317	$328	$93	($235)
2100	Travel & Trans of Persons	$63	$117	$57	($60)
2200	Transportation of Things	$50	$42	$0	($42)
2300	Rents, Comm & Utilities	$55	$55	$0	($55)
2400	Printing & Reproduction	$10	$19	$21	$2
2500	Other Services	$2,458	$5,755	$7,584	$1,829
2600	Supplies and Materials	$255	$255	$121	($134)
3100	Personal Property	$1,200	$1,750	$719	($1,031)
Total		$5,450	$9,401	$8,901	($500)

INTERNATIONAL FISHERIES COMMISSIONS

Proposed Appropriation Language

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, $20,043,000: Provided, That the United States' share of such expenses may be advanced to the respective commissions pursuant to 31 U.S.C. 3324.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

INTERNATIONAL FISHERIES COMMISSIONS

Summary Statement
($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$20,480	0	$19,780	0	$20,043	0	$263

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 since 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 generally recognized principles of ocean use. 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, which entered into force in 2001, 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 and the Antarctic Treaty. These organizations conduct continuing scientific studies of fish stocks and other living marine resources and recommend conservation measures to member governments based on their results. Through the Commissions' ongoing efforts, some 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. The Commission has also implemented closures of the tuna purse seine fishery in the eastern Pacific Ocean both to conserve yellowfin tuna and to minimize catches of small bigeye tuna in the fishery.

Through it's administration of the International Dolphin Conservation Program, the IATTC is the only international organization dedicated to reducing the incidental mortality of dolphins in the tuna purse-seine fishery. This includes one hundred percent observer coverage aboard all tuna purse-seine vessels to monitor compliance with internationally agreed dolphin conservation measures. It also provides 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 recreational and commercial fishery, valued at up to $4 billion annually, depend heavily 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. The 1999 Pacific Salmon Agreement established fishery regimes for most salmon stocks covered by the Treaty. In 2002, the U.S.and Canada successfully negotiated a fishey management plan for coho salmon, the final regime left to be negotiated under the 1999 Agreement. 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: conservation and management of important fish stocks and other living marine resources in the Pacific, Atlantic and Southern Oceans, including adjacent seas; protection of scarce whale populations, dolphins, endangered and threatened sea turtles; scientific research into global fish stocks; and other marine environment issues.

FY 2004 PLANS

The FY 2004 request provides funds to cover membership fees assessed to the U.S., to maintain good standing and voting privileges in each of the commissions and other organizations. The FY 2004 request contains in increase of $263,000 above the level requested for 2003. This includes an inflationary increase of $25,000 for the Pacific Salmon Commission and much smaller inflationary and exchange rate adjustments for several other organizations. It also includes a new contribution of $75,000 to establish a permanent secretariat for the Antarctic Treaty and $100,000 to host the Annual Meeting of the North Pacific Marine Science Organiation in 2004. Funding for the Inter-American Tropical Tuna Commission (IATTC), the Great Lakes Fisheries Commission (GLFC), the International Pacific Halibut Commission (IPHC), the North Atlantic Salmon Conservation Organization (NASCO) and the Inter-American Sea Turtle Convention remains at the same level requested for 2003. In the case of the IATTC this request for level funding follows three straight years of reduced payments in which the annual U.S. contribution to the organization has dropped by more than $1 million.

INTERNATIONAL FISHERIES COMMISSIONS

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Oceans and International Environmental and Scientific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Program Expenses	**$20,480**	**$19,780**	**$20,043**	**$263**
Inter-American Tropical Tuna Commission	$2,181	$2,100	$2,100	$0
Great Lakes Fishery Commission	$13,119	$12,248	$12,248	$0
Pacific Salmon Commission	$2,186	$2,225	$2,250	$25
International Pacific Halibut Commission (IPHC)	$2,100	$2,180	$2,180	$0
Other Marine Conservation Organizations	$894	$1,027	$1,265	$238
International Whaling Commission (IWC)	$121	$110	$116	$6
North Pacific Anadromous Fish Commission (NPAFC)	$85	$101	$104	$3
International Commission for the Conservation of Atlantic Tunas (ICCAT)	$103	$160	$165	$5
Northwest Atlantic Fisheries Organization (NAFO)	$123	$151	$156	$5
Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)	$63	$72	$74	$2
North Atlantic Salmon Conservation Organization (NASCO)	$23	$27	$27	$0
International Council for the Exploration of the Sea (ICES)	$127	$120	$122	$2
North Pacific Marine Science Organization (PICES)	$60	$66	$166	$100
Inter-American Sea Turtle Convention Commission (IASTC)	$100	$120	$120	$0
Expenses of the US Commissioners	$89	$100	$140	$40
Antarctic Treaty	$0	$0	$75	$75
Total	$20,480	$19,780	$20,043	$263

INTERNATIONAL FISHERIES COMMISSIONS

Inter-American Tropical Tuna Commission

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,100	$0

The FY 2004 request will fund program operations, Secretariat, and administrative costs. The funding level requested for 2004 is the same as 2003, after three consecutive years of significant reductions in the U.S. contribution. This reduction has been coupled with successful 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 fishery.

Great Lakes Fishery Commission

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$12,248	$0

The FY 2004 request maintains GLFC funding at the FY 2003 level. 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, acheived a 30 percent reduction in the amount of sea lampricide applied annually, while still delivering a successful sea lamprey control program. The requested funding level will allow sufficient 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.

INTERNATIONAL FISHERIES COMMISSIONS

Pacific Salmon Commission

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,250	$25

The FY 2004 request of $2,250,000 includes a $25,000 increase over FY 2003. 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 2004 Request	0	0	$2,180	$0

The FY 2004 request for IPHC maintains funding at the level of the 2003 request. 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 level of funding 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.

INTERNATIONAL FISHERIES COMMISSIONS

Other Marine Conservation Organizations

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,265	$238

The FY 2004 request includes an increase of $238,000 for these activities, which cover other fishery commissions and organizations, and expenses of the U.S. commissioners. For the following organizations amounts requested for FY 2004 provide for the continuation of programs at the FY 2003 level plus small inflationary or exchange rate adjustments: International Whaling Commission, North Pacific Anadromous Fish Commission, International Commission for the Conservation of Antarctic Marine Living Resources and the International Council for the Exploration of the Seas. As noted above, funding for the North Atlantic Salmon Conservation Organization and the Inter-American Sea Turtle Convention is requested at the same level as FY2003.

International Whaling Commission (IWC)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$116	$6

The FY 2004 request reflects an increase of $6,000 over the FY 2003 level to account for inflation and exchange rate fluctuations. 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.

INTERNATIONAL FISHERIES COMMISSIONS

North Pacific Anadromous Fish Commission (NPAFC)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$104	$3

The FY 2004 request reflects an inflation adjustment of $3,000 over the FY 2003 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 South Korea and China has long been an important U.S. goal.

International Commission for the Conservation of Atlantic Tunas (ICCAT)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$165	$5

The FY 2004 request reflects an increase of $5,000 over FY 2003 level to cover inflation and exchange rate fluctuations. 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.

INTERNATIONAL FISHERIES COMMISSIONS

Northwest Atlantic Fisheries Organization (NAFO)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$156	$5

The FY 2004 request reflects an increase of $5,000 to cover inflation. 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.

Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$74	$2

The FY 2004 request reflects an increase of $2,000 to cover inflation and exchange rate fluctuations. Such funding will provide 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 2004 Request	0	0	$27	$0

The FY 2004 request, unchanged from the FY 2003 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 FISHERIES COMMISSIONS

International Council for the Exploration of the Sea (ICES)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$122	$2

The FY 2004 request reflects an inflation adjustment of $2,000 over the FY2003 level. Such funding will enable 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.

North Pacific Marine Science Organization (PICES)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$166	$100

The FY 2004 request contains a one-time increase of $100,000 to cover associated costs for the U.S. turn to host the PICES annual meeting in 2004. The requested funds will be used to pay for the meeting venue as well as administrative services, logistical support, and travel expenses of key scientists from less developed countries. 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.

INTERNATIONAL FISHERIES COMMISSIONS

Inter-American Sea Turtle Convention Commission (IASTC)

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$120	$0

The FY 2004 request is the same as requested in FY 2003 level. The Convention received the necessary eight ratifications specified in the Convention, and as a result entered into force in May 2001. The first full meeting of the parties to the Convention took place in August 2002. The requested funding represents the U.S. contribution as the new Commission assumes its full workload.

Antarctic Treaty

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$75	$75

This new request for FY 2004 will provide the U.S. share for the establishment of a permanent Secretariat to handle administrative matters for the annual meetings of the Antarctic Treaty Consultative Parties and to provide other services that will greatly improve the efficiency of Antarctic Treaty System operations. The Antarctic Treaty entered into force in 1961, but provides for no permanent support structure. Last year, Treaty Parties agreed to the creation of a permanent Secretariat. The Treaty System oversees scientific and environmental cooperation in Antarctica, and specifically addresses problems involving the marine environment, marine protected areas, and the sea and ice interface. As such the work of the Secretariat will relate to the work of other organizations covered by the IFC appropriation, including the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR), which is a sister organization under the Antarctic Treaty System.

The Antarctic Treaty Consultative Parties are currently negotiating the modalities for establishment of the Secretariat, including staffing and funding issues. Argentina, which will host the Secretariat, has agreed to take various unilateral steps to set up the Secretariat pending resolution of some of these issues. The budget for the Secretariat has yet to be established, but it is generally accepted among the Treaty Parties that it will be a relatively small organization with a staff of four to six people. The funding necessary is estimated to be not more than $2 million per year, which amounts to an approximate contribution of $74,000 per country when divided equally among the 27 Antarctic Treaty Consultative Parties.

INTERNATIONAL FISHERIES COMMISSIONS

Expenses of the US Commissioners

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$140	$40

The FY 2004 request reflects an increase of $40,000 from FY 2003 levels. This increase is primarily to cover the cost of business class travel in cases where such travel is authorized by the Department and by Federal Travel Regulations. 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 2004 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
2500 Other Services	$1,405	$1,405	$1,668	$263
4100 Grants, Subsidies & Contrb	$19,075	$18,375	$18,375	$0
Total	$20,480	$19,780	$20,043	$263

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, $11,204,000, of which not to exceed $9,000 shall be available for representation expenses incurred by the International Joint Commission.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

INTERNATIONAL BOUNDARY COMMISSION

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
8	$989	8	$1,143	8	$1,261	0	$118

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. 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 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 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.

INTERNATIONAL BOUNDARY COMMISSION

FY 2004 REQUEST

The FY 2004 budget request of $1,1261,000 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 field projects; (1) Continuation of reference monument maintenance, surveys and boundary line demarcation along the St. Francis River segment of the Maine-Quebec boundary and a GPS survey along the St. John River; (2) continuation of vista re-clearing and boundary monument maintenance along the Idaho, Montana-British Columbia boundary, (3) vista clearing and monument maintenance along the North Dakota, Minnesota-Manitoba boundary in the Turtle Mountains, and the Pembina Hills; and (4) A GPS survey from the Northwestern Point of Lake of the Woods 49th Parallel along a section of the Minnesota-Manitoba/Ontario 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

The FY 2004 budget request of $1,261,000, an increase of $118,000, supports the IBC in meeting minimum Treaty Requirements. Due to the terrorist attacks on September 11th, security along the boundary between the U.S. and Canada has increased tremendously over the past year. Increases are requested to replace aging GPS equipment ($90,000) and wage and price increases ($28,000).

Since 1997 the chairman of the International Joint Commission has also served as the International Boundary Commission commissioner without compensation.

INTERNATIONAL BOUNDARY COMMISSION

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Boundary Commission, U. S. & Canada	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
International Boundary Commission	**$989**	**$1,129**	**$1,261**	**$132**
IBC - Operations	$494	$630	$711	$81
Maine-New Brunswick/Quebec	$118	$174	$136	($38)
Washington/Idaho/Montana-British Columbia/Alberta	$234	$173	$274	$101
Montana/Idaho/British Columbia/Alberta	$143	$152	$0	($152)
Minnesota/North Dakota/Manitoba	$0	$0	$126	$126
Minnesota/Manitoba/Ontario	$0	$0	$14	$14
Pension/Health Benefits Full Cost Adj.	**$0**	**$14**	**$0**	**($14)**
Total	$989	$1,143	$1,261	$118

IBC - Operations
($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	8	0	$711	$81

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 2004 Request	0	0	$136	($38)

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.

INTERNATIONAL BOUNDARY COMMISSION

Washington/Idaho/Montana-British Columbia/Alberta

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$274	$101

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.

Montana/Idaho/British Columbia/Alberta

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$0	($152)

Boundary monument recovery, repair, rebuilding and/or establishing new monuments over this 600 mile section of the 49th Parallel.

Minnesota/North Dakota/Manitoba

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$126	$126

Vista clearing and monument maitenance along the North Dakota, Minnesota-Manitoba boundary in the Turtle Mountains and Pembina Hills.

INTERNATIONAL BOUNDARY COMMISSION

Minnesota/Manitoba/Ontario

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$14	$14

A GPS survey from Northwestern Point of the Woods to the 49th Parallel along a section of the Minnesota-Manitoba/Ontario boundary.

INTERNATIONAL BOUNDARY COMMISSION

FUNDS BY OBJECT CLASS
($ in thousands)

International Boundary Commission, U. S. & Canada	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100 Personnel Compensation	$463	$576	$638	$62
1200 Personnel Benefits	$202	$272	$286	$14
2100 Travel & Trans of Persons	$106	$115	$116	$1
2300 Rents, Comm & Utilities	$31	$31	$33	$2
2400 Printing & Reproduction	$5	$0	$0	$0
2500 Other Services	$104	$78	$10	($68)
2600 Supplies and Materials	$63	$56	$75	$19
3100 Personal Property	$15	$15	$103	$88
Total	$989	$1,143	$1,261	$118

INTERNATIONAL JOINT COMMISSION

Summary Statement
($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
24	$6,882	24	$7,456	24	$7,810	0	$354

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 International Joint Commission – Preventing and Resolving Disputes

The Boundary Waters Treaty of 1909 established the International Joint Commission (IJC) to provide continuous oversight of water resources projects along the U.S.– Canadian border, to license their use and control their operations. Other, separate, treaties and conventions permit the IJC to evaluate progress in restoration of the waters of the Great Lakes, and, in specified transboundary basins, to deal with emergency water level conditions, apportion flows and approve diversions. The IJC operates through small section staffs in Washington and Ottawa, Canada (Canadian funded), and a binational, jointly funded Great Lakes Regional Office in Windsor, Canada.

The Boundary Waters Treaty gives the IJC the responsibility for approving and overseeing the operation of hydropower dams and other projects in waters along the U.S.-Canadian border to protect all interests from the effects of the projects. When the IJC approves such projects, a board typically is established to oversee construction and operation of the project. The board assures that treaty requirements are met and helps the IJC carry out regulatory functions under international agreements. As required, the IJC, through its control and study boards, conducts studies to review the operational criteria for projects under IJC jurisdiction. In addition, the Boundary Waters Treaty provides that the U.S. and Canadian governments refer questions or matters of difference to the IJC for examination and report. When such a Reference is received, the IJC appoints an investigative board or task force for advice on the matters addressed in the Reference. The IJC currently operates through 17 active boards and task forces and their technical working groups and committees. This activity is carried out by over 300 professionals from within government agencies, academe and the private sector and who carry out his work in their personal and professional capacities and not as representatives of their organizations.

The IJC assists the Governments of the United States and Canada in preventing and resolving issues and disagreements regarding the use of water, and in addressing other environmental issues affecting or potentially affecting either or both of the countries. It also helps identify and highlight the emergence of issues which directly or indirectly threaten the quality or quantity of boundary waters and to assess emerging initiatives in science, engineering and administration that could benefit the management, security or conservation of those resources. Since the establishment of the IJC, the two governments have requested, on more than 120 occasions, that the Commission consider applications for work on boundary waters and undertake studies, or "references," on critical issues about which they disagree or on which they seek the advice of the Commission.

INTERNATIONAL JOINT COMMISSION

CURRENT PROGRAMS

During FY2003, the IJC is:

- Continuing 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) 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.

- Initiating the study to determine changes required in 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). Major efforts in this Upper Great Lakes Study will 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 River Study.

- Continuing to manage water levels and flows in the Great Lakes and other boundary waters to achieve an appropriate balance among the many significant interests dependent on or affected by water levels. Continued unpredictable water supplies and greater demands on the resource, especially in the Western border region, draw further attention to water level issues along the 5000-mile boundary.

- Beginning the development of a Plan of Study to define the work needed to review the Commission's Orders of Approval governing operation of the control structure near the outlet of Osoyoos Lake, which expire in February 2013 unless renewed. Public consultations are anticipated as an integral component of this effort. Concerns raised by the public include potential 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.

- Continuing work on references and applications issued to it by the two governments over the past two years and those expected to be issued during 2003 and carrying out its responsibilities under the Great Lakes Water Quality Agreement. These activities include:
  - Identifying additional candidates for international watershed boards – either pre- pilot, pilot or full status – in the U.S.-Canada border region. This identification will remain a primary objective for the IJC in order to improve cross-border communication, promote an ecosystem approach and facilitate local and regional problem solving. Recognizing the long-term nature of this initiative, the IJC will seek and develop opportunities within its existing boundary watersheds to promote the value inherent in an international watershed board to regional and local entities uncomfortable or unfamiliar with the concept. As part of this effort, the IJC plans to continue to nurture and promote the initial, pre-pilot board, evaluating its early efforts to coordinate watershed agencies and activities and its role as an interagency information provider within the watershed. Activities and programs and practices that promote the ecosystem approach that have potential applicability for other watersheds will be evaluated and promoted where appropriate. In early 2003 it will submit to governments its biennial report on progress in developing International Transboundary Watersheds.

- Conducting an analysis of common groundwater and climate change issues in boundary areas outside the Great Lakes Basin and completion and submission, at the request of the governments of the U.S. and Canada, of a review of state and federal actions in response to the IJC 2000 report, *Protection of the Waters of the Great Lakes.*

- Conducting assessments of progress in remediating clean up of areas of concern designated under the Great Lakes Water Quality Agreement, conduct of a biennial Great Lakes Forum and continuation. of work on its 12th Biennial Report on progress under the Agreement.
- Conducting investigations by IJC Great Lakes Agreement Boards, under their 2002-2004 Priorities Reporting, of:
  - The impact of urbanization on the Great Lakes with a focus on non-point source activity.
  - The impact of potential climate change on Great Lakes levels and the consequent effects on Great lakes ecosystems in order to create a compendium of the scientific and other work that has been undertaken to address these issues.
  - Source-receptor relationships for atmospheric deposition of mercury in the Great Lakes
  - Community health in areas of concern
  - Impediments to progress in delisting areas of concern.
- Subject to the receipt of referrals from governments:
  - Assessing potential transboundary effects of the proposed emergency outlet from Devil's Lake in North Dakota into the Red River of the North;
  - Developing policies and procedures for the governments to prevent the introduction of alien aquatic invasive species into the Great Lakes.
  - Reviewing a potential application for construction a new bridge between Buffalo, New York and Fort Erie Ontario over the Niagara River; and,
  - Considering regulation of outflows from Lake Metigoshe affecting North Dakota and Manitoba.
- Continuing to report on issues of atmospheric pollution of a transboundary nature across the entire US-Canadian border region, with special attention to atmospheric transport of pollutants to, from and within the Great Lakes Basin with consequent deposition into the Great Lakes, and within the Detroit-Windsor/Port Huron-Sarnia corridor along the Detroit River. These latter two actions directly respond to continuing specific air quality References of the region, notably the Great Lakes Water Quality Agreement (Annex 15) and the Detroit-Windsor Air Quality Reference.
- Supporting government's programs to monitor water levels and flows in several boundary and transboundary rivers and to meet apportionment requirements.
- Developing internet-based methodologies to share data acquired through the extensive studies of the Great Lakes - as well as information acquired from other future studies - with interested members of federal, state and local governments, academics and NGOs. This valuable resource should be made widely and easily available to any and all interested parties.
- Conducting public meetings along the border to receive public comment and advice on all significant areas of IJC responsibility. .

- Continuing management of the apportionment of water of the St. Mary and Milk Rivers between water users in Alberta, Saskatchewan and Montana as mandated by the Boundary Waters Treaty of 1909 and apportionment of the water of the Souris River among users in Manitoba, Saskatchewan and North Dakota.

INTERNATIONAL JOINT COMMISSION

FY2004 REQUEST

The FY 2004 request of $7,810,000 reflects an increase of $354,000 over the FY 2003 request. The requested increase supports full funding of ongoing and planned IJC studies including wage and price increases for the operations of the IJC and the special investigations by the U.S. Geological Survey ($177,000), trans-boundary watershed board activity ($100,000) and work being conducted under current and potential

References to the IJC from governments ($77,000). The total FY 2004 request provides $1,311,000 for the fourth year costs 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 $2,260,000 for the U.S. share of the costs for the second year of the three –year binational study of the Upper Great Lakes examining the regulation of Lake Superior outflows and their influence on Lakes Superior, Huron, Michigan and Erie.

During FY 2004, the IJC proproses to:

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

- 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 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. Significant variations in water levels have and will continue to create social and economic impacts throughout the Great Lakes basin. Development of updated orders for these control structures is a fiscal and environmental imperative.

- Major FY2004 projects in the Lake Ontario - St. Lawrence Study will include finalization of studies of wetland habitat, recreational boating uses, municipal and industrial water uses, navigation requirements and hydropower forecasts, application of hydrologic and hydraulic regulation models to evaluate, under a pubic-centered, shared vision structure, feasible alternative regulation approaches, and continuation of other public involvement activities. Major efforts in the Upper Lakes Study include development of hydrologic and hydraulic evaluations, application of evaluation models, and continuation of environmental studies, coastal zone assessments, and the basin-wide public involvement program. Evaluation models and methods developed in the Lake Ontario - St. Lawrence study will be employed in the Upper Lakes study.

- The IJC will continue work on references (requests for IJC studies) issued to it by the two governments over the previous fiscal years and those expected to be issued during FY 2004 and will carry out its responsibilities under the Great Lakes Water Quality Agreement. These activities include:
- Continuing development and maturing of international watershed boards in the U.S.-Canada border region for the purpose of improving cross-border communication, promoting an ecosystem approach and facilitating local and regional problem solving;
- Continuing the analysis of common groundwater and climate change issues in boundary areas outside the Great Lakes Basin at the request of the governments of the U.S. and Canada;

INTERNATIONAL JOINT COMMISSION

- Assessing progress in remediating clean-up of areas of concern designated under the Great Lakes Water Quality Agreement and submitting to governments of its 12th Biennial Report on progress under the Agreement.
- Initiating of a multi-year review of orders for regulation of the controlling structure on the Okanogan River in British Columbia and Washington and several orders on structures on the Kootenay River in British Columbia and Idaho.
- Subject to the receipt of referrals from governments, continuing a program to harmonize and coordinate binational programs to prevent the introduction of aquatic alien invasive species into the Great Lakes and assessing progress by the governments in this effort, performing a follow-up to an assessment of potential transboundary effects of a proposed emergency outlet from Devil's Lake in North Dakota and the assessment of a proposed mine on the Taku River in British Columbia that may pose a risk of substantial damage to the salmon fishery in Alaska; and
- Supporting the U.S. Government's program to monitor water levels and flows in several boundary and transboundary rivers and to meet apportionment requirements. This work is accomplished through an interagency agreement with the United States Geological Survey (USGS).

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Joint Commission, U. S. & Canada	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Program Expenses	**$6,882**	**$7,456**	**$7,810**	**$354**
U.S. Section	$6,362	$6,922	$7,263	$341
Special & Technical Investigations by U.S. Geological Survey	$520	$534	$547	$13
Total	$6,882	$7,456	$7,810	$354

INTERNATIONAL JOINT COMMISSION

U.S. Section

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	24	0	$7,263	$341

In addition to funding the Lake Ontario – St Lawrence and Upper Lakes studies, the FY 2004 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 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 2004 Request	0	0	$547	$13

The FY 2004 request for the USGS is $13,000 above the FY 2003 request 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.

INTERNATIONAL JOINT COMMISSION

FUNDS BY OBJECT CLASS
($ in thousands)

International Joint Commission, U. S. & Canada	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
1100 Personnel Compensation	$2,088	$2,151	$2,176	$25
1200 Personnel Benefits	$511	$525	$531	$6
2100 Travel & Trans of Persons	$325	$332	$336	$4
2300 Rents, Comm & Utilities	$151	$154	$156	$2
2400 Printing & Reproduction	$77	$79	$80	$1
2500 Other Services	$3,203	$3,677	$3,986	$309
2600 Supplies and Materials	$68	$69	$70	$1
3100 Personal Property	$138	$141	$143	$2
4100 Grants, Subsidies & Contrb	$321	$328	$332	$4
Total	$6,882	$7,456	$7,810	$354

BORDER ENVIRONMENT COOPERATION COMMISSION

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$2,040	0	$2,083	0	$2,133	0	$50

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 25% 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 $30.5 million from EPA for grant assistance for the development of water and wastewater infrastructure projects through the end of CY 2002. Total project needs identified for technical assistance, are approximately $7.4 million for FY 2003. The BECC's operating funds are used for solid waste and projects identified under other related matters. 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 projects under other related matters 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 projects under other related matters. The BECC has been unable to secure other funding sources to cover these areas.

During FY 2003, over 30 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. 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. 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 2004 request increases funding by $50,000 over the FY 2003 request. 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Technical Assistance Program	**$1,997**	**$2,029**	**$2,078**	**$49**
Public Involvement and Public Outreach Process	**$43**	**$54**	**$55**	**$1**
Total	$2,040	$2,083	$2,133	$50

BORDER ENVIRONMENT COOPERATION COMMISSION

Technical Assistance Program

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,078	$49

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, 70 environmental infrastructure projects with an estimated investment of $1.3 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 51 applications in 2002. Forty-seven 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 47 projects, 44 are under development and 3 were certified. The BECC expects to certify 25 projects in FY 2004. To address these needs in FY 2004 the BECC efforts are directed toward the following primary objectives:

Developing Crucial Infrastructure. During FY 2004, the BECC plans to initiate $7.4 million in project development and final design technical assistance contracts and services with 50 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 50 border communities in the United States and Mexico in FY 2004 of which 9 of these border communities have been identified as having solid waste needs and 17 as having needs under other related matters. 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 NADB. Absence of funding for solid waste and other related matters prevents the Commission from addressing the full nature of the pollution problems throughout the border region. Failure to develop priority solid waste and projects under other related matters 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 2004 Request	0	0	$55	$1

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 2004, 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.

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BORDER ENVIRONMENT COOPERATION COMMISSION

FUNDS BY OBJECT CLASS
($ in thousands)

Border Environment Cooperation Commission	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
2500 Other Services	$2,040	$2,083	$2,133	$50
Total	$2,040	$2,083	$2,133	$50

RELATED APPROPRIATIONS

The Asia Foundation
National Endowment for Democracy
East-West Center
Eisenhower Exhchange Fellowship Program
Israeli Arab Scholarship Program

Summary Statement

($ in thousands)

Appropriations	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
The Asis Foundation	$9,250	$9,444	$9,250	($194)
National Endowment for Democacy	$33,500	$36,000	$36,000	$0
East-West Center	$14,000	$14,280	$14,280	$0
Eisenhower Exchange Fellowship Program	$500	$500	$500	$0
Israili Arab Scholarship Program	$375	$375	$375	$0
TOTAL APPROPRIATIONS	$57,625	$60,599	$60,405	($194)

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THE ASIA FOUNDATION

Proposed Appropriation Language

PAYMENT TO THE ASIA FOUNDATION

For grant to the Asia Foundation, as authorized by the Asia Foundation Act (22 U.S.C. 4402) as amended, $9,250,000, to remain available until expended, as authorized.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

THE ASIA FOUNDATION

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$9,250	0	$9,444	0	$9,250	0	($194)

OVERVIEW

The Asia Foundation's programs contribute to the stability of key countries in Asia, reduce the threat of extremism and strengthen U.S.-Asian relations. As a nongovernmental grant making organization that will mark its 50th anniversary of programming in Asia in 2004, the Foundation plays an important complementary role to official efforts to advance U.S. interests in the region. In the post-September 11 period, this support is essential and must be expanded, given U.S. security interests. Through its network of 15 country offices and programs in Asia, the Foundation has an unequaled reputation among Asian government, civil society, and the private sector organizations as a trusted, effective American actor in the region. The events of September 11 and the ensuing War on Terrorism have underscored the importance and continuing relevance of the Asia Foundation's mission and mandate: to develop institutions of governance that can more effectively mediate among competing interests in increasingly complex and diverse societies; to support civil discourse and conflict resolution; to expand economic opportunity to improve the quality of life and give more people a stake in stability; and to promote better understanding between the U.S. and countries in Asia. In the current context, the Foundation's programs in Afghanistan, Indonesia, Pakistan, Bangladesh and the southern Philippines are particularly critical, as are its continuing programs related to China, the Korean Peninsula and Indo-Pakistan relations.

The Foundation's hallmark is to make sequential grants to steadily build institutions, develop leadership, and advance needed policy reforms. The Foundation capitalizes on its longstanding presence, in-depth knowledge, and broad contacts in the region to build the capacity of reformers, including moderate religious leaders, and, to provide support of those working to strengthen democracy, the rule of law, tolerance, and economic opportunity, as a part of the comprehensive, long-term struggle against extremism and terrorism in all forms. As a private grantmaker, the Foundation delivers concrete programs at both the grass-roots and policy levels to build the capacity of institutions of democratic governance, law and open market systems, and supports local groups and individuals advocating reform. Asia Foundation programs have consistently made an important contribution to U.S. –Asian relations, and played a key on-the-ground role in Asia, where problems of governance and the challenges of managing diverse and rapidly changing societies have become increasingly complex. Foundation programs draw on an essential combination of strengths, including a depth of understanding and sensitivity to local and regional political and economic developments; widespread governmental and non-governmental contacts; the ability to react quickly to identify and develop timely program responses to key foreign policy issues and opportunities; and proven capacity as a program manager with grant-making flexibility.

The Asia Foundation plays an important role in helping the U.S. government attain its goals in Asia and the Pacific, achieving results on issues that may be difficult for the U.S. government to address directly (especially issues related to religion and ethnicity), and can operate in locations where the U.S. government no longer maintains an official development presence. Many times, the Foundation has been encouraged by the Department of State in its early overtures to countries emerging from 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. 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.

The U.S. government receives a high return on its investment in the Foundation, with respect to the Foundation's results-oriented role in advancing national foreign policy interests, its efficient use of resources, its flexibility and rapid response, and its ability to leverage additional funds to broaden 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:

- 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 at a time when official U.S. presence (e.g., USAID) in the region has been reduced;
- 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 recent case of rapid assistance to Afghanistan;
- 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.

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 sector; supporting policies and institutions required for open markets, trade, and investment; increasing opportunities for women's political 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, supporting key policy reforms, promoting leadership development, and broadening in-country and regional dialogue.

Democratic Institutions, the Rule of Law, and Civil Society

The Foundation strengthens parliamentary processes, supports democratic elections, fosters accountability within governments, promotes the rule of law, and encourages a vibrant civil society. Foundation support focuses on the performance of those institutions and their ability to enhance the lives of the public they serve. For example, the Foundation has:

- Provided substantial assistance to 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. In 2002, the Foundation gave special attention to building the capacity of research and information services, and providing orientation and training for new members in national and provincial parliaments in Indonesia, and Pakistan.
- Supported election programs in Bangladesh, Cambodia, China, Indonesia, and Thailand. In 2002, the Foundation played a lead role in donor coordination in Bangladesh in support of national election monitoring, where 100% coverage was achieved for the first time, and in an extensive voter education campaign. In Cambodia, the Foundation was the most active American organization in voter education for the first-ever commune elections, and support for domestic election monitors throughout the country. In Afghanistan, the Foundation was the only American organization to provide immediate

technical assistance to the United Nations, and international monitors to observe the delegate selection in different parts of the country, in support of the Loya Jirga process.

- Strengthened legal reform efforts across Asia. This has included support for drafting new laws, strengthening judicial and legal institutions, and building capacity for alternative dispute resolution. In China, in 2002, the Foundation supported programs to broaden public legal education and awareness, provide legal aid services to citizens, revise legislation on administrative law, expand mediation at local levels, and train provincial and municipal legal officials in WTO compliance. In East Timor, the Foundation was the only American organization to support East Timor's constitutional drafting process. The Foundation is supporting administration of justice reform programs in the Philippines, judicial and legal reform in Indonesia and Pakistan, and substantial human rights advocacy, education and training programs in Cambodia, 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 largest supporter of the nongovernmental sector in Asia, building the institutional program capacity of NGOs throughout the region and improving the regulatory environment for NGOs. In Cambodia, the Foundation is the only American organization to support critically needed human rights organizations and the well regarded Cambodia Documentation Center. In 2002, the Foundation supported a wide range of Indonesian NGOs to develop inter-ethnic and inter-faith programs; mass-based Muslim organizations to promote moderation and tolerance through the media and public awareness programs; and development of a new civic education curriculum to promote an understanding of democracy for the network of 47 State Islamic Institutes throughout the country. In Nepal, the Foundation mobilized women's groups to increase awareness and fight domestic violence and trafficking of women and girls.

Open Markets, Trade and Investment

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, working directly in economic policy issues, and also through governance reform that support transparency, accountability, and the rule of law. Examples of specific activities include support for:

- Improvement of intellectual property rights protection, strengthening anti-corruption laws, and establishing private, commercial dispute resolution organizations. In the Philippines, the Foundation supports a coalition of NGOs to work with executive branch agencies in analyzing the anti-corruption efforts of ten government agencies and assist in reform efforts to curb corruption. In 2002, the Foundation worked with seven cities in Mindanao to help devise counter-corruption programs and respond to reform agendas proposed by the business community for economic growth.
- Small and medium enterprise (SME) development, an area critical to generating economic growth, employment, and more balanced income distribution, particularly for countries continuing to experience the affects of the 1997 economic crisis. In 2002, in Indonesia, the Foundation focused on reducing the systemic barriers within the financial sector that impede lending to small businesses and microenterprise, and reducing constraints on the flow of critical business information through the use of new technologies. The Foundation has been consulted by major donors such as the World Bank, Asian Development Bank and IMF, and has facilitated discussions between the donor agencies and the Indonesian SME sector to identify and implement a reform agenda.
- Regional organizations such as Asian-Pacific Economic Cooperation (APEC) forum and the Pacific Economic Cooperation Council (PECC), which are committed to open trade and investment in the Pacific Region. In 2002, the Foundation supported the Pacific Asia Free Trade and Development (PAFTAD) conference, a group of leading Pacific Rim trade economists, to consider the economic

implications of competition policy reform, and continued its longstanding support of the Pacific Economic Outlook publication of the PECC. The Foundation has also supported training and research programs to address needed financial sector policy reforms, including the challenges to implementation, and the institutional development of non-governmental and government organizations critical to the reform process.

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, access to political processes and economic opportunities. The Foundation helped launch the first regional women's political network focused on increased women's participation in local politics in Asia, through leadership development and candidate training. In 2002, in Indonesia, the Foundation supported ground-breaking programs working with religious scholars to publish progressive interpretations of Islamic texts pertaining to women, and trained Muslim women preachers to include concepts of human rights and democracy in their work. In Vietnam, the Foundation supported training in micro-enterprise development and income generation skills for women, and in China, provided support for legal aid and health and education services for migrant women workers in southern China.

The Foundation also supports programs that help advance the basic rights of women, raise awareness, and address issues of domestic violence and trafficking through public education campaigns and training programs in the region. In 2002 in Nepal, 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 in the reintegration of rescued women. The Foundation has also has supported one of the only successful efforts to protect women in Western Nepal, an area which has been the hotbed of activity for the Maoist insurgency.

Through its Global Women in Politics program, the Foundation helps to communicate successful approaches, strategies, and models for increasing women's participation in political and economic life from Asia to Africa, Latin America, and the Middle East. The program also enables Asian women to adapt successful international models for application in Asia.

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, and regional economic policy, and supports diplomatic efforts to address security issues through informal multilateral and bilateral dialogues. The Foundation is the first and only American organization to support 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 Asian human rights specialists, the Foundation has supported projects focused on reducing impunity and most recently, the establishment of a Master of Law in Human Rights degree at the University of Hong Kong. In 2002, the Foundation supported the six Asian human rights advocates and practitioners for one year of academic study in the program, representing Cambodia, Indonesia, Korea, and Mongolia.

The Foundation has supported and participated in several U.S.-China bilateral dialogues. In collaboration with Harvard University's Fairbanks Center for East Asian Studies, it supports an ongoing trilateral dialogue among China, Japan, and the United States. Senior level representatives from the public and private sectors attended in their personal capacities, to discuss a broad range of issues, including regional security, economic issues, and China-Taiwan relations.

In 2002, the Foundation supported important bilateral dialogues, reinvigorating important informal channels between American policymakers and counterparts in Vietnam and Thailand, respectively. The Foundation

also continued its longstanding fellowship program for mid-career diplomats of the Chinese Ministry of Foreign Affairs. For the first time, the Foundation also supported a new fellowship program with the Indian Ministry of External Relations.

FY 2004 PLANS

The multifaceted nature of the challenges facing Asia today present a significant concern for U.S economic, political and security interests in the region. These include keeping the peace in Afghanistan, fighting terrorism in Pakistan and Southeast Asia, a growing Maoist insurgency in Nepal, cross-border conflict between India and Pakistan, and domestic political and economic instability in many countries in the region, including Indonesia and the Philippines, and potentially, China. Compounding the situation are the global economic slowdown and regional security concerns, particularly related to North Korea, in the region, and the continuing fragility of Asia's new democracies.

Given its history, experience, and credibility, the Foundation is uniquely positioned to contribute to and complement official U.S. efforts in the region. In FY 2004, the Foundation will actively build on programs to improve and deepen democracy, the rule of law, and civil society; expand expand open markets, trade and investment; increase women's political participation; and encourage stable and cooperative relations among nations in the Asia-Pacific region.

JUSTIFICATION OF PROGRAM ACTIVITIES

The Foundation has been actively building on over 30 years of programs and experiences with moderate Muslim religious leaders in Asia to promote dialogue and strengthen support for democratic governance. In unstable countries such as Afghanistan, Nepal, Pakistan, and Cambodia, the Foundation is working to promote free and fair elections, constitutional development, and local government reform. The Foundation will support improved governance practices and strengthened democratic institutions, including more accessible legal systems and protection of human rights; increased citizen participation in public policy dialogues that promote democratic pluralism and tolerance; increased economic opportunity through small business development, by reducing outmoded bureaucratic requirements and corrupt practices; and the development of stronger, more effective open market economies. Asia Foundation programs also serve to protect women's rights and combat trafficking, build new mechanisms for conflict mediation, strengthen bilateral and regional security dialogues, and, broaden understanding in Asia of U.S. foreign policy and American society.

The request for operating activity expenses reflects the current indirect cost rate negotiated between the Department of State and The Asia Foundation, which is 14% of the total of appropriated funds.

The FY 2004 request of $9,250,000 is necessary to meet the increasing demand for Foundation programs, which have been limited by budgetary constraints. This request comes at a time in history when Asia faces its most significant challenges. The war on terrorism has changed the landscape for national security in the region, with newly discovered links between terrorist networks in Afghanistan, Pakistan, Indonesia and other countries in Asia. This discovery has changed how the U.S. views Asia, as well as how Asians, particularly those in predominantly Muslim countries, view the U.S. At the same time, the region's economic progress is in large part tied to governance and legal reforms that must be undertaken, but require politically sensitive solutions. This year has witnessed both a strengthening of U.S. alliances in the fight against terror, but also a clear signal that the internal weaknesses of certain countries pose a significant threat to regional peace and stability, as in Indonesia and the Philippines. The increased complexity of problems in Asia requires flexible and creative solutions based on knowledge and relationships within the

region, 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, but also strengthen efforts to increase tolerance and moderation among the region's Muslim populations, and address growing anti-Americanism: Programs will include urgent legal reform programs to improve the regulatory environment, including the need for increased transparency and accountability, and the protection of citizens' rights. The Foundation is planning to support an expanded program in Afghanistan, Pakistan, China, and Indonesia as key countries in the region.

Appropriated funds are critical to the Foundation's ability to attract private and other funds. Given the downturn in the economy, the Foundation expects to raise $3.5 million in private project funds in FY 2004. The Foundation will also receive in-kind contributions, such as books and software, which are distributed through its Books for Asia program.

THE ASIA FOUNDATION

Program Grants and Services

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$7,954	($168)

The FY 2004 request will enable the Foundation to directly support U.S. foreign policy goals through a wide range of programs that strengthen and reinforce 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 through tailored, on-the-ground programs. The Foundation is engaged in a groundbreaking effort in Cambodia to promote information dissemination on party positions and expanded voter education in preparation for the national elections in 2003, a priority in a country where the government's control of information has determined electoral outcomes. In Nepal, the Foundation's programs to encourage public debate and voter education through public policy fora and domestic election monitoring, while in Pakistan, the Foundation has supported media campaigns to get out the vote. All of the programs seek to encourage citizen participation and issue-based campaigns in order to strengthen the electoral process in countries where democracy remains fragile. In order to ensure a free and fair national election in Indonesia in 2004, the Foundation is the only organization that will support a broad based voter education and election monitoring program through Muslim organizations, based on the Foundation's groundbreaking experience in 1999.

The Foundation plays an important role in countries where USAID no longer has a field presence or has suspended operations. In Pakistan in recent years, the Foundation's Pakistan NGO Initiative succeeded in delivering community-based services in health and education through the strengthening of NGOs throughout the country. In Thailand, where the Foundation has worked in cooperation with Thai institutions under the Accelerated Economic Recovery in Asia (AERA) project to support politically sensitive counter corruption programs. With renewed USAID programs in these two countries in the post-September 11 period, the Foundation's continuous role has been an important resource and link for re-establishing formal bilateral relationships.

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 institutions and key individuals in law, governance, and economic reform programs. This includes the Foundation's extensive programs in administrative law reform, in which Chinese and American legal scholars are currently reviewing legal options that will lead to the development of a new Administrative Procedures Act. The legislation is intended to regularize the structures and operations of Chinese government agencies and reduce arbitrary and abusive practices by government officials. The Foundation is also engaged in a major effort to help reform administrative laws and regulations that are related to China's WTO compliance requirements.

During the course of FY 2004, the Foundation expects to make approximately 800 grants to organizations in Asia. The following are examples.

Democracy, the Rule of Law and Civil Society

Strengthening formal governmental institutions - including the constitutional framework, the legislative branch, and the judiciary - and encouraging the development of civil society have long been the hallmarks of the Foundation's programs in Asia. Democracy, law, and support for civil society have been and continue to represent the largest component of the Foundation's grant making programs for the development

and reform of Asian institutions and policies. The requested funding will support governance, decentralization and legal reform programs in China, Indonesia, the Philippines, Sri Lanka, Thailand, and Vietnam. Foundation-supported activities will include 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. They will also include expanded programs in the pre-dominantly Muslim countries of Asia, to try to improve understanding between the U.S. and the Muslim world, and at the same time, encourage tolerance, moderation, and pluralism.

In Afghanistan, the Foundation will provide technical assistance to the Constitutional, Judicial and Human Rights Commissions and policy analysis of the transitional government, and build on the Loya Jirga experience to encourage the delegates selected for that process to continue to represent their constituents and articulate local needs and interests. At present, in the absence of a legislative body at any level, these delegates represent the only elected representatives of the Afghan people.

The political and economic challenges facing Indonesia loom large, as the country experiences serious violence, instability and challenges to its political leadership. Building on its strong track record and broad access throughout the country, the Foundation will continue support to civil society networks, including Muslim organizations to strengthen civic education, human rights and legal aid (especially in Aceh, Papua and the Malukus), assist inter-faith and inter-ethnic efforts to increase cooperation and tolerance, support initiatives to address the economic and political marginalization of women, and expand alternative dispute resolution. The Foundation will provide increased support to moderate Muslim groups to counter extremist views in Indonesia, through the strengthening of media campaigns and radio broadcasts, outreach to youth and women's groups, and the distribution of relevant publications and journals throughout the country.

The Foundation will also support substantive law reform efforts in Indonesia, and will provide additional support to the National Parliament which is gaining strength and importance, and where, for the first time in 40 years, members are drafting their own legislation and reform proposals. This includes technical assistance, initiatives to work with NGOs on constitutional reform, freedom of information, the introduction of a law on lawmaking and regulation of the legal profession. The Foundation has re-invigorated its programs with the law schools and programs with the Ministry of Justice and Supreme Court on legal and judicial initiatives, under the leadership of a reform-minded Chief Justice. The Foundation will continue its support to mass-based Muslim organizations working in Aceh on human rights issues, education and advocacy and to NGOs in Papua working to document human rights abuses in that troubled province.

In East Timor, the Foundation will continue to support human rights groups and will initiate a new comprehensive program on Access to Justice. The program seeks to build an independent judicial system through technical assistance and engagement of civil society in judicial reform; establish legal aid services and dispute resolution systems; and increase citizen awareness and knowledge of the judicial system through public legal education.

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 to develop the capacity for administration of village level elections, research on and support for reform of urban neighborhood committees, and support for the growing non-profit sector. For the past 23 years, the Foundation has supported programs in legal reform in China, 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 Thailand, where corruption remains one of the most significant problems facing the country, the Foundation will provide support to the National Counter Corruption Commission and selected academic institutions to draft constitutional and procedural reforms to implement e-governance solutions to curb graft and corruption in government. Foundation efforts will continue support to NGO coalitions to promote informed citizen contributions and ensure the effective implementation and enforcement of new constitutional protections.

In Pakistan, the Foundation will conduct a program of legislative training for new members of the National Assembly and provincial assemblies across the country in order to instill a new sense of responsibility to constituents and performance based standards for new members.

In Nepal, the Foundation has underway 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, and will work through local Village Development Councils and Municipalities to strengthen local alternative dispute resolution mechanisms, building on the new, decentralized authority of local leaders. The Foundation will strengthen the judiciary through publishing court decisions and work with NGOs to improve the accountability of the judiciary, based on the blueprint for legal and judicial reform in Nepal that grew out of a Foundation supported national survey on the judiciary.

In Sri Lanka, the Foundation will continue to assist the National 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 Province, encouraging non-violent modes of conflict resolution, and promoting confidence in the administration of justice. The Foundation will also support programs that contribute to the peace process, given the progress to date of negotiations between the government and the Liberation Tigers of Tamil Eelam (LTTE).

In Cambodia, the Foundation will work with the NGO community to conduct nationwide election monitoring and voter education programs, including the use of new technologies to disseminate election information, and domestic election monitoring. Other programs will support economic and social development efforts in former Khmer Rouge areas as well as extensive training programs in good governance and human rights.

In the Philippines, the Foundation will continue to work with the Office of the President to advance the peace process in Mindanao through the training of local monitoring teams to monitor the implementation of the peace agreement between the government and the Moro Islamic Liberation Front (MILF).

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 compliance with international human rights conventions, and national conferences and workshops on human rights education. The group is also developing a plan to increase Cambodia's and Vietnam's interaction on human rights within this ASEAN initiative.

THE ASIA FOUNDATION

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 Asian governments to improve economic performance. The Foundation's programs also complement official U.S. initiatives to address the critical link between the economic problems and issues of corruption, government transparency, and accountability.

In Indonesia, the request for FY 2004 will enable the Foundation to build upon and expand its successful and innovative program in small and medium-enterprise (SME) policy reform program. The SME program focuses on identifying and reducing 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 works with food producers, regarding halal customs of labeling (Muslim dietary rules) to simplify packaging in Indonesia and the Philippines. The Foundation is expanding its efforts to support growth and development of SMEs in Thailand, Cambodia and Vietnam.

In Vietnam, the Foundation will continue to provide technical expertise to the Ministries of Finance and Trade on issues related to the country's accession into the World Trade Organization, and the U.S.-Vietnam Bilateral Trade Agreement, and will support research on economic governance in different provinces in an effort to identify and expand best practices.

Women's Political Participation

The Foundation's grants support training programs and leadership and institutional development and NGO-government cooperation to advance women's rights and opportunities. In Korea, the Foundation will encourage more responsive local governance through women's groups, who are among the most vocal, active advocates for change in local areas, and by encouraging dialogue between NGOs and local officials to coordinate and identify priority needs in the community.

The Foundation will support women's organizations in Afghanistan. Through a joint project with the National Geographic Society, the Foundation will provide education for hundreds of girls who were deprived of an education under the Taliban. Support will also be provided to the Afghan Women's Ministry for women's resource centers, to the women's media center of AINA, a French Afghan media training NGO, and for the development of programs that link Afghan women with women throughout the Asia region on issues of Islam and the law, legal rights, trafficking and domestic violence.

In conjunction with the Women and the Constitution Network in Thailand, the Foundation will support institutions that sponsor non-partisan training for female candidates in 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 will address the trafficking of women through law reform, research into policies to prevent trafficking, piloting nongovernmental interventions at the community level and facilitating regional and bilateral cooperation to deter trafficking. To create economic opportunities for women, and reduce their susceptibility to trafficking, the Foundation will work with the Vietnam Women's Union to provide small business planning, marketing, and skills for income generation.

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 both within countries, such as in Cambodia, and across borders, for example, between India and Nepal.

THE ASIA FOUNDATION

Stable and Cooperative Relations among Nations in the Asia-Pacific Region

The changing situation in Asia, including, for example; economic uncertainties, conflicts in South Asia, domestic instability in Indonesia and East Timor, economic stagnation in Japan, the uncertainties facing the Korean Peninsula, and concerns about China's future intentions, has increased the need for better understanding and expanded official and informal dialogue. In this climate, The Asia Foundation plans to increase its support for bilateral and multilateral meetings among selected countries. These will include U.S.-China bilateral discussions on such issues as cross-straits relations, the economic recovery process in Asia, and regional security, human rights and the environment; a U.S.-Indonesia bilateral and continuing support for a U.S.-Japan-China trilateral conference series. The Foundation will continue to invest in China's younger generation of diplomats through its mid-career training program for Ministry of Foreign Affairs officials. The Foundation will also foster broader contacts and dialogue between China and Taiwan.

In order to increase the level of understanding and broaden exchange and dialogue between the U.S. and Southeast Asia, the Foundation will continue enhanced exchanges between American policymakers and young leaders with their counterparts in various countries in Southeast Asia.

The Asia Foundation will contribute to improved U.S.-South Korea 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 honest 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 Foundation will support limited North Korean participation in regional fora and provide training opportunities in selected fields as endorsed by the U.S. and South Korean governments.

In Vietnam, the Foundation will continue 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 experience and understand the complex international affairs arena, and widens the public-private dialogue on international relations issues. The Foundation will host the second in a series of bilateral workshops in the U.S., and a third in Vietnam to further discussions of key issues on the U.S.-Vietnam agenda.

The Foundation will support "America's Role in Asia", a dialogue and publication project to examine the role of the United States in Asian economic, political, and security affairs, by bringing together Asian and American experts to discuss a wide range of policy issues facing the region.

THE ASIA FOUNDATION

Operating Activity Expenses

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,296	($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.

THE ASIA FOUNDATION

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of East Asian and Pacific Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$9,250	$9,444	$9,250	($194)
Total	$9,250	$9,444	$9,250	($194)

NATIONAL ENDOWMENT FOR DEMOCRACY

Proposed Appropriation Language

For grants made by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, $36,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

NATIONAL ENDOWMENT FOR DEMOCRACY

Summary Statement
($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$33,500	0	$36,000	0	$36,000	0	$0

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

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 74, 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 more than 70 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

NATIONAL ENDOWMENT FOR DEMOCRACY

Democratic Institute for International Affairs (NDI), and the International Republican Institute (IRI). The Endowment also awards more than 400 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.

Because democracy is a genuinely universal value based upon the belief that people everywhere, regardless of their religion and culture, can achieve self-government under the rule of law, it is the natural organizing principle in the struggle to defeat terrorism and to create a stable and peaceful world. Twenty years, President Reagan asserted in an address to the British Parliament that helped launch the National Endowment for Democracy that it was democracy that represented the most effective antidote to the central threat the world then faced. In arguing its universal appeal, he declared,

> "It would be cultural condescension, or worse, to say that any people prefer dictatorship to democracy. Who would voluntarily choose not to have the right to vote, decide to purchase government propaganda handouts instead of independent newspapers, prefer government to worker-controlled unions, opt for land to be owned by the state instead of those who till it, want government repression of religious liberty, a single political party instead of a free choice, a rigid cultural orthodoxy instead of democratic tolerance and diversity?"

Indeed, that people everywhere should live in a free and democratic society is a deeply rooted American sentiment, and that government should rule by the consent of the governed is fundamental to our deepest values.

The shattering events of September 11 have radically altered the world in which we live. In addition to responding to the immediate security threat, it is also necessary to help democracy take root in those countries of the Middle East, Africa, South and Central Asia, and other regions that now breed or support terrorists. It is in these Muslim countries or regions, more than anywhere else, that terrorism feeds off tyranny, finding recruits among the politically repressed and sanctuary from states that use terror against their own people. Building effective political institutions is the surest way to sever the link between terror and tyranny and to advance the values of democracy, individual rights, and cultural pluralism in the Middle East and elsewhere in the Muslim world.

Promoting democratic institutions and values in the Muslim world is thus one of the most urgent challenges now facing the NED. But it is not the only one. While the attacks of September 11 riveted the focus of international attention on the threat of terrorism, they did not sweep away or resolve the problems of dictatorship, semi-authoritarianism, corruption, back-sliding, and ethnic conflict that existed before September 11 in Latin America, East Asia, sub-Saharan Africa, Central Europe, and the NIS. If anything, the attacks aggravated these problems by accelerating the downturn in the world economy that was already underway, and by heightening security concerns that dictators often use to rationalize and tighten their controls. Although there is no evidence yet of a new wave of democratic setbacks, the gains of the past decade are today more tenuous than they were before September 11, and democratic progress may be more difficult to achieve in the new international environment.

Meeting the challenge of democratization in the Muslim world thus does not warrant a retreat from the Endowment's global approach, which is rooted in the worldwide interests and moral concerns of the United States. On the contrary, it constitutes a powerful new argument for maintaining and strengthening this approach. The fact that NED already has a track record in the Middle East and a network of grantees and contacts upon which to build an expanded program there and in other Muslim regions is due entirely to its global approach, which assumes that no region where democrats are asking for help should be disregarded, no matter how difficult the challenges there might be. Moreover, as September 11 made clear, any seam of

dysfunction in the international system, however marginal to the main centers of political and economic interest, can become a source of exposure and threat. In a globalized world, the cancer of breakdown in any country can metastasize to other parts of the global body politic and thus constitutes a danger to international peace and security. In promoting the antidote of democratic institution-building, therefore, it is unwise to write off any country as insignificant or beyond hope.

The following NED program highlights are representative of the kinds of ongoing projects which are enabling indigenous groups in every part of the world to build democratic institutions.

AFRICA

Democratic Republic of the Congo
NED has been one of the foremost international agencies assisting the Democratic Republic of Congo's democratic process by funding 28 projects of civil society groups.

The sudden death of the former dictator, Laurent Kabila, and the accession to power of his more pragmatic son, Joseph, ended a deadly impasse between the government and its opponents, and opened the way for negotiations through the Inter-Congolese Dialogue that could lead to peace, stability, democratic elections, and the reconstruction of the Congolese state. Several NED grantees, including Promotion de la Femme Rurale (PROFER) and the Ligue des Electeurs, either participated in, or provided technical assistance to, the Inter-Congolese Dialogue that has held preliminary meetings in Botswana and Ethiopia. And the Bureau d'Etudes et Consulting International (BERCI) completed a poll of 5,000 Congolese in 67 locations nationwide on their views of the Dialogue.

Nigeria
In Nigeria, NED supported new, innovative initiatives designed to consolidate the country's tenuous hold on democracy. New emphasis was placed on youth democracy education 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. Additionally, Huri Laws and Human Rights Monitor lobbied with some success for reforms in the media laws and electoral system.

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.

Sudan
NED continues to assist groups—both in the north and south—promoting a renewed culture of peace, 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.

Through NED assistance, the role of the independent press has been fortified with a grant to the *Khartoum Monitor*, the foremost English-language daily in the north, and to the *South Sudan Post*, the leading Sudanese publication circulating in the south.

Civic education and democracy research 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.

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Other Countries

In **Sierra Leone** and **Liberia** NED maintained cutting-edge programs to strengthen civil society and promote democracy and human rights in the unstable environment that has followed the brutal civil wars in those countries. 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. Additionally, 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**, where growing pressure for peace from civil society has breathed new life into hopes for an end to decades of civil war, 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 guards and one for prisoners.

IRI continued assistance to the growing democratic movement in **Zimbabwe** in preparation for the impending collapse of the repressive regime there. It provided training and technical assistance to democratic political parties to enable them to communicate more effectively with their constituencies, and improve their organizational structures despite the increasingly difficult security environment.

NDI renewed its support for political reform in **Kenya** by working with all political parties to improve their performance and cohesion in the 2002 elections.

CIPE administered programs for economic reform and improved corporate governance across the continent.

ASIA

Burma

NED's Burma program—and those of its core institutes—was enhanced, for the fifth year, by a grant from the Department of State, using funds earmarked by Congress for Burma. NED increased support for media and publication projects designed to promote the free flow of information despite the government's extreme control measures, including bans 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 about ethnic issues, building support for national reconciliation and dialogue, and educating youth and leaders about democracy and human rights.

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 covering 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. 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.

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Human rights remained a key focus of NED support for China. Human Rights in China (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.

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. And ACILS continued to support the efforts of labor activists to educate workers about their rights and document labor law violations.

North Korea
NED continued to support its small portfolio of grants 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 regional projects which enabled democrats to take advantage of cost-effective technical programs and to collaborate, learn from each other's experience, and provide mutual support. Highlights included: the Asian Forum for Human Rights and Development (Forum-Asia), which addresses 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**, leading up to the 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 preparation of Cambodia's first ever-local elections, NDI and IRI enhanced 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.

CENTRAL AND EASTERN EUROPE

Albania
NED funded programs, aimed to improve cooperation between civic groups and law enforcement agencies, and to build trust between local communities and the police, as Albania's transition to democracy continued to be impeded during 2001 by the legacy of decades of harsh Stalinist authoritarianism. The Tirana-based Institute for Democracy and Mediation (IDM) established non-governmental Police-Community Relations Committees in towns throughout Albania to mediate disputes between citizens and law enforcement officials.

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Balkans

NED funding also helped key independent policy institutes in the Balkans begin to develop a long-term democratization strategy for the entire region. The Bulgaria-based Center for Liberal Studies worked with seven leading think tanks to develop a major policy document to lay out new strategies for addressing the main impediments to democratization in the Balkans. The document will identify obstacles and threats to democratization in the six countries, site policy priorities for promoting democracy in those countries, and provide an examination of cross-regional issues, trends and cooperation.

Macedonia

While a major war between ethnic-Albanians and ethnic-Macedonians was averted in 2001 by the signing of an internationally brokered peace agreement, Macedonia remained a fragile state wracked by inter-ethnic tensions. IRI implemented a pilot project utilizing focus group opinion research to encourage serious discussions to discover an end 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.

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, provided 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.

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 raising citizen's awareness of the events of the last decade, in particular Belgrade's role in the wars in Croatia, Bosnia and Kosovo. Radio Television B-92 produced two one-hour documentaries examining major crimes committed by the Milosevic regime during the disintegration of the former Yugoslavia. NED also targeted assistance to training programs for a future generation of investigative journalists. 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.

NEW INDEPENDENT STATES

Belarus

Despite the setback created by a presidential election characterized by the ransacking of NGO offices, the closing of independent newspapers and the imprisonment of democratic activists, the elections provided an opportunity for the democratic opposition to unify, expand its activities and reach out to Belarus' emerging civil society. The Endowment continued to be one of the leading donors operating in Belarus, funding or carrying out 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 grantees from Poland, Russia, Lithuania, Ukraine, Slovakia, Serbia, and the Czech Republic provided election-related training and assistance to their Belarusian counterparts.

NATIONAL ENDOWMENT FOR DEMOCRACY

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 offered practical training of law students through its legal clinic, and is expected to become the model for future projects throughout Russia.

Ukraine
As in Russia, human rights, press freedom, and freedom of association all came under increased pressure in Ukraine. NED programs 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.

Caucasus
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 of the Causasus 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 Caucasus, and IRI worked 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

Colombia
Colombia remains a priority for NED both because of its internal violence and its mounting regional problems stemming from the lengthy armed conflict. 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. The Federación Colombiana de Municipios (FCM) and Federación Colombiana de Concejales (FENACON) worked toward strengthening and enabling local government to provide for its citizens, amid an increasingly violent armed conflict centered largely in the rural areas. Plural and Corporación Región supported justice of the peace programs to resolve conflicts and ensure rule of law at the local level. Plural also expanded its justice program to marginalized communities in the embattled northeastern part of the country, and is making progress in instructing local residents on non-violent alternatives for the resolution of conflicts.

Cuba
According to the IRI-supported Revolutionary Democratic Directorate, despite severe repression, independent civic activity and protests more than doubled from the previous year. 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 on 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, the Federation of Electric Plants and Gas and Water in Exile established an independent library dedicated to labor rights, and has been training labor rights monitors throughout Cuba on internationally protected workers' rights.

Mexico

Building on Mexico's changing political system, NED's focus in 2002 was on helping local groups wishing to counter corruption. The Mexican Commission for the Defense and Promotion of Human Rights worked with members of the Vicente Fox administration to develop a comprehensive plan for the reform of the judicial system. 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.

Peru

In Peru, the establishment of an interim government following of the Alberto Fujimori government, and the election of Alejandro Toledo provided a new opportunity for a number of NED grantees. After working for years to protect freedom of expression, Instituto de Prensa y Sociedad (IPYS) 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 formed an anti-corruption commission that is working with the government to reform laws and institutions to increase transparency and accountability. Another 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.

IRI launched a political party program, which is helping the new post-Fujimori parties organize at the grassroots and improve internal communication.

Venezuela

In response to profound political events in Venezuela, the Endowment expanded its program to support a wide variety of democratic civil and political organizations. NED supported independent groups promoting a broad public debate about the current political changes protecting political rights and the media. 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 also successfully mobilized a national coalition of teachers and parents to debate and eventually revise a government educational reform proposal. Additionally, Momento de La Gente and Comprensión took a leading role in monitoring government policy regarding decentralization and relations between the armed forces and the government.

IRI and NDI supported political party reform efforts at both the national and local level. ACILS monitored the elections of the Venezuelan trade union, Confederación Venezolana de Trabajadores (CTV), and mediated the controversial results after pro-government unions attempted to disrupt the process.

NATIONAL ENDOWMENT FOR DEMOCRACY

MIDDLE EAST

Egypt

In 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.

Iraq

NED supported initiatives promoting democratic ideas and programs of liberal democracy, both abroad and inside the country. 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.

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. 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 internet resources to battle self-censorship and cultivate a more independent media.

Lebanon

Endowment 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. And 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.

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 12 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. And NDI trained Moroccan parliamentary deputies on effective communication with the electorate.

NATIONAL ENDOWMENT FOR DEMOCRACY

West Bank and Gaza
Although on-going violence has made this work extremely difficult, NED maintained support for civic education programs, capacity building for NGOs, training programs in nonviolent conflict resolution and democracy, and broad citizen participation in the political process, particularly among 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. 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. And 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.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

International Information Programs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Africa	**$3,966**	**$4,341**	**$4,341**	**$0**
Asia	**$4,307**	**$4,682**	**$4,682**	**$0**
Middle East	**$3,708**	**$4,605**	**$4,605**	**$0**
Central & Eastern Europe	**$2,060**	**$2,180**	**$2,180**	**$0**
Newly Independent States	**$5,110**	**$5,540**	**$5,540**	**$0**
Latin America/Caribbean	**$5,684**	**$5,737**	**$5,737**	**$0**
Multiregional	**$3,030**	**$3,280**	**$3,280**	**$0**
Democratic Activities	**$1,272**	**$1,272**	**$1,272**	**$0**
Administration	**$4,363**	**$4,363**	**$4,363**	**$0**
Total	$33,500	$36,000	$36,000	$0

NATIONAL ENDOWMENT FOR DEMOCRACY

Africa

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$4,341	$0

Priority countries: **Sudan, Democratic Republic of Congo, Nigeria, Regional Programs** (southern, western, central, east)

- Increasing the funding for the activities of an emerging regional network of pro-democracy NGOs. The network is 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.

- Increasing 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 assisting trial efforts to establish community radio currently being developed by northern Sudan's only independent newspaper.

- Increasing 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 a political transition.

- Developing community radio in the Democratic Republic of Congo as a way to include all parts of the country in a dialogue and in peace-building activities.

- Expanding youth programs especially in northern Nigeria, aimed at developing democratic commitment and culture.

NATIONAL ENDOWMENT FOR DEMOCRACY

Asia

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$4,682	$0

Priority Countries: **Pakistan, Bangladesh, Sri Lanka, Regional Programs**

- Helping to build 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

- Developing 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.

- Providing 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.

- Expanding 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.

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Middle East

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$4,605	$0

Priority Countries: **Egypt, Iraq Lebanon, Jordan, Gulf States**
Other countries where increase would be spent: **Iran, Morocco, West Bank/Gaza, Tunisia, Algeria and Regional Programs**

- Strengthening current networks of liberals by expanding a series of meetings in the region and in Europe initiated in 2002 to bring democratic and modernist thinkers to develop their vision and thinking on modernist and moderate thought in politics. The series attempts to identify and bring to focus scattered moderate debates and voices on key principles on politics, develop an alternative political discourse and confront the agenda of extreme and violent groups.

- Developing a campaign to promote a modernist, pluralist, democratic discourse on politics through assistance to the following activities: supporting the development of specialized working groups within think tank forums, improving the editorial content and circulation of current publications, supporting the production of new publications, compiling, indexing and reproducing previously published articles and material, producing and disseminating weekly electronic circulation of a simple one-page brief on Islamic arguments and positions on current issues.

- Disseminating an educational manual developed in 2002-3

- Supporting the development of effective media links among modernist moderates. The internet provides one cost effective method of linking intellectuals and activists. Current websites would be given additional resources for daily management and editorial input.

- Expanding Pakistan-based efforts of the Afgan Study Center to introduce civic education into refugee camps and schools and community organizations inside Afganistan.

- Providing 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.

- Expanding regional programs that are building up networks of market-oriented think tanks, independent journalists and women's business organizations.

- Expanding the support for grassroots initiatives in Lebanon that highlight such issues as accountability, transparency, and the role of the citizen vis-à-vis local government and municipalities

- Expanding 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, and expanding the program to Syria and other countries in the region.

- Increasing support throughout the region for publications, forums and meetings which explore and promote human rights, women's rights and democracy.

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- Expanding and professionalizing programs in Algeria aimed at training youth in constructive democratic activism.
- Increasing distribution, especially via the internet using Farsi software, of the quarterly journal of the Iran Teachers Association and expanding the capacity of its moderated forum for Iranian scholars, academics, writers and Iran specialists.
- Expanding outreach efforts to Saudi moderates in Saudi Arabia through an ongoing Saudi initiative which aims to promote democratic reform.

Central & Eastern Europe

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$2,180	$0

Country: **Turkey**

- Develop greater understanding of market economies.
- Supporting, through seminars, publications and research the efforts of the Turkey-based business association.
- Incorporating Turkey's political party reform and party building efforts in the Moslem world; producing practical and theoretical materials on the functioning and political thought behind these reforms.

NATIONAL ENDOWMENT FOR DEMOCRACY

Newly Independent States

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$5,540	$0

Priority Countries: Countries of **Central Asia and the Caucasus**

- Expanding 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.
- Expanding efforts in Kyrgystan to provide civic education for teachers and university level students, and to introduce civic education into the schools.
- Expanding the efforts in Tajikistan to improve the level of professionalism of independent of journalists, and to help the Tajik public achieve a greater understanding of the roles of various sectors in a democratic society.
- Expanding the efforts in civic education organizations in the region, which are working through schools to reach primarily low-income people.
- Increasing 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.
- Expanding programs, especially in Russia's regions, intended to counter official corruption.
- Assisting moderate Chechen civil society actors in trying to rebuild their nearly destroyed cultural and social organizations.
- Developing further an initiative stimulated by Russian Human Rights organizations in Russia, the Caucasus and Central Asia, who increasingly feel under duress by their governments and wish to be more effective in countering authoritarianism in their countries.

NATIONAL ENDOWMENT FOR DEMOCRACY

Latin America/Caribbean

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$5,737	$0

- Support efforts to create expertise on civil-military relations, especially in Colombia, and Peru, Ecuador, 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.

Multiregional

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$3,280	$0

- Using appropriate levels of technology, ranging from radio to audio cassettes to CD Rom to expand women's leadership training programs, primarily in Islamic countries. The program has established partners in Morocco, Nigeria, the Palestinian Territories, Afghanistan (Pakistan), Central Asia, Syria, Egypt, Caucasus, Malaysia and several Asian and African countries.

- Expanding support for a number of 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

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Democratic Activities

($ in thousands)

	Positions		Total Funds	Increase/(Decrease)
	American	FSN		
FY 2004 Request	0	0	$1,272	$0

- The line-item "Democratic Activities" 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 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 2004 Request	0	0	$4,363	$0

- The administration line item included in the summary statement covers the Endowment's direct expenses (salaries and fringe benefits, travel, office space costs, communications costs, etc.) to administer its grants program. It represents the costs associated with selecting grantees, negotiating awards, processing payments to grantees, carefully monitoring the grantees' progress, assuring that program objectives are met and grant terms and conditions are observed, evaluating and auditing the programs, resolving any issues that arise, preparing financial reports to donors and ultimately, closing out the awards.

PERFORMANCE INDICATORS

At the beginning of each grant-making year, a Priorities 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 it can be approved by the Board. In addition, no grant can be renewed before an assessment of its previous year's activities has been presented to the Board.

Quantitative measurements are more easily obtained than qualitative by monitoring the frequency of specific activities involved in the project, e.g., the number of direct participants and the quantity of written, video, or audio materials produced, depending on the nature of the region. Qualitative measurements are ascertained through review of program products by experts, media reporting or commentary generated by program activities, questionnaires filled out by participants, or evidence that, for example, specific democratic reforms have taken place or are being considered in the target country, or that participation in civic organizations has increased as a result of program activities. Under some circumstances, when project activities are undertaken in a particularly hostile environment, the fact that an organization has been able to carry out its programs is evidence that a particular grant has been effective. The progress of grants is monitored through self-evaluations by grantees, on-site visits by 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$33,500	$36,000	$36,000	$0
Total	$33,500	$36,000	$36,000	$0

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, $14,280,000: 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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$14,000	0	$14,280	0	$14,280	0	$0

OVERVIEW

Congress established the East-West Center (EWC) as a national educational and research organization to promote U.S.-Asia-Pacific understanding and relations through cooperative study, training and research. Center programs are multinational and interactive. They bring Americans and counterparts from the region for policy-oriented study, research and exchange on critical issues of mutual importance, including regional security, terrorism, good governance, economic development, family and social issues, health, education, disaster preparedness, environmental protection, and resource needs. The Center gives special attention to "communicators" who shape public and governmental views in their respective countries – politicians and policymakers, journalists, educators, and younger leaders. In the post-September 11 era, the Center has placed increased new emphasis on the issues of homeland security, internal conflict in Asia, terrorism, educational policy, and outreach to Muslim populations. The Center works to prepare Americans for an era of deeper engagement with Asia Pacific through the development of Asian studies in more than 350 U.S. colleges, including community colleges and minority serving institutions. The U.S. Asia Pacific Council enhances the American voice in regional, non-governmental networks supportive of the Asia Pacific Economic Cooperation (APEC) processes. The Center's professional alumni network (including government officials, business persons, and educators) extends its outreach through 35 alumni chapters within the region. Under its current Action Plan, the Center continues to develop competitive, self-funded, private sector oriented activities consistent with its public mission.

CURRENT PROGRAMS

In FY 2004, 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 2004 request of $14.28 million for the East-West Center continues the FY 2003 Presidential request level without current services. Appropriated funds are critical to the Center's ability to attract financial support from the private sector and foundations. In FY 2002, $14.4 million was raised from these other sources; the Center expects to generate $17.1 million in FY 2003 and $18.0 million in FY 2004 from the other sources.

Research Program ($4,418,000)

Strategic Objectives : Advance Sustainable Development and Global Interests ; Gain International Understanding.

Research Program Goals: Through multilateral, collaborative research we (1) promote sound macroeconomic policies, market oriented investment, legal and regulatory reforms and analyze policies that support reforms; (2) support smooth democratic transitions, vigorous civil society organizations, human

rights, and the rule of law; (3) contribute to reducing the impact of disasters by risk and vulnerability analysis and information sharing that improve the capacities of governments and non-government organizations to build resistant communities; (4) conduct research on critical environmental and energy issues, e.g., the stabilization of greenhouse gas, the maintenance of biodiversity, the relationship between the environment and trade, and energy security; (5) support development of comprehensive approaches to family planning, maternal and child health, aging and demographic change and closely related health concerns; and (6) contribute to understanding the dynamics of the spread of epidemic diseases and their control, especially HIV/AIDS, and strengthen international health surveillance and response policies and networks.

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

EWC-Washington ($472,000)

Strategic Objectives: Protect the Nation; Advance Sustainable Development and Global Interests ; Gain International Understanding.

EWC-Washington Goals: (1) Increase contact and understanding between U.S. policymakers and policy leaders and Asia-Pacific counterparts, particularly emerging leaders; (2) provide analytical underpinnings for security, preventive diplomacy, and conflict reduction activities; and (3) strengthen effective U.S. private sector and non-governmental participation in Asia-Pacific regional networks.

East-West Center Washington supports the Center's overall mission through direct work with U.S. policymakers and opinion leaders in the nation's capital. It facilitates understanding of Asia-Pacific participants of the U.S. policy process through direct interaction with U.S. policymakers. Research and seminar activities address U.S. national interests by focusing on internal conflict and conflict resolution in East, Southeast, and South Asia, areas where internal conflict can spill over into international terrorism. The U.S. Asia Pacific Council promotes an active U.S. participation in the leading academic and business networks in the Asia-Pacific region and provides a key support base for the Asia Pacific Economic Cooperation (APEC) processes.

Pacific Islands Development ($301,000)

Strategic Objectives : Advance Sustainable Development and Global Interests ; Gain International Understanding.

Pacific Islands Development Goals: (1) Promote reduced aid dependency by strengthening Pacific island economies and enhancing U.S. trade and investment with island nations through the Joint Commercial Commission; (2) help developing nations lessen the dislocations that may result from market openings; and (3) build, strengthen, coordinate with, and employ international organizations, NGOs, the academic community, and national institutions to secure democratic transitions, prevent conflict, and promote good governance.

The Pacific Islands Development Program (PIDP) is a unique partnership between the East-West Center and the Pacific island governments organized to provide professional services and research information to

the Pacific Island Leaders in their collective efforts to achieve the desired development goals. The heads of state/government play a direct role in shaping the PIDP agenda through regular annual meetings. PIDP plays a major role in sponsoring a series of national unity conferences in Fiji to promote dialogue between the two top political leaders and among ethnic groups in that centrally important Pacific Island nation.

Education ($3,286,000)

Strategic Objectives : Gain International Understanding; Advance Sustainable Development and Global Interests.

Education Goals: (1) Build understanding among future leaders in the Asia Pacific region about social, political and economic forces shaping international relations in the region; (2) develop the knowledge and leadership skills of current and future leaders to deal creatively and work collaboratively in resolving issues that threaten the well-being of the region; (3) develop a vibrant collaborative network of educators, policy makers, business leaders, community level leaders, and others involved in meeting the challenges and opportunities of an increasingly interdependent region; and (4) through exchange and education programs, enhance the ability of educators to teach about the Asia Pacific region, educate journalists and their readers/viewers about current issues, and inform the opinions of policy makers through dialogue and information sharing.

The Center's student programs are central to its mission of mutual understanding and regional stability. The Center has made significant progress in increasing the number of scholarships funded by non-appropriated sources, including the new, externally funded Asia Pacific Leadership Program and scholarships for underrepresented groups and Asia Pacific students who would not otherwise have direct exposure to American education.

Under its Asian Studies Development Program for college and university faculty, and its AsiaPacificEd Program for Schools for elementary and secondary teachers, the Center provides a variety of short-term professional development programs for U.S. educators so that they can better teach their students about the region.

Under its Seminars Program, the Center is a major Asia Pacific venue for professionals, scholars and policymakers from Asia, the Pacific and the U.S. These include policy-oriented seminars and conferences focused on issues and developments critical to the stability of the region for senior-level representatives from national and international organizations and agencies, business people, and others. The Center also organizes professional development programs for mid-level media practitioners from local, national and regional newspapers and broadcast entities. These programs, including the twice-yearly Jefferson Fellows Program, are designed to strengthen understanding of regional issues.

External Affairs ($1,024,000)

Strategic Objectives : Advance Sustainable Development and Global Interests ; Gain International Understanding.

External Affairs Goals: Improve and strengthen international relations by promoting better understanding through educational and cultural exchanges and information programs.

The External Affairs Office is broadly responsible for the Center's outreach effort. The Center has a vigorous national and regional outreach program to support its effort to become a leading catalyst for Asia Pacific community building. Activities include the organizing of public programs on freedom of the press and the importance of responsible media in the development of democracies; government, legislative and diplomatic relations; official visitor programming and briefings; development office; arts program; and

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

alumni office. The Arts Program provides a comprehensive introduction to the cultures of Asia and the Pacific through traditional performances and visual arts. The Center's alumni number almost 50,000. Many alumni remain committed to the Center's mission and are now in leadership positions in government, business and education. The 35 alumni chapters have programs throughout the year, and international alumni conferences occur every two years.

Program Direction, Administration and Overall Mission Support ($4,779,000)

Under this heading are grouped the activities and functions of the Board of Governors; the International Advisory Panel, which provides external guidance on and 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 support the entire Center's research, education and training mission. For operational efficiency, the budgets here include internal and contracted costs for: information technology (IT) support and computer replacements, non-housing or Imin conference facilities improvements, utilities, cleaning services, liability insurance, audit and legal fees, and the overall services agreement with the University of Hawaii providing library, security and other services.

The primary focus is to increase productivity through streamlined organization and staffing, staff development, computerization, and increasing housing and other revenues.

FUNDS BY PROGRAM ACTIVITY
($ in thousands)

Bureau of Educational & Cultural Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
Public Diplomacy	**$14,000**	**$14,280**	**$14,280**	**$0**
Public Diplomacy - Program Costs	$14,000	$14,280	$14,280	$0
Total	$14,000	$14,280	$14,280	$0

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Educational & Cultural Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$14,000	$14,280	$14,280	$0
Total	$14,000	$14,280	$14,280	$0

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, 2004, 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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Summary Statement
($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$500	0	$500	0	$500	0	$0

OVERVIEW

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

The 1992 Department of State and Related Agencies Appropriations Act provided $5 million to establish a permanent endowment for the Program, and appropriated the interest and earnings to be appropriated 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 1,500 active alumni in 100 countries, the network is enlarged each year by new MNP, SNP and USA Fellows.

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

JUSTIFICATION OF PROGRAM ACTIVITIES

The FY 2004 request seeks appropriation authority to spend $500,000 in estimated interest and earnings of the Eisenhower Exchange Fellowship Program Trust Fund. The funding will be applied to:

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

- Providing learning and networking opportunities for mid-career international and U.S. leaders in preparation for increasingly senior positions in government, business and the NGO sectors;

- Advancing peace through international understanding.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

FUNDS BY OBJECT CLASS
($ in thousands)

Bureau of Educational & Cultural Affairs	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$500	$500	$500	$0
Total	$500	$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, 2004, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

ISRAELI ARAB SCHOLARSHIP PROGRAM

Summary Statement

($ in thousands)

FY 2002 Actual		FY 2003 Estimate		FY 2004 Request		Incr/(Decr)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
0	$375	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 2004 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 Israeli Arab students 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 2002 Actual	FY 2003 Estimate	FY 2004 Request	Increase/ (Decrease)
4100 Grants, Subsidies & Contrb	$375	$375	$375	$0
Total	$375	$375	$375	$0