

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

THURSDAY, MARCH 6, 2003

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:58 a.m., in room SD-192, Dirksen
Senate Office Building, Hon. Judd Gregg (chairman) presiding.
Present: Senators Gregg, Stevens, Hollings, Leahy, and Kohl.

DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

STATEMENT OF HON. COLIN L. POWELL, SECRETARY OF STATE

OPENING STATEMENT OF SENATOR JUDD GREGG

Senator GREGG. Let me begin by thanking Secretary Powell for taking the time to appear before the Subcommittee on Commerce, State, Justice of the Appropriations Committee, which has the jurisdiction over the State Department appropriations. I offered the Secretary the opportunity of taking a pass on this hearing, given the situation in which we find ourselves right now relative to diplomatic activity. But he was still generous enough to be willing to take some time to come up here, which I do greatly appreciate. And I know Senator Hollings also appreciates his commitment to the process, the appropriations process.

We have said to the Secretary that we will get him out of here on a prompt time frame, certainly no later than 11:30, hopefully even earlier. So we are going to forego opening statements on our part, turn to the Secretary and have his opening statement. And we do have a vote at 10:30. So we may stagger the questioning here. But then we will go to questions.

Mr. Secretary.

OPENING STATEMENT OF SECRETARY POWELL

Secretary POWELL. Well, thank you very much, Mr. Chairman. It is a great pleasure to be back before the committee. I do thank you, also, for giving me a hall pass, if I had needed one today. It is a busy time for us in the diplomatic community. I will be heading up to New York this afternoon to work with my colleagues at the

United Nations. But I really did want to be here because it is also an important part of my job to make sure that I present to the Congress our budget request and then appear to testify for that budget request, because the quality of our diplomacy depends on whether or not we get the support we need for the wonderful men and women of the State Department and for the facilities and other items that we need to make sure we can do our job in the most effective way.

I do have a prepared statement for the record, which I would offer, Mr. Chairman. And I would summarize that very briefly.

Senator GREGG. That will be put in the record.

Secretary POWELL. I am pleased to appear before you to testify in support of the President's International Affairs Budget for fiscal year 2004. The funding request for 2004 for the Department of State, USAID, and other foreign affairs agencies is, overall, \$28.5 billion. I have given you a great deal of detail on this request in my written statement. And I hope you will find it useful, as you go through your deliberations.

The President's budget will allow the United States to target security and economic assistance to sustain key countries supporting us in the war on terrorism and helping us to stem the proliferation of weapons of mass destruction. The budget will help us launch the Millennium Challenge Account, a new partnership generating support that will go to countries that rule justly, invest in their people, and encourage economic freedom.

It will also strengthen the United States and global commitment to fighting HIV/AIDS and alleviating human hardships. It will allow us to combat illegal drugs in the Andean Region of South America, as well as bolster democracy in one of that region's most important countries, Colombia.

Finally, it will reinforce America's world-class diplomatic force, focusing on the people, places, and tools needed to promote our foreign policies around the world.

I am particularly proud of that last goal, Mr. Chairman, because, as you know, for the past 2 years I have concentrated on each aspect of my responsibilities, as foreign policy advisor to the President and Chairman and CEO of the Department of State. What you need in a large organization is to have the very best people come in and, once they are in, to take care of them.

So we are asking for your full support of our Diplomatic Readiness Initiative. For 2 years, we have been hiring for the first time in years. We will hire, with this budget request, 399 more professionals to help the President carry out the Nation's foreign policy. This hiring will bring us to the 1,100-plus new Foreign and Civil Service officers we set out to hire when I first came into the job 2-plus years ago.

I thank this committee and I thank the Congress for the support that it has provided, not only for our Diplomatic Readiness Initiative, but also for our overall operating accounts over the last several years.

Second, I promised to bring state-of-the-art communications capability to the Department, because people who cannot communicate rapidly and effectively in today's globalizing world cannot carry out our foreign policy. We are doing very well in that regard

in both unclassified and classified communications capability, including desktop access to the Internet for every man and woman in the Department. We are moving rapidly. We are almost there. The \$157 million budget request before you will put us there.

Finally, with respect to my CEO role, I wanted to sweep the slate clean and completely revamp the way we construct our Embassies and other overseas buildings, as well as improve on the manner in which we secure our men and women who occupy those facilities. That last task is a long-term, almost never-ending one, particularly in this time of heightened terrorist activities. But we are well on the way to implementing both the construction and security tasks in a better way, in a less expensive way, and in a way that subsequent CEOs of the Department can continue and improve upon.

I am very happy at the work we have done in Embassy construction and security over the past few years under the leadership of General Williams, who you all have come to know. I need your continued support for the \$1.5 billion for Embassy security and construction and the \$646 million in D&CP funding for worldwide security upgrades.

Mr. Chairman, as the principal foreign policy advisor to the President, I have budget priorities on that side of my portfolio, as well. So let me highlight a few of our key foreign policy priorities before I stop and take your questions.

I might note that one of the successes of our foreign policy was the Moscow Treaty, which reduced significantly the number of strategic offensive weapons held by the United States and the Russian Federation. That treaty is now on the Senate floor. I hope that it will be acted on promptly. I encourage your support for this treaty. With a little bit of luck and with my fingers crossed, it might even be voted on today, when remaining amendments, proposed amendments, have been dealt with.

The fiscal year 2004 budget proposes several initiatives to advance U.S. national security interests and preserve American leadership. The fiscal year 2004 Foreign Operations budget that funds programs for the Department of State, USAID, and other foreign agencies is \$18.8 billion. Today, our number one priority is to fight and win the global war on terrorism. The budget furthers this goal by providing economic, military, and democracy assistance to key foreign partners and allies, including \$4.7 billion to those countries that have joined us in the war on terrorism.

Of this amount, the President's budget provides \$657 million for Afghanistan, \$460 million for Jordan, \$395 million for Pakistan, \$255 million for Turkey, \$136 million for Indonesia, and \$87 million for the Philippines. In Afghanistan, the funding will be used to fulfill our commitment to rebuild Afghanistan's road network. In addition, it will help establish security in the country through the creation of a national military, as well as a national police force. Our assistance will establish broad-based and accountable governance throughout democratic institutions in Afghanistan by fostering an active civil society.

I am very pleased at what we have been able to do in Afghanistan over the last 1½ years. Some ask whether the glass is half empty or half full. Well, there is still a long way to go in Afghanistan. But, we should be very proud of what we have been able to

accomplish. President Karzai was here earlier this week, and we had good discussions with him.

When you consider we came from nothing, from zero, from nothing, from a ruined country to a country that now has a representative form of government—they have spoken out for the leader that they want to have as their president. They are getting ready for an election next year. A constitution is well underway. Roads are under construction. Two million refugees have returned. Two million people that have been living in other lands, in Iran, in Pakistan, have voted with their feet for this new country and for the leadership that it is under. They are also counting on our full support to rebuild that country. I think we should be very proud of what we have done.

I also want to emphasize our efforts to decrease threats posed by terrorist groups, rogue states, and other nonstate actors with regards to weapons of mass destruction and related technology. To achieve this goal, we must strengthen partnerships with countries that share our views in dealing with the threat of terrorism and in resolving regional conflicts. The fiscal year 2004 budget requests support for the Nonproliferation and Disarmament Fund. The budget also increases funding for overseas Export Controls and Border Security and supports additional funding for Science Centers and Bio-Chem Redirection Programs.

Funding increases requested for these programs will help us prevent weapons of mass destruction from falling into the hands of terrorist groups or states by preventing their movement across borders and destroying or safeguarding known quantities of weapons or source material.

The fiscal year 2004 budget also promotes international peace and prosperity by launching the most innovative approach to foreign assistance in more than 40 years. The new Millennium Challenge Account, an independent Government corporation funded at \$1.3 billion, will redefine development aid. As President Bush told African leaders meeting in Mauritius earlier this year, this aid will go to those nations that encourage economic freedom, root out corruption, put in place the rule of law, respect the rights of their people, and have made a firm commitment to democracy.

Moreover, the President's budget request offers hope and a helping hand to countries facing health catastrophes, poverty and despair, and humanitarian disasters. The budget includes more than \$1 billion to meet the needs of refugees and internally displaced peoples.

The fiscal year 2004 budget also provides more than \$1.3 billion to combat the global HIV/AIDS epidemic, the worst crisis facing this world. The President's total budget for HIV/AIDS is over \$2 billion, which includes the first year's funding for the new emergency plan for HIV/AIDS relief announced by the President in his State of the Union address. This funding will target 14 of the hardest hit countries, especially in Africa and the Caribbean.

The budget also includes almost \$500 million for Colombia. This funding will support Colombian President Uribe's unified campaign against terrorists and the drug trade that fuels their activities. The aim is to secure democracy, extend security, and restore economic

prosperity to Colombia, and prevent the narco-terrorists from spreading instability to the broader Andean Region.

Accomplishing these goals requires more than simply funding for Colombia. Therefore, our total Andean Counterdrug Initiative is \$731 million. Critical components of this effort include resumption of the Airbridge Denial Program to stop internal and cross-border aerial trafficking in illicit drugs, stepped up eradication and alternative development efforts, and technical assistance to strengthen Colombia's police and judicial institutions.

Mr. Chairman, members of the committee, to advance America's interests around the world, we need the dollars in the President's budget for fiscal year 2004. We need the dollars under both of my hats, as principal foreign policy advisor to the President, as well as CEO of the Department of State.

PREPARED STATEMENT

With that, Mr. Chairman, I will stop and be as responsive as I can to your questions.

[The statement follows:]

PREPARED STATEMENT OF COLIN L. POWELL

Mr. Chairman, members of the subcommittee, I am pleased to appear before you to testify in support of the President's International Affairs Budget for fiscal year 2004. Funding requested for fiscal year 2004 for the Department of State, USAID, and other foreign affairs agencies is \$28.5 billion.

The President's Budget will allow the United States to:

- Target security and economic assistance to sustain key countries supporting us in the war on terrorism and helping us to stem the proliferation of weapons of mass destruction;
- Launch the Millennium Challenge Account—a new partnership generating support to countries that rule justly, invest in their people, and encourage economic freedom;
- Strengthen the U.S. and global commitment to fighting HIV/AIDS and alleviating humanitarian hardships;
- Combat illegal drugs in the Andean Region of South America, as well as bolster democracy in one of that region's most important countries, Colombia; and
- Reinforce America's world-class diplomatic force, focusing on the people, places, and tools needed to promote our foreign policies around the world.

I am particularly proud of the last bullet, Mr. Chairman, because for the past two years I have concentrated on each of my jobs—primary foreign policy advisor to the President and Chief Executive Officer of the State Department.

Under my CEO hat, we have been reinforcing our diplomatic force for two years and we will continue in fiscal year 2004. We will hire 399 more professionals to help the President carry out the nation's foreign policy. This hiring will bring us to the 1,100-plus new foreign and civil service officers we set out to hire over the first three years to bring the Department's personnel back in line with its diplomatic workload. Moreover, completion of these hires will allow us the flexibility to train and educate all of our officers as they should be trained and educated. So I am proud of that accomplishment and want to thank you for helping me bring it about.

In addition, I promised to bring state-of-the-art communications capability to the Department—because people who can't communicate rapidly and effectively in today's globalizing world can't carry out our foreign policy. We are approaching our goal in that regard as well.

In both unclassified and classified communications capability, including desk-top access to the Internet for every man and woman at State, we are there by the end of 2003. The budget before you will sustain these gains and continue our information technology modernization effort. Finally, with respect to my CEO role, I wanted to sweep the slate clean and completely revamp the way we construct our embassies and other overseas buildings, as well as improve the way we secure our men and women who occupy them. As you well know, that last task is a long-term, almost never-ending one, particularly in this time of heightened terrorist activities. But we are well on the way to implementing both the construction and the security tasks

in a better way, in a less expensive way, and in a way that subsequent CEOs can continue and improve on.

Mr. Chairman, since this subcommittee's oversight responsibilities are primarily concerned with my CEO hat, let me give you key details with respect to these three main priorities, as well as tell you about other initiatives under my CEO hat:

THE CEO RESPONSIBILITIES: STATE DEPARTMENT AND RELATED AGENCIES

The President's fiscal year 2004 discretionary request for the Department of State and Related Agencies is \$8.497 billion. The requested funding will allow us to:

- Continue initiatives to recruit, hire, train, and deploy the right work force. The budget request includes \$97 million to complete the Diplomatic Readiness Initiative by hiring 399 additional foreign affairs professionals. Foreign policy is carried out through our people, and rebuilding America's diplomatic readiness in staffing 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 provide a total of 1,158 new staff for the Department of State.
- Continue to put information technology in the service of diplomacy. The budget request includes \$157 million to sustain the investments made over the last two years to provide classified connectivity to every post that requires it and to expand desktop access to the Internet for State Department employees. Combined with \$114 million in estimated Expedited Passport Fees, a total of \$271 million will be available for information technology investments, including beginning a major initiative—SMART—that will overhaul the outdated systems for cables, messaging, information sharing, and document archiving.
- Continue to upgrade and enhance our security worldwide. The budget request includes \$646.7 million for programs to enhance the security of our diplomatic facilities and personnel serving abroad and for hiring 85 additional security and support professionals to sustain the Department's Worldwide Security Upgrades program.
- Continue to upgrade the security of our overseas facilities. The budget request includes \$1.514 billion to fund major security-related construction projects and address the major physical security and rehabilitation needs of embassies and consulates around the world. The request includes \$761.4 million for construction of secure embassy compounds in seven countries and \$128.3 million for construction of a new embassy building in Berlin.
- The budget also supports management improvements to the overseas buildings program and the Overseas Building Operations (OBO) long-range plan. The budget proposes a Capital Security Cost Sharing Program that allocates the capital costs of new overseas facilities to all U.S. Government agencies on the basis of the number of their authorized overseas positions. This program will serve two vital purposes: (1) to accelerate construction of new embassy compounds and (2) to encourage Federal agencies to evaluate their overseas positions more carefully. In doing so, it will further the President's Management Agenda initiative to rightsize the official American presence abroad. The modest surcharge to the cost of stationing an American employee overseas will not undermine vital overseas work, but it will encourage more efficient management of personnel and taxpayer funds.
- Continue to enhance the Border Security Program. The budget request includes \$736 million in Machine Readable Visa (MRV) fee revenues for continuous improvements in consular systems, processes, and programs in order to protect U.S. borders against the illegal entry of individuals who would do us harm.
- Meet our obligations to international organizations. Fulfilling U.S. commitments is vital to building coalitions and gaining support for U.S. interests and policies in the war against terrorism and the spread of weapons of mass destruction. The budget request includes \$1 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).
- Support obligations to international peacekeeping activities. The budget request includes \$550.2 million to pay projected U.N. peacekeeping assessments. These peacekeeping activities ensure continued American leadership in shaping the international community's response to developments that threaten international peace and stability.

Continue to eliminate support for terrorists and thus deny them safe haven through our ongoing public diplomacy activities, our educational and cultural exchange programs, and international broadcasting. The budget request includes \$296.9 million for public diplomacy, including information and cultural programs

carried out by overseas missions and supported by public diplomacy personnel in our regional and functional bureaus. These resources are used to engage, inform, and influence foreign publics and broaden dialogue between American citizens and institutions and their counterparts abroad.

The budget request also includes \$345.3 million for educational and cultural exchange programs that build mutual understanding and develop friendly relations between America and the peoples of the world. These activities establish the trust, confidence, and international cooperation with other countries that sustain and advance the full range of American national interests.

The budget request includes \$100 million for education and cultural exchanges for States of the Former Soviet Union and Central and Eastern Europe, which were previously funded under the FREEDOM Support Act and Support for East European Democracy (SEED) accounts.

As a member of the Broadcasting Board of Governors, I want to take this opportunity to highlight to you the BBG's pending budget request for \$563.5 million. Funding will advance international broadcasting efforts to support the war on terrorism, including initiation of the Middle East Television Network.

Mr. Chairman, I know that your committee staff will go over this statement with a fine-tooth comb and I know too that they prefer an account-by-account laydown. So here it is:

Diplomatic and Consular Programs (D&CP)

The fiscal year 2004 request for D&CP, the State Department's chief operating account, totals \$4.164 billion.

D&CP supports the diplomatic activities and programs that constitute the first line of offense against threats to the security and prosperity of the American people. Together with Machine Readable Visa and other fees, the account funds the operating expenses and infrastructure necessary for carrying out U.S. foreign policy in more than 260 locations around the world.

The fiscal year 2004 D&CP request provides \$3.517 billion for ongoing operations—a net increase of \$269 million over the fiscal year 2003 level. Increased funding will enable the State Department to advance national interests effectively through improved diplomatic readiness, particularly in human resources.

The request completes the Department's three-year Diplomatic Readiness Initiative to put the right people with the right skills in the right place at the right time. New D&CP funding in fiscal year 2004 of \$97 million will allow the addition of 399 professionals, providing a total of 1,158 new staff from fiscal year 2002 through fiscal year 2004.

The fiscal year 2004 D&CP request also provides \$646.7 million for Worldwide Security Upgrades—an increase of \$97.3 million over last year. This total includes \$504.6 million to continue worldwide security programs for guard protection, physical security equipment and technical support, information and system security, and security personnel and training. It also includes \$43.4 million to expand the perimeter security enhancement program for 232 posts and \$98.7 million for improvements in domestic and overseas protection programs, including 85 additional agents and other security professionals.

Capital Investment Fund (CIF)

The fiscal year 2004 request provides \$157 million for the CIF to assure that the investments made in fiscal year 2002 and fiscal year 2003 keep pace with increased demand from users for functionality and speed.

Requested funding includes \$15 million for the State Messaging and Archive Retrieval Toolset (SMART). The SMART initiative will replace outdated systems for cables and messages with a unified system that adds information sharing and document archiving.

Embassy Security, Construction, and Maintenance (ESCM)

The fiscal year 2004 request for ESCM is \$1.514 billion. This total—an increase of \$259.1 million over the fiscal year 2003 level—reflects the Administration's continuing commitment to protect U.S. Government personnel serving abroad, improve the security posture of facilities overseas, and address serious deficiencies in the State Department's overseas infrastructure.

For the ongoing ESCM budget, the Administration is requesting \$524.7 million. This budget includes maintenance and repairs at overseas posts, facility rehabilitation projects, construction security, renovation of the Harry S Truman Building, all activities associated with leasing overseas properties, and management of the overseas buildings program.

For Worldwide Security Construction, the Administration is requesting \$761.4 million for the next tranche of security-driven construction projects to replace high-

risk facilities. Funding will support the construction of secure embassies in seven countries—Algeria, Burma, Ghana, Indonesia, Panama, Serbia, and Togo. In addition, the requested funding will provide new on-compound buildings for USAID in Ghana, Jamaica, and Nigeria.

The ESCM request includes \$100 million to strengthen compound security at vulnerable posts.

The request also includes \$128.3 million to construct the new U.S. embassy building in Berlin.

Educational and Cultural Exchange Programs (ECE)

The fiscal year 2004 request of \$345.3 million for ECE maintains funding for exchanges at the fiscal year 2003 level of \$244 million and adds \$100 million for projects for Eastern Europe and the States of the Former Soviet Union previously funded from Foreign Operations appropriations.

Authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended, exchanges are strategic activities that build mutual understanding and develop friendly relations between the United States and other countries. They establish the trust, confidence, and international cooperation necessary to sustain and advance the full range of U.S. national interests.

The request provides \$141 million for Academic Programs. These include the J. William Fulbright Educational Exchange Program for exchange of students, scholars, and teachers and the Hubert H. Humphrey Fellowship Program for academic study and internships in the United States for mid-career professionals from developing countries.

The request also provides \$73 million for Professional and Cultural Exchanges. These include the International Visitor Program, which supports travel to the United States by current and emerging leaders to obtain firsthand knowledge of American politics and values, and the Citizen Exchange Program, which partners with U.S. non-profit organizations to support professional, cultural, and grassroots community exchanges.

This request provides \$100 million for exchanges funded in the past from the FREEDOM Support Act (FSA) and Support for East European Democracy (SEED) accounts.

This request also provides \$31 million for exchanges support. This is a straight-line projection of the fiscal year 2003 level.

Contributions to International Organizations (CIO)

The fiscal year 2004 request for CIO of \$1.010 billion provides funding for U.S. assessed contributions, consistent with U.S. statutory restrictions, to 44 international organizations to further U.S. economic, political, social, and cultural interests.

The request recognizes U.S. international obligations and reflects the President's commitment to maintain the financial stability of the United Nations and other international organizations that include the World Health Organization, the North Atlantic Treaty Organization, the International Atomic Energy Agency, and the Organization for Economic Cooperation and Development.

The budget request provides \$71.4 million to support renewed U.S. membership in the United Nations Educational, Scientific, and Cultural Organization (UNESCO). UNESCO contributes to peace and security in the world by promoting collaboration among nations through education, science, culture and communication and by furthering intercultural understanding and universal respect for justice, rule of law, human rights, and fundamental freedoms, notably a free press.

Membership in international organizations benefits the United States by building coalitions and pursuing multilateral programs that advance U.S. interests. These include promoting economic growth through market economies; settling disputes peacefully; encouraging non-proliferation, nuclear safeguards, arms control, and disarmament; adopting international standards to facilitate international trade, telecommunications, transportation, environmental protection, and scientific exchange; and strengthening international cooperation in agriculture and health.

Contributions for International Peacekeeping Activities (CIPA)

The administration is requesting \$550.2 million for CIPA in fiscal year 2004. This funding level will allow the United States to pay its share of assessed U.N. peacekeeping budgets, fulfilling U.S. commitments and avoiding increased U.N. arrears.

The U.N. peacekeeping appropriation serves U.S. interests in Europe, Africa and the Middle East, where U.N. peacekeeping missions assist in ending conflicts, restoring peace and strengthening regional stability.

U.N. peacekeeping missions leverage U.S. political, military and financial assets through the authority of the U.N. Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

Broadcasting Board of Governors (BBG)

The fiscal year 2004 budget request for the BBG totals \$563.5 million.

The overall request provides \$525.2 million for U.S. Government non-military international broadcasting operations through the International Broadcasting Operations (IBO) account. This account funds operations of the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and all related program delivery and support activities.

The IBO request includes funding to advance broadcasting efforts related to the war on terrorism. The request includes \$30 million to initiate the Middle East Television Network—a new Arabic-language satellite TV network that, once operational, will have the potential to reach vast audiences in the Middle East. The request also includes funding to double VOA Indonesian radio programming, significantly increase television programming in Indonesia, and expand BBG audience development efforts.

The IBO request reflects the shifting of priorities away from the predominantly Cold War focus on Central and Eastern Europe to broadcasting in the Middle East and Central Asia. Funds are being redirected to programs in these regions through the elimination of broadcasting to countries in the former Eastern Bloc that have demonstrated significant advances in democracy and press freedoms and are new or soon-to-be NATO and European Union Members.

The IBO request also reflects anticipated efficiencies that achieve a five-percent reduction in funding for administration and management in fiscal year 2004.

The fiscal year 2004 request also provides \$26.9 million through Broadcasting to Cuba (OCB) for continuing Radio Marti and TV Marti operations, including salary and inflation increases, to support current schedules.

The fiscal year 2004 request further provides \$11.4 million for Broadcasting Capital Improvements to maintain the BBG's worldwide transmission network. The request includes \$2.9 million to maintain and improve security of U.S. broadcasting transmission facilities overseas.

That finishes the State and Related Agencies part of the President's Budget. But before I stop and take your questions, let me give you an overview of the rest of our budget for fiscal year 2004, the Foreign Affairs part. You are all members of the larger Appropriations Committee and, in that capacity, I hope that you will strongly support this part of our budget also.

FOREIGN POLICY ADVISOR RESPONSIBILITIES: FUNDING AMERICA'S DIPLOMACY AROUND THE WORLD

The fiscal year 2004 budget proposes several initiatives to advance U.S. national security interests and preserve American leadership. The fiscal year 2004 Foreign Operations budget that funds programs for the Department of State, USAID and other foreign affairs agencies is \$18.8 billion. Today, our number one priority is to fight and win the global war on terrorism. The budget furthers this goal by providing economic, military, and democracy assistance to key foreign partners and allies, including \$4.7 billion to countries that have joined us in the war on terrorism.

The budget also promotes international peace and prosperity by launching the most innovative approach to U.S. foreign assistance in more than forty years. The new Millennium Challenge Account (MCA), an independent government corporation funded at \$1.3 billion will redefine "aid". As President Bush told African leaders meeting in Mauritius recently, this aid will go to "nations that encourage economic freedom, root out corruption, and respect the rights of their people."

Moreover, this budget offers hope and a helping hand to countries facing health catastrophes, poverty and despair, and humanitarian disasters. It provides \$1.345 billion to combat the global HIV/AIDS epidemic, more than \$1 billion to meet the needs of refugees and internally displaced peoples, \$200 million in emergency food assistance to support dire famine needs, and \$100 million for an emerging crises fund to allow swift responses to complex foreign crises. Mr. Chairman, let me give you some details.

The United States is successfully prosecuting the global war on terrorism on a number of fronts. We are providing extensive assistance to states on the front lines of the anti-terror struggle. Working with our international partners bilaterally and through multilateral organizations, we have frozen more than \$110 million in terrorist assets, launched new initiatives to secure global networks of commerce and communication, and significantly increased the cooperation of our law enforcement

and intelligence communities. Afghanistan is no longer a haven for al-Qaeda. We are now working with the Afghan Authority, other governments, international organizations, and NGOs to rebuild Afghanistan. Around the world we are combating the unholy alliance of drug traffickers and terrorists who threaten the internal stability of countries. We are leading the international effort to prevent weapons of mass destruction from falling into the hands of those who would do harm to us and others. At the same time, we are rejuvenating and expanding our public diplomacy efforts worldwide.

Assistance to Frontline States

The fiscal year 2004 International Affairs budget provides approximately \$4.7 billion in assistance to the Frontline States, which have joined with us in the war on terrorism. This funding will provide crucial assistance to enable these countries to strengthen their economies, internal counter-terrorism capabilities and border controls.

Of this amount, the President's Budget provides \$657 million for Afghanistan, \$460 million for Jordan, \$395 million for Pakistan, \$255 million for Turkey, \$136 million for Indonesia, and \$87 million for the Philippines. In Afghanistan, the funding will be used to fulfill our commitment to rebuild Afghanistan's road network; establish security through a national military and national police force, including counter-terrorism and counter-narcotics components; establish broad-based and accountable governance through democratic institutions and an active civil society; ensure a peace dividend for the Afghan people through economic reconstruction; and provide humanitarian assistance to sustain returning refugees and displaced persons. United States assistance will continue to be coordinated with the Afghan government, the United Nations, and other international donors.

The State Department's Anti-Terrorism Assistance (ATA) program will continue to provide frontline states a full complement of training courses, such as a course on how to conduct a post-terrorist attack investigation or how to respond to a WMD event. The budget will also fund additional equipment grants to sustain the skills and capabilities acquired in the ATA courses. It will support as well in-country training programs in Afghanistan, Pakistan, and Indonesia.

Central Asia and Freedom Support Act Nations

In fiscal year 2004, over \$157 million in Freedom Support Act (FSA) funding will go to assistance programs in the Central Asian states. The fiscal year 2004 budget continues to focus FSA funds to programs in Uzbekistan, Kyrgyzstan and Tajikistan, recognizing that Central Asia is of strategic importance to U.S. foreign policy objectives. The fiscal year 2004 assistance level for Uzbekistan, Kyrgyzstan and Tajikistan is 30 percent above 2003. Assistance to these countries has almost doubled from pre-September 11th levels. These funds will support civil society development, small business promotion, conflict reduction, and economic reform in the region. These efforts are designed to promote economic development and strengthen the rule of law in order to reduce the appeal of extremist movements and stem the flow of illegal drugs that finance terrorist activities.

Funding levels and country distributions for the FSA nations reflect shifting priorities in the region. For example, after more than 10 years of high levels of assistance, it is time to begin the process of graduating countries in this region from economic assistance, as we have done with countries in Eastern Europe that have made sufficient progress in the transition to market-based democracies. U.S. economic assistance to Russia and Ukraine will begin phasing down in fiscal year 2004, a decrease of 32 percent from 2003, moving these countries towards graduation.

Combating Illegal Drugs and Stemming Narco-terrorism

The President's request for \$731 million for the Andean Counterdrug Initiative includes \$463 million for Colombia. An additional \$110 million in military assistance to Colombia will support Colombian President Uribe's unified campaign against terrorists and the drug trade that fuels their activities. The aim is to secure democracy, extend security, and restore economic prosperity to Colombia and prevent the narco-terrorists from spreading instability to the broader Andean region. Critical components of this effort include resumption of the Airbridge Denial program to stop internal and cross-border aerial trafficking in illicit drugs, stepped up eradication and alternative development efforts, and technical assistance to strengthen Colombia's police and judicial institutions.

Halting Access of Rogue States and Terrorists to Weapons of Mass Destruction

Decreasing the threats posed by terrorist groups, rogue states, and other non-state actors requires halting the spread of weapons of mass destruction (WMD) and related technology. To achieve this goal, we must strengthen partnerships with

countries that share our views in dealing with the threat of terrorism and resolving regional conflicts.

The fiscal year 2004 budget requests \$35 million for the Nonproliferation and Disarmament Fund (NDF), more than double the fiscal year 2003 request, increases funding for overseas Export Controls and Border Security (EXBS) to \$40 million, and supports additional funding for Science Centers and Bio-Chem Redirection Programs.

Funding increases requested for the NDF and EXBS programs seek to prevent weapons of mass destruction from falling into the hands of terrorist groups or states by preventing their movement across borders and destroying or safeguarding known quantities of weapons or source material. The Science Centers and Bio-Chem Redirection programs support the same goals by engaging former Soviet weapons scientists and engineers in peaceful scientific activities, providing them an alternative to marketing their skills to states or groups of concern.

Millennium Challenge Account

The fiscal year 2004 Budget request of \$1.3 billion for the new Millennium Challenge Account (MCA) as a government corporation fulfills the President's March 2002 pledge to create a new bilateral assistance program, markedly different from existing models. This budget is a huge step towards the President's commitment of \$5 billion in annual funding for the MCA by 2006, a 50 percent increase in core development assistance.

The MCA supplement U.S. commitments to humanitarian assistance and existing development aid programs funded and implemented by USAID. It will assist developing countries that make sound policy decisions and demonstrate solid performance on economic growth and reducing poverty.

- MCA funds will go only to selected developing countries that demonstrate a commitment to sound policies—based on clear, concrete and objective criteria. To become eligible for MCA resources, countries must demonstrate their commitment to economic opportunity, investing in people, and good governance.

- Resources will be available through agreements with recipient countries that specify a limited number of clear measurable goals, activities, and benchmarks, and financial accountability standards.

The MCA will be administered by a new government corporation designed to support innovative strategies and to ensure accountability for measurable results. The corporation will be supervised by a Board of Directors composed of Cabinet level officials and chaired by the Secretary of State. Personnel will be drawn from a variety of government agencies and non-government institutions and serve limited-term appointments.

In fiscal year 2004, countries eligible to borrow from the International Development Association (IDA), and which have per capita incomes below \$1,435, (the historical IDA cutoff) will be considered. In 2005, all countries with incomes below \$1,435 will be considered. In 2006, all countries with incomes up to \$2,975 (the current World Bank cutoff for lower middle income countries) will be eligible.

The selection process will use 16 indicators to assess national performance—these indicators being relative to governing justly, investing in people, and encouraging economic freedom. These indicators were chosen because of the quality and objectivity of their data, country coverage, public availability, and correlation with growth and poverty reduction. The results of a review of the indicators will be used by the MCA Board of Directors to make a final recommendation to the President on a list of MCA countries.

The U.S.-Middle East Partnership Initiative

The President's Budget includes \$145 million for the Middle East Partnership Initiative (MEPI). This initiative gives us a framework and funding for working with the Arab world to expand educational and economic opportunities, empower women, and strengthen civil society and the rule of law. The peoples and governments of the Middle East face daunting human challenges. Their economies are stagnant and unable to provide jobs for millions of young people entering the workplace each year. Too many of their governments appear closed and unresponsive to the needs of their citizens. And their schools are not equipping students to succeed in today's globalizing world. With the programs of the MEPI, we will work with Arab governments, groups, and individuals to bridge the jobs gap with economic reform, business investment, and private sector development; close the freedom gap with projects to strengthen civil society, expand political participation, and lift the voices of women; and bridge the knowledge gap with better schools and more opportunities for higher education. The U.S.-Middle East Partnership Initiative is an investment in a more stable, peaceful, prosperous, and democratic Arab world.

Fighting the Global AIDS Pandemic

The fiscal year 2004 budget continues the Administration's commitment to combat HIV/AIDS and to help bring care and treatment to infected people overseas. The HIV/AIDS pandemic has killed 23 million of the 63 million people it has infected to date, and left 14 million orphans worldwide. President Bush has made fighting this pandemic a priority of U.S. foreign policy.

The President believes the global community can—and must—do more to halt the advance of the pandemic, and that the United States should lead by example. Thus, the President's fiscal year 2004 budget request signals a further, massive increase in resources to combat the HIV/AIDS pandemic. As described in the State of the Union, the President is committing to provide a total of \$15 billion over the next five years to turn the tide in the war on HIV/AIDS, beginning with \$2.0 billion in the fiscal year 2004 budget request and rising thereafter. These funds will be targeted on the hardest hit countries, especially Africa and the Caribbean with the objective of achieving dramatic on-the-ground results. This new dramatic commitment is reflected in the Administration's \$2.0 billion fiscal year 2004 budget request, which includes:

- State Department—\$450 million;
- USAID—\$895 million, including \$100 million for the Global Fund and \$150 million for the International Mother & Child HIV Prevention; and
- HHS/CDC/NIH—\$690 million, including \$100 million for the Global Fund and \$150 million for the International Mother & Child HIV Prevention.

In order to ensure accountability for results, the President has asked me to establish at State a new Special Coordinator for International HIV/AIDS Assistance. The Special Coordinator will work for me and be responsible for coordinating all international HIV/AIDS programs and efforts of the agencies that implement them.

Hunger, Famine, and Other Emergencies

Food Aid.—Historically the United States has been the largest donor of assistance for victims of protracted and emergency food crises. In 2003, discretionary funding for food aid increased from \$864 million to \$1.19 billion. That level will be enhanced significantly in 2004 with two new initiatives: a Famine Fund and an emerging crises fund to address complex emergencies.

—*Famine Fund.*—The fiscal year 2004 budget includes a new \$200 million fund with flexible authorities to provide emergency food, grants or support to meet dire needs on a case-by-case basis. This commitment reflects more than a 15 percent increase in U.S. food assistance.

—*Emerging Crises Fund.*—The budget also requests \$100 million for a new account that will allow the Administration to respond swiftly and effectively to prevent or resolve unforeseen complex foreign crises. This account will provide a mechanism for the President to support actions to advance American interests, including to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace and acts of ethnic cleansing, mass killing and genocide.

SUMMARY

Mr. Chairman, members of the committee, to advance America's interests around the world we need the dollars in the President's Budget for fiscal year 2004. We need the dollars under both of my hats—CEO and principal foreign policy advisor. The times we live in are troubled to be sure, but I believe there is every bit as much opportunity in the days ahead as there is danger. American leadership is essential to dealing with both the danger and the opportunity. With regard to the Department of State, the President's fiscal year 2004 budget is crucial to the exercise of that leadership.

Thank you and I will be pleased to answer your questions.

REMARKS OF SENATOR GREGG

Senator GREGG. Thank you, Mr. Secretary, for that statement.

Let me begin by saying that we have enjoyed working with you and your Department. I know that Senator Hollings, who I succeeded as chair here, has aggressively pursued many of the initiatives which you have outlined in his original remarks. And I intend to continue Senator Hollings' processes there, initiatives in the area, for example, of gearing up the Diplomatic Corps. We will certainly be funding that.

One of my other concerns is the Consular Affairs area. We have to not only gear up and give the Consular Affairs folks status, but we also have to give them decent working places, so that when people come into our Embassies, they feel comfortable and not as though they are being treated as second class individuals. They should have a nice atmosphere. And I think that this will help the visa process, also.

And I also am concerned about protecting our people overseas, not only the Foreign Service Officers and Consular Affairs folks, but their families, especially at places where they naturally congregate, such as American schools. As you know, we put \$15 million into the budget to address that. And we are looking for other ideas that the Department may have in that area specifically.

I want to congratulate General Williams for his efforts. I believe that after a number of years of out-of-control costs, driven in large part by a need to respond to very serious security issues at our Embassies, the issue is being aggressively and effectively addressed by General Williams.

I would say this, however: I am concerned that we are building fortresses that have no architectural identity with the communities that they are in. And I hope that in obtaining security that we will not leave behind the importance of having American presence that does not look like a fortress, that our buildings start to take on some architectural identity with the countries that they are in. I think I would like to get into that issue, but not at this time.

What I would like to address now is a couple more larger issues which are current to the period. Let me read you a couple quotes from Osama bin Laden. In a Time magazine article on the issue of weapons of mass destruction, Osama bin Laden stated, "Acquiring weapons for the defense of Muslims is a religious duty. If I have indeed acquired these weapons, then I thank God for enabling me to do so. And if I seek to acquire these weapons, I am carrying out a duty. It would be a sin for Muslims not to try to possess weapons that would prevent infidels from inflicting harm on Muslims."

He went on to say in another quote, "We, with Allah's help, call on every Muslim who believes in Allah and wishes to be rewarded to comply with Allah's orders to kill the Americans and to plunder their money wherever and whenever they find it. The ruling to kill the Americans and their allies, civilians and military, is an individual duty of every Muslim who can do it in any country which it is possible to do it in."

What, today, is to stop Saddam Hussein from delivering to this criminal individual, who has already participated in the murder of thousands of Americans, those weapons of mass destruction?

SADDAM HUSSEIN AND WEAPONS

Secretary POWELL. Nothing is prepared to stop him today, if he chooses to do so. We want to take away his option of doing so by disarming the Iraqi regime and Saddam Hussein. The chilling words you just read, Mr. Chairman, are from somebody who is committed to strike us again and again and again; let there be no doubt about it, he will use airplanes filled with fuel. He will use

car bombs. As he said in those quotations, if he had weapons of mass destruction, he would use them.

Should there be a doubt in anyone's mind that if Osama bin Laden or other terrorists like Osama bin Laden had access to chemical or biological or nuclear weapons, they would use them? If there was a doubt in anyone's mind, that doubt should have been erased on 9/11. That is why after 9/11 we realized the nature of the conflict we were now in. We had to deal with the Taliban in Afghanistan. We had to break up al-Qaeda. You saw the recent arrest over the weekend of the gentleman who was the brains of the organization that struck us on 9/11. We have to go after not only these individuals, but also the potential sources of their weaponry.

That is why we redoubled our effort in making it clear to the United Nations that we could no longer allow its resolutions to be ignored with respect to Iraq, a known developer of weapons of mass destruction. That is why the moment we find ourselves in now is a critical moment, where we are being tested and where the Security Council, the United Nations, and the international community are being tested. Are we going to allow an individual, such as Saddam Hussein, to continue to develop these weapons of mass destruction or deceive us into believing that he is not, when we know he is, because it is too hard to face the consequences of dealing with the truth, and face a situation some years from now when Osama bin Laden has accomplished the goal he laid out in those statements, and he has such a weapon, and he got it from Iraq?

We must go after these countries, these rogue nations, that proliferate and are led by leaders who would strike us and who have shown in the past they will strike their own neighbors, strike their own people, do anything to stay in power and pursue their own agenda. That is the argument I will be taking to the United Nations this afternoon. This is the time to deal with this kind of threat, not after we have seen thousands of people die as a result of the use of one of these horrible weapons. We cannot allow ourselves to be deterred by false claims that "It is all okay. He is complying," when he is not complying but merely deceiving the international community and trying to keep us from doing what we said we would be prepared to do last October—excuse me—November, when we passed Resolution 1441.

Senator GREGG. Thank you. And I want to congratulate you and the President for pursuing that policy, because I think it should be obvious to all people, whether we wish to admit it or not, that we are dealing with a fundamentally evil individual, not only in Saddam Hussein, but in Osama bin Laden, obviously, and that the coalescence or the convergence of those two forces represents a clear, present, and immediate threat to the United States.

My time is up, and I yield to the ranking member.

VICTORY IN IRAQ

Senator HOLLINGS. Mr. Secretary, I support you, support your budget. I have some questions about Colombia and General Williams, the Embassy there at Berlin.

This cost sharing proposal and the funding request for USAID buildings—the Foreign Operations Subcommittee ranking member Senator Leahy will be back momentarily—but I cannot get any

money back from him. So we have opposed our State Department budget funding buildings under another subcommittees' jurisdiction.

Having said that, I am reading here, I am listening to our President before the American Enterprise Institute, of a regime change. I am hearing you yesterday afternoon. And then I am reading yesterday morning, and I quote, "General Meyers also said disarming Iraq would define victory, not capturing or killing President Saddam Hussein." Is General Meyers correct?

Secretary POWELL. All of the statements that you made reference to and the positions you made reference to are correct.

Senator HOLLINGS. Well, that means then you believe we have to remove Saddam Hussein, is that not right?

Secretary POWELL. Well, in 1998, the previous administration and the Congress believed that the only way—

Senator HOLLINGS. I am not questioning that.

Secretary POWELL. No, no. I just need—

Senator HOLLINGS. I have read—

Secretary POWELL. Yes, I am going to come to our position. But the Congress and the administration at that time, in the face of the intransigence of Saddam Hussein, his unwillingness to disarm as a result of previous U.N. resolutions, made a judgment that we could not solve this problem with that regime in place. So regime change in 1998 became the policy of President Clinton's administration. It was to some extent, I think to a large extent, endorsed by the Congress in laws that were passed at that time.

When we came into office, we worked to see if there was some other way of disarming Saddam Hussein. We modified and strengthened the sanctions policies, so that it was not hurting the Iraqi people. We worked with our friends and allies to see if there was some way to disarm him. We finally got to the point where Resolution 1441 was passed. Resolution 1441 passed unanimously. It has as its goal the disarmament of Iraq.

However, what we have seen since 1441 was passed is that Saddam Hussein has still not made that strategic choice to disarm and allow the inspectors to verify that he is disarming. So we are reaching the point that was reached by others in 1998, such that it appears the only way perhaps to get him to disarm is to remove the regime and disarm that nation of its weapons of mass destruction.

But even at this late date, it is possible to find a peaceful solution, if Saddam Hussein and the Iraqi regime would do what it has been asked to do by the international community for all these many years. But we do not take off the table, of course, the option of forcible removal of the regime. We have a large number of American troops that are assembled there to do that.

But it is the disarmament that is the principal objective. I think that is the point that General Meyers was trying to make, when he said the regime will be removed. But whatever happens to Saddam Hussein, whether he goes into exile or into irrelevance, we will have a better situation in Iraq when those weapons of mass destruction are gone.

REMOVING SADDAM HUSSEIN

Senator HOLLINGS. Well, you and I would agree in a second that if you removed all the weapons of mass destruction in the next hour, you would still have to remove Saddam. You could not just pick up and then leave with General Meyers and say, "The job is done." I mean, that fellow would start building bombs all over again. So I guess you and I agree that removing Saddam Hussein is the mission.

You used the expression "better way, less expensive way," in order to remove him. I was never worried for the last 10, 12 years about any imminent threat from Saddam. We have what you and I know as the AMLR, the best force, Israel, right there. They do not have the luxury of calling up and getting a meeting with the United Nations or asking for monitors. They have to act in self-defense. And so if there is any imminent threat really, they would knock it out by 10:30 or 11:00 o'clock this morning, I can tell you that.

Knowing that, and you used the expression in your major testimony there about "a better way, a less expensive way." Rather than starting a war and all of these other things to remove him, Mossad would know where he is. Why not get a hit team and get rid of him? Why start a war in order to do it?

Secretary POWELL. Because I am not sure anybody really knows where he is. It is easy to say. It is much more difficult to do. I cannot tell you what Mossad or any other intelligence agency knows or does not know. This is a man who has spent the last 30 years putting in place a security system that has as its sole purpose to keep him in place. The suggestion that if there was imminent danger, everybody would know where it is and could hit it by 10:30 this morning, I think, is not quite the case.

His capabilities are well dispersed. They are hidden. They are not easy to find. He has had decades of experience in hiding his activities and diverting the attention of those who are looking for his prohibited activities.

Senator HOLLINGS. Well, the 3,000 missiles in this same story that are precision guided, are they guided against Saddam?

Secretary POWELL. I do not know of any way to guide against a particular individual.

Senator HOLLINGS. Are those military targets alone? Is that your answer, just the 3,000 missiles?

Secretary POWELL. No. My answer is that I do not discuss targeting that might be conducted by our military authorities. In the old days, I used to.

Senator HOLLINGS. You were the chairman.

Secretary POWELL. But now I do not. I think it is unwise to do.

Senator HOLLINGS. But you know where they are guided. You can discuss them. I mean, we have to get the guy. You have to hit the palaces, as well as the command and control. You know what I mean. Hit a few Scud sites. In fact, if you have any good precision guided ones, why not tell the inspectors and let them take them up?

Secretary POWELL. The inspectors do not view as their role to be part of the U.S. targeting system. If we keep saying all we have

to do is hit the palaces, I can assure you that the place Saddam Hussein will not be in is one of his palaces.

Senator HOLLINGS. And you do not think——

Secretary POWELL. I do not think he is as targetable as it is often suggested. He is a survivor. He is aware of our capability. I am sure he is doing everything he can to assure his personal survival.

Senator HOLLINGS. Being a survivor, there would be nothing wrong, if we knew to hit him. In other words, when we hit that automobile full of terrorists down in Yemen, we announced publicly—I would not have announced it, but they did, and said terrorists. In a terrorism war, terrorist open season, they are combatants. And we can hit them anywhere we can find them.

So I take it there would be nothing wrong with trying to hit Saddam with one of those missiles; would there be?

Secretary POWELL. If we were in armed conflict, which we may well find ourselves in, then——

Senator HOLLINGS. As I understand it, excuse me, but we are in armed conflict. The President announced, said, “We are in a terrorism war.” And in a terrorism war, terrorists are combatants. And therefore, you can kill them. That is how he justified killing those people down there in Yemen.

So we have described Saddam in every way possible, including as a terrorist. So you could go ahead and hit him, could you not?

Secretary POWELL. I, frankly, do not want to talk about targeting, who might be targeted, or who might not be targeted at an open hearing like this, Senator.

Senator HOLLINGS. Well, you can see what I am getting at. You do not want to level Baghdad to get him. I mean, how do we get to victory, according to General Meyers——

Secretary POWELL. We have no intention of—we are not going to level Baghdad.

DEFINING VICTORY IN IRAQ

Senator HOLLINGS. I agree; we are not going to level Baghdad. So what is going to define victory, other than getting him?

Secretary POWELL. Defining victory will be a disarmed Iraq. If it is done peacefully, with no invasion and no military action required, it would be an Iraqi regime that has foresworn these weapons of mass destruction and done so in a way that there is reason to believe them. It is hard to imagine believing them right now. If there is a military conflict, it will require a change in that regime, because they have demonstrated they will not change otherwise, and the disarming of the country's weapons of mass destruction, putting in place a better government for the people of Iraq.

This has been a terrible government for 30 years. It has squandered the wealth of the nation on weapons of mass destruction. It is all about the survival of one individual and his cohorts in this one regime. The people of Iraq will be a lot better off when their weapons of mass destruction are no longer cause for the rest of the world to be concerned about. If it takes the removal of the regime to do it, because we cannot find a peaceful way, then that is what we are prepared to do.

Senator HOLLINGS. Senator Kohl, I recognize you. And I am going to leave to vote, too. And the chairman is coming back, and——

Senator LEAHY. I believe that I was really here first.

Senator HOLLINGS. You were here first? Excuse me then. Very good. Excuse me, Senator Leahy. But the distinguished Secretary has to leave no later than 11:30.

Senator LEAHY. Thank you, Senator Hollings. I understand we were doing the early bird rule.

CURRENT SITUATION IN IRAQ

And I am sorry that I had to step out earlier, Mr. Secretary. We have one of these judicial confirmation matters that come up periodically on the floor of the Senate. And I was involved in that. So I had to drop by.

I understand you are going to the United Nations. I am glad you could take the time to come here. I appreciate that all the years I have known you, both in the military and now in this, you have always been responsive to consulting with the Congress. I think it has helped your cause, but it has certainly helped our understanding. And I do appreciate that.

I also appreciate the money that you have helped get in the bill for food aid to starving people in Sub-Saharan Africa. For that, some of us have been fighting for this for years.

Now having said that, let me ask you this: A question I get in hundreds of letters, sometimes thousands of e-mails from my little State of Vermont, is "How has it come to this?" They are speaking of Iraq, of course.

When my wife and I go home on weekends, I go in the grocery store. I get asked this question from everybody from the people stocking the shelves to customers. I get to my house in Vermont. People are calling, asking me the same question.

In the immediate aftermath of September 11, we had hundreds of thousands of Germans in Berlin marching in support of the United States. We had Le Monde in France declaring "We're all Americans." We had unprecedented international cooperation in our war against al-Qaeda, including the use of force in Afghanistan. Now we have deep divisions within the Security Council. Some of our closest allies raise serious questions about our effort to launch a war immediately.

Saddam Hussein is one of the world's worst tyrants. He is a war criminal. He is a despicable, dangerous despot. There is no question that in a war crimes tribunal he could be convicted of heinous crimes. The United States is a country that stands for freedom, democracy, and human rights. We stand for making the world a safer place.

But if that case is so clear, why are Russia, China, Germany, France, and a dozen other nations saying we are making a grave mistake by not giving the U.N. inspectors more time? Turkey, which is swimming in debt, turns down our offer of billions of dollars. We are threatening to go to war without a Security Council resolution. We are causing deep divisions among ourselves and within NATO. I have visited with NATO leaders, and the United Nations. How did it come to this?

Secretary POWELL. One of the reasons we are here is because—
 Senator LEAHY. What do I say to Vermonters? What do I say to Vermonters who ask me that question?

HISTORY REGARDING REGIME CHANGE IN IRAQ

Secretary POWELL. We are here because the international community has refused to deal with this tyrant, who has all the traits and attributes that you mentioned earlier. He is a dictator. He has more than oppressed his own people; he has allowed rape and murder and all kinds of terrible crimes to occur within his country.

He is not the only one in the world like that. What makes him different is he also has been developing weapons of mass destruction; there is no question about it. He has had the intent to do so, and he has developed them. He has used them in a way that no other modern leader has used such weapons, against his neighbors and against his people.

The international community made a judgment, beginning back in 1991, that this was unacceptable and that he had to be disarmed. He had to give up these weapons. For 11 years, the international community kept passing resolutions and did nothing about it.

This administration came into office determined to do something about it, to see whether that behavior could be changed. We came into office with a strong position from the previous administration that this regime had to be changed, if it would not change itself. We worked with the United Nations to get them to realize the simple reality that this was a dangerous regime and that something had to be done.

What really brought it into focus was 9/11, when it became clear, as you heard from Senator Gregg earlier, that we have people out there who would do anything to get their hands on the kinds of weapons that Saddam Hussein is developing. Now some argue back, "Yes, but you cannot prove that kind of a nexus between al-Qaeda and Saddam Hussein. Yes, you have some evidence, but it is not good enough proof."

Well, we do not want to wait around until the proof is ready for a court of law, to say, "But we have already seen chemical or biological weapons made in Iraq show up somewhere in New York or in Vermont." So we believe this was the time to deal with this. We got the United Nations to agree with a 15-0 vote in the Security Council in early November. All members agreed that Saddam Hussein was guilty. He was in material breach, stayed in material breach. This is the time for the Iraqi regime to change, immediately, unconditionally, right now. Inspectors will help verify the disarmament. If Saddam Hussein did not disarm this time, there would be serious consequences. Everybody who voted for that knew what that meant. It meant that if the Iraqi regime did not comply, there would be a war.

There were some at that time who were already beginning to say, "Well, good. We have bought some time and then we will buy some more time and some more time. Then this whole thing will go away."

STATUS OF ALLY SUPPORT

Senator LEAHY. Is that what our allies are doing? Is that what Germany is doing? Is that what France is doing? Is that what China is doing? Is that what—

Secretary POWELL. Yes. It is what some of our allies are doing. But some of our allies, like the United Kingdom, Spain, Italy, Portugal, the newly emerging nations of Eastern Europe, and Australia, are standing up with us and standing up strongly.

We have most of these European nations standing up strongly, even in the face of public opinion that is in the other direction. The new Turkish government, not fully installed yet, went to their parliament and asked and lost just by a couple of votes. As you heard yesterday, Mr. Erdogan and Turkish general staff leaders said, "We have to go back to our parliament, because it is the right thing to do to support America."

Senator LEAHY. I do not want to make any problem there, but, as the administration tells us, they have not yet come to the appropriators. We are going to have to come up with that \$10 billion to back up your bet.

Secretary POWELL. Which \$10 billion is that, sir?

AID TO TURKEY

Senator LEAHY. Well, you are not offering \$10 billion or \$5 billion or some number of billions of dollars in aid extra aid to Turkey?

Secretary POWELL. The Turkish aid package was \$6 billion in grant aid, which could be leveraged up through loans to a higher amount. But it was \$6 billion. And—

Senator LEAHY. No direct—

Secretary POWELL [continuing]. We were quite aware—

Senator LEAHY. No direct amounts?

Secretary POWELL. Yes.

Senator LEAHY. There will be no direct amounts?

Secretary POWELL. No. I am not sure. It is a \$6 billion amount, some of which is direct, but some of it could be used to leverage loans in order to have more impact on the economy.

Senator LEAHY. I do not want to make your negotiations more difficult, but I would suggest that the administration come up here and talk to both Republicans and Democrats on the Appropriations Committee and make sure that the votes are there to support the package that is being promised, and that you are not taking this money from other prior, equally critical needs that both you and I support in the foreign aid bill; because so far, we have not been told where that money is going to come from or how it is going to be used.

There is North Korea, which we all agree poses a major threat. I have heard statements made, I happen to agree with them, that the last thing in the world we want them doing is exporting their rockets or their missiles.

We spent a fortune to track the shipment of missiles from North Korea to Yemen. We show our ability to stop the ship carrying it on the open seas. And then we say, "Oops. Sorry about that. Go ahead and take the missiles anyway."

And I am wondering if, when people see that, when they see officials of the administration referring to our allies as "old Europe," as though they have not faced war and as though they do not have a lot of people who are still alive who have lived through war on their soil. Those same officials suggest the United Nations could be irrelevant, at the same time the President's fiscal year budget says the United Nations serves U.S. interests by helping end conflicts, restoring peace, and strengthen regional stability.

I mean, which is it? If the United Nations does not go along with everything we ask, do they become irrelevant? Are we helped by calling countries in Europe "old Europe" in a dismissive fashion?

RELEVANCE OF THE UNITED NATIONS

Secretary POWELL. Well, first of all, with respect to the United Nations, if we thought it was irrelevant, the President would not have gone there on the 12th of September. But at the same time, the United Nations is in danger of becoming irrelevant if it passes resolution after resolution that are totally ignored by a country in a situation where that country continues to develop weapons of mass destruction.

If the United Nations Security Council fails to deal with this issue, certainly there is a degree of irrelevance then in the Council's actions on this particular issue. The United Nations is a body that we support. We have done a lot of work in the last several years, in the previous administration and this administration, to clear up our arrears, to rejoin UNESCO, and take a number of other actions that show we understand the purpose of international organizations. We want to be multilateral with respect to our efforts.

Europe is not of a single mind on the issue of Iraq. I can list more countries that are supportive of our position than those that are against our position. The fact of the matter is that European public opinion is not supportive of our position. But I think the anxiety that exists within the international community would be gone in a heartbeat if Saddam Hussein would do what he is supposed to do; or, in the aftermath of a successful military operation, people will see that we are doing the correct thing in removing this dangerous threat from the region and from the world.

With respect to Yemen and North Korea, we are deeply concerned about North Korean proliferation and have been for a long time. In the case of those particular Scuds, when we determined that they were not heading to a terrorist organization or a rogue state, but a nation that we have close relations with, and the Scuds were part of a contract that had previously been entered into, and we had assurances from the Government of Yemen that the contract was now concluded with this last shipment and we would not have to be worried about any further sales from North Korea, it seemed the prudent thing to do. I think it was the prudent thing to do, to let the shipment continue to its owner, a friend of ours, with assurances that that was the end of it and that they were discharging any further contractual arrangements they might have had or entered into with North Korea.

Senator LEAHY. Other Senators are back now. And I will go and vote. But two things: One, I hope their new assurances are more accurate than their old assurances.

Secretary POWELL. We did not have old assurances that they would not purchase. We have new ones.

Senator LEAHY. And secondly, if we are going to continue to be offering money and aid to other countries, come on up here and make sure that the Congress will actually back up that money.

Thank you.

Senator GREGG. Senator Kohl.

STATUS OF OTHER ARAB NATIONS

Senator KOHL. I thank you, Mr. Chairman.

Mr. Secretary, President Bush has said that "a new regime in Iraq would serve as a dramatic and inspiring example of freedom for other nations in the region." My question to you is: How are other Arab states reacting to our aspirations for Iraq to be a model democracy, given that our Arab partners in the region are currently not ruled by democratic regimes? What sort of message are we sending to the current governments, particularly at a time when we are relying on some of them for support in our war effort? Are we not implicitly saying, "You are next, and, if necessary, by force"?

Secretary POWELL. No. Our friends and I stay in very close touch with them and spoke to several of them this morning, they know that we have no intention of forcing the overthrow of their regime or leadership, either overtly or covertly. But they also know, because the President has said this on a number of occasions, and I have said it on a number of occasions, that we think that democracy is not something that is just exclusively for Western nations. Democracy should be able to thrive in Arab nations, as well.

I think what we will be seeing in the years ahead is that, as each Arab nation moves further into the 21st Century, they will see the benefits of opening their society up to great opportunity for women, educating their children for the kinds of jobs that will be needed to be performed in those societies in the 21st Century, removing state controls on the economy, diversifying their economy, and having more representative forms of government.

We do not shy away from making this case to our friends in the region. Now, they press back. They have their own culture, their own history, and their own traditions. They have been nations far longer than the United States of America. So we enter into a spirit of dialogue with them. We think each of them will have to find their own way into the future, of course. We hope that we can be of assistance to them. We are.

The Middle East Partnership Initiative that I launched not too long ago will try to help them with their education of young people for the 21st Century by helping to build up a civil society. We have fascinating debates and discussions with our Arab friends. We believe that we should say to them what we believe with respect to the power of a democracy to help transform and better their societies.

POST-SADDAM IRAQ

Senator KOHL. Would it not follow that we then go in and disarm Iraq so that they are no longer a threat to us and let them set up their own society and do it in a way that most fits their own needs and aspirations, much as it is true in Saudi Arabia and so on?

Secretary POWELL. I think we would have an opportunity here, however, to shape this in a way that we can convince them that the best way to set up their new society is on the basis of openness, on the basis of representative government, and on the basis of pulling the diverse elements of the Iraqi population into a form of government that respects each of those diverse elements and yet keeps it together as a nation. So I think we have an important role to play.

We will not ignore their history, traditions, and culture. We could not, even if we wanted to. It's 24 million people. But at the same time, we have some experience over the last 50 to 60 years of going into countries that have not experienced that kind of representative government before and getting them to see the benefit of it and leaving them far better off than when we went in.

Senator KOHL. So this might be something akin, not exactly like, but akin to what we did in Japan after the war?

Secretary POWELL. I do not think it is going to be akin to any of the models of the past. I do not think it is like Japan or—we are not going to have a MacArthur there for 7 years or 8 years or a four power arrangement, as we had in Germany. I think each one of these is unique.

Afghanistan was unique, where we were able to put in place an Afghan government rather quickly. There were people standing there, leaders ready to lead and lead in the right direction. We were able to support them.

There are other models—East Timor, Cambodia, Bosnia, and Kosovo. We are studying all of these models to see what would fit best in Iraq. But our overall principle is: If a military operation is required, obviously then a military commander has to be in charge and would be in charge in the immediate aftermath of the conflict for some period of time. We want that period of time to be as short as possible.

As we transition to a civilian administration, we will bring in international organizations to help with the rebuilding and to help with the funding of the whole exercise, bring in responsible Iraqi leaders to create their own government, work with both people who have been outside and inside of Iraq, and work with the traditional leaders within Iraq to put in place a government that does not commit itself to weapons of mass destruction and threaten its neighbors, as the current government has for the last 30 years.

SAUDI ARABIA AND 9/11 TERRORISTS

Senator KOHL. Last question: Fifteen out of the nineteen terrorists on 9/11 were Saudi Arabian in their origins. If we are going after countries and obviously not willing to abide terrorists or those who sponsor them, where does Saudi Arabia fit it?

Secretary POWELL. Saudi Arabia has been a friend of the United States for many years and still remains one. We are troubled that

so many came from Saudi Arabia, and they are troubled that so many came from their country. We are working with them to put in place a better visa system so we know exactly who is coming into the United States. We are also working with them on searching out sources of financing for terrorist organizations. They have been very cooperative in that regard. They realize they have a problem within Saudi Arabia if they are serving as a place of gestation for these kinds of individuals.

It is not only a threat to the United States. I think we are persuading them that it is a threat to Saudi Arabia as well.

MADRASAS

Senator KOHL. But do they not have schools that educate the young that—

Secretary POWELL. They have schools that I do not think have been organized and are being run in a way that is consistent with what their educational needs are for the 21st Century. Too often, these schools have been educating youngsters in a way that would lead some of these youngsters into this kind of activity. That is also a subject of discussion with the Saudis.

They have also been funding those kinds of schools in other parts of the world. We are now seeing some of the consequences of that and taking it up with the Saudis. In fact, as part of our effort with Pakistan, Pakistan is trying to redo its educational system, so that the schools exist not as a hotbed of extremism, but as a place where youngsters get an education so that they can contribute to Pakistan and not become a problem for Pakistan or for the world.

Senator KOHL. Thank you, Mr. Secretary.

ISLAMIC CENTER IN TURKEY

Senator GREGG. Mr. Secretary, I just wanted to follow up on Senator Kohl's comments a little bit. First, I would note that this committee, under the leadership of Senator Hollings, set up the Center for Muslim Western Dialogue in Turkey, the basic purpose of which is to try to educate folks in the Muslim world about advantages of democracy. And we are continuing to fund that aggressively.

And if the Department has other ideas in this area, we would be interested in them. These are the types of initiatives we would like to pursue. I think Senator Hollings has set out a good course here for us to follow in this committee. We would like to increase the effort in that area. So I guess we are asking for ideas.

ROLE FOR FRANCE AND GERMANY

Secondly, is the issue of post-Saddam Iraq. France has had a very significant commercial relationship with Iraq, which they have continued during the period of Saddam Hussein's leadership and have taken advantage of that criminal regime through commercial activity. I am just wondering: What is the proper role for France, and even Germany, in a post-Saddam Iraq?

Secretary POWELL. Well, I think it remains to be seen. I think that once a new government is in place, it will be up to that government to determine how they will use their economic resources, their oil, their principal source of revenue, and who they will enter

into various economic arrangements with. It is not for the United States to dictate the future of Iraq. It is for us, if we have to have a military operation, to hold in trust for the people of Iraq their wealth in the form of their oil. It will all be used for the benefit of the people of Iraq.

But it would seem to me that the people of Iraq, now having been liberated, might glance around and see who helped and participated in that liberation, and who did not.

FRENCH ROLE IN THE CONGO

Senator GREGG. On a tangential issue, we have spent approximately \$800 million of American taxpayer money in the Democratic Republic of the Congo relative to the U.N. peacekeeping mission there, which is primarily being pursued under the auspices of France as the lead country and as the designer of the policy to some degree. And one has to wonder: With the lack of cooperation France is giving us on what we consider to be a major national strategic issue, our national defense and our right to protect ourselves from weapons of mass destruction, to what extent is it appropriate for taxpayers to continue to support the French position in the Congo?

Secretary POWELL. I think we have to be very careful if we are having a particular problem with one of our friends in one area, not to see if we can "get even" in another area, where it does not serve our interest to get even. In the case of the Congo, I think the money that we are using and the efforts of the French have started to have a result and pay off.

For example, Germany, even though we have a major dispute with them over the issue of Iraq, Germany has troops in Afghanistan standing alongside of ours. They have troops in the Balkans. We are cooperating with the Germans in a number of areas. They are working with us in the global war on terrorism.

So we can have strong and serious disagreements. I can assure you that these disagreements are fought out with emotion and heat in the various conference rooms that I spend a lot of my time in, but that does not mean that they are suddenly no longer our friends or that the place is a hotbed of anti-Americanism. We are having a dispute over policy. That dispute over policy should not necessarily result in the end of friendships that have served us well for long, long periods of time.

Now there may be areas where we have to question whether or not we ought to be cooperating with them, because if they took this attitude here and that same attitude translates somewhere else, then they could affect our equity there. So I do not say that we should not look at all we are doing. But, I think any suggestion of "Let us get even with them somewhere else" in a way that hurts us is not necessarily the right policy.

RENOVATION OF U.N. BUILDING IN NEW YORK

Senator GREGG. On one item which is coming at us, which is a big issue financially, is the request by the United Nations to build a new building in New York. I mentioned this to you earlier, \$1.6 billion for a new building. Now, the reconstruction of the World Trade Center, which envisions the largest building in the world on

that site, along with a variety of other memorials, is estimated to be less than \$400 million. The building of the Beijing Embassy, which is going to be the most expensive undertaking we have ever pursued as a foreign construction project, is projected to cost less than \$500 million.

The United Nations is asking for something that exceeds the cost of the World Trade Center reconstruction by over \$1 billion. This, on the face of it, seems to be excessive. Now maybe it is not. But we would like to get some ideas about this, since the taxpayers of America are likely to bear the biggest burden of this cost.

Secretary POWELL. Yes. The number I have been hearing is \$1 billion. But it is nevertheless a significant number. There are other buildings besides just the U.N. building itself that are involved. There are various partnerships that have been entered into with the City of New York. This is a very complex project, made more complex by the fact that the intent is to rebuild and renovate, not just start from a piece of ground. I think that very prospect adds a lot to the cost of this project.

It is a historic place. It is a landmark in New York. The rebuilding of that landmark is expensive, but I cannot sit here and justify the cost. I am not saying the costs are wrong. It is just that I am not in a position to tell you I know enough about the costing of that project to defend it.

Senator GREGG. Well, before we get assessed with an arrearage from the United Nations for not participating fully in that, I think we are going to have to have some real——

Secretary POWELL. I think the request is for——

Senator GREGG. Maybe we should ask General Williams to be in charge of that.

Secretary POWELL. Well, General Williams and I have spoken about it. He is looking at the project, just as a matter of interest for me, because sooner or later we will be asked to come up with an interest-free loan to help pay for the building.

Senator GREGG. Senator Hollings.

COMPENSATION FOR IRANIAN HOSTAGES

Senator HOLLINGS. I appreciate your answer, Mr. Secretary, about the French, because I fought with them in World War II. They are outstanding fighters. We have the French and the Germans and the Turks with us in Afghanistan. And I hope this afternoon you can convince them to rejoin us.

I have always been concerned about Iranian hostages. On May 22, 2002 you said a plan for compensation would soon be submitted. Can we count on getting that plan from you?

Secretary POWELL. I will have to research with my staff, sir, and give you an answer for the record.

Senator HOLLINGS. Yes. Because we have your letter, and you stated that on May 22, 2002 that a comprehensive plan for compensation would be forthcoming.

Secretary POWELL. Yes. I will try to find out. Obviously, it has not been forthcoming. So I will try to find out the status of it and get an answer for you.

Senator HOLLINGS. Very good.

Secretary POWELL. I may have it now. I do not know.

Senator GREGG. Maybe it just arrived.

Senator HOLLINGS. It just arrived.

Secretary POWELL. Yes. It is out of my office.

I know where it is. I will go ask the Director of this Office of Management and Budget why it is still there.

Senator HOLLINGS. Yes. Well, you have quite a task. And we appreciate it very much.

Thank you, Mr. Chairman.

And thank you, Mr. Secretary.

Secretary POWELL. Thank you, Senator.

Senator GREGG. Senator Kohl, do you have any additional questions?

SITUATION IN NORTH KOREA

Senator KOHL. Just one.

Mr. Secretary, I and others have been very concerned about reports that the United States is prepared to live with a nuclear North Korea and that we intend to shift our focus on preventing the North Koreans from exporting nuclear weapons to other countries. I agree that we need to do all we can to prevent North Korea from exporting weapons of mass destruction; but I believe that we should not back down from our efforts to forestall North Korea from developing nuclear weapons in the first place.

So in that area, why have we decided, or have we decided, not to talk to them directly? Is this not the best way to get to the bottom of it while at the same time encouraging other countries to be a part of the effort?

Secretary POWELL. Well, first of all, I read that report. I do not know of any basis for the report, that we have decided to live with a nuclearized North Korea.

The position of the United States is: We do not want to see nuclear weapons in the Korean Peninsula. It is also the position of China. It is also the position of Japan and South Korea. In fact, South Korea entered into an agreement with North Korea a little over 10 years ago that guaranteed a non-nuclear Korean Peninsula, yet another agreement that North Korea has violated.

We are working with all of our friends in the region to see that North Korea does not become nuclearized or even more nuclearized than it may be, because our intelligence suggests they may have one or two nuclear weapons. Some say they do have one or two nuclear weapons. We will not know until we actually find a way to confirm that.

So we are working hard to see that they do not move any further. Our concern right now would be if they started up the reprocessing facility. They have been acting in provocative ways. They have been trying to get our attention. We are not unmindful of these efforts on their part to get our attention.

But we are making it clear to the North Koreans that we do want to talk, but we want to talk in a multilateral forum. Why do we want to do that? Because it is not just a problem between the United States and the DPRK. That is the way they want to see it. It is a problem with the DPRK and the international community and with the DPRK and the International Atomic Energy Agency, which has condemned them for breaking the seals and moving in

the direction to restart the reactor. It is a problem between the DPRK and South Korea for violating their agreement with South Korea. It is a problem between the DPRK and Japan, China, Russia, and many other nations.

Therefore, we are looking for a multilateral way to deal with this problem. Now, every time I pick up the paper in the morning, it says a quick solution is, "Why do you not just call them up and go talk to them?" Well, that is what happened some years ago when we came up with the Agreed Framework. The Agreed Framework served a useful purpose in capping the Yongbyon facility so that it was not producing any more fissionable material. I give credit to the Agreed Framework for having done that for eight years.

But at the same time, the potential for developing fissionable material was left in place at Yongbyon by the Agreed Framework. As the ink was drying on the Agreed Framework and a number of other assurances that the North Koreans gave us, they had started work on another form of enrichment, enriched uranium, to produce the material needed for nuclear weapons.

While we thought we had them, you know, in one jug with a cork in the jug, even though the jug was left there to be uncorked, they were working on another jug. We found out about it last year. We did the right thing; we called them to account.

We said, "We know you are doing this. This is in violation of all the commitments you have made over the years to the South Koreans and to the international community. It is in violation of the Agreed Framework, the basic intent of the Agreed Framework."

Their response was, "Yes, we did it. Now come talk to us, and we will see what kind of framework we can come up with this time."

Well, what we are saying is: This time it has to be solved for good. It will only be solved for good if it involves all of the nations who are in the region. North Korea has tried to, through its provocative steps over the last several months, get the attention of the world on this issue and get the attention directed toward us. The attention should be directed toward the North Koreans. They are the ones who have people who are starving. Not one person will be saved by enriched uranium or by more plutonium coming out. They have blown the opportunity they had to get enormous assistance from Japan by their actions.

We have a number of diplomatic initiatives underway, some of them very, very quietly underway, to see if we cannot get a multilateral dialogue started. We are looking for a peaceful solution to this problem. We are committed to a non-nuclear Korean Peninsula.

Senator KOHL. Thank you, Mr. Chairman.

Senator GREGG. Thank you, Mr. Secretary. I appreciate you taking the time.

Well, we have been joined by the chairman of the full committee. So obviously we defer to the chairman of the full committee for any questions he may have.

SENATOR STEVENS' REMARKS

Senator STEVENS. No questions for my good friend. I am happy to have a chance to be here and to tell the world what a great job I think you are doing, Mr. Secretary.

Secretary POWELL. Thank you, Mr. Chairman.

Senator STEVENS. I look forward to working with you in any way possible.

Secretary POWELL. Thank you, sir. I was up at Elmendorf the other day. It looked great up there.

Senator STEVENS. Well, the next time we will arrange a site trip around the State, maybe do a little marine research.

Secretary POWELL. Yes, sir. I know the kind you have in mind. I look forward to it.

ADDITIONAL COMMITTEE QUESTIONS

Senator GREGG. Mr. Secretary, we will let you get up to the United Nations. And thank you again for what you are doing for the country.

Secretary POWELL. Thank you for your courtesy, Mr. Chairman.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR JUDD GREGG

DIPLOMATIC READINESS INITIATIVE

Question. Could you walk us through the methodology State used to arrive at the numbers for the Diplomatic Readiness Initiative? What internal review process took place to determine where additional personnel were needed? Why, during this internal review process, wasn't the Department also able to identify posts that were overstaffed for right-sizing? If such a review took place, why has the Department been unable to tell the Committee where exactly the new FSOs will be placed?

Answer. The Diplomatic Readiness Initiative (DRI) addresses many of our core needs, some of which are determined by our Overseas Staffing Model (OSM) and training requirements. The Overseas Staffing Model is the primary tool for determining baseline overseas staffing needs. It provides an objective, flexible tool to measure what resources are needed to meet the President's and the Secretary's foreign policy priorities and objectives. The OSM quantifies what we need to achieve the International Affairs Strategic Goals, to meet legislative mandates, and to fulfill our responsibilities to support the full USG presence overseas. This model, made up of seven components ("core program," consular, public diplomacy, etc.), identifies the staffing requirements at overseas posts based on specific categories and criteria and provides a comparative assessment of posts. It evaluates each post using workload indicators and host country factors. The OSM serves as a baseline and specific staffing decisions are made through the budget and planning process. The OSM showed in 2001 that we had needs expressed as 386 positions overseas that were not being met. The DRI request for 1,158 positions covered this shortfall.

In addition, we determined we needed to be able to meet other needs without straining our workforce. In order to have people in training and to avoid staffing gaps when transfers and crises occur we need enough people in the system. The remaining DRI positions are to cover establishment of long-term training positions (such as for languages) or detailee positions—to which employees are assigned—as well as to increase our base level of employees. While we need more people to meet crisis response and emerging priority needs, we do not have people in positions designated as "waiting" for that crisis to occur; rather, we planned to use new DRI positions to meet those policy, program, or infrastructure support needs identified by the Department during our budget and financial plan cycle. The increases to overall staffing would reduce the strain when employees were sent to short term training (such as under our new mandatory leadership and management training initiative) or when they needed to be reassigned to higher priorities. The DRI therefore is about flexibility and preparedness rather than specific position-by-position detailed

needs. This is also partly due to the nature of the Foreign Service system of “people in motion” rotating between positions as well as the inherent unpredictability of foreign affairs.

The Department’s senior leadership makes final decisions on the Department’s staffing requirements, hiring plans, and position allocation based on emerging priorities, funding potential, Overseas Staffing Model projections as well as the Senior reviews led by the Deputy Secretary. This ensures that staffing decisions are made in support of mission requirements. The strong linkage between strategic priorities and resource decisions—with senior management involvement—ensures the Department’s ability to meet our mission. The exact allocation of the new positions created in fiscal year 2004 will depend on the results of those decisions.

While the OSM identified that overseas staffing was below what is required, this does not mean that we have not identified places where staff can be reallocated. “Rightsizing” is an ongoing process. The Department continually reviews changing priorities and emerging issues and reallocates positions among regions or between functions so that higher priority needs are met. During the 1990’s, as the Department downsized its employment, the necessity to reallocate scarce resources in line with priorities became paramount. Oftentimes, people were pulled to address new issues while old ones still existed. In our strategic planning and budgeting process we require missions to assess how they could meet their new needs within existing resources.

Now, thanks to increased hiring, posts and regional bureaus have been able to move resources to meet the priority counterterrorism mission while still continuing to staff other critical requirements. As we have added positions overseas in the last few years, we have increased infrastructure across the board so that posts are not as thin as they had been, but more positions have gone to posts in the Middle East and South Asia.

PERSONNEL PLACEMENT DECISIONS

Question. Have the events of September 11, 2001 impacted personnel placement decisions? In other words, has the list of posts slated to receive personnel increases changed in light of September 11?

Answer. Post September 11 the Department immediately reprioritized and moved people and resources to meet the emerging counter terrorism mission. New positions were established based on the new needs being identified, particularly in the consular area. These needs are likely to become permanent needs that will have to be regularized and will need to be treated as a baseline requirement.

We have had to use some of the Diplomatic Readiness Initiative (DRI) positions to cover new consular needs in the wake of 9/11 when the workload went up even as MRV fee revenues—which have funded many consular position increases—went down. We have also had increased visa processing requirements that have increased workload while we have also worked to ensure that we have fully trained commissioned Foreign Service Officers in all positions. In the short run we have had to meet these new requirements within our current workforce. These requirements will need to be met continuously, but the original DRI did not envision these changes.

Baghdad is being staffed now by TDY employees from other embassies and the Department. The staffing gaps left behind may be acceptable in the short run, but for the longer term they must be filled. In addition, we must account for the Washington backup of these new programs, such as the new office supporting the reconstruction of Afghanistan.

Even though we had to use some DRI positions for these unexpected contingencies, we still need the personnel complement foreseen by DRI to make training and future crisis response possible.

CONSULAR OFFICERS

Question. Mr. Secretary, your budget request includes an increase of \$28 million to hire an additional 68 Consular Officers. Why was this not included as part of the Diplomatic Hiring Initiative request?

Answer. The Diplomatic Readiness Initiative (DRI) request was introduced as a three-year plan by Secretary of State Powell in 2001 to fill gaps created by underhiring in relation to workload in the 1990’s. The DRI addresses many of our core needs, some of which are determined by our Overseas Staffing Model and training requirements. However, some personnel requirements are assessed and resources requested separately such as security, IT, and consular, which tend to have specific needs due to outside events. The DRI request did not take into account the additional requirements that would follow from the events of September 11th. Currently, the Department is assessing future personnel needs taking into account the long-

term needs of the Department, to include the implications following the events of September 11th.

The 68 CA positions that are referenced in the question represent new positions not originally contemplated in the DRI. These positions will be used to replace temporary consular associates with full-time consular officers. This is a critical element in the Department's efforts to support homeland security initiatives.

Additionally, Consular positions have traditionally been funded through the MRV fees collected by the Department. Post September 11, travel has decreased and therefore so has MRV income. This means that we need to request appropriated funds for these additional personnel requirements.

RIGHT-SIZING

Question. What progress has the Department made towards right-sizing? Can you tell me where, for example, the Department has actually decreased the number of U.S. personnel stationed at a post? Could you have your staff transmit a list of the Department's right-sizing "success stories?"

How do you reconcile the DRI with the concept of rightsizing? How does the Department justify bringing on 1,158 new FSOs when it has yet to maximize its existing human capital by carrying out its commitment to right-size overseas posts?

Answer. The Department of State and the Office of Management and Budget (OMB) agree with the General Accounting Office's definition of rightsizing:

"Rightsizing [is] aligning 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."

The Department uses a variety of tools to rightsize its overseas presence, as described below. Our rightsizing is one component of the broader President's Management Agenda (PMA) rightsizing initiative, led by OMB, which looks at all agencies with overseas staffing. We are working closely with OMB to ensure the success of the overall PMA initiative.

Diplomatic Readiness Initiative.—The DRI is an integral part of State's rightsizing, i.e., it addresses fundamental staffing needs to reverse the trend of the early 1990s when we hired under attrition. We need these positions to fill unmet needs overseas and to provide for enough personnel to respond to crises and go to training without leaving staffing gaps.

Overseas Staffing Model.—The OSM is our workforce planning tool that assists management in allocation of resources, including those needed to support the USG diplomatic platform. The OSM provides an objective, flexible tool to measure what resources are needed to meet the President's and the Secretary's foreign policy priorities and objectives.

Strategic Planning and Human Resource Allocation Processes.—The Mission Performance Planning (MPP) process integrates strategic human capital planning elements into the planning process with the categorization of staffing and funding resources by strategic goals, as required by the Government Performance and Results Act (GPRA). This enables each mission's senior management to assess the commitment of human resources across the strategic goals, and also assists State regional bureaus to better distribute State Operations and Foreign Operations funding across the strategic goals.

Regionalization.—The Department of State has long made extensive use of regional offices to help us meet the needs of difficult or dangerous posts. Regional centers exist in the United States (e.g., Charleston, South Carolina; Fort Lauderdale, Florida; Portsmouth, New Hampshire), at major overseas hubs (e.g., Frankfurt, Bangkok), and at smaller sub-hubs on an ad hoc basis (e.g., Dakar, Hong Kong). Regional support provided from these centers allows the Department to accomplish a variety of complementary goals, including improving the overall efficiency of our global operations, supporting specific posts which could not otherwise operate effectively, and reducing the burden of workload, and thus staffing, at many of our most dangerous or difficult overseas posts. The Department is constantly reassessing the specific needs of particular posts and adjusting regional support accordingly.

In addition, the Department has underway a number of initiatives designed to apply the benefits of continuing technological improvements to rightsizing. One prominent example: By the end of this fiscal year, the Department will complete the transfer of significant financial management support operations from Paris, France to Charleston, South Carolina, as a result reducing 109 positions in Paris.

This action was made possible by improvements in our financial management systems software. We now have one overseas accounting system that replaces the two

former legacy systems that complies with Federal Managers' Financial Integrity Act (FMFIA) requirements and facilitates the compilation and reporting of data for the Department's financial statements. With further enhancements, posts in Europe, Africa, the Near East and South Asia will be able to communicate and conduct certain financial operations electronically, with "real time" access to financial systems. These management actions reduced the need to maintain overseas staff at the Financial Service Center in Paris to support these posts and reinforced the decision to consolidate many financial operations in Charleston.

Post Openings and Closings.—Rightsizing affects not merely the size of U.S. posts but also their distribution. Perhaps the best illustration of the Department's ongoing rightsizing efforts is the near-constant activity to open, close and relocate overseas diplomatic posts. Since 1990, we have opened 52 new posts (29 embassies, 23 consulates, consulates general, branch offices, etc.) and closed 43 (11 embassies, 32 consulates, etc.).

EMBASSY CONSTRUCTION

Question. Mr. Secretary, what impact has 9/11 had on the way the Office of Overseas Buildings Operations approaches designing and building embassies abroad? Do you think the lessons of 9/11 were that we need to build more heavily fortified embassies? Or, do you believe that 9/11 demonstrated that we simply cannot build buildings that are 100 percent secure and must therefore look to mitigate the threat in other ways (such as better deterrence and prevention)?

Answer. The watershed event that reshaped the mission of the Bureau of Overseas Buildings Operations was the August 1998 bombings of our embassies in Dar Es Salaam, Tanzania, and Nairobi, Kenya. The events of 9/11 served to reinforce the continuing threat and therefore the urgent need to accelerate the construction of new facilities that can satisfy the Department's stringent security requirements and protect our diplomatic personnel by providing secure, safe, and functional office and residential environments. We appreciate the support the Congress and this Committee have given to our efforts.

SOFT TARGETS

Question. Mr. Secretary, does the possibility of further and perhaps more ambitious attacks against post housing, churches frequented by Americans, and American Schools concern you as much as it does me?

I would not suggest that we should shift resources away from the security of our official buildings in favor of enhancing security at non-official locations. However, we must do more to assure the safety of overseas personnel outside the embassy walls. Above all, we must assure the safety of our children in their schools overseas.

What do you believe is the State Department's proper role in this area? What level of responsibility should State bear for the security of non-official locales? Based on the risk and threat assessments that have, presumably, been conducted on these non-official locales, do you believe they/we are prepared? When can we expect the \$15 million provided in the fiscal year 2003 Conference Report to start being distributed? Do you believe additional funds are necessary to protect U.S. personnel and their families in "soft target" environments?

Answer. The possibility of attacks against soft targets overseas most certainly concerns me. However, there exist many more soft targets overseas where Americans gather than the U.S. government could ever possibly protect. I believe we must pursue a dual strategy. First, identify those soft targets that are readily identified with, and in some way connected to, U.S. Diplomatic facilities abroad. Housing for our employees overseas and schools supported by our missions certainly fit in this category, and it is appropriate that Congress has provided funding to mitigate security vulnerabilities in those areas. We should recognize, though, that in the latter case, a great many other children attend as well, American and non-American. Normal security costs should be borne by all that attend and be reflected in tuition costs. Our role for the schools should be to provide security advice and counsel, and to provide grants for high priority security upgrades such as window films, emergency public address systems, and communications with Embassies and local police and security.

To ensure that the \$15 million provided in the fiscal year 2003 Conference Report, as well as the additional \$10 million in the Supplemental, is distributed wisely, the Department has a working group with officers from the bureaus of Overseas Buildings Operations, Diplomatic Security, and the Office of Overseas Schools. We expect that funding may be provided to some schools prior to the end of the fiscal year, and continue over a 3-year period.

For the many, many other possible soft targets, I believe our continuing responsibility, and a role that we fulfill very well, is to provide timely and accurate advice that fits the local situation. We fulfill this responsibility every day with Consular information bulletins, Overseas Security Advisory Counsel (OSAC) local country counsels, Regional Security Officer briefings, and other outreach programs.

Question. How has the Consular Affairs mission changed in the aftermath of 9/11? Would you agree that the mission your consular officers perform is vital to our national security? What are the pros and cons of the Department's tradition of requiring new Foreign Service Officers to serve their first tour in Consular Affairs? Do you think this policy has contributed to creating a culture at State where CA officers are second class citizens? Do you agree that Consular Affairs is a sufficiently important component of the Department's mission that it should be staffed by career FSOs, rather than by novices?

In my visits to U.S. embassies abroad, I have noted that it is often the Consular Affairs sections where conditions are the worst (most crowded, etc.). In my view, there is a direct link between the quality of CA workspace and the productivity and efficiency of our consular officers. Would you agree with this? What are you doing to change this situation?

Answer. The work of Consular Affairs is a vital element of our country's overall plan to protect our national security. As part of our border security program, we have made significant changes in the wake of 9/11. We have expanded our automated lookout system to include more information shared with us by other government agencies and increased the number and type of special clearances required for applicants of particular concern. Our automated system now requires that we collect additional information on all visa applicants. And we are limiting the circumstances in which a personal appearance can be waived for visa applicants. All of these changes require additional personnel, and we have created additional positions to help meet this workload.

The Department's traditional policy of requiring all junior officers to serve a tour in a consular assignment abroad has benefits for both the officer and the Department. The officer has an early opportunity to develop management skills, demonstrate leadership, and hone interpersonal and foreign language skills. For the Department, the Junior Officer's consular tour can be a chance to see how the officer performs in a difficult situation, dealing with both American and Foreign Service National (FSN) colleagues as well as with often demanding host country nationals. The officer's performance in the consular tour is a vital factor in determining whether the officer should be tenured in the Foreign Service.

Junior Foreign Service Officers (FSOs) have gone through a rigorous examination process to arrive at this point. In addition to the consular training at the Foreign Service Institute, which has recently been expanded, they bring a wealth of academic and real world experience to their jobs. They are dedicated and motivated professionals who take their role in protecting homeland security seriously. Our junior officers are closely supervised by more senior career consular officers. At posts staffed by only a single consular officer, the Deputy Chief of Mission takes on the supervisory role and an experienced regional consular officer visits the posts regularly to provide management oversight and advice for the consular function.

The consular cone is one of five career tracks for Foreign Service generalists. All Foreign Service generalists have the opportunity to serve in positions out of cone to broaden their experience and to compete for positions such as Deputy Chief of Mission.

It has often been difficult for the physical facilities in our consular sections abroad to keep pace with the increasing numbers of personnel, both Foreign Service Officers and Foreign Service Nationals, required by the visa process, which has become even more complex in the post 9/11 world. The employees engaged in this vital work deserve working conditions that are secure, safe, and adequate for the job.

Our Bureau of Overseas Buildings Operations (OBO) has embarked upon an ambitious building program to complete new embassies on time and within budget. The Bureau of Consular Affairs works closely with the designers and planners at OBO to ensure that consular sections in new embassy buildings are adequate to permit an efficient and effective consular operation. CA and OBO continue to work together to refine the standards for consular sections now being designed. OBO and CA also work collaboratively in the rehab of facilities to permit consular sections to be rehabbed along with other parts of the buildings. In order to react more quickly to fluctuations in consular workload, OBO is also looking at acquiring commercial space for consular sections. In the fiscal year 2003 appropriation, Congress directed OBO to undertake a 3-year Consular Workspace Improvement Initiative, earmarking up to \$8 million of OBO funds for this purpose. CA has worked closely with OBO to prioritize these projects.

Question. Mr. Secretary, protecting information at our posts overseas is costly. If we had the technological capability to store information in the United States, rather than at post, wouldn't this be worth looking into? Would you agree such a technology could reduce the number of overseas personnel required to assure the security of information, and thus result in cost-savings?

Answer. For the past two years, the Department of State has been exploring the technological capability to store information in the United States rather than at our overseas posts.

We are also studying the implementation of the High Assurance Virtual Wide Area Network (HA VWAN) which will provide classified connectivity to critical threat posts and to posts that have environments with weak physical, administrative or technical security controls. This program would reduce classified holdings. A pilot on this technology will commence in Summer 2003.

But at the core of my Information Technology priorities is to replace the current 60-year-old "cable" technology used by the Department and other Foreign Affairs Agencies with a new system. This new technology called SMART (State Messaging and Archive Retrieval Tool Set) will provide centralized storage in the United States of all document types (currently cables, memorandum, informal messages and notices).

It will give our diplomats access to more information and minimize the holdings at a post because posts will access data from a server in the United States. We expect to deploy SMART in fiscal year 2005.

While SMART will provide some reduction in classified holdings, we will need to continue to ensure the protection of the information and equipment that remains at post.

However, we cannot guarantee, at this time, that there will be a reduction in the number of overseas personnel required to maintain, operate and ensure the integrity of our information stored overseas. Existing Marine Security Guard requirements would not be affected.

Our Information Specialists safeguard and are responsible for the classified network infrastructure including encryption, COMSEC, and other classified network components that must be maintained and protected.

The mandated duties of our Information Systems Security Officers (ISSOs) will not decrease significantly. While compliance and reporting requirements have increased in recent years, posts are not yet staffed properly to meet those new requirements. A restructuring of the duties of Information Specialists at overseas posts would enable the Department to better meet these reporting responsibilities.

Question. I understand that the estimated cost of renovating the U.N. headquarters complex in New York City is \$1.6 billion. Mr. Secretary, the design for the World Trade Center site (encompassing a museum, and opera house, a mall, and five office buildings, one of which will be the tallest building in the world) is expected to cost only \$350 million. How is it possible, then, that the cost of renovating the U.N. headquarters is \$1.6 billion?

A reasonable person would expect that security of the new World Trade Center site would be as robust as any building complex in New York City. The cost of the new U.S. embassy compound in Beijing, China is expected to be \$438 million. Surely the cost of security at the U.N. complex in New York City will not exceed our security costs in China by \$1.2 billion. Can you explain this?

Answer. As the design phase of the U.N. Capital Master Plan progresses, the Department remains in regular contact with U.N. secretariat officials to monitor closely the cost estimates and assumptions of the project to ensure that they are realistic and reasonable. Also, the General Accounting Office has just completed an updated study on the project—including the issue of cost estimates—and we urge you to examine the conclusions of that report when it is released shortly.

The cost components of the U.N. Capital Master Plan, as currently estimated, are as follows:

- Baseline cost: \$1.05 billion, including rental of swing space; and
- "Scope options," related to additional security, energy efficiency, and system contingencies: \$150 million, assuming all were to be included in the final design.

—In addition, as part of the overall plan, the U.N. Development Corporation—a public benefit corporation of the State and City of New York—has proposed to construct a new office building just south of the existing U.N. compound which would be used as swing space during the renovation of the existing U.N. facilities (permitting all staff to relocate and allowing the renovation work to proceed all at once, thus reducing costs) and ultimately to consolidate U.N. staff currently housed in several rental buildings off the U.N. compound, with no added costs to the United Nations.

Security is a vital component of both the Beijing Embassy compound as well as the U.N. headquarters facilities. However, security elements do not represent the majority of the cost factors for either project. It is very difficult to compare these two projects, as they serve considerably different purposes. For the Beijing compound, our Office of Overseas Building Operations is working with a budget of \$434 million and is designing facilities to accommodate 846 staff as well as consular operations. The U.N. headquarters complex will continue to accommodate the needs of 191 U.N. member states and approximately 4,700 U.N. staff. The existing U.N. facilities do not conform to current safety, fire, and building codes and do not meet U.N. technical or security requirements.

The Department is not involved in the redevelopment of the World Trade Center (WTC) site and would refer you to the New York City Economic Development Corporation for the actual figures relating to that redevelopment project. We understand, however, that the total costs for the redevelopment will be significantly higher than the \$350 million figure, which we understand may only represent an estimate for the cost of the World Trade Center Memorial (as distinct from the facilities cited in your question).

Question. The fiscal year 2007 State Department Appropriations Bill required the Secretary of State to notify Congress 15 days before the United States votes in the U.N. Security Council to establish or expand a peacekeeping mission. Mr. Secretary, since we have to fund these missions, do you believe Congress should have a more formal role in the decisions leading up to the Security Council votes? Wouldn't this lessen the need for Members of Congress to place "holds" in order to effect change in these missions?

Answer. Pursuant to legislation, the Administration provides monthly briefings to Appropriations and Authorization Committee staffs on current and prospective peacekeeping missions and information related to expenditures from the Contributions to International Peacekeeping Activities (CIPA) appropriation. The Administration also provides formal Congressional notifications for proposed votes in the U.N. Security Council for new or expanded missions. We believe information provided provides sufficient information to permit the Appropriations Committees to exercise its Constitutionally-required responsibilities.

Question. At the hearing, I raised the point that the American taxpayers have contributed more than \$800 million to the U.N. peacekeeping mission to the Democratic Republic of the Congo. This mission is very important to France, and the United States has cooperated with the mission in every way. The Iraq resolution was important to the United States, and yet French negotiators took every opportunity to undermine U.S. efforts towards that end.

Mr. Secretary, you indicated in your testimony that we should not break ties with our allies in one area merely because we are in disagreement with them in another area. Do you not support the concept of issue-linkage? Would you agree that issue-linkage is one of our most important diplomatic tools?

If, in the case of the Congo peacekeeping mission, you believed that continued U.S. participation was vital to U.S. national interests, could you give me other examples of where the United States employed issue-linkage to try to elicit greater cooperation from the French (and Germans) in the U.N. Security Council negotiations over an Iraq resolution?

Answer. The United States supported establishment and continuation of the U.N. peacekeeping mission in the Democratic Republic of the Congo, and requested funding to pay for our portion of U.N. peacekeeping assessments, because we believed, and continue to believe, that MONUC can contribute to restoration of stability in this critical African nation, which can help remove this destabilizing factor in Central Africa. You are correct that support to MONUC was an issue of high importance to France, but it is also an issue of high importance to the United States.

As I have said publicly, France's intransigence in the United Nations Security Council on a resolution to follow UNSCR 1441 has consequences for our future relationship. There will be issues of special importance to France where we will seek to get their attention, but we should not fail to act on issues of manifest interest to the United States.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Question. Late last congress, I joined with Senators Biden and Lugar in sponsoring the "Nuclear and Radiological Threat Reduction Act." This legislation would authorize the Secretary of State to take specific steps to prevent the use of dirty bombs as a terrorist weapon. It is my understanding that this bill is likely to be introduced again this Congress.

Also in the 107th Congress, the Senate passed my legislation authorizing the National Nuclear Security Administration to take the lead in the Department of Energy's strategy for combating radiological terrorism. Enhanced technology, mitigation systems and international cooperative efforts are a few of the mechanisms prescribed by my bill to better safeguard nuclear materials that are being sought by terrorists.

In addition, my bill, which is now law, calls for greater coordination between all Federal departments and agencies with responsibilities for nonproliferation.

Given the significant roles of both the State and Energy Departments in addressing issues of nonproliferation, I believe there is opportunity for tremendous synergy between them in addressing the problem of nuclear terrorism.

Would you offer your thoughts about how the Department of State and the Department of Energy can more effectively coordinate efforts so as to maximize our progress on this issue?

Answer. In combating radiological terrorism, coordination between the Department of State, NNSA and other agencies has improved regarding the detection of illicit nuclear and radioactive materials. Working with NNSA, the Department of State has taken the lead with NNSA/Second Line of Defense (SLD) in organizing an inter-agency effort by the Department of Homeland Security, State, Energy and the Department of Defense to develop a strategy for assisting key countries overseas in their detection of illicit nuclear materials. NNSA/Second Line of Defense assisted greatly in the drafting of an USG interagency strategic plan for provision of radiation detection equipment, which provides an action plan and performance measures to guide our efforts on this key anti-terrorism/nonproliferation initiative.

State and NNSA are also executing a joint plan for maintaining, repairing and replacing radiation detection equipment the USG has provided to foreign countries in recent years. In 2002–2003, this program, using SLD assets, was very successful in performing required maintenance and re-training in several countries where equipment has been in active use for some time.

Yet much remains to be accomplished in terms of denying terrorists access to high-risk radioactive sources. With your help, NNSA has made a good start on securing these sources. As you have stated, there is indeed an opportunity for tremendous synergy between the Department of State and NNSA.

We believe that a diplomatic solution is the key to a meaningful long-term solution. The security of radioactive sources depends on convincing states to change the fundamental ways that they manage and secure sources. Governments must agree, and be committed, to secure high-risk radioactive sources and keep them secure throughout their life cycle. The Department of State has a history of engaging foreign governments at the highest levels to secure these types of commitments.

More broadly, we are using the Nonproliferation and Disarmament Fund (NDF) to tackle tough, urgent and often unanticipated problems on a worldwide basis. We expect that NDF in the future could be used to help countries develop infrastructures to secure radioactive sources and track dangerous materials, including through the NDF's existing "Tracker" automated software system that helps governments strengthen control over sensitive exports. We hope that requested fiscal year 2004 increases in NDF funding will support the Department's Dangerous Materials Initiative (DMI) to secure radioactive materials, pathogens and sensitive precursors. DMI aims for synergies among U.S. Government agencies and programs and also with international partners.

We believe that an ongoing dialogue between NNSA and the Department of State, along with other relevant agencies, is necessary so that technical and diplomatic efforts can be combined to ensure that high-risk radioactive sources are secured over the long term.

RUSSIA AND IRAN'S NUCLEAR PROGRAM

Question. I remain concerned about Iran's drive to obtain a nuclear capability. Despite its claims to the contrary, Iran's construction of new nuclear facilities along with announced plans to mine uranium point to its growing ambition to advance a nuclear weapons program.

Russia's technical assistance to Iran's nuclear program has been a source of frustration for the United States. It has hastened Iran's efforts while slowing development of the new strategic partnership between Russia and the United States.

It is my understanding that State Department officials were recently in Moscow to discuss arms control issues in general and the Iranian nuclear matter specifically.

Can you report on the substance of those discussions? Do the Russians share our concerns about the prospects of a nuclear-armed Iran? Have they indicated a willingness to consider terminating their support of the Iranian program?

Answer. We raise the subject of ending Russian nuclear cooperation with Iran at every opportunity with senior Russian officials.

In these meetings, the Russians have professed to share our concern about the prospects of a nuclear-armed Iran. And recent revelations about the extent of the Iranian program to develop nuclear weapons have been very useful in making clear to Moscow that Tehran is indeed pursuing this objective.

We appear to be making some progress in our discussions in curbing Russia's nuclear cooperation with Iran. The Russians have agreed to some measures that mitigate the nonproliferation risks of their cooperation—such as providing fuel for the lifetime of the Bushehr reactor as well as taking back all the spent fuel to obviate any rationale for Iran to develop fuel cycle facilities.

Much remains to be done, however. We continue to press the Russians to agree to end all their nuclear cooperation with Iran and more effectively prevent Russian entities from cooperating in other sensitive areas such as missile technology.

ANTITERRORISM TRAINING

Question. Mr. Secretary, I have just joined with Congressman Steve Pearce and Senator Bingaman in a letter to you to urge that the Department reinstate two anti-terrorism training programs at the New Mexico Institute of Mining and Technology in Socorro, New Mexico. At the end of last year, the State Department notified New Mexico Tech the Hostage Negotiation course was being relocated to Louisiana State University, which is a partner with New Mexico Tech in the ATA programs. Then this past January, New Mexico Tech was notified by the State Department that the Rural Border Patrol Operations program was being terminated and moved elsewhere. This is a mistake. The community of Socorro and the university have operated very successful ATA programs for the State Department. Both have invested significantly in facilities to accommodate these programs, and they have been very well received by the foreign dignitaries and officials receiving this training. The decision to relocate these programs will significantly impact the local economy. These programs follow successful New Mexico Tech training for the nation's first responders as one of four training partners in the Office of Domestic Preparedness and the National Consortium on Domestic Preparedness for the Department of Justice. I see no valid reason why these programs should be relocated, nor were explanations give to New Mexico Tech for this change.

(A) Mr. Secretary, I understand that the State Department official that recently ordered the relocation of the Rural Border Patrol Operations course did not have the authority to do so. I am now told that this decision has been put on hold, but that the intention is still to move forward with this proposal through regular channels. Will you please take a look at the attached letter and investigate this matter for me? I would urge you to keep the Rural Border Patrol Operations Course right where it has been successfully run for the past several years—at New Mexico Tech in Socorro, New Mexico.

(B) Will you please also investigate the decision that was made to relocate the Hostage Negotiation course to Louisiana State University? While the universities work very closely on these programs, they each have unique capabilities which they bring to the anti-terrorism assistance programs.

CONGRESS OF THE UNITED STATES,
Washington, DC, March 3, 2003.

The Honorable COLIN L. POWELL,
Department of State, 2201 C Street, N.W., Washington, DC 20520.

DEAR SECRETARY POWELL: We write regarding the Antiterrorism Assistance (ATA) training program involving Louisiana State University (LSU) and New Mexico Tech (NMT). We are deeply concerned about the Department of State's (DoS) decision to terminate the Rural Border Patrol Operations training program at NMT. Our concerns are further heightened by the fact that the Hostage Negotiations program at NMT was terminated last year.

Until the end of 2002, NMT successfully conducted both courses under a cooperative agreement between ATA and LSU and a subcontract between LSU and NMT. Before year end, LSU (at the direction of ATA) notified NMT that Hostage Negotiations training would relocate to LSU effective January 2003. At the time, NMT was led to believe that the loss of the Hostage Negotiations training program would be offset by increased activity in the Rural Border Patrol Operations course, thereby resulting in a program neutral change. However, NMT funding for both training programs has dwindled from approximately \$1.7 million in fiscal year 2001 to an estimated \$900,000 for fiscal year 2003. Obviously, the decision recently announced to relocate the Rural Border Patrol Operations course will eliminate any chance for

a program neutral change and will instead have a significant negative financial impact on NMT.

We are aware of the limited resources available to carry out this and other ATA activities during these critical times. Thus, it is imperative that our best resources are marshaled to provide important training to our allies in foreign countries. We believe the ATA training made available to these countries is important to their security and critical to our country as the front line of defense to antiterrorism activities. It is therefore incomprehensible to us that decisions have been made to terminate this important program at NMT, especially after NMT's success and contributions to the ATA program were formally recognized in the letter from ATA directing the training to be relocated.

The principal reason given by the DoS for its relocation of the Rural Border Patrol Operations course was economic. ATA believes they can achieve a measure of cost savings by consolidating training at another location. It is important to note, however, that more dramatic savings can more likely be realized by consolidating additional training at NMT. We believe that the decision to terminate training at NMT will not represent the greatest cost savings and ignores other factors that impact on the economy and the overall quality of life of our citizens.

It is also important for us to point out the considerable investment in the ATA training program that has been made by both the community of Socorro and NMT. These investments were made as a commitment to a long-term, productive relationship with the ATA program. First, NMT funded construction of a "state-of-the-art" small arms range to provide first class support for the program. Second, local businesses contributed to the success of the program by investing in expansion of their facilities to accommodate students, faculty and ATA representatives. Third, NMT provides an exclusive training area, which consists of 3,137 acres, for the Rural Border Patrol Operations training program at no cost to the ATA program.

In light of the above, we affirm our desire to continue the successful ATA programs already established by NMT in Socorro, NM, and for the DoS to fully use the existing infrastructure and prior investments made to support these important programs. To re-establish this program at DOE training facilities in Albuquerque may require substantial investment of scarce funds and may require entry to a military installation where, due to heightened security restrictions, guaranteed access by foreign nationals could be limited, as was ATA student access to facilities on some military installations immediately following September 11th.

The Department of State should take immediate action to accomplish the following actions:

- Reverse the decision to relocate the Rural Border Patrol Operations training away from NMT.
- Reestablish Hostage Negotiation (or a comparable training course) at NMT.
- Use the unique facilities of NMT to support a Large Scale Terrorist Bombing course or similar training program.
- Relocate the office of the ATA New Mexico representative from Albuquerque to Socorro, NM.

These actions would help realize actual cost savings in the ATA program and permit full utilization of existing (and proven) high quality training facilities at NMT, thus eliminating costs associated with duplicating such facilities at new training locations.

We greatly appreciate your attention to this time sensitive request and look forward to your swift response. Should you have any questions, please feel free to contact Ricardo Bernal of Rep. Steve Pearce's staff at (202) 225-2365.

Sincerely,

STEVAN PEARCE,
Member of Congress.
PETE DOMENICI,
United States Senator.
JEFF BINGAMAN,
United States Senator.

Answer. The Department has not made a final decision to relocate the Rural Border Patrol Operations course from New Mexico Tech. The Hostage Negotiations course was moved to Louisiana State University so that it could be co-located with the Advanced Crisis Response Team (SWAT) course that is taught there, where specialized facilities are available. Both courses end in a capstone joint exercise involving hostage negotiation and hostage rescue.

New Mexico Tech has a sub-grant of a cooperative agreement between Louisiana State University and the Bureau of Diplomatic Security that is renewable each year.

Diplomatic Security regularly reviews these agreements and compares costs for providing courses among various service providers. Recently, as a matter of fact, a course that was once taught in Washington state was relocated to a New Mexico facility.

We would be happy to provide you or your staff with a detailed briefing on the consideration of this matter prior to any final decision.

Question. Would you please tell the Subcommittee the Department's plans to fund the International Law Enforcement Academies in fiscal year 2003 under the omnibus appropriations bill?

Are there sufficient funds to adequately support the operation of the ILEAs for the remainder of the fiscal year? If not, what adjustments does the Department plan to make in ILEA operating plans?

Answer. The Department plans to continue to support the work of the established ILEAs in Bangkok, Budapest, Gaborone and Roswell. The level of funding will be approximately \$3.5 million each for Bangkok, Budapest and Gaborone and \$5 million for Roswell. In addition, \$2 million will provide initial funding for the development of the newest ILEA for Latin America. Existing funds can adequately support the current level of operations at all the ILEAs. No adjustments are necessary.

Question. The conferees endorsed Senate and House report language regarding ILEA, and stated the expectation that the Administration provide sufficient funding to complete the Roswell Center where there is a building currently under construction. Can you please tell me what the status of that project is, and when it is expected to be completed?

Answer. The Department has \$3.5 million available for the construction of a new building at the Roswell facility. The New Mexico Institute of Mining and Technology has been instructed to present a proposal including detailed information and specifications, as required by statute for any building project, for review and approval. This type of building project typically takes 12 to 18 months to complete.

Question. Under the President's fiscal year 2004 budget requests for International Law Enforcement and Narcotics Control, what are the Department's plans to fund each of the ILEA programs? Would you please provide the Subcommittee with the details on the proposed ILEA training for the upcoming fiscal year?

Answer. The level of funding will be approximately \$2.9 million each for Bangkok, \$3.2 million for Budapest, \$2.7 million for Gaborone, \$5 million for Roswell and \$3.3 million for San Jose. This funding will allow for continuing operations—at a reduced training tempo in the regional academies—based on fiscal year 2003 spending levels. No new initiatives are possible without additional funding.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

Question. Last October, I wrote to the Department, along with several colleagues from the Helsinki Commission, concerning Ukrainian President Kuchma's approval of the transfer to Iraq of the Kolchuga [COL-chew-ga] radar system.

Have efforts been made to investigate possible financial benefit on the part of President Kuchma or his associates in connection with the Kolchuga affair?

Has the Ukrainian government given indications of cooperating in resolving the problem of transfers of military equipment to rogue states such as Iraq?

Answer. Although we remain convinced that President Kuchma authorized the transfer of Kolchuga to Iraq, we do not know if the transfer actually occurred. We are not aware of any violations of U.S. law in connection with payments President Kuchma or any other Ukrainian official might have received in connection with any transfer of the Kolchuga system to Iraq.

The Kolchuga incident exposed serious weaknesses in Ukraine's arms export control system. The United States is working jointly with several other governments in a cooperative effort to strengthen Ukraine's export control system, enforcement, and oversight of defense industries and transshippers. We continue to engage the Government of Ukraine on these issues and are intensifying our diplomacy. As a result of our diplomatic efforts and pressure, the Ukrainian government has undertaken a number of preliminary structural reforms in the arms export industry that enhance nonproliferation. The Ukrainian parliament (Rada) also recently passed a new export control law that could contribute to stronger safeguards. We will be working with the Government of Ukraine to support effective implementation of its export control law and regulations in addition to pushing for continued structural reform.

Question. We have seen disturbing reports that Belarus, Bulgaria, Bosnian Serbs and Serbia have also been actively involved with arms trade to Iraq. I am particu-

larly disturbed over Belarus under Lukashenka—the last dictator in Europe and will soon introduce the Belarus Democracy Act in the Senate.

How serious do you regard the problem of arms transfers to Iraq from other OSCE countries of the Former Soviet Union and Eastern Europe?

While I understand some progress has been made in shutting off a notorious Serbian connection, are we making satisfactory progress with these other suppliers?

Is the United States pursuing the issue of arms transfers within the OSCE framework?

Answer. U.S. strategy to halt military assistance and gray arms transfers from Eastern and Central Europe and Eurasia to Saddam Hussein's Iraq and other state sponsors of terrorism has been a quiet, but significant, success for U.S. national security. Since July 2001, the United States has invested substantial diplomatic and intelligence resources in implementing nonproliferation strategies for states in this region, including for each of the NATO invitees. Relying on the tools of coordinated diplomacy, information sharing, interdiction, and coordinated assistance, our efforts to strengthen border security and encourage responsible export control policies in Eastern and Central Europe and Eurasia have worked remarkably well.

Our cooperation with Serbia and Montenegro and Bulgaria in particular mirrors the very successful nonproliferation strategies pursued in Eastern Europe and the Balkans. The fruitful partnerships that developed as a result of this strategy proved invaluable to our efforts in Operation Iraqi Freedom and continue to play a significant role in the global war on terrorism.

We are beginning to implement a synthesized approach to border security and nonproliferation cooperation in the Balkans, with support from many in Congress. The Department also continues to execute an effective small arms and light weapons destruction program. This program has destroyed 230,000 surplus weapons and several tons of ammunition in Albania, Bulgaria, and Serbia and Montenegro, and will destroy similar amounts in Bulgaria and Romania this year. Our diplomatic efforts have also resulted in virtually all Eastern and Central European governments vetting proposed arms sales and transfers with the USG. The United States has sought to use the OSCE to reinforce our work on conventional arms transfers in order fora, and to cement principles and good practices associated with arms transfers among the members of OSCE states. This effort dates back to agreement in 1993 on Principles Governing Conventional Arms Transfers, but became more focused at the 1999 Istanbul OSCE Summit with the OSCE Document on Small Arms and Light Weapons. The specific measures contained in the Document on Small Arms and Light Weapons go beyond the earlier statement of general principles—firmly based on U.S. principles and practices—and provide a concrete basis for U.S. efforts to encourage institute good practices among our OSCE partners in this regard.

We are at an important point in implementing this strategy. We have begun to steer Eastern Europe away from the arms markets and military cooperation of the past toward productive areas for the future. These positive changes will contribute not only to our efforts to cut off supply lines to terrorists, but also to our goal of supporting further integration into western security and defense institutions. We will continue to work within the effective framework of bilateral and multilateral relationships, including the Wassenaar Arrangement, NATO, and the G-8, to ensure the sustained improvement in arms transfer policies in all OSCE countries.

Question. Mr. Secretary, despite our frustration and disappointment with President Kuchma and his associates in Ukraine, it is important that we continue to assist those elements of Ukrainian society striving for democracy, rule of law and Euro-Atlantic integration.

Cuts in Voice of America and Radio Liberty programming to Ukraine have been proposed. Isn't this a premature move, given the poor environment for independent media there especially in the run-up to next year's presidential elections?

Answer. We share your views on the critical importance of developing a strong civil society in Ukraine, and on the important contributions made by Voice of America and especially Radio Free Europe/Radio Liberty (RFE/RL). In the interest of seeing a free and fair 2004 presidential election in Ukraine, in which all major candidates have access to the media, the role of the Ukrainian service of RFE/RL is especially vital. This is a central goal of U.S. policy towards Ukraine.

In March, Under Secretary Beers sent a letter to the Chairman of the Board of Broadcast Governors (BBG) expressing our concerns about rumored reductions in staffing and operational funding for RFE/RL's Ukrainian language service. We also briefed the BBG on the results of our Ukraine policy review, which called for greater support for independent media in Ukraine. The Chairman, Mr. Tomlinson, assured us that no reductions for RFE/RL were contemplated.

Question. As Co-Chairman of the Helsinki Commission, I recently introduced a bipartisan resolution (S. Con. Res. 7) concerning anti-Semitism and related violence in the OSCE region.

What actions is the Department taking to ensure that our friends are doing everything possible to confront such attacks, prosecute and publicly denounce such violence?

The Porto OSCE ministerial called for a meeting focused specifically on anti-Semitism, a subject high on the Helsinki Commission agenda. Is that meeting on track to take place?

Answer. The Department of State is concerned about the increase in anti-Semitic violence in the OSCE region. We have made combating anti-Semitism a priority for our diplomacy throughout the region and especially at the OSCE.

The OSCE Parliamentary Assembly led the way on this issue by issuing a statement at the Berlin summer session last July highlighting the need for vigilance and governmental attention to the problem of anti-Semitic activities.

Our success at the Ministerial meeting in Porto in scheduling an OSCE meeting on anti-Semitism is in large part a result of the work done on this issue by the Parliamentary Assembly.

Through the OSCE Permanent Council and on a bilateral basis we raise incidents of anti-Semitic violence or policies with the governments concerned.

The OSCE meeting on anti-Semitism scheduled for June 2003, will be a forum to discuss best practices in the fight against anti-Semitic violence and tendencies in societies. The U.S. delegation, to include prominent governmental officials and private individuals, will be robust and will reflect the importance we place on this conference.

Question. Mr. Secretary there have been reports in the media suggesting that the United States is allowing, if not encouraging, other countries to torture individuals suspected of involvement in terrorism. In his State of the Union Address, the President described the horrific forms of torture employed by the Hussein regime and concluded, "if this is not evil, then evil has no meaning." Can you clarify what the U.S. policy is with respect to torture in the war against terrorism?

Answer. The United States condemns and prohibits torture. The President recently reaffirmed this to the United Nations High Commissioner for Human Rights. The Department of Defense General Counsel has further advised in a letter on the subject addressed to Human Rights Watch that:

- (1) When questioning enemy combatants, U.S. personnel are required to follow this policy and applicable U.S. laws prohibiting torture.
- (2) With respect to the transfer of detained enemy combatants to other countries for continued detention, U.S. Government instructions are to seek and obtain appropriate assurances that such enemy combatants are not tortured.
- (3) U.S. Government personnel are instructed to report allegations of mistreatment or injuries to detained enemy combatants, and to investigate any such reports.
- (4) U.S. Government officials investigate any known reports of mistreatment or injuries to detainees.

The United States does not condone torture and is committed to protecting human rights as well as protecting the people of the United States and other countries against terrorism of global reach.

Question. A year ago I asked you what action might be taken against OSCE countries like Turkmenistan who flagrantly violate their human rights commitments. I understand that the situation has only deteriorated further over the past year. What is the Department doing to address these developments?

Answer. The human rights situation has continued to deteriorate in Turkmenistan, particularly since the November 2002 attack against President Niyazov's motorcade. The United States is deeply concerned about the human rights situation in Turkmenistan, and we have embarked on a number of bilateral and multilateral initiatives to address the problems there.

We have raised our human rights concerns directly with President Niyazov and other senior officials in Turkmenistan on a number of occasions, as well as the Turkmen Ambassador in Washington. In those conversations, we especially discussed the conduct of the Turkmenistan Government during its investigation of the November incident. We have also encouraged other countries to raise the matter with the Government of Turkmenistan.

We have also vigorously pursued multilateral efforts to improve Turkmenistan's human rights record. In December 2002, the United States joined other OSCE member states to invoke the rarely used "Moscow Mechanism," requiring the Government of Turkmenistan to reply in writing to a request for information on the whereabouts and conditions of those arrested. Ashgabat failed to respond adequately,

thereby bringing into motion the second stage of the Moscow Mechanism—the sending of a fact-finding team to Ashgabat to report on the situation. Under its OSCE commitments, the Government of Turkmenistan is obliged to accept a visit by the team and must appoint one member to the team. Despite this obligation, the Government of Turkmenistan did not cooperate, and the OSCE team had to investigate the matter without assistance.

On March 13, 2003, the OSCE Moscow Mechanism Rapporteur submitted his report on abuses in Turkmenistan following the November attack on President Niyazov. The report condemned the attack itself, catalogued a range of grave human rights abuses following the attack, and publicly called on Turkmenistan to make reforms and work with the OSCE to address the problems. Turkmenistan has rejected the findings of the report.

The United States also co-sponsored an April 2003 United Nations Human Rights Commission resolution condemning Turkmenistan for a range of human rights abuses including torture and political and religious repression. In particular, the resolution cited abuses in the crackdown following the November incident. We hope this resolution will encourage reforms in Turkmenistan and enhance U.N. engagement on this issue.

The United States is committed to sustained diplomatic engagement with Turkmenistan to press for fundamental political, economic, and societal reforms, and to push Turkmenistan to develop a healthy respect for human rights in accord with its U.N. and OSCE obligations. The development of such reforms is inextricably tied to security, stability, and prosperity in Turkmenistan. Understanding that significant political change will take time, we have increased our assistance programs that promote democratic freedoms, including human rights, civil society and rule of law.

QUESTIONS SUBMITTED BY SENATOR ERNEST F. HOLLINGS

COST SHARING INITIATIVE

Question. Is the program voluntary or mandatory?

Answer. The Administration's Security Capital Cost Sharing Program will be mandatory for all agencies under Chief of Mission authority. As envisioned, agencies, including the Department of State and ICASS, will be required to pay on a per capita basis for each authorized overseas position. It is an Administration initiative that is part of the President's Management agenda. It aligns costs with the overseas assignment process and is a significant right-sizing initiative. It is also consistent with the OPAP recommendations. This approach is reflected in the Foreign Affairs Authorization Bills now being considered by both the Senate and House.

Question. How are you going to guarantee that other agencies will reimburse the Department through the Cost Sharing Program?

Answer. The legislation now being considered (S. 925 and H.R. 1950) would authorize State to collect the amounts due automatically through the Intra-Governmental Payment and Collection System, which is the same way GSA collects rent for domestic buildings. Payment and collection would not be contingent on a particular cost sharing appropriation to an agency.

Question. What specifically is the \$120 million for?

Answer. All cost sharing funds will be used solely for the construction of secure, safe, and functional New Embassy Compounds (NEC), in accordance with the Long-Range Overseas Buildings Plan. The fiscal year 2004 funds will help fund the NEC's identified in the President's fiscal year 2004 Budget. The \$120 million includes State's cost share of \$64 million and \$56 million for other agencies' cost share. The actual transfer of funds from agencies will begin in fiscal year 2005 and will be fully phased in by fiscal year 2009.

Question. You propose to phase the program in over 5 years. Does this mean that DOS shoulders the expense for the next 5 years?

Answer. Under this program, State will not have to shoulder all the expense for the next 5 years. State has traditionally provided 100 percent of the capital cost of New Embassy Compounds (NEC), and even when the Cost Sharing Program is fully phased in, the Department will be responsible for about two-thirds of the total budget based on its overseas positions. The 5-year phase-in period will allow other agencies time to rationalize their overseas presence, deciding either to increase their budgets for overseas activities or reduce the numbers of their least essential personnel overseas. The Department of State would also be making the same judgments about its own staffing in light of the larger financial consequences of maintaining positions overseas. The Administration believes that the 5-year phase-in is

a practical accommodation to account for a significant change in the Government's approach to funding the construction of approximately 150 New Embassy Compounds over the next 12 to 14 years.

Question. Would you provide the Committee with a breakout of DOS costs and costs of participating agencies for each of the next 5 years?

Answer. The breakout of Department of State costs and costs of participating agencies currently available are based on data collected almost two years ago. The Department has recently collected fresh data and is now computing new cost figures. As soon as they are available, we will make them available to the committee. We anticipate they will be ready in late June.

USAID FACILITIES

Question. Why did State decide to request additional funding for USAID facilities through CJS, when Congress has consistently not supported this approach?

Answer. The Department of State and the Administration are strongly committed to ensuring that USAID is also provided with secure, safe, and functional facilities. The Secure Embassy Construction and Counterterrorism Act of 1999 requires all agencies, and therefore USAID as well, to be located on the embassy compound. This also allows for economies of scale resulting from concurrent construction. We are eager to work with the Congress to achieve this legislated mandate.

Previous budget submissions have requested full funding from the Commerce, Justice, State, and Judiciary Subcommittees and from the Foreign Operations Subcommittees in different years, and neither subcommittee has been willing to fund USAID buildings. The fiscal year 2004 budget request places the "catch up" projects that should have accompanied the already funded New Embassy Compounds (NECs) in the Foreign Operations budget request. USAID facilities that will accompany the proposed NECs are included in the CJS budget request.

The Administration's proposed Security Capital Cost Sharing Program should render the USAID facilities funding issue moot since USAID, like other agencies, will pay into the program for the space they need.

BERLIN/FRANKFURT FACILITIES

Question. What steps are you taking to ensure that the facility will remain safe in light of the fact that you will not know who owns property inches away from the embassy wall?

Answer. The new embassy in Berlin will be built to withstand catastrophic and progressive collapse from blast, and is being designed with buffer spaces between the building and the contiguous buildings. Additionally, our design features non-office space such as elevator shafts and mechanical rooms located along the space contiguous with adjacent buildings, to the maximum extent feasible.

Question. Will you know who purchases the condominiums next door?

Answer. Our security and intelligence units keep in close contact with German security and intelligence services, as well as building owners and landlords. It is in all of our interests to provide safety and security for not only our facility, but for the Germans and German facilities close to ours. The German authorities and the owners of the adjacent buildings appreciate our concerns and we foresee a very high level of cooperation to address this issue.

Question. If you are capable of building a structure within inches of private property without any knowledge of who owns that property, then do we truly need the 100-foot setback requirement?

Answer. The location of our new Embassy in Berlin is a unique opportunity to build a chancery on a historic and prestigious site. It is not without security challenges, but both the Department and German authorities are working to provide an adequate level of security. While the site does have contiguous buildings, we are working to mitigate the threat from the buildings using both physical and procedural methods. It should also be noted that we are working with the Germans to ensure that uninspected vehicles on the roads around the chancery are kept at a distance of no less than 82 feet. The chancery will be built stronger, to the same level of protection as if it had 100 feet of setback.

While certain waivers will be signed for this particular chancery building, the normal requirement for 100 feet of setback has allowed the Department to construct safe and secure facilities in many countries in the world that may not provide the same level of cooperation or have the same capabilities as the German government. Congress wisely included a waiver process in the Secure Embassy Construction and Counterterrorism Act, and that process will be used only when appropriate. The 100-foot requirement is still valid.

Question. What steps are you taking to secure the property where the subway runs?

Answer. The subway does not run under the building. It does run under the Pariser Platz in front of the chancery. There is an emergency escape tunnel from the subway with an exit in the street approximately 60 feet in front of the embassy, which would open into an area where the public has free pedestrian circulation. We do not consider the subway a vulnerability.

Question. Given the current climate and anti-American sentiment in Germany because of the potential war with Iraq, do you still feel as certain about maintaining the security of the facility today as you did one year ago?

Answer. While there were differences in our positions over Iraq, the Germans provided excellent security for our existing facilities throughout this period of heightened threat. I have no doubt that they will continue to honor their security responsibilities and provide us with excellent services and support. The decision to build on Pariser Platz was taken only after careful consideration, with the condition that security issues be adequately addressed. We continue to move toward that goal.

Question. When will you actually sign the waiver for the security requirements?

Answer. The waiver will be signed when the Department is assured that security issues have been adequately addressed.

EVALUATING THE HIRING INITIATIVE

Question. Since the whole notion of the 1,158-position Hiring Initiative was to meet DOS's high priority needs, why are the 68 additional positions needed for Consular Activities not absorbed in the Hiring Initiative?

Answer. The Diplomatic Readiness Initiative (DRI) request was introduced as a three-year plan by Secretary of State Powell in 2001 to fill gaps created by under-hiring in relation to workload in the 1990's. The DRI addresses many of our core needs, some of which are determined by our Overseas Staffing Model and training requirements. However, some personnel requirements are assessed and resources requested separately such as security, IT, and consular which tend to have specific needs due to outside events.

It did not take into account the additional requirements that would follow from the events of September 11th. Currently, the Department is assessing future personnel needs taking into account the long-term needs of the Department, to include the implications following the events of September 11th.

The 68 CA positions that are referenced in the question represent new positions not originally contemplated in the DRI. These positions will be used to replace temporary consular associates with full-time consular officers. This is a critical element in the Department's efforts to support homeland security initiatives.

Additionally, Consular positions have traditionally been funded through the MRV fees collected by the Department. Post September 11, travel has decreased and therefore so has MRV income. This means that we need to request appropriated funds for these additional personnel requirements.

Question. Does the Department support, as you stated in the letter of May 22, 2002, a comprehensive plan for compensation?

Answer. Yes. We have stated on many occasions that we favor a comprehensive approach to compensation for U.S. victims of international terrorism. We sympathize greatly with suffering endured by U.S. victims of terrorism and their families, including the 1979 Tehran hostages. We support a comprehensive program that allows them to receive quick payments in their time of need.

The current ad hoc, piecemeal legislative approach, however, which depends on the vagaries of litigation, does not work. It is not fair and equitable, as it has provided some victims or categories of victims with compensation and has left others with nothing.

Deputy Secretary Armitage's letter to Congress, dated June 12, 2002, laid out the Administration's principles for a comprehensive plan. The letter stated that such a plan should provide compensation on par with that for death or injury to public safety officers killed in the line of duty in a quick, streamlined and simple claims process, without regard to income. It stated further that such a comprehensive plan should preserve the President's ability to conduct foreign policy by not using blocked assets to fund victims compensation.

Question. Since you have drafted something, perhaps you would like to share with the committee exactly what you propose to do to compensate the original 52 hostages?

Answer. First, some background on this issue is helpful. This is not the first time that Congress or the President has considered the question of compensation for the 1979 hostages. In 1980, Congress passed the Hostage Relief Act, which provided

compensation with respect to the hostages' tax liabilities and other benefits in 1980. After the Algiers Accords were entered into in 1981, which waived the hostages' claims in order to secure their release from captivity, and after extensive hearings were held in both houses of Congress on the Accords as a whole and on this waiver in particular, the President established a special commission to make recommendations to the Congress as to how the hostages should be compensated for their ordeal.

The President's Commission issued its Final Report and Recommendations on Hostage Compensation in 1981. It recommended that the hostages receive a certain amount of compensation and other benefits. In 1986, the Victims of Terrorism Compensation Act was passed and enacted into law. Section 802 and 803 of that act provided for additional compensation and benefits to the hostages. I understand that all of the hostages received compensation according to the directives of that act.

Deputy Secretary Armitage's letter to Congress of June 12, 2002, outlined the Administration's principles for a comprehensive compensation plan. Because the plan is designed to address compensation for all U.S. victims of international terrorism, it does not single out any particular group or category, such as the 1979 hostages.

Question. When can we expect to see such a proposal?

When was the proposal submitted to OMB? What steps are you taking to the proposal released from OMB?

Answer. The submission of a proposal and its timing depend on OMB. We have been working with OMB for some time to develop such a proposal. In November 2001, we sent a draft proposal to OMB that could be circulated for inter-agency review. Our discussions with OMB ultimately resulted in the letter that Deputy Secretary Armitage sent to Congress last June. Following my oral testimony in March, I sent a letter to then-OMB Director, Mitch Daniels, urging that OMB complete its review of our draft proposal as soon as possible. We have been in further discussions about this with OMB and the White House. We have made progress, and I am hopeful that these discussions will result in a proposal that is worked out between the Administration and Congress soon.

Question. To date, how much funding has the Department of State expended on defending Iran—a known terrorist state—in court against American citizens?

Answer. None. We have made appearances in proceedings in U.S. court to protect the interests of the United States. Unfortunately, plaintiffs' lawyers have sometimes mischaracterized our actions. In the *Roeder v. Iran* case in the U.S. District Court for the District of Columbia, Judge Sullivan noted in his decision,

"Plaintiffs consistently mischaracterize the nature of the interest asserted by the United States. The United States is not seeking to vindicate Iran's interests, but rather its own commitment under a binding international agreement, and its ever-present interest in the enforcement of its laws."

Judge Sullivan recognized that we had appeared in the litigation to protect U.S. interests in light of our obligations in the Algiers Accords.

I would also like to address certain statements made by Senator Harkin concerning the Algiers Accords in recent congressional hearings. He suggested that the Algiers Accords should not have any binding effect, asserting that they were never a treaty ratified by the Senate and because they resulted from blackmail.

After the Algiers Accords were signed, and after the hostages were released, Congress had extensive hearings on the Accords in both houses. Former Deputy Secretary Warren Christopher, who was the lead negotiator for the United States, recounted in his testimony how he had reported to the then-Senate Foreign Relations Committee "on nearly a daily basis" concerning the ongoing negotiations. As reflected in the hearings, the Accords and the negotiators received overwhelming bipartisan support and praise. For example, the Chairman of the House Foreign Affairs Committee, Rep. Zablocki, stated, "The agreements preserved the honor of the United States and secured the safe release of the hostages." The Chairman of the Senate Foreign Relations Committee, Senator Percy, also stated, "President Reagan has determined that Presidential authority did exist and does exist to implement these agreements and it is in the best interests of the United States of America that we honor them. I applaud this decision by President Reagan and Secretary Haig." And the Supreme Court noted Congress' approval of the Algiers Accords in its decision in *Dames & Moore*.

Upholding U.S. obligations in the Algiers Accords is in the interests of the United States, and it is those interests that the United States has sought to protect by appearing in court in these cases.

Question. What other terrorist states or organizations has the Department of State defended in court?

How much has been expended on those cases?

Answer. None.

DOLPHIN-SAFE TUNA

Question. With all due respect, doesn't NMFS have greater scientific expertise than the Department of State to make this decision as to whether the science supports changing the standard?

Answer. Yes. The Department of Commerce in general, and the National Marine Fisheries Service in particular, has both the capacity and the statutory responsibility to evaluate the scientific evidence bearing on the issue of dolphin-safe tuna fishing. We understand that the decision was made on this basis.

Question. Despite the clear science-based standard in the statute, isn't it true that the Department of State believes that keeping Mexico and other countries at the table in the international treaty on the tuna fishery in the Eastern Tropical Pacific is an important factor in deciding whether to change the U.S. law? Wasn't this view expressed to the Department of Commerce?

Answer. At the end of 2002, the Secretary of Commerce had the responsibility under the law in question to determine whether the purse seine tuna fishery in the Eastern Pacific Ocean is having a significant adverse impact on any of the depleted dolphin stocks in that region. As you know, he found that the fishery is not having such an impact.

In advance of that finding, I wrote to Secretary Evans to describe what the Department of State saw as a wide range of views of various scientific organizations that were examining this issue and urged him to weigh all the competing evidence carefully, as he certainly did.

The United States has a strong interest in maintaining the International Dolphin Conservation Program, which has reduced dolphin mortality in this fishery by 98 percent. However, the statutory criteria on which the Secretary of Commerce made his finding relate solely to the issue of whether the fishery is having a significant adverse impact on dolphin stocks. The Department of State has not argued otherwise.

Question. There have been serious concerns raised with respect to the failure of certain member countries to comply with the international agreement to reduce dolphin mortalities in the Eastern Tropical Pacific. As a result of these concerns, the fiscal year 2003 Omnibus Appropriations bill includes language calling for a report to Congress on compliance with the international agreement, and also provides \$750,000 of the budget for the Bureau of Oceans and International Environmental and Scientific Affairs only for negotiating measures to strengthen the IDCP. I hope you are taking our message seriously.

Answer. The Department of State is aware of the concerns that some have raised with respect to the implementation of the international dolphin conservation program. Since the initial implementation of the program, we have stressed to all participants the need for the highest standards of compliance with the provisions of the agreement and have worked to achieve this result in a number of ways. However, more can and should be done. We will continue to work with the Department of Commerce, Congress and affected U.S. constituent groups to pursue effective implementation of this program.

 QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

Question. Mr. Secretary, thank you for pursuing the Diplomatic Readiness Initiative to fill staffing gaps in the Foreign Service and Civil Service. Fiscal year 2004 will be the third and final year of the Diplomatic Readiness Initiative.

The State Department authorization act (Public Law 107-228, at Sec. 301) requires that you submit to the Congress a comprehensive workforce plan for the Department for fiscal years 2003 through 2007. We look forward to receiving this workforce plan, which is due 180 days after enactment of the Act. The world has changed considerably since the Diplomatic Readiness Initiative targets were set two years ago, and we expect changes in the State Department to be reflected in the workforce plan.

Are Diplomatic Readiness Initiative targets still adequate to fill the current and anticipated open positions at our diplomatic missions and consular posts?

Will there be a sufficient number of Foreign Service personnel so they can receive needed training without leaving positions unfilled?

Do you anticipate personnel shortfalls or unmet skills needs, which would be identified in the workforce plan? Do you anticipate the need to shift personnel, or problems in recruitment and retention, that the subcommittee should be prepared to consider?

Answer. As mentioned, the Diplomatic Readiness Initiative (DRI) program was intended to "right-size" the State Department staff following a long period of under

hiring in the mid-1990's. Events since the initial DRI (developed in 2001) could support increases. We anticipate that the next iteration of the Overseas Staffing Model will take some of these events into consideration and we will also be reviewing results of our analysis of the Domestic Staffing Model results.

DRI was designed to help make it possible to plan for crises and to have enough people to be able to reprioritize quickly within existing resources; without enough people in the system, those who leave to cover a crisis would leave major staffing gaps.

But for some of these new issues, they cease being crisis requirements and become baseline requirements—such as an embassy in Kabul and the increased consular workload.

We have had to use some of the DRI positions to cover new consular needs in the wake of 9/11 when the workload went up even as MRV fees—which have funded many consular position increases—went down. We have also had increased visa processing requirements that have increased workload while we have also striven to ensure that we have fully trained commissioned Foreign Service Officers in all positions. In the short run we have had to meet these new requirements within our current workforce. These requirements will need to be met continuously, but the original DRI did not envision these changes.

Even though we had to use some DRI positions for these unexpected contingencies, we still need the personnel complement foreseen by DRI to make training and future crisis response possible.

Question. A June 2002 General Accounting Office report on Diplomatic Readiness at Hardship Posts, stated, “According to State officials and Foreign Service employees, the incentive provided by differential (hardship) pay for overseas service has been diminished by rules governing locality pay . . . State has not analyzed the effect that this difference has had since 1994 on the number of Foreign Service employees who bid on overseas assignments, including hardship posts. However, State Department officials, the American Foreign Service Association, and many officers with whom we met said that this gap penalizes overseas employees and that if it continues to grow, it will inevitably keep employees from choosing an overseas career in the Foreign Service . . . We estimate that by 2006 and 2010, the differential pay incentives from the 15 percent and 20 percent differential posts, respectively, will be less than the locality pay for Washington, D.C., assuming that the locality pay rate continues to increase at about 1 percent per year.”

Do you believe the gap identified as a problem by GAO will result in difficulty filling positions at hardship posts? If so, how can this problem be addressed?

Answer. While our employees always step up to do what is needed, we do believe that the overseas pay gap (now nearly 13 percent as Washington, DC locality pay rose in 2003) has created serious morale problems, causing employees to question our commitment to them as we ask them to do ever more difficult and dangerous work overseas.

The hardship incentive—post “differential”—is intended to both compensate employees for difficult conditions as well as to provide an incentive for service. It is not intended to make up for lost salary. Hardship incentives to do not count as salary for the purposes of annuity calculations or retirement fund contributions.

We believe that this inequity between overseas and domestic salaries will make it harder for us to staff overseas posts—especially hardship posts, but all posts. At nearly a quarter of our posts, even including allowances such as hardship pay, salary is less than Washington salaries.

Unlike the CIA, we do not currently have the legal authority to pay employees overseas at the Washington, DC pay level. In addition, the cost of doing so cannot be managed without additional appropriations. We are working with the Administration on a solution to this inequity and workforce management problem.

Question. At the time of the bombings of our embassies in east Africa, about 88 percent of our embassies did not meet the Department's basic safety standards (according to the Overseas Presence Advisory Panel report).

After five years of a ten or eleven year plan to protect our posts and missions abroad, what percentage now meets the Department's basic safety standards?

Also, because of the changing nature of international terrorism, do you believe additional funds are necessary to protect U.S. personnel and their families in “soft target” environments such as international schools attended by our children, churches and places of entertainment frequented by American families, and even our housing complexes?

Answer. In the immediate period after the embassy bombings, Congressional funding and Department effort was focused on providing immediate improvements to our existing facilities using the Emergency Security Appropriation. These efforts provided necessary and timely upgrades to our facilities, and were instrumental in

protecting our people in such places as Karachi from a car bomb attack. However, this effort could not provide substantial improvements such as blast resistant buildings and improvements in setback for most of our buildings.

Since early 2001, the Department has embarked on a truly ambitious new building program. Since then, new embassy facilities have been constructed in Kampala, Doha, Dar Es Salaam, Tunis, and Abu Dhabi. Three new embassies will be finished in 2003, including Zagreb, Nairobi, and Istanbul. The 88 percent figure relates to 142 of the 163 "Inman" era embassies that were not up to standard, leaving 21 (12 percent) that were up to standard. Adding these 8 new embassies, the percentage rises to nearly 18 percent. With 2004 plans for another 8 embassies, this figure will continue to improve.

As to the question of soft targets, I believe funding can and is being provided to improve the security at overseas schools and for our housing. However, the school program is just commencing, and it is unclear how much funding will be appropriate. The Department will also continue to provide timely and appropriate security advice and guidance to businesses and religious groups overseas to enhance their ability to protect themselves.

SUBCOMMITTEE RECESS

Senator GREGG. The subcommittee will stand in recess.

[Whereupon, at 11:04 a.m., Thursday, March 6, the subcommittee was recessed, to reconvene subject to the call of the Chair.]