

THE BUDGET IN BRIEF

FISCAL YEAR 2009



**United States
Department of State**

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DEPARTMENT OF STATE

THE BUDGET IN BRIEF FISCAL YEAR 2009

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BUDGET SUMMARY

I would define the objective of transformational diplomacy this way: to work with our many partners around the world to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system... We must transform old diplomatic institutions to serve new diplomatic purposes, and we must empower our people to practice transformational diplomacy.

– *Dr. Condoleezza Rice*
Secretary of State

Overview

Two priorities have guided American policy over the past six years – winning the war on terror and promoting freedom as the alternative to tyranny. To advance these priorities, the Department of State has engaged globally. Through transformational diplomacy and foreign affairs programs, the Department has worked to create a world of responsible democracies with the ultimate goal of providing enduring security for the American people.

U.S. security interests, development efforts, and democratic values remain inseparable. American diplomacy has sought to support stability in key countries and regions, confront terrorist threats, promote economic growth, respond to humanitarian crises, and encourage better governance, policies, and institutions.

The FY 2009 budget request represents a concerted effort to strengthen U.S. capacity for such global engagement. Reflecting the Department’s critical role as a national security institution, the request identifies the resources required to carry out U.S. foreign policy in an era of extraordinary challenges – the resources required for diplomatic solutions to national security issues.

FY 2009 Budget Request

The FY 2009 budget request for all Department of State appropriations totals \$11.456 billion. These funds will significantly strengthen the core programming, policy, and management capabilities of the Department necessary to carry out vital U.S. diplomatic and consular relations with more than 180 countries. They will also support strategic U.S. engagement abroad through public diplomacy and multilateral diplomacy. The FY 2009 request will enable the Department to:

Pursue Diplomatic Solutions to National Security Issues

The request provides \$3.806 billion to increase the capacity of American diplomacy to meet challenges to U.S. national security and welfare in the international arena, where power is defined increasingly in economic and financial terms and where transnational threats like terrorism, disease, and drug trafficking

BUDGET SUMMARY

have become urgent. The requested funding will strengthen the global operating platform for the U.S. Government (USG) and add 500 positions. The new positions will support forward deployment of American diplomats to cities, countries, and regions where they are needed most and expand training in critical skills such as foreign languages. The positions will also increase interagency collaboration, particularly with the Department of Defense.

Coordinate Civilian Stabilization in Post-conflict States

The request provides \$249 million in a new appropriation to support USG civilian efforts to help stabilize and reconstruct post-conflict states. The requested funding will help support, train, equip, and deploy an interagency Civilian Response Corps (CRC). The CRC is comprised of Active, Standby, and Civilian Reserve personnel and includes mission-ready experts in fields such as policing and the rule of law, transitional governance, and economic stabilization and development. The request will also provide related stabilization and reconstruction assistance and fund the personnel and operating expenses of the Office of the Coordinator.

Protect America's Borders

The FY 2009 budget provides \$2.124 billion for the Border Security Program. This program helps guard American borders against the illegal entry of terrorists and others who threaten homeland security. At the same time, it facilitates the entry of legitimate foreign visitors and students. Revenue from Machine Readable Visa fees, Enhanced Border Security Program fees, the Western Hemisphere Travel Surcharge, and visa fraud prevention fees will fund continuous improvements in infrastructure, systems, processes, and programs. The fees will also fund 448 additional consular positions required to address rising passport demand associated with the Western Hemisphere Travel Initiative and rising visa demand, including increases related to Border Crossing Card renewals.

Confront Threats to U.S. Security

The request provides \$1.163 billion for Worldwide Security Protection to increase security for diplomatic personnel, property, and information in the face of international terrorism. The funding will extend the program to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. This funding will also support the worldwide local guard force protecting diplomatic missions and residences. Funding increases will help meet new security demands in all regions and implement the Visa and Passport Security Strategic Plan to safeguard the integrity of U.S. travel documents. Because people continue to be the single most important factor in deterrence and response to terrorist acts, the funding will add 200 security professionals.

Provide Secure Diplomatic Facilities

The request provides \$1.790 billion to continue security-driven construction projects and address the major physical security and maintenance needs of U.S. embassies and consulates. This total includes \$844 million for the Capital Security Construction Program to replace diplomatic facilities at the most vulnerable overseas posts. FY 2009 projects include new embassy compounds in Santo Domingo, Dakar, Maputo, and Bucharest. During the fifth year of Capital Security Cost Sharing (CSCS), USG agencies with personnel abroad under Chief of Mission authority will contribute \$455 million to CSCS construction. The request total also includes \$105 million to upgrade compound security at high-risk posts and increase protection for soft targets such as schools and recreation facilities. In addition, the request total includes \$841 million for ongoing operations, including major rehabilitations. These programs are essential to keep USG employees abroad safe and to protect the U.S. investment in real estate assets valued at over \$14 billion.

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Influence Foreign Opinion through Public Diplomacy

The request provides \$395 million in appropriations for public diplomacy to influence foreign opinion and win support for U.S. foreign policy goals. In addition to advocating U.S. policies, public diplomacy communicates the principles that underpin them and fosters a sense of common values and interests. Objectives of the national public diplomacy strategy include promoting democracy and good governance and marginalizing extremist leaders and organizations. Increased funding will help modernize the communications architecture to provide leadership in the war of ideas and sharpen messaging to counter terrorist propaganda. The funding will also support 20 new public diplomacy positions.

Engage and Educate through Exchange Programs

The request provides \$522 million for educational and cultural exchanges to increase mutual understanding and engage the leaders of tomorrow. Aligned with other public diplomacy efforts, these people-to-people programs are uniquely able to address difficult issues and lay foundations for international cooperation. The request includes increased funding for a broad spectrum of academic and professional programs to reach constituencies vital for America – youth and those who influence youth. The programs include English language initiatives, the International Visitor Leadership Program, Citizens Exchanges, and the President's Partnership for Latin American Youth. The funding will also continue to support the President's National Security Language Initiative, promoting teaching and study by Americans of critical needs foreign languages, particularly Arabic, Chinese, Farsi, Russian, and Turkic languages.

Exploit Information Technology

The request provides \$414 million, including revenue from fees, for Central Fund investments in information technology (IT). The ability of the Department to support transformational diplomacy, information sharing, rightsizing efforts, and E-Government initiatives depends increasingly on robust, secure IT. Funding increases in FY 2009 will help support the State Messaging and Archive Retrieval Toolset project, diplomacy through collaboration, and IT infrastructure that provides American diplomats with anytime/anywhere computing.

Lead through Multilateral Diplomacy

The request provides \$1.529 billion to pay U.S. assessed contributions to 47 international organizations, including the United Nations. The request total includes increases to pay outstanding U.S. arrears to international organizations. The request recognizes U.S. international obligations and reflects a commitment to maintain the financial stability and efficiency of those organizations. Membership in international organizations assists in building coalitions and gaining support for U.S. policies and interests. Further, multilateral diplomacy through such organizations serves key U.S. foreign policy goals, including advancing democratic principles and fundamental human rights, promoting economic growth through free trade and investment, settling disputes peacefully, encouraging non-proliferation and arms control, and strengthening international cooperation in environment, agriculture, technology, science, education, and health.

Contribute to International Peacekeeping

The request provides \$1.497 billion to pay the U.S. share of costs for UN peacekeeping missions. This funding will help support peacekeeping efforts worldwide, including the activities of ongoing missions in Lebanon, Haiti, Liberia, and the Congo. Funding increases will also pay U.S. assessments for new missions in Darfur and Chad. Such peacekeeping activities further U.S. goals by ending conflicts, restoring peace,

BUDGET SUMMARY

and strengthening regional stability. They also leverage U.S. political, military, and financial assets through the authority of the UN Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

President's Management Agenda / Management Reform

In addition to the resources required for transformational diplomacy and foreign affairs programs, the FY 2009 budget includes resources for the Department of State to work more effectively and efficiently. These resources are needed to further the Government-wide initiatives of the President's Management Agenda (PMA): performance improvement (formerly budget and performance integration), improved financial performance, strategic management of human capital, competitive sourcing, and expanded electronic government. In addition, the Department is the principal implementing partner – with the Office of Management and Budget (OMB) as the lead – of the PMA initiative on rightsizing the U.S. Government's overseas presence. The Department is also one of 14 agencies participating in the PMA initiative on Federal real property asset management.

Far more than just changing at the margins, the Department is transforming itself and its practices:

- The Department has fundamentally reorganized the way it budgets, plans, and manages foreign assistance. With the establishment of a new foreign assistance strategy and framework, country programs have been re-focused to respond to the goals of transformational diplomacy. And in the FY 2009 budget formulation process, coordinated planning calendars, integrated regional presentations, and joint reviews by senior management linked program requirements to institutional capacity.
- The Department is becoming more agile and proactive through a multi-year repositioning of the American diplomatic presence overseas. The Department is redirecting positions globally to meet national security priorities such as nonproliferation, counterterrorism, and winning the war of ideas.
- Through the process established by National Security Decision Directive 38, the Department is working with other agencies to rightsize the USG presence abroad. Rather than locating new functions at individual posts, bureaus are exploring alternatives such as regionalization and centralization and containing the costs of duplicative administrative support.
- The Department is aggressively reforming existing structures, procedures, and systems – reducing organizational layers, expanding shared services, promoting strategic procurement, and eliminating or competitively sourcing lower priority, non-core functions.

The Performance Budget

The FY 2009 Congressional Budget Justification for Department of State appropriations incorporates performance indicators in narratives throughout the volume. The indicators are displayed in standard templates containing targets, current results, historical results, and notes on verification and validation. Together with the performance indicators in the submission for Foreign Operations, these measures comprise the Department's Annual Performance Report – a requirement of OMB's Circular A-136 and a milestone of the PMA performance improvement initiative.

Further, the Department and the U.S. Agency for International Development elected to participate in OMB's Performance and Accountability Report pilot and have produced a Joint Highlights document

BUDGET SUMMARY

summarizing high-level budget, performance, and financial information for a general audience. The Joint Highlights includes representative performance indicators from the Congressional Budget Justifications for both the Department and Foreign Operations.

PART Improvement Plans

Since 2002, the Department and OMB have used the Program Assessment Rating Tool (PART) to review the Department's programs for effectiveness, efficiency, and accountability. The Department has a total of 52 PART surveys. Twenty of these cover programs representing two-thirds of the Department's budget. An additional 32 cover foreign assistance-funded programs, three of which are managed jointly with the U.S. Agency for International Development.

PART reviews help agencies identify strengths and weaknesses to improve program performance. In response to a PART assessment, the agency commits to implement an improvement plan. Together with OMB, the Department's PART managers develop improvement plans with rigorous actions to follow up on PART findings, thereby promoting improvements in performance and the achievement of program goals.

Examples of recently proposed improvement plan actions include: development of a USG strategic plan for public diplomacy programs; pursuing independent evaluations to examine program performance measures for effectiveness; and implementation of task mapping to analyze the procedures used to track allowable reimbursable claims and review the rejection process of disallowable claims.

PART improvement plans, as well as PART summaries, are published on www.ExpectMore.gov twice a year and help convey to the American people how Department programs are performing and what the Department is doing to improve program performance.

Budget Request Details

The following sections of this volume detail the FY 2009 budget request for Department of State appropriations. The sections include specific resource requirements for the programs, activities, and management initiatives highlighted above, as well as targeted performance information.

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SUMMARY OF FUNDS

(\$ in thousands)

Appropriations	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Administration of Foreign Affairs	7,422,106	7,526,760	8,217,454	690,694
State Programs	5,259,756	5,386,262	5,435,269	49,007
Diplomatic & Consular Programs	5,201,613	5,326,687	5,364,269	37,582
Ongoing Operations (1) (2)	4,423,164	4,358,149	4,201,473	(156,676)
Worldwide Security Protection (3) (4)	778,449	968,538	1,162,796	194,258
Capital Investment Fund	58,143	59,575	71,000	11,425
Embassy Security, Construction & Maintenance	1,490,852	1,425,574	1,789,734	364,160
Ongoing Operations	592,277	755,050	841,334	86,284
Worldwide Security Upgrades	898,575	670,524	948,400	277,876
Capital Security Construction	799,852	562,110	843,700	281,590
Compound Security	98,723	108,414	104,700	(3,714)
Civilian Stabilization Initiative	0	0	248,631	248,631
Office of Inspector General (5)	31,414	33,733	35,508	1,775
Educational & Cultural Exchange Programs (6)	465,671	501,347	522,444	21,097
Representation Allowances	8,175	8,109	8,175	66
Protection of Foreign Missions & Officials	9,270	22,814	18,000	(4,814)
Emergencies in the Diplomatic & Consular Service (7)	13,440	8,927	19,000	10,073
Repatriation Loans Program Account	1,302	1,275	1,353	78
Payment to the American Institute in Taiwan	15,826	16,219	16,840	621
Foreign Service Retirement & Disability Fund [Mandatory]	126,400	122,500	122,500	0
International Organizations	2,619,592	3,033,946	3,026,400	(7,546)
Contributions to International Organizations (8)	1,201,317	1,343,429	1,529,400	185,971
Contributions for International Peacekeeping Activities (9) (10)	1,418,275	1,690,517	1,497,000	(193,517)
International Commissions	67,255	155,056	109,955	(45,101)
International Boundary & Water Commission - S&E (11)	28,368	30,184	32,256	2,072
International Boundary & Water Commission - Construction	5,232	87,709	44,250	(43,459)
International Fisheries Commissions	23,693	26,312	22,000	(4,312)
American Sections	9,962	10,851	11,449	598
Border Environment Cooperation Commission	2,094	2,202	2,120	(82)
International Joint Commission	6,450	7,131	7,559	428
International Boundary Commission	1,418	1,518	1,770	252
Related Appropriations	108,461	36,452	101,750	65,298
The Asia Foundation	13,821	15,374	10,000	(5,374)
National Endowment for Democracy	74,042	0	80,000	80,000
East-West Center	18,994	19,342	10,000	(9,342)
Center for Middle Eastern-Western Dialogue - Program	740	868	875	7
Eisenhower Exchange Fellowship Program	494	496	500	4
Israeli Arab Scholarship Program	370	372	375	3
Total, Department of State Appropriations	10,217,414	10,752,214	11,455,559	703,345

SUMMARY OF FUNDS

Summary Table Footnotes:

All FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

(1) FY 2007 Actual includes \$774.158 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28) and reflects supplemental funding transfers out of \$0.258 million to the U.S. Commission on International Religious Freedom and \$8.5 million to the Emergencies in the Diplomatic and Consular Service appropriation. FY 2007 Actual also reflects \$0.650 million transferred out to the International Boundary and Water Commission-Salaries and Expenses and includes \$1.85 million transferred in from the Department of Defense for reconstruction and stabilization activities.

(2) FY 2008 Estimate includes \$575.0 million in emergency funding provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J). FY 2008 Estimate also includes \$3.968 million transferred in from the Foreign Military Financing account.

(3) FY 2007 Actual includes \$96.5 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

(4) FY 2008 Estimate includes \$206.632 million in emergency funding provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

(5) FY 2007 Actual includes \$36.5 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28) and reflects \$35.0 million transferred out to the Special Inspector General for Iraq Reconstruction.

(6) FY 2007 Actual includes \$20.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

(7) FY 2007 Actual includes \$8.5 million transferred in from D&CP-Ongoing Operations.

(8) FY 2007 Actual includes \$50.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

(9) FY 2007 Actual includes \$283.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

(10) FY 2008 Estimate includes \$468.0 million in emergency funding provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

(11) FY 2007 Actual includes \$0.650 million transferred in from D&CP-Ongoing Operations.

SUPPLEMENTAL APPROPRIATIONS

U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007

(P.L. 110-28)

(\$ in thousands)

Appropriations	FY 2007 Actual
Administration of Foreign Affairs	891,900
Diplomatic & Consular Programs (D&CP)	861,900
D&CP - Ongoing Operations (1)	765,400
D&CP - Worldwide Security Protection	96,500
Office of Inspector General (2)	1,500
Educational & Cultural Exchange Programs	20,000
Emergencies in the Diplomatic and Consular Service	8,500
International Organizations	333,000
Contributions to International Organizations	50,000
Contributions for International Peacekeeping Activities	283,000
Total, Department of State	1,224,900

(1) FY 2007 Actual reflects \$0.258 million transferred out to the U.S. Commission on International Religious Freedom and \$8.5 million transferred out to the Emergencies in the Diplomatic and Consular Service appropriation.

(2) FY 2007 Actual reflects \$35.0 million transferred out to the Special Inspector General for Iraq Reconstruction.

Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008

(P.L. 110-161, Division J)

(\$ in thousands)

Appropriations	FY 2008 Estimate
Administration of Foreign Affairs	781,632
Diplomatic & Consular Programs (D&CP)	781,632
D&CP - Ongoing Operations	575,000
D&CP - Worldwide Security Protection	206,632
International Organizations	468,000
Contributions for International Peacekeeping Activities	468,000
Total, Department of State	1,249,632

SUMMARY OF DIRECT FUNDED POSITIONS

Appropriations	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Administration of Foreign Affairs	20,107	20,127	21,203	1,076
State Programs	18,542	18,529	19,230	701
Diplomatic & Consular Programs Ongoing Operations	17,286	17,171	17,672	501
Worldwide Security Protection	1,256	1,358	1,558	200
Embassy Security, Construction & Maintenance	903	918	923	5
Other Administration of Foreign Affairs	662	680	1,050	370
Civilian Stabilization Initiative	0	0	351	351
Office of Inspector General	318	318	318	0
Educational and Cultural Exchange Programs	344	362	381	19
International Commissions	345	345	345	0
International Boundary & Water Commission - S&E	295	295	295	0
International Boundary & Water Commission - Construction	18	18	18	0
American Sections	32	32	32	0
International Boundary Commission	8	8	8	0
International Joint Commission	24	24	24	0
State Appropriations Act	20,452	20,472	21,548	1,076

ADMINISTRATION OF FOREIGN AFFAIRS

Resource Summary

(\$ in thousands)

Appropriations	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
State Programs	5,259,756	5,386,262	5,435,269	49,007
Diplomatic & Consular Programs	5,201,613	5,326,687	5,364,269	37,582
Ongoing Operations (1)(2)	4,423,164	4,358,149	4,201,473	(156,676)
Worldwide Security Protection (3) (4)	778,449	968,538	1,162,796	194,258
Capital Investment Fund	58,143	59,575	71,000	11,425
Embassy Security, Construction & Maintenance	1,490,852	1,425,574	1,789,734	364,160
Ongoing Operations	592,277	755,050	841,334	86,284
Worldwide Security Upgrades	898,575	670,524	948,400	277,876
Capital Security Construction	799,852	562,110	843,700	281,590
Compound Security	98,723	108,414	104,700	(3,714)
Other Administration of Foreign Affairs	671,498	714,924	992,451	277,527
Civilian Stabilization Initiative	0	0	248,631	248,631
Office of Inspector General (5)	31,414	33,733	35,508	1,775
Educational & Cultural Exchange Programs (6)	465,671	501,347	522,444	21,097
Representation Allowances	8,175	8,109	8,175	66
Emergencies in the Diplomatic & Consular Service (7)	13,440	8,927	19,000	10,073
Protection of Foreign Missions & Officials	9,270	22,814	18,000	(4,814)
Repatriation Loans Program Account	1,302	1,275	1,353	78
Payment to the American Institute in Taiwan	15,826	16,219	16,840	621
Foreign Service Retirement & Disability Fund	126,400	122,500	122,500	0
Total, Administration of Foreign Affairs	7,422,106	7,526,760	8,217,454	690,694

All FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

(1) FY 2007 Actual includes \$774.158 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28) and reflects supplemental funding transfers out of \$0.258 million to the U.S. Commission on International Religious Freedom and \$8.5 million to the Emergencies in the Diplomatic and Consular Service appropriation. FY 2007 Actual also reflects \$0.650 million transferred out to the International Boundary and Water Commission-Salaries and Expenses and includes \$1.85 million transferred in from the Department of Defense for reconstruction and stabilization activities.

(2) FY 2008 Estimate includes \$575.0 million in emergency funding provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J). FY 2008 Estimate also includes \$3.968 million transferred in from the Foreign Military Financing account.

(3) FY 2007 Actual includes \$96.5 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

ADMINISTRATION OF FOREIGN AFFAIRS

- (4) FY 2008 Estimate includes \$206.632 million in emergency funding provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).
- (5) FY 2007 Actual includes \$36.5 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28) and reflects \$35.0 million transferred out to the Special Inspector General for Iraq Reconstruction.
- (6) FY 2007 Actual includes \$20.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).
- (7) FY 2007 Actual includes \$8.5 million transferred in from D&CP-Ongoing Operations.

STATE PROGRAMS

Resource Summary

(\$ in thousands)

	FY 2007	FY 2008	FY 2009	Increase/ Decrease
Appropriations	Actual	Estimate	Request	
Diplomatic & Consular Programs – Ongoing Operations (1) (2)	3,707,664	3,783,149	4,201,473	418,324
Iraq Emergency Supplemental (3) (4)	715,500	575,000	0	-575,000
Worldwide Security Protection (5) (6)	778,449	968,538	1,162,796	194,258
Subtotal, Diplomatic & Consular Programs	5,201,613	5,326,687	5,364,269	37,582
Capital Investment Fund	58,143	59,575	71,000	11,425
Subtotal, State Programs Appropriations	5,259,756	5,386,262	5,435,269	49,007
Border Security Program Fees	1,263,716	2,027,560	2,124,458	96,898
IT Central Fund (Expedited Passport Fees)	202,000	254,362	343,000	88,638
Other Fees	42,876	44,441	46,041	1,600
Total	6,768,348	7,712,625	7,948,768	236,143

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

(1) FY 2007 Actual includes \$58.658 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28) and reflects supplemental funding transfers out of \$0.258 million to the U.S. Commission on International Religious Freedom and \$8.5 million to the Emergencies in the Diplomatic and Consular Service appropriation. FY 2007 Actual also reflects \$0.650 million transferred out to the International Boundary and Water Commission-Salaries and Expenses and includes \$1.85 million transferred in from the Department of Defense for reconstruction and stabilization activities.

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(6) FY 2008 Estimate includes \$206.632 million in emergency funding provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

Charged with implementing U.S. foreign policy in an era of extraordinary challenges, the Department of State projects a forceful American presence around the world. Through a network of more than 260 posts in over 180 countries, the Department engages globally to advance together national security interests, U.S. development efforts, and American democratic values.

STATE PROGRAMS

The Department manages official relations with foreign governments and international organizations, as well as providing services to American citizens, supporting U.S. businesses, reaching out to foreign publics through public diplomacy, and developing the extensive local contacts necessary to conduct the business of foreign affairs.

State Programs appropriations (Diplomatic and Consular Programs and the Capital Investment Fund) address operating requirements to fulfill the Department's mandates as a national security institution. These appropriations support the people, platform, and programs necessary to meet the international challenges to American security and welfare.

Highlights by Account

Diplomatic And Consular Programs – Ongoing Operations

The FY 2009 request of \$4,201,473,000 for Diplomatic and Consular Programs is a net increase of \$418,324,000 from the FY 2008 estimate of 3,783,149,000 (excluding emergency funds of \$575,000,000). The request provides resources to promote diplomatic solutions, and to provide for the cost of living, domestic and overseas inflation, and other mandatory and high priority increases including positions for language and critical skills development and public diplomacy programs.

Worldwide Security Protection

The FY 2009 request for Worldwide Security Protection (WSP) is \$1,162,796,000, an increase of \$194,258,000 above the FY 2008 estimate, which will provide funding for the protection of life, property, and information of the Department of State. WSP funding supports security staffing of more than 1,500 personnel and a worldwide guard force protecting overseas diplomatic missions and residences and domestic facilities. The request includes implementation of the Department's Visa and Passport Security Strategy in support of the National Implementation Plan for the War on Terror and consolidation of security training facilities.

Capital Investment Fund

The FY 2009 request of \$71,000,000 for the Capital Investment Fund (CIF) sustains the Department's program of investment in information technology (IT). The FY 2009 IT Central Fund, which includes the CIF combined with \$343,000,000 in estimated Expedited Passport Fees, will provide a total of \$414,000,000 to support the Department's IT and communications systems initiatives.

Border Security Program

The FY 2009 request for the Border Security Program is \$2,124,458,000, to be funded by Machine Readable Visa (MRV), Enhanced Border Security Program, Western Hemisphere Travel, and Fraud Prevention fees.

Other Fees

Diversity Lottery, Fingerprint Fees, and Affidavit of Support Fees – The FY 2009 program includes an estimate of \$7,200,000 for the Diversity Lottery Program. Section 636 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 provides that the State Department may collect and retain a fee that ensures the recovery of the cost to the Department of allocating and processing applications for visas to

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be issued under the Diversity Lottery Program. The Department's fee is imposed on successful applicants for the Diversity Lottery Program to ensure that the costs of administering the lottery are recovered from actual users. These fee collections are available to provide consular services. In addition, the FY 2009 program includes an estimate of \$1,600,000 for the FBI Immigrant Visa Fingerprint Fee program. The request also includes \$23,000,000 for the Affidavit of Support (AOS) Program that is funded from a fee collected from persons submitting AOS documentation.

Defense Trade Control Fees – The FY 2009 program includes an estimate of \$8,225,000 for Defense Trade Control Registration Fees in accordance with Section 45 of the State Department Basic Authorities Act, as amended. These fees are available without fiscal year limitation to pay expenses incurred for specified defense trade control license application processing and other functions.

Commercial Services Fees – The FY 2009 program includes an estimate of \$16,000 for fees charged for the cost of providing commercial services at posts in countries where the Department of Commerce does not perform commercial services for which it collects fees. Pursuant to section 52 of the State Department Basic Authorities Act, as amended, these fee collections are available until September 30th of the fiscal year following the fiscal year in which the funds were deposited.

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

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

Highlights by Activity

Policy Formulation and Executive Direction (\$400,819,000 from direct appropriations) – Direction, policy formulation, and coordination are provided by the Secretary, the Deputy Secretary, the Under Secretaries, Assistant Secretaries and other bureau heads, chiefs of diplomatic missions, and their immediate staffs. They are assisted by legislative affairs and public affairs staffs who explain to the Congress and the American public the U.S. position on foreign policy issues and interests managed by the Department.

Diplomatic Relations (\$795,406,000 including \$ 787,165,000 from direct appropriations, \$8,225,000 from Defense Trade Control Registration Fees, and \$16,000 from Commercial Services Fees) – The conduct of diplomatic relations involves a wide spectrum of activities. Some examples are described below.

- In-depth knowledge and understanding of political and economic events in many nations are basic requirements of diplomacy. Achieving them requires quality reporting, analysis, and personal contact work at more than 260 missions abroad and by expert staffs in Washington.
- Management is required of U.S. participation in arms control, nonproliferation, disarmament negotiations, and other verification and compliance activities.
- International economic and trade diplomacy and in-country services to American businesses have become vital to the health of the American economy. The world continues to become more interrelated economically each year through international fora such as the North American Free Trade Agreement, the General Agreement on Tariffs and Trade, and Asia-Pacific Economic Cooperation (APEC).

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- Promoting human rights internationally, supporting emerging democracies and economic development, improving the global environment, and meeting humanitarian emergencies that destroy political and economic well-being and stability are vital to America's long-term interest.
- There is a continuous need to keep abreast of scientific and technological developments abroad and to assist cooperatively some nations in these fields by aiding two-way exchanges of information and expert personnel.

Public Diplomacy (\$400,806,000 including \$394,806,000 from direct appropriations and \$6,000,000 from U.S.I.E.E. Fees) – Public diplomacy activities of the U.S. Government are intended to engage, inform, and influence foreign publics and broaden dialogue between American citizens and institutions and their counterparts abroad. In FY 2000, certain public diplomacy activities formerly carried out by the United States Information Agency were fully integrated into the Department of State pursuant to the Foreign Affairs Reform and Restructuring Act of 1998. Public Diplomacy within the Department of State continues to operate under the authority of the Smith-Mundt Act of 1948, as amended, the Fulbright-Hays Act of 1961, as amended, and other statutes.

Consular Relations (\$2,218,826,000 including \$62,568,000 from direct appropriations, \$23,000,000 from Affidavit of Support Fees, \$22,300,000 from Diversity Lottery Fees; \$981,233,000 from Machine Readable Visa Fees, \$1,600,000 from Visa Fingerprint Fees; \$31,800,000 from H-1B and L Fraud Prevention Fees, \$569,500,000 from the Western Hemisphere Travel Surcharge, and \$526,825,000 from Enhanced Border Security Program fees) – The events of September 11 demonstrated the national security imperative to have a robust and sophisticated system to process persons seeking visas to travel to the United States. The Department of State has experienced major increases in the cost of providing consular services as a result of enhanced security measures implemented to strengthen U.S. homeland security. This requirement continues to place a heavy burden on Department of State operations:

- Non-immigrant visa requests from foreign tourists, students, business people, investors, and government officials undergo a rigorous adjudication process at missions abroad. In FY 2007, the Department processed 8.56 million non-immigrant visa applications that generated Machine Readable Visa fee revenue. All applicants undergo a thorough screening to help ensure U.S. homeland security. The State Department expects that demand for non-immigrant visa services will grow to 9.64 million applications in FY 2008 and 10.1 million applications in FY 2009.
- Persons seeking immigrant visas to the United States also undergo comprehensive screening during the adjudication process by Consular Officials overseas. In FY 2007, the Department processed a total of 680,000 immigrant visa applications. This workload is expected to remain at the same level in FY 2008 and FY 2009.
- Routine and emergency assistance must be provided to American citizens in distress. In FY 2008 and FY 2009, the Department projects that it will respond to 2 million citizen services requests worldwide each year.
- American travelers and the U.S. travel industry need to be kept aware of dangerous situations abroad. This is done through Consular Information Sheets, Travel Warnings, and helpful tips to travelers through the Consular Affairs World Wide Web Site available at the Internet Web address: <http://travel.state.gov>.
- Passport applications must be adjudicated, and passports must be issued or denied for U.S. citizens wanting to travel abroad. In FY 2007, the Department processed 18.4 million passport applications. Workload is expected to grow to 29 million applications in FY 2008 and between 30 and 36 million in FY 2009.

The worldwide Border Security Program supports all areas of the President's Management Agenda through programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management and Training. These cross-cutting programs are required to secure American

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borders against terrorists, international criminals, or persons whose presence in the United States would violate U.S. immigration law. Border Security plans include continuing to enhance and refresh the equipment and systems that support worldwide consular activities. It also includes continuing modernization of the hardware and software systems that support visa name checks, operating the Border Crossing Card Program in Mexico, implementing biometric collection from visa applicants, strengthening cooperation between the consular and United States law enforcement and intelligence communities, enhancing American Citizen Services, and providing for the staff and operating costs of the Border Security Program. The Border Security Program relies on dedicated funding from increased MRV fees and other new fees instituted to fully recover the cost of increasing program expenses, including Enhanced Border Security fees and the Western Hemisphere Travel Surcharge.

Supporting Multilateral Diplomacy (\$55,990,000 from direct appropriations) – The United States participates in international organizations because it has an interest in working with other nations to maintain stability, uphold laws, facilitate commerce, spur economic growth, maintain a healthy environment, address urgent humanitarian needs, and halt the spread of weapons of mass destruction. Organizations in which the United States plays a leading role include the United Nations, regional bodies such as North Atlantic Treaty Organization and the Organization of American States, and a variety of more specialized and technical organizations. The Department monitors and participates in the organizations through both headquarters staff and its missions to the larger organizations. The increasingly complex nature of world problems makes U.S. involvement in these multilateral organizations even more important to America's future. This request includes funding for State Department participation in international conferences.

Diplomatic Security/Counter-Terrorism/Worldwide Security Protection (\$1,461,285,000 from direct appropriations) – These activities provide resources, allocated by application of risk management principles, necessary to meet security responsibilities, both foreign and domestic. Included in these activities are:

- Protection of overseas U.S. government employees through local guards, technical security measures, residential security measures, and armored vehicles;
- Protection of the Secretary and visiting or resident foreign dignitaries;
- Counterterrorism policy formulation, coordination, and research and development as well as investigations to detect passport, visa, and federal benefits fraud;
- Management of security operations at missions;
- Protection of information at headquarters through domestic guards and physical security equipment and measures;
- Protection of information worldwide through diplomatic couriers, electronic and security equipment, secure conference rooms, development and application of standards for information security, and security protection and inspection of construction property; and
- Counterintelligence investigations, background security investigations, and evaluations.

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

Information Resource Management (\$913,082,000 including \$ 570,082,000 from direct appropriations and \$343,000,000 from Expedited Passport Fees) – This program provides the resources for the effective and efficient creation, collection, processing, transmission, dissemination, storage, and disposition of information required for the formulation and execution of foreign policy and for the conduct of daily business including consular services. The information needs of the President, the Secretary of State,

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the Department and its overseas missions, and approximately 100 other government organizations drive the resource requirements. This activity includes:

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

Training Services (\$207,995,000 from direct appropriations) – Investments in training are vital to a changing and streamlining organization. Training programs provide the language, area studies, information technology, consular, and other professional skills needed for the conduct of foreign relations. The Department’s training program is the principal responsibility of the Foreign Service Institute, which has an innovative training strategy designed to support directly new and emerging policy and management priorities.

Medical Services (\$31,392,000 from direct appropriations) – The Medical Program promotes the health of all under its care by encouraging prevention of illness and facilitating access to health care. This activity encompasses medical programs for the Department of State and the Foreign Service as well as other U.S. Government departments and agencies overseas. Approximately 31,000 employees and their eligible family members receive medical care at about 200 overseas health units overseas and in Washington, DC.

Rental Payments to GSA (\$183,481,000 from direct appropriations) – GSA finances its real property management activities through user charges, set at commercially comparable rates, collected from agencies occupying GSA-controlled properties. This funding provides payment for domestic space occupied by the Department.

Overseas Program Support (\$679,096,000 from direct appropriations) – This activity includes administrative activities at more than 260 posts abroad, including personnel and financial management services, building maintenance staff, shipping and customs clearance, and motor pool services.

Domestic Infrastructure and Program Support (\$453,794 000 from direct appropriations) – This activity includes the infrastructure located in the United States that is dedicated to the administrative support of U.S. diplomatic activities and other U.S. Government agencies overseas, such as domestic personnel and financial management services, domestic building operations and routine maintenance, acquisition services, and other general administrative services.

Post Assignment Travel (\$146,796,000 from direct appropriations) – Post Assignment Travel funds the cost of travel, transportation, and related items in connection with the appointment, transfer, and separation of the Department’s American full-time permanent staff and their families. Tours of duty are generally three or four years at most overseas posts, and one or two years at posts with hardship conditions.

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Funds *Resource Summary* (\$ in thousands)

Activities	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Policy Formulation	360,786	379,467	400,819	21,352
Conduct of Diplomatic Relations	721,682	726,102	795,406	69,304
Public Diplomacy	356,793	363,982	400,806	36,824
Conduct of Consular Relations	1,347,620	2,115,273	2,218,826	103,553
Multilateral Diplomacy	50,136	53,065	55,990	2,925
Diplomatic Security/Counterterrorism /Worldwide Security Protection	1,055,321	1,235,808	1,461,285	225,477
Information Resource Management	718,318	768,873	913,082	144,209
Training Services	106,808	107,290	207,995	100,705
Medical Services	30,254	31,332	31,392	60
Rental Payments to GSA	142,019	162,430	183,481	21,051
Overseas Program Support	584,458	614,617	679,096	64,479
Domestic Infrastructure and Program Support	433,768	436,947	453,794	16,847
Post Assignment Travel	144,885	142,439	146,796	4,357
Supplemental: Iraq Operations	715,500	575,000	0	(575,000)
Total	6,768,348	7,712,625	7,948,768	236,143

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Positions Resource Summary

Activities	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Policy Formulation	2,060	2,061	2,042	-19
Conduct of Diplomatic Relations	4,041	4,048	4,098	50
Public Diplomacy	2,672	2,672	2,692	20
Conduct of Consular Relations	4,566	5,642	6,090	448
Multilateral Diplomacy	298	298	298	0
Diplomatic Security/Law Enforcement Cooperation/Worldwide Security Protection	2,789	2,891	3,091	200
Information Resource Management	1,890	1,890	1,890	0
Training Services	692	696	1,146	450
Medical Services	78	78	78	0
Overseas Program Support	0	0	0	0
Domestic Infrastructure and Program Support	1,099	1,099	1,099	0
Total	20,185	21,375	22,524	1,149

Summary includes positions funded by direct appropriations and Border Security Program fees.

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Highlights of Budget Changes

(\$ in thousands)

	Diplomatic & Consular Programs	Worldwide Security Protection	Capital Investment Fund	Total
FY 2007 Estimate	4,423,164	778,449	58,143	5,257,906
FY 2008 Estimate	4,358,149	968,538	59,575	5,386,262
Adjustment for FY 2008 Iraq Emergency Supplemental	-575,000	0	0	-575,000
Adjusted FY 2008 Estimate	3,783,149	968,538	59,575	4,811,262
Current Services				
Base Adjustments	86,829	0	0	86,829
FY 2008 Transfer from FMF	(3,968)	0	0	(3,968)
Transfer to CSI: FY 2008 S/CRS Base Funding	(7,505)	0	0	(7,505)
Ambassador's Fund Adjust to FY 2009 Request	(2,960)	0	0	(2,960)
Iraq Operations	65,000	0	0	65,000
Facilities Operating Costs	32,262	0	0	32,262
Avian Influenza Action Group	2,000	0	0	2,000
Bureau of Intelligence and Research	2,000	0	0	2,000
Annualization of FY 2008 Requirements	4,075	1,540	0	5,615
Annualization of FY 2008 Cost of Living Adjustment	12,143	1,540	0	13,683
Annualization of Transfer of Acquisitions Management	(8,068)	0	0	(8,068)
Anticipated FY 2009 Wage and Price Requirements	149,362	61,157	0	210,519
FY 2009 American Cost of Living Adjustment	46,700	5,588	0	52,288
Foreign Service Pension System Employer Contribution Increase	30,497	0	0	30,497
Locally-Engaged Staff Wage Increases	29,983	0	0	29,983
Local Guard Program & Other Global Inflation	0	46,760	0	46,760
Domestic Guard Inflation	0	1,812	0	1,812
Overseas Inflation	17,645	0	0	17,645
Domestic Inflation	9,080	6,997	0	16,077
GSA Rents	15,051	0	0	15,051
Medical Inflation	406	0	0	406
Total, Built-In Changes	240,266	62,697	0	302,963
Program Changes				
Diplomatic Solutions	160,058	1,178	0	161,236
Language and Critical Skills Development	105,445	0	0	105,445

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	Diplomatic & Consular Programs	Worldwide Security Protection	Capital Investment Fund	Total
Foreign Service Compensation Reform	34,685	1,178	0	35,863
Public Diplomacy	19,628	0	0	19,628
Asia-Pacific Economic Cooperation 2011 Conferences	2,300	0	0	2,300
Organization for Security and Cooperation in Europe	(2,000)	0	0	(2,000)
Security	2,700	130,383	0	133,083
Worldwide Security Infrastructure	0	27,994	0	22,994
Visa and Passport Security Strategy	0	75,750	0	82,397
Security Training Consolidation	0	17,551	0	19,992
Emergency Preparedness	0	9,088	0	5,000
Counterterrorism	2,700	0	0	2,700
Infrastructure	15,300	0	11,425	26,725
Blair House	3,300	0	0	3,300
Information Programs	12,000	0	0	12,000
Information Technology	0	0	11,425	11,425
Total, Program Changes	178,058	131,561	11,425	321,044
FY 2009 Request	4,201,473	1,162,796	71,000	5,435,269

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Explanation of Current Estimate

The FY 2008 estimate for State Programs appropriations of \$5,386,262,000 consists of the following amounts:

- \$4,358,149,000 estimated for Diplomatic and Consular Programs (D&CP) Ongoing Operations (including \$575,000,000 in emergency supplemental funding for Iraq);
- \$968,538,000 estimated for Worldwide Security Protection (WSP); and
- \$59,575,000 estimated for the Capital Investment Fund.

Explanation of FY 2009 Base Adjustments and Built-In Changes

The net increase for FY 2009 base adjustments and built-in changes is \$302,963,000. This amount provides for the base adjustments detailed below, the anticipated 3.0 percent American pay increase, and overall locally-engaged staff wage increases of 3.6 percent consistent with anticipated rates of overseas consumer price inflation, as well as a 1.02 percent increase for domestic inflation and an overall average 4.4 percent increase for overseas non-wage inflation. The details are as follows:

Base Adjustments: \$86,829,000

This amount reflects the following adjustments to base funding:

- (\$3,968,000) to non-recur Diplomatic and Consular Programs for the FY 2008 transfer from the Foreign Military Financing appropriation;
- (\$7,505,000) to reflect the transfer of the FY 2008 estimate of operating costs of the Office of the Coordinator for Reconstruction and Stabilization to the Civilian Stabilization Initiative appropriation;
- (\$2,960,000) to adjust the Ambassador's Fund for Cultural Preservation to the FY 2009 request level;
- \$65,000,000 to adjust Diplomatic and Consular Programs to establish an operating base for FY 2009;
- \$32,262,000 to adjust Diplomatic and Consular Programs for operating costs of facilities, including operating costs of New Embassy Compounds coming online overseas and costs related to consolidating staff into facilities in the Foggy Bottom area;
- \$2,000,000 to regularize operations of the Avian Influenza Action Group, previously funded through supplemental funding appropriated in FY 2006; and
- \$2,000,000 to regularize E-Intel program funding within the Bureau of Intelligence and Research for the electronic dissemination of intelligence information previously funded through supplemental funding appropriated in FY 2007.

Annualization of FY 2008 Requirements: \$5,615,000

- FY 2008 American Cost-of-Living Adjustment, and Benefits: \$13,683,000 (\$12,143,000 for D&CP and \$1,540,000 for WSP). Additional funding is required to annualize the FY 2009 cost of the 2008 American Pay Raise and the annualization of the Department's cost of benefits increases during 2008.
- Transfer of the Office of Acquisitions Management: (\$8,068,000 for D&CP). This reduction represents the FY 2009 effect on the Diplomatic and Consular Programs appropriation of the transfer of the Office of Acquisitions Management from D&CP to the Working Capital Fund.

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Anticipated FY 2009 Wage Requirements: \$161,340,000

This amount is required for the following anticipated wage increases during FY 2009:

- American Cost-of-Living Adjustment: \$52,288,000 (\$46,700,000 for D&CP and \$5,588,000 for WSP). This amount reflects the anticipated 3.0 percent general American cost-of-living increase in FY 2009.
- Foreign Service Pension System Employer Contribution Increase: \$30,497,000 for D&CP. The employer contribution for the Foreign Service Pension System must be increased by 3.81%, as the federal government must contribute a level annual payment to amortize any unfunded accrued liability over a 30-year period. The actuarial report through September 2006 reported \$423.3 million of unfunded accrued liability.
- Locally-Engaged Staff Wage Increases: \$29,983,000. This increase reflects overseas consumer price inflation and other Locally Engaged Staff (LES) salary adjustments consistent with local prevailing wage rates, needed to keep the Department competitive with other foreign countries' embassies and private firms in order to retain competent staff and to comply with local law, pursuant to Section 408 of the Foreign Service Act. Without full funding, severe gaps would continue to exist for LES compensation and benefits. In compliance with P.L. 96-60, title I, sec. 107(a), the Department utilizes independent surveys of comparator organizations to determine prevailing local compensation practices. Independent survey data from the Birches Group (formerly UNDP) and Watson Wyatt Global Consulting have consistently placed the Department below the going salary rate in comparable markets in many posts overseas. Most often these gaps in the wage structure are found among LES employees in the highest skill set and impede efforts to recruit and retain quality staff. In traditionally hard-to-fill posts, the retention of highly trained and skilled LES staff is essential for operational effectiveness and the continuity of vital diplomatic programs and initiatives.
- Local Guard Program and Domestic Guards: \$48,572,000 for WSP. This increase reflects anticipated increases for guard services domestically and overseas.

Anticipated 2009 Price Requirements: \$49,179,000

This amount is required for the following anticipated price increases during FY 2009:

- Overseas Price: \$17,645,000 (D&CP). This amount will fund an estimated average 4.4 percent increase in overseas utilities, supplies, and contractual services. The rates of overseas inflation are generally higher than experienced in the United States. Overseas posts purchase a relatively large proportion of items and services on the local economies which trend toward greater price increases for items such as utilities, communications, and information services and equipment.
- Domestic Price: \$16,077,000 (\$9,080,000 for D&CP and \$6,997,000 for WSP). This amount will fund an estimated 1.02 percent increase in domestic inflation for items such as:
 - Government Printing Office and other printing services;
 - Travel and per diem costs;
 - Transportation of equipment and other items;
 - Rents, communications, and utilities;
 - Leasing, service, and maintenance costs primarily in the Department's information management programs;
 - Payments for transit subsidy;

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- Supplies and materials; and
- Equipment purchases.
- GSA Rent: \$15,051,000: This increase results from estimated increases in rental rates for domestic facilities occupied by the Department.
- Medical Inflation: \$406,000. This amount represents the price increase required for medical supplies and services worldwide.

FY 2009 Program Changes

The FY 2009 request includes a net increase of \$321,044,000 for high priority program changes reflecting initiatives and investments that are critical to advancing national security interests. These resources include \$161,236,000 to support Diplomatic Solutions, \$133,083,000 for Security, and \$26,725,000 for Infrastructure.

Diplomatic Solutions: 520 Positions and \$161,236,000

Critical Skills and Strategic Relationships for Global Engagement: 500 positions and \$105,445,000

Transformational diplomacy seeks diplomatic solutions to increasingly complex global issues. To meet the challenges, the Department of State must have the right people with the right skills in the right place at the right time. The Department's workforce must be diverse, well-rounded, and able to carry out multiple tasks. Increasingly, Department of State personnel must operate in more dangerous locations than in the past – a requirement that affects employees and their families personally and professionally. To ensure that personnel are adequately prepared to advance foreign policy priorities, the Department will expand critical needs language training and improve career development programs. The new global challenges also require that Department of State personnel work more closely with their counterparts in the Department of Defense (DoD) and other federal agencies to pursue foreign policy objectives. Collaboration through training and exchanges, expansion of the State Foreign Policy Advisors (POLAD) initiative, and the development of National Security Professionals will facilitate this interagency effort.

Language Proficiency (300 positions): The Department's global engagement requires significant enhancements in foreign language capabilities. Of particular importance are critical needs languages such as Arabic, Chinese, Hindi, and Urdu, some of which require two to three years of rigorous training to reach the competency level required to interact with a host country populace. Language capability is vital to carrying out foreign policy in places where America faces the greatest challenges and dangers such as the Middle East. Foreign Service Officers must have the language skills to communicate successfully with a hostile foreign press, actively engage and persuade a skeptical foreign audience, and promote U.S. interests to the widest possible populace, including non-governmental interlocutors outside of foreign capitals. The Department also plans to expand its critical needs language training among the Foreign Service Specialist corps to ensure they can meet mission requirements.

Increased Interagency Capacity for National Security (75 positions): Recent U.S. Government efforts in Iraq and Afghanistan, as well as Hurricane Katrina and the attacks of September 11, 2001, have clearly demonstrated that no single entity within the USG has the skills or the capacity to successfully address major threats to the nation's security or major catastrophic events. The unique advantages of multiple agencies must be brought to bear to identify emerging threats, develop solutions, and improve USG response. Interagency barriers must be broken down and interagency skills and plans developed.

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The Department has a longstanding, close partnership with DoD, particularly abroad. For some time now, State's ability to participate in exchanges and DOD education programs – the latter offering significant cost-savings as an alternative to developing similar programs at State – has fallen short of need and the shortfall has become critical. The Department plans to increase professional development opportunities with DoD through exchanges and training to ensure that employees are fully prepared to meet today's most pressing foreign policy needs.

Liaison with Military Counterparts (50 positions): A critical element of State's close relationship with DoD stems from the unique role of the Department's POLADs who play a key role working directly with U.S. military commanders. These Foreign Service Officers with broad experience representing the United States overseas have long provided four-star combatant commanders with insight into how military plans and actions relate to the full spectrum of U.S. international objectives. Since September 11th at the request of the U.S. military, the Department has increased the number of POLADs assisting other military commands at the operational level where diplomatic and foreign policy aspects are crucial, including Iraq, Afghanistan, the Horn of Africa, the Pacific Fleet, and Marine Expeditionary Forces.

The Department's request for 50 additional POLAD positions in FY 2009 builds on this more recent expansion of the function to provide additional support to one- and two-star commanders who lead more localized operations throughout the world. The Department will also begin to build a pool of experienced political advisors by assigning mid-level officers along with the more experienced Ambassador-level POLADs at key military commands. State Department POLADs with expertise in local areas and regions, able to draw on the full resources of the Department, can provide invaluable support to commanders who operate in an increasingly complex world where U.S. military and diplomatic objectives intersect.

Enhanced Interagency Cooperation (75 positions): The Department's increased cooperation with DOD is indicative of a general trend toward more intense interagency collaboration. The threats to our national security are increasingly transnational and asymmetrical, requiring responses that cut across traditional departmental and agency lines. In recognition of that fact, Executive Order 13434 directed all Executive branch agencies to create a government-wide National Security Professional corps with appropriate education, training, and professional development to ensure an effective whole-of-government approach to threats as varied as the attacks of 9/11 and natural disasters such as Hurricane Katrina, plus any resulting aftermath. The EO confirmed that the interagency work the Department had already begun to enhance national security, including working more closely with the wider intelligence community as well as the Departments of Defense, Homeland Security, and Justice, was on the right track and should be expanded. To meet this need, and to ensure that State personnel are prepared to play their critical role in these national security efforts, the Department requires 75 additional positions.

Foreign Service Compensation Reform: \$35,863,000

The requested funding of \$35,863,000 (\$34,685,000 in Diplomatic and Consular Programs and \$1,178,000 in Worldwide Security Protection) supports the first step of transition to a performance-based pay system and global rate of pay for Foreign Service personnel grade FS-01 and below. The pending Foreign Service Compensation Reform legislative proposal would amend Section 406 of the Foreign Service Act (22 U.S.C. 3966) to eliminate longevity-based pay increases and institute a strictly pay-for-performance system similar to that instituted for the Senior Foreign Service in P.L. 108-447. The proposal would establish a global rate of pay for the Foreign Service to attract and retain a labor force with worldwide availability, based on the needs of the Service, and consistent with other pay systems with similar worldwide availability requirements. This global rate addresses the increasing pay disincentive to overseas service from the loss of locality-based payments under 5 USC 5304. The Foreign Service Compensation Reform proposal would equalize the Foreign Service global rate at the Washington, D.C. rate, including locality pay, over two years. The requested funding supports the first step of this transition. Additional funding will be required in

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FY 2010 (an estimated increase of \$77 million) and FY 2011 (an estimated increase of \$40 million) to fully close the gap, in order to begin a new pay-for-performance system effective April 2010 under a uniform global rate pay system.

Public Diplomacy Programs: 20 Positions and \$19,628,000

An increase of \$19,628,000 is requested for Public Diplomacy programs to reinforce the three key objectives in the Public Diplomacy (PD) framework: (1) to offer a positive vision of hope that is rooted in America's freedom agenda; (2) to isolate and marginalize extremists and undermine their attempts to appropriate religion; and (3) to foster a sense of common interests and values between Americans and people of different countries, cultures and faiths. The three objectives exemplify a focused effort that emphasizes that winning the war of ideas is essential to winning the war on terror.

Public Diplomacy Programs: Funds will support targeted outreach programs including Youth Enrichment Programs, summer enrichment initiatives that reach young people and non-elite groups and expose them to American values and ideas in their own countries. These Youth Enrichment Programs are designed to reach a much younger audience – youths between the ages of 8 and 14– and target underprivileged children or children of underserved regions. Each program offers an experience that provides a greater understanding about the U.S., develops an understanding that no cause, no complaint – no matter how legitimate – can ever justify killing innocent people, presents a vision of hope rooted in liberty and justice, respect for all, and provides tools that will put young people on a path towards a better education and jobs.

These funds will also continue other programs initially funded by emergency supplemental appropriations in FY 2007, including support of the Department's Public Diplomacy Video Production Team, which creates strong, engaging web-based video that communicates key U.S. values and counters terrorist ideologies in exactly the medium and format demanded by today's users; the Strategic Speakers Initiative, a program that recruits prominent U.S. experts to engage foreign opinion leaders on strategic themes; the Counterterrorism Communication Center, which provides leadership to the entire USG in the war of ideas and the coordination of USG communications strategies; and the Digital Outreach Team, which actively engages on Arabic-language websites to impart accurate information about U.S. policies and rebut misinformation. This increase will also allow the Department to continue outreach in Persian, Arabic, and Chinese and to communicate the scope and depth of American engagement around the world.

Investments in people and evaluation are also critical to achieving PD national security objectives. This increase will support new, sophisticated evaluation tools that build on the piloting of the Mission Activity Tracker, which provides timely data on public diplomacy activities in the field, and the Performance Measurement Data Collection Project, a landmark study of the effectiveness of public diplomacy programs.

New Public Diplomacy Positions: The Department will add 20 new Public Diplomacy U.S. positions overseas and domestically in the Bureau of International Information Programs, as well as increase the number of locally-engaged staff positions overseas. Additional personnel resources are critical to the Department's ability to solidify and institutionalize improvements to public diplomacy efforts within the framework of the National Strategy for Public Diplomacy and Strategic communication. Of particular importance are the Department's ability to support expanded overseas education and exchanges, to expand compassionate outreach activities, and to modernize the communications architecture to provide leadership in the war of ideas and sharpen messaging to counter terrorist propaganda.

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Asia-Pacific Economic Cooperation (APEC) 2011: \$2,300,000

The U.S. will host the year-long series of APEC conferences in 2011. Additional funding of \$2,300,000 is required in FY 2009 to procure computers and other office equipment; develop web site services; design and produce the U.S.-APEC theme and related exhibition/conference materials; contract staff; conduct site surveys; and make advance payments as required, including space rental, in preparation for the event.

Organization for Security and Cooperation in Europe: (\$2,000,000)

The Department intends to provide \$4,000,000 for administrative expenses of the Organization for Security and Cooperation in Europe in FY 2009.

Security: \$133,083,000

Worldwide Security: 200 positions and \$130,383,000

See the Worldwide Security Protection section for description of program changes requested for worldwide security infrastructure, implementation of the Visa and Passport Security Strategy, consolidation of security training facilities, and emergency preparedness.

Counterterrorism Programs: \$2,700,000

An increase of \$2,700,000 is requested in FY 2009 for the Regional Strategic Initiative (RSI) managed by the Coordinator for Counterterrorism, and the Technical Support Working Group (TSWG).

The RSI strategy is to build Ambassador-led regional partnerships with interagency policymakers and combatant commanders. By coordinating the array of capabilities of U.S. Government agencies in a region, U.S. counterterrorism policy objectives can be advanced in a timely, direct, and efficient manner. Through the RSI, Ambassadors, interagency policymakers, and combatant commander can assess the threats and devise strategies, actionable initiatives, and policy recommendations. This regional approach is crucial to eliminating terrorist safe havens, which often sit astride national borders, and to building partner nations' cooperation and skills to address transnational terrorism. An increase for this field-driven process will result in a focused, field-informed, practical counterterrorism plan for each region that bring all elements of national power to bear on achieving critical goals and objectives.

These funds will also support the USG interagency and international efforts in the war on terrorism through the Technical Support Working Group. The Department co-chairs the interagency TSWG, which conducts technology research and development to counter advances in terrorist methods and technical capabilities. The TSWG conducts rapid prototyping and development of counterterrorism (CT) technologies and upgrades commercial off-the-shelf technologies. The TSWG utilizes joint CT research and development agreements with the United Kingdom, Canada, Australia, Singapore, and Israel to leverage funding and to capitalize on the technology development and testing capabilities of these selected foreign partners. U.S. intelligence, military, and security elements in Iraq, Afghanistan, and other high-threat locations are employing a variety of systems aimed at locating terrorists and their facilities and materials. Robots and other technologies developed by the TSWG with foreign partners are being used to identify and defeat improvised explosive devices and to protect critical infrastructure. State-of-the-art surveillance and sensor systems, beacons and tracking systems, and specialized software for enhanced signals processing were developed with TSWG partners and are being utilized in the war on terrorism.

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This increase for the TSWG will expand joint international programs and leverage contributions from other agencies and countries to sustain full cooperative counterterrorism technology development programs in the face of sustained and evolving threats.

Infrastructure: \$26,725,000

Blair House: \$3,300,000

The high profile use of the Blair House buildings as the Presidential Guest House makes its upkeep a top priority. The requested amount will provide funding for repairs and maintenance costs of this national treasure, as well as the development of a comprehensive repair and renovation program to address the ongoing and worsening infrastructure problems within the Blair House complex.. An increasing number of unaddressed building deficiencies must be addressed in the coming years. These include the structural integrity of the buildings, moisture problems, insufficient electrical capacity, air conditioning, air infiltration, plumbing, elevators, and courtyard drainage.

Information Programs: \$12,000,000

An increase of \$12,000,000 is required to address workload related to three major information programs managed by the Bureau of Administration:

Declassifying the Historical Record of US Foreign Policy: Executive Order and law require the Department and all other executive agencies to conduct a declassification review of all permanent historical (25 year old) records and transfer them to the National Archives. At the initiation of the Archivist of the United States, and under the auspices of the Information Security Oversight Office (ISOO), the National Declassification Initiative (NDI) was established to better manage equities among executive branch agencies and to create an inter-agency quality assurance review of all records prior to their incorporation into the public record. The Department must provide foreign policy experts to the NDI, as the Department's records and equities represent a large portion of the total records to be referred and reviewed. Funds are needed to address this daunting new workload as well as continuing declassification reviews of records for the publication of the Foreign Relations of the United States (FRUS) series, the statutory charter for which was established by PL-102-138 (22 USC 4351). The FRUS series represents the official historical record documentary of major U.S. foreign policy decisions and significant diplomatic activity. The number of volumes of the Foreign Relations of the United States series requiring review has increased from two to twelve volumes per year.

Freedom of Information Act: As part of the President's Management Agenda, the President signed Executive Order 13392, "Improving Agency Disclosure of Information." The Order emphasized enhanced Freedom of Information Act compliance through citizen-centered, results-oriented operations while requiring clear action plans and goals with concrete milestones and timetables, transparent accountability linked directly to responsible agency officials, and senior level commitment to success. In an effort to meet the milestones associated with each requirement, resources traditionally committed to processing FOIA requests will continue to be dedicated to addressing each requirement raised in EO 13392. The Department must reduce the backlog as outlined in its mandated FOIA improvement plan. Non-reduction could result in losing FOIA lawsuits including fees and plaintiff costs.

Privacy Act Mandates and Personally Identifiable Information: In order to tighten controls and safeguards of Personally Identifiable Information (PII), the Department will conduct comprehensive and exhaustive inventories of its information holdings, develop policies and procedures to address data breaches

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involving or potentially involving PII, and identify vulnerable information collection processes, both domestically and overseas.

Information Technology: \$11,425,000

See the IT Central Fund section for a description of program requirements.

WORLDWIDE SECURITY PROTECTION

Resource Summary

(\$ in thousands)

Appropriations	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Staff	1,256	1,358	1,558	200
Funds	778,449	968,538	1,162,796	194,258

Overview

The Worldwide Security Protection (WSP) program provides core funding for the protection of life, property, and information of the Department of State. The Department must address threats against U.S. personnel and facilities worldwide. The 1998 attacks on the U.S. Embassies in Africa were the first targets of a new kind of terrorism. The U.S. National Security Strategy and the National Strategy for Combating Terrorism emphasize the need for transformational diplomacy, actively promoting freedom and human dignity through effective democracy.

WSP funding supports a worldwide guard force protecting overseas diplomatic missions and residences and domestic facilities. Security staffing of more than 1,300 personnel are deployed worldwide to protect U.S. staff and facilities. The protection of national security information and the integrity of the Department's network of information systems are also supported through this program. The Department of State is the lead Federal agency in the development and implementation of a national strategy to combat visa and passport fraud.

Justification of Request

The FY 2009 request is summarized in the following table:

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Ongoing Security Activities	778,449	968,538	1,031,235	62,697
Guards - Worldwide Protection	259,930	396,937	429,642	32,705
Physical Security/Protective Equipment	82,987	103,648	106,757	3,109
Technical Support/Infrastructure	90,615	104,095	116,683	12,588
Information/Systems Security	51,880	58,915	60,682	1,767
Armored Vehicles	22,143	45,114	50,467	5,353
Personnel/Training	174,394	259,829	267,003	7,174
Afghanistan/Africa Security Supplemental	96,500	0	0	0
Security Initiatives	0	0	130,383	130,383
Worldwide Security Infrastructure	0	0	27,994	27,994
Visa and Passport Security Strategy	0	0	75,750	75,750
Security Training Consolidation	0	0	17,551	17,551
Emergency Preparedness	0	0	9,088	9,088

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Diplomatic Solutions	0	0	1,178	1,178
Foreign Service Compensation Reform	0	0	1,178	1,178
Total, Worldwide Security Protection	778,449	968,538	1,162,796	194,258

Maintaining Ongoing Security Activities: \$1,031,235

The amount required to maintain ongoing activities is \$1,031,235,000. This request includes \$62,697,000 to address FY 2008 wage and price adjustments, including anticipated price increases of local guard contracts and services overseas. This funding supports ongoing core functions for the worldwide local guard program, high threat protection needs, security technology, armored vehicles, cyber security, and diplomatic couriers.

Worldwide Security Infrastructure: 70 positions and \$27,994,000

The Department requests 70 additional positions to support post requirements worldwide. This staffing is required as a result of Global Diplomatic Repositioning, increases in physical facilities, and the escalating security threat. The positions have been requested in posts' Mission Strategic Plans and validated by the Department using the Regional Security Officer staffing analysis matrix and the Technical Security Rightsizing mix. The request includes five positions for Havana in anticipation of the changing situation in Cuba. The staffing request consists of the following:

- 27 Special Agents and 16 Office Management Specialists to support Regional Security Office operations worldwide in countries with critical crime and political unrest, such as Venezuela, the Philippines, Zambia, South Africa, and the Democratic Republic of the Congo, and to address staffing shortages due to staffing and security duties growth in posts such as India, Brazil, Barbados, and China.
- 24 Security Technicians to support the extensive and more complex security systems resulting from the robust Overseas Capital Construction Program and major rehabilitation projects.
- 3 International Program Office staff positions to support temporary travel assignments and post support requirements.

Visa and Passport Security Strategy: 130 positions and \$75,750,000

Terrorists succeeded in carrying out their attacks in 2001 through the use of fraudulently obtained, but genuine, U.S. travel documents. Throughout the 1990s, members of al-Qaeda learned to exploit weaknesses in the immigration, passport, visa, and entry systems of the United States. The September 11 Commission identified this as a major weakness in the protection of the Homeland. In December 2004, Congress passed the Intelligence Reform and Terrorism Prevention Act (IRTPA) to implement the Commission's recommendations. Section 7128 of the IRTPA mandated the establishment of a Visa and Passport Security Program within the Department of State's Bureau of Diplomatic Security to safeguard the integrity of U.S. travel documents.

The Department's Visa and Passport Security Strategic Plan, which was submitted to Congress in December 2006, incorporates the principles of the President's overarching national strategy and addresses the IRTPA's objective to target and disrupt individuals and organizations who attempt to compromise the integrity of U.S. travel documents.

WORLDWIDE SECURITY PROTECTION

The FY 2009 request addresses the first year of the three-year implementation strategy with 80 domestic and 50 overseas positions. These personnel will work collaboratively with other U.S. law enforcement agencies and the Bureau of Consular Affairs to address document fraud issues. Overseas, Special Agents will work with host governments' law enforcement authorities to combat the production of fraudulent travel documents and disrupt terrorist travel.

The Department currently has 590 Special Agents assigned overseas to embassies and consulates. Their responsibilities include the detection, investigation, and prevention of U.S. travel document fraud. In the course of their responsibilities, agents develop extensive working relationships with foreign law enforcement agencies that allow them unique access to information and databases that aid in the identification and disruption of *mala fide* travelers and travel document vendors and facilitators. There are 33 Assistant Regional Security Officer/Investigators at posts designated as critical fraud countries. Their mission is to focus on cases with possible links to terrorism and criminal activity and to prepare cases for presentation to U.S. attorneys or host government law enforcement for prosecution.

The FY 2009 request will support 50 Special Agent and 69 Foreign Service National Investigator overseas positions. Special Agents will be assigned to the following regions:

- Western Hemisphere: 17, of whom six will be deployed to Mexico, with others in countries with high visa volumes, such as El Salvador and Haiti;
- Near East: 10, including Lebanon, Jordan, Syria, and Iraq;
- East Asia Pacific: 10, including 6 deployed to China, Indonesia, and the Philippines; and
- Other regions: 13, including India, Pakistan, Nigeria, and Turkey.

The Strategic Plan requires additional Special Agent and investigative support staff positions to increase domestic capabilities as follows:

- 15 Investigative Research Specialist and Intelligence Analyst positions, to include positions at the National Passport Center and the National Visa Center;
- 3 positions at the interagency Human Smuggling Trafficking Center (HSTC) to focus on countering terrorist mobility by linking terrorist networks; analyzing their ability to enter, live in, or move within the U.S. and other countries;
- 21 in the Criminal Intelligence and Research Branch (CIR) to detect patterns of criminal activity and access a network of legal and regulatory sources of information;
- 15 for counterintelligence operations;
- 4 for the Consular Management Assistance Team program to review visa and passport issuance operations and conduct follow-up investigations into criminal violations; and
- 22 to support infrastructure upgrades in hardware, software, telecommunications, investigative staff equipment, facilities requirements, and training.

Security Training Consolidation: \$17,551,000

The expansion of worldwide security staffing over the past several years has resulted in increased demands on the security support infrastructure. Because of exigent requirements to support overseas posts, resource and staffing increases have been devoted to overseas support at the expense of infrastructure. The security training needs of the Department have grown exponentially over the past several years, including an expansion of anti-terrorism training worldwide, the creation of courses to counter terrorism threats to Department personnel, additional high threat protection training for Special Agents going to critical threat posts, an increase in basic security training due to increased staff, more complex security engineering training due to the robust Capital Security Construction Program and more sophisticated countermeasures, and Department-wide cyber security awareness training. The physical capacity, equipment, and support

WORLDWIDE SECURITY PROTECTION

staff for security training have remained at the levels of seven years ago. The increased training load can no longer be met within existing resource levels.

Security training facilities have reached their physical capacity. There are environmental issues related to the current training sites, which may force the Department to close those facilities. The Department has had to resort to temporary measures, such as conducting classes in warehouse locations, resulting in classrooms filled with fumes when equipment is operating, adversely affecting student and staff health. The Department has had to approve unscheduled time off for students between classes, due to conflicting time schedules.

This request will support the development of a single facility for the Department's security training operations. Current capacity is not sufficient to support current needs and planned increases in personnel, including the Foreign Affairs Counter-Threat course for the Civilian Reserve Corps. Training currently conducted at multiple locations will be consolidated at a single site capable of supporting all security-related training, including weapons and explosives ranges, emergency medical training facilities, and a defensive driving course.

Emergency Preparedness: \$9,088,000

The request includes \$5,000,000 for overseas emergency preparedness. Since 2001, the Department has used supplemental funding to purchase and pre-position emergency medical supplies and equipment, including chemical and biological antidotes, at all U.S. Diplomatic Missions overseas. This request would establish a lifecycle replacement program for expiring medical supplies and antidotes. In addition, as part of the National Implementation Plan for Pandemic Influenza, the Department purchased and shipped the antiviral medication Tamiflu to all overseas posts in 2005 and 2006. The 2005 purchase for East Asian and Pacific countries was in a prepackaged unit-dose formulation due to expire in 2009; this stock must be replaced. Once the Department of Health and Human Services establishes a prioritization protocol for use of antiviral medication for prophylaxis, the Department of State will need to procure vaccine when it becomes available for posts worldwide.

The request includes \$4,088,000 for domestic preparedness. The Department developed a five-year Strategic Plan to meet the mandates in Executive Orders 12656 and 13251, Federal Preparedness Circulars 65 and 69, Homeland Security Presidential Directives 5 and 8, the National Response Plan, and the National Incident Management Plan. The requested funding would provide communications systems for incident management and mission assurance and training for Department personnel. This request would increase the Department's ability to:

- Prepare for all domestic security threats, emergencies, or other events which may affect the safety and welfare of Department of State personnel or facilities;
- Sustain business continuity through a managed planning process that enables a standard of emergency preparedness and centralized coordination and oversight;
- Manage domestic incidents through rapid notification of employees, emergency personnel, and partner agencies; interoperable communications with emergency personnel and partner agencies; and centralized response and recovery coordination; and
- Manage domestic employee preparedness through sound training and exercises.

IT CENTRAL FUND

Appropriations	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Capital Investment Fund	58,143	59,575	71,000	11,425
IT Investment/Expedited Passport Fees (1)	202,000	254,362	343,000	88,638
Total, IT Central Fund	260,143	313,937	414,000	100,063

(1) The FY 2008 Expedited Passport Fee allocation of \$254,362,000 in the IT Central Fund does not include the one-time use of \$60 million for the Border Security Program.

Overview

The Department's Information Technology Strategic Plan (ITSP) covers the years 2006-2010 and is aligned with the *FY 2007–2012 Department of State and USAID Strategic Plan*. The budget request for FY 2009 develops the IT vision and five strategic goals in accordance with the FY 2006-2010 ITSP. The vision is empowering diplomacy with information and tools available anytime, anywhere. The five goals supporting this vision are:

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

The FY 2009 IT investments support: greater integration and collaboration among more than 40 civilian agencies with overseas operations; improvements in efficiency and customer service through the consolidation and centralization of IT services; modernized critical administrative and financial management systems to prepare for the migration to electronic government (E-Gov) solutions and to improve key services; increased access to critical information resources for Department personnel both overseas and in Washington; and strengthened IT security.

Given the criticality of the many foreign policy objectives being implemented using IT as the vehicle, the increased resources requested here are necessary to support these business requirements. The ability to transmit information among locations throughout the world requires a robust infrastructure that can accommodate faster communication speeds for ever growing volumes of data. Long ago, data stopped being simple text documents. E-mail attachments, presentations and reports heavy with graphics, video conferencing, video clips and extensive use of the internet all contribute to the need for speed and the equipment that can deliver and store that information. Added to this is the growing dependence on web-based, interconnected administrative systems used worldwide to manage the Department's resources.

Investments Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Goal 1: The Right Information: Knowledge Leadership For Diplomacy	17,456	26,613	52,960	26,347
State Messaging and Archive Retrieval Toolset	3,870	9,670	36,329	26,659
Content Management System	4,000	4,785	5,025	240

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Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Electronic Medical Record	2,250	2,565	2,565	0
Other	7,336	9,593	9,041	(552)
Goal 2: Anytime/Anywhere Computing: Diplomats On The Move	156,929	181,296	222,442	41,146
Global IT Modernization	71,313	74,090	76,313	2,223
Department Bandwidth Management	40,000	40,000	57,833	17,833
IT Consolidation	1,188	10,000	16,970	6,970
Enterprise Software - Licensing and Maintenance	15,639	15,639	11,644	(3,995)
Enterprise Network Management	10,056	11,000	10,500	(500)
Enterprise Server Operations Centers	3,313	3,000	4,583	1,583
Video Collaboration	1,163	1,500	2,300	800
Secure Voice Program	1,705	2,005	7,642	5,637
Post Telephones	3,040	3,123	3,123	0
Mobile Computing	711	0	1,200	1,200
Global Telecommunications	0	0	4,636	4,636
Other	8,801	20,939	25,698	4,759
Goal 3: External Partnerships: Diplomacy Through Collaboration	71,274	88,354	115,270	26,916
Integrated Logistics Management	19,500	18,900	20,992	2,092
Joint DoS/USAID IT Infrastructure Integration Program	0	5,000	5,000	0
Joint Financial Management System	11,067	11,401	17,400	5,999
Integrated Personnel Management System	11,267	11,267	22,020	10,753
Consolidated American Payroll System and Interagency ePayroll Migration	1,463	1,864	13,100	11,236
Worldwide Agency-wide Locally Engaged Staff Payroll	2,495	12,295	3,300	(8,995)
Travel Manager Program	3,500	3,500	7,150	3,650
Foreign Assistance Coordination and Tracking System	0	0	3,500	3,500
Central Resource Management System	0	0	1,474	1,474
Post Administrative Software Suite	2,212	2,500	3,116	616
Other	19,770	21,627	18,218	(3,409)
Goal 4: Risk Management: Mission Effectiveness and Security	7,639	7,139	12,226	5,087
Public Key Infrastructure and Biometrics Logical Access Development and Execution Program	7,139	7,139	7,226	87
Information Assurance	500	0	5,000	5,000
Goal 5: Work Practices and Workforce: Leading Change	6,845	10,535	11,102	567
FSI Student Training Management System	1,085	1,085	1,128	43
FSI Learning Infrastructure	760	760	3,260	2,500
Other	5,000	8,690	6,714	(1,976)
Total, IT Central Fund	260,143	313,937	414,000	100,063

IT CENTRAL FUND

Justification of Request

Goal 1: The Right Information: Knowledge Leadership for Diplomacy

The Department will continue to leverage its investment in a robust and reliable global IT infrastructure by expanding direct support for the mission-driven processes of diplomacy, interagency foreign affairs, and foreign assistance. This entails deploying effective, user-oriented tools for discovering and analyzing useful information and establishing a Department-wide solution for content management and information publishing and dissemination. Specific initiatives to be pursued in FY 2009 include:

State Messaging and Archive Retrieval Toolset (SMART): \$36,329,000

The SMART vision is to deliver a simple, secure, and user-driven system to support the conduct of diplomacy through modern messaging, dynamic archiving, and information sharing. SMART will consolidate legacy cables, memoranda, and email onto a single platform. Documents will be accessible to users through interest profiling and a sophisticated search engine, and the system will provide cross-enclave access to archival documents. In FY 2009, the Department will complete work associated with the last SMART pilot and then proceed toward worldwide deployment of the SMART system, which includes end-user and system administrator training, deployment support, on-going operations and maintenance for transitioned posts, and project management.

Content Management System (CMS): \$5,025,000

The CMS project provides a centralized delivery platform and infrastructure comprised of integrated tools and services for the development and deployment of public websites for embassies and the Department. Services provided include: content management, web hosting, search, and security, continuity of operations, training, support and web reporting. The system enables posts and bureaus of any size to develop, maintain, and host centralized multilingual content that streamlines the creation and delivery of high quality information for both print and web content for the Department's domestic and international audiences. CMS improves the efficiency of embassy operations by streamlining and providing automated support for content development, workflow, and publishing. More importantly, it will improve the ability of the Department to package and deliver highly effective, custom-tailored communication to audiences around the world, thus furthering Transformational Diplomacy. To date, CMS contains over 331 websites including 78 language editions for 185 posts. In FY 2009 the CMS will be deployed to additional overseas locations and will continue to integrate new technologies to meet the business needs of its customers worldwide.

Electronic Medical Record (EMR): \$2,565,000

The EMR system established medical record infrastructure to assist the Department's medical professionals in providing high quality health care services for all U.S. Foreign Affairs agencies worldwide. The EMR project was initiated in FY 2002 to establish a world-wide available, authoritative source of information for the Department's medical providers for use in patient care, medical evacuations and hospitalizations, medical clearance decisions, medical record release actions, and medical program planning and management. The Department's current EMR systems are an integration of commercial off-the-shelf (COTS) software, unique Department-developed medical applications, and scanned medical records. The EMR is in production (steady-state operation and maintenance) at this time; however MED continues to examine the next generation of commercial electronic medical records systems. Desired features would include advances in worldwide real-time accessibility and security enhancements to counter the next generation of possible attacks.

The Department's Office of Medical Services (MED) is currently evaluating other federal worldwide health care record systems as part of its efforts aimed at integrating and complying with the Commission for

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Health Improvement, the Health Portability and Accountability Act, and the Healthcare Information Technology Standards Panel (HITSP)-endorsed standards for health IT interoperability. The e-community identified the Department and five other agencies as providers of direct patient care and requested these departments to develop plans to adopt HITSP-endorsed standards for health IT interoperability. MED is currently completing a joint study with the Department of Defense and pending the outcome of that study may also evaluate systems utilized by the Departments of Veterans Affairs and Health and Human Services.

Other Goal 1 Initiatives: \$9,041,000

The Department will continue to pursue other initiatives to promote knowledge management in support of transformational diplomacy, including the Department's domestic web site, Enterprise Information Portal, email operations, IT Service Center, e-Diplomacy initiatives, Public Affairs Database Support, Intelligence and Research Information Support System, and records disposition. The overarching focus for FY 2009 will be to determine how best to provide end users with the information and tools they need to further the goals of Transformational Diplomacy.

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

Under Goal 2, the Department will provide an IT infrastructure that supports reliable access to needed information and systems from anywhere in the world via standard end-user devices such as laptop and desktop computers, personal digital assistants, and cell phones. Users will have access while working at home (telecommuting and telework), while on travel, and while out of the office. To accomplish this goal, the Department will continue to support its global IT infrastructure, consolidating services and operations to promote efficiency and excellent customer service. Goal 2 will build on the success of Open Net Everywhere and Blackberry programs that have begun to deliver the promise of mobile computing to diplomats. The Department is working with USAID and other agencies to capitalize on technologies that have proven successful in meeting similar functional and security requirements. Specific initiatives that support Goal 2 are summarized below.

Global IT Modernization (GITM): \$76,313,000

In FY 2009, the Department will continue the Global IT Modernization (GITM) program to ensure that its global IT infrastructure remains current. Through this program, the Department centrally manages the periodic replacement and modernization of classified and unclassified desktop computers, core servers, local networking equipment, and circuits at the Department's domestic facilities and at all overseas posts on a four-year life cycle. As equipment is replaced, infrastructure is re-engineered as appropriate, taking into account newer technology, security, and best practices. GITM allows the Department to sustain a true global infrastructure, ensuring compliance with standards, full interoperability, and cost-effective administration. To enable the Department to take the next step and provide anytime/anywhere access, the infrastructure must be sufficiently robust and reliable. The GITM plan for FY 2009 is to modernize 111 sites, including 47 overseas OpenNet sites, 45 overseas ClassNet sites, and 19 domestic facilities.

Department Bandwidth Management: \$57,833,000

Network capacity is crucial to achieving the goals of the ITSP and supporting the Department's mission. As information and IT are made available on a 7x24x365 basis anywhere, demands on the Department's global network will increase. These demands are met utilizing bandwidth and related services provided by the Diplomatic Telecommunications Service Program Office (DTS-PO), as well as internet service providers, and very small aperture terminal services. The bandwidth investment for FY 2009 will:

- Enhance network capacity to meet today's business continuity requirements;
- Provide adequate bandwidth for centralized applications such as SMART, video conferencing, the global financial management system, and other administrative systems;
- Implement federally mandated encryption methods; and

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- Explore the use of alternate telecommunications while considering performance, business requirements, and cost.

IT Consolidation: \$16,970,000

An important next step in the Department's evolving global infrastructure is consolidating domestic service delivery and customer support operations within the IRM Bureau. This will standardize customer service and improve efficiency, implementing industry best practices such as the IT Infrastructure Library and IT Service Management standards. Consolidation of IT services includes help desk, desktop support, and related server operations. Consolidation has already begun with the initial efforts to consolidate and reorganize service delivery by expanding IRM Bureau support to include the Bureau of Administration. The effort will be phased in over time and eventually include all domestic activities, and finally to all locations worldwide. The corresponding consolidation initiative overseas will be carried out in conjunction with the New Embassy Compounds Moves program.

Enterprise Software-Licensing and Maintenance: \$11,644,000

The Department has entered into centralized software licensing arrangements for critical software. The goals of enterprise licensing are cost savings, standardization, and internal efficiencies in negotiating with vendors. Centralizing the licensing process ensures that all software is kept current and secure; this in turn enables delivery of effective customer service through help desk and desktop support operations that can rely on consistent, current software versions. The Department is committed to leveraging economies of scale for large software acquisitions, working closely with the GSA SmartBUY program as a member of the SmartBUY steering committee. The FY 2009 focus in this area is to administer the terms of the Department's current Microsoft and Oracle enterprise agreements and re-compete these licenses.

Enterprise Network Management (ENM): \$10,500,000

This request supports the Department's on-going management and improvement of its networks--a critical step toward increasing the security and integrity of the Department's IT infrastructure. Priority activities planned for FY 2009 are:

- Continue network performance and availability to support the Department's major centralized mission critical applications and services to its embassies and consulates;
- Centralize patch management to ensure high compliance, improve security, and reduce workload for embassy personnel;
- Standardize the Department's Common Operating Environment and centrally deploy one common operating system to all the Department's workstations and servers;
- Implement the redesigned classified network's architecture to improve availability, scalability, and performance; and
- Replace end-of-life networking hardware to implement the new internet protocol, IPv6, and improve security.

The Department will initiate the implementation of network reengineering during FY 2009. OpenNet is almost 10 years old and was designed prior to mobile computing, regional processing, rightsizing, and other IT best practices that affect network demands and performance. The Department recognizes the need to re-tool the network to reflect both current demands and future directions, which include joint State/USAID IT infrastructure integration efforts and regional services.

Enterprise Server Operations Centers (ESOCs): \$4,583,000

Over the last five years the Department has established the ESOCs to consolidate server locations and management, yielding efficiency gains in real property, IT server costs, and IT staffing. This is one step in realizing the best value proposition for IT server support. FY 2009 funding will allow the Department to continue with the site and server consolidation to improve Disaster Recovery (DR) support.

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In FY 2009, the ESOC will continue its consolidation support for server acquisition and maintenance. The project will involve moving systems to what the ESOC calls the “managed” level of service. This will provide increased efficiency, better control of security, and reduced staffing requirements throughout the Department. This will be implemented through a standardized operating environment for hardware and software for ESOC customers; consolidated patching mechanism for all servers at the managed level; and establishment of offsite Disaster Recovery site that is geographically distant from the Washington, D.C. Metro Area.

Worldwide Secure Voice and Video: \$13,065,000

This initiative has a security focus: (1) provide secure video teleconferencing and collaboration services at locations around the world (*Video Collaboration \$2,300,000*); and (2) upgrade the secure international telephone system and end-user devices (*Secure Voice Program \$7,642,000*). This also funds the total replacement of obsolete telephone systems at posts. (*Post Telephones \$3,123,000*). Specific targets for FY 2009 include:

- Continue to implement secure video teleconferencing world-wide technical support on 7 x 24 x 365 basis;
- Support an estimated 250 video conferences per week; and
- Procure secure voice hardware that supports Voice Over Internet Protocol (VoIP), IPv6, and secure wireless operations.

Mobile Computing: \$1,200,000

Mobile computing is essential for transformational diplomacy, especially given the necessity for U.S. diplomats to work outside the office with host country staff and institutions and respond rapidly to crises, disasters, and other events. In FY 2009 the Department will continue to establish a mobile computing program that capitalizes on advances in security and technology.

Global Telecommunications (GTS): \$4,636,000

The GTS provides network management and technical control functions using core telecommunications service providers and DTS-PO. GTS services traverse several networks and spheres of responsibility. GTS, a major communications network management center, serves as one of three relay facilities for the Department’s global network providing connectivity to 270 diplomatic posts and over 60 Foreign Affairs Agencies.

Other Goal 2 Initiatives: \$25,698,000

Other initiatives that focus directly on achieving the goals of anytime, anywhere access include the Department’s secure backup and recovery facility. This serves as an Alternate Communications Site which would come on line in the event of a major interruption of service due to terrorist attacks, natural disaster or catastrophic failure. Also included are anti-virus systems and software, emergency satellite communications refresh, and modernization of network encryption devices.

Goal 3: External Partnerships: Diplomacy Through Collaboration

The Department is committed to E-Gov with resulting improvements in citizen services, mission effectiveness, and efficiency. The focus is in three areas: participating in government-wide initiatives; streamlining administrative operations to ensure diplomatic readiness; and enhancing interagency and external collaboration, especially overseas and across the foreign affairs community. An important ongoing priority is to provide a suite of effective and efficient application systems that enable streamlined, consolidated, and cost-effective business services. These efforts will facilitate the ongoing migration to web-enabled applications, create more useful reporting tools, and improve the Department’s ability to share

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data, both internally and with external partners. It will also position the Department for greater participation in government-wide administrative solutions as they emerge and become available.

Integrated Logistics Management System (ILMS): \$20,992,000

ILMS is a major reengineering and development effort to create a modern, user-oriented system for all logistics functions including purchasing, supply, transportation, warehouse, inventory/asset management, and diplomatic pouch and mail. ILMS benefits the Department by eliminating duplicative systems, streamlining operations, providing supply chain visibility to customers, and achieving enterprise-wide integration. The FY 2009 request will fund operations and maintenance for over 5,000 users worldwide, continued deployment to overseas posts, and integration and regression testing as the Department consolidates its financial systems. Key initiatives for FY 2009 include deployment of ILMS to overseas posts, establishment of a COOP capability, , and continued integration with Post Administrative Support System (PASS).

Joint Department/USAID IT Infrastructure Integration Program: \$5,000,000

The Department of State and USAID intend to integrate the unclassified networks of the two agencies to promote greater interagency communication and collaboration. The two agencies are also actively involved in consolidating and standardizing their approaches to financial management and other administrative functions. Priority activities planned for FY 2009 are:

- Providing collocated sites with shared access to the recommended network;
- Enhancing productivity due to access to common applications; and
- Maintaining performance of common applications (WebPass) in a shared environment, thereby ensuring 100% of converted posts have direct access to common applications.

The integration of the two sensitive but unclassified IT infrastructures into a joint network will help both organizations execute joint goals, such as providing employee support, increasing operational efficiencies, and reducing redundancies and costs for the taxpayer. Network integration provides several strategic benefits, including economies of scale; more robust remote access capabilities; enhanced communication and space utilization at embassies; and elimination of duplicate capabilities and systems. This provides direct support to Regionalization/Rightsizing efforts by merging supporting systems and support personnel and offers the potential for future consolidation of management systems (e.g., human resources), to improve accountability and organizational efficiency.

Joint Financial Management Systems (JFMS): \$17,400,000

This request supports the Department and USAID's common financial management platform that provides overseas and domestic worldwide financial management and reporting.

Integrated Personnel Management System (IPMS): \$22,020,000

The IPMS is a multi-year program that provides the Department with human capital management in support of its diplomatic mission. During FY 2009, the Department will expand its operations and maintenance of IPMS and focus on key upgrades to meet availability, scalability, and security requirements. These include: 1) Enhance Post Personnel System (PS) capabilities in support of the OMB Gold Standard, which provides worldwide tracking of all locally employed staff and American employees serving overseas under Chief of Mission authority (PS is the official data source for the "Right-Sized Overseas Presence" initiative under the President's Management Agenda (PMA)); 2) Upgrade of the Human Resources Online web portal to enhance enterprise-wide data sharing, improve data integrity and quality, and empower employees/supervisors with the ability to independently manage their personal information through online seamless workflow processes; 3) Expand the IPMS service-oriented architecture to better integrate existing systems and databases, improve internal and external data sharing, and reduce processing errors; and 4) Support PMA and Homeland Security Presidential Directive (HSPD-12) initiatives.

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Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration: \$13,100,000

This request covers expected legacy system operation and maintenance costs and promotes the President's Management Agenda (PMA) through the migration of the Department's American payroll to an OPM/OMB approved ePayroll platform.

Worldwide Agency-wide Locally Engaged Staff Payroll (WALES): \$3,300,000

This request will fund COTS software acquisition and related implementation services for WALES. WALES will eventually replace four versions of the more than 20 year old Foreign Service National (FSN) Pay system and FARADS (the legacy system used to generate annuity payments to retired Foreign Service Officers covered by the Foreign Service Act) with a single system using modern technology. The migration to WALES addresses the major operational risk faced not only by the Department, but also more than 40 other agencies that rely on the Department for e-payroll services for FSN employees at posts and missions outside the United States.

Travel Manager Program: \$7,150,000

Consistent with the PMA, the Department will migrate to the new government-wide eTravel service provider (eTS), while continuing to provide a modern, standard, and streamlined travel program during the transition. The Department has selected one of GSA's approved eTravel service providers as its eTS vendor.

Foreign Assistance Coordination and Tracking System (FACTS): \$3,500,000

FACTS is designed to facilitate planning at the country level to ensure that foreign assistance funds are allocated in alignment with U.S. foreign policy objectives and to enhance the Department and USAID's ability to monitor performance and report to Congress and other stakeholders on the utilization of foreign assistance funds. FACTS will be the central U.S. data system combining all government planning, tracking, and results reporting of foreign assistance funds over which the Department has authority into one central repository.

Central Resource Management System (CRMS): \$1,474,000

CRMS has been in use since FY 2001 for the budget formulation of the Department's operating accounts and the execution of the Department's budget to the allotment level (e.g., apportionments, reimbursements, foreign currency exchange). CRMS interfaces with the Department's accounting system, permitting the simultaneous creation of accounting system budgets and allotment documentation delivered electronically to the allottee. This legacy system does not meet the standards required by today's financial management business requirements. The Department has taken full advantage of the Budget Formulation and Execution Line of Business (BFELOB) to pilot Treasury's budget formulation system. The FY 2009 request will enable State to modernize the execution portion of CRMS in concert with the BFELOB.

Post Administrative Software Suite (PASS): \$3,116,000

PASS is the Department's management services platform for overseas posts. PASS is Web based and operates on servers at each post. The Department intends to fully integrate PASS modules with their Headquarters counterparts in order to create a true enterprise system. This integration will take place in two phases. The first phase will take the existing PASS 2 platform at posts with good network connectivity and host it on servers in Washington, D.C. This process will take place concurrently with the deployment of the Department's asset management and procurement systems overseas. Central hosting makes integration with the Department's system more practical. Concurrently the Department will begin a complete rewrite of the PASS 2 platform into PASS 3 to make it a single data base, leniency tolerant, "plug and play" platform. It is expected that PASS 3 will be ready by the end of 2010. This approach is critical to the cost effective integration of all the field and headquarters management systems.

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Other Goal 3 Initiatives: \$18,218,000

Other initiatives in this area will aid in business process streamlining, interagency communication, and E-Gov/Line of Business (LOB) initiatives. They include the Humanitarian Information Unit ; E-Allowances ; Promoting Interagency Connectivity through existing inter-agency networks (e.g., Secret Internet Protocol Router Network and Open Source Information System); Enterprise Application Integration; Joint Department/USAID Enterprise Architecture; and IT Capital Planning.

As outlined in the PMA, E-Gov initiatives serve citizens, businesses, and federal employees by delivering high quality services more efficiently at a lower price. Instead of expensive stove-piped operations, agencies work together to develop common solutions which achieve mission requirements at reduced cost, thereby making resources available for higher priority needs. The Department currently participates in 11 programs and five LOB initiatives. The Department is providing funding in FY 2008 and FY 2009 to the initiatives shown below (\$s in thousands):

<i>INITIATIVE</i>	<i>FY 2008</i>	<i>FY 2009</i>
Business Gateway	\$88	\$62
E-Authentication	\$61	\$159
Grants.gov	\$134	\$129
E-Rulemaking	\$135	\$44
E-Travel	\$400	\$48
Gov-Benefits	\$134	\$139
Integrated Acquisition Environment	\$578	\$516
Recruitment One Stop	\$52	\$54
IAE – Loans and Grants	\$22	\$22
Disaster Assistance Improvement Plan–Capacity Surge	\$159	\$159
Disaster Assistance Improvement Plan	\$220	\$220
LOB Financial Management	\$75	\$75
LOB Grants Management	\$28	\$28
LOB Human Resources	\$65	\$65
Geospatial LOB	\$36	\$35
Budget Formulation & Execution LOB	\$85	\$95
TOTALS	\$2,272	\$1,850

Goal 4: Risk Management: Mission Effectiveness and Security

Under Goal 4, the Department will continue to streamline its approach to IT security, ensuring effective control while allowing rapid adoption of new technology. This is essential for accomplishing the other goals in the new ITSP. The intent is to enable broad access to information and systems, secure internal and external collaboration, the rapid and secure introduction of new technologies, and comprehensive business continuity plans that can be relied upon in the event of a terrorist attack, natural disaster, or catastrophic failure.

The Department will apply industry and government best practices and innovations in IT security. Security risk management will be based on a partnership model, through which system sponsors, IT professionals, and security experts will collaborate to make risk management decisions and ensure that IT assets are protected commensurate with risk. System and data owners/sponsors will assume ultimate responsibility for making risk management decisions. Innovative security approaches, such as biometrics, will be in place to monitor and control user access to IT systems and information, thus enabling anytime, anywhere access

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on a secure basis, including mobile access to classified systems, and securing extranets for internal and external collaboration.

Public Key Infrastructure (PKI) and Biometrics Logical Access Development and Execution Program: \$7,226,000

PKI supports user authentication and biometrics to control access to the Department's information resources on ClassNet and OpenNet Plus, meeting the requirements of Homeland Security Presidential Directive 12 (HSPD-12); protects and validates the electronic information stored on E-Passports; improves IT security against external and internal threats; supports digital signature requirements enumerated in the Electronic Signatures in National and Global Commerce Act; and enables interagency information sharing. PKI will also help satisfy provisions set forth by the Government Paperwork Elimination Act by reducing the amount of paper produced for physical signature. Other uses include the exchange of contractor information between overseas secure embassy construction sites and the Department, investigative reports by Diplomatic Security, and protection of sensitive and personal medical records for overseas employees.

Information Assurance (IA): \$5,000,000

As required by the Federal Information Security Management Act, the Chief Information Officer appointed a Chief Information Security Officer with an office (IRM/IA) and resources to coordinate the Department's information security program. The IA office's role is oversight. Operational security functions reside elsewhere in IRM and in the Department's Bureau of Diplomatic Security. The goal of IA is to establish, implement and maintain a robust set of policies, procedures, and processes that balance the risk of system exploitation against the business needs of the Department. These efforts are grouped into the major areas of risk management, enterprise information systems security management, and policy, lifecycle, and legislative reporting.

Goal 5: Work Practices And Workforce: Leading Change

Goal 5 focuses on ensuring that end-user staff have the skills necessary to use the new IT tools, systems, and information made available under the other four goals by continuously enhancing the skill base of the Department's IT staff and creating and sustaining an efficient and effective IT support organization. The latter will focus on ensuring that the Department promotes continuous innovation in the use of IT to support the diplomatic mission. Goal 5 also focuses on evolving the skills and responsibilities of IT staff to enable them to play a higher-level consultative role in helping end-users exploit modern technology. This request will be used for innovative training management, distance learning, and technology. The Foreign Service Institute (FSI), which manages the National Foreign Affairs Training Center, is responsible for a large share of Goal 5 activities and resources, notably those associated with training and skill development. FY 2009 resources will be directed as follows for FSI programs.

FSI Student Training Management System: \$1,128,000

FSI Corporate Systems provide online course catalog, online registration, enrollment tracking and recording, reporting to all bureaus, online student training records, distance learning course delivery, performance surveys, and support to Diplomatic Security Training Center and regional training centers. These systems enable the Department to provide and manage training worldwide. They support FSI in its role as an OPM authorized e-training service provider.

FSI Learning Infrastructure: \$3,260,000

IT infrastructure provides classroom support and classroom workstations for instructors and students; registration, tracking, and recording of class sessions and participation; distance learning design, development, and delivery; technical labs and simulation components; and digital videoconferencing for classes, language testing, and course development.

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Other Goal 5 Initiatives: \$6,714,000

Other initiatives will provide foreign affairs-related training to the Department and to other foreign affairs agencies. FSI offers a full range of foreign affairs-related training to employees of the Department (Foreign Service, Civil Service, and Foreign Service National) and on a reimbursable basis, to other federal agencies involved in foreign affairs. Training is provided in a multitude of settings, including online, classrooms (in Washington, D.C. and around the world) and blended situations.

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BORDER SECURITY PROGRAM

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
Machine Readable Visa (MRV) Fees	796,364	907,663	981,233
Western Hemisphere Travel Surcharge	121,400	569,500	569,500
Enhanced Border Security Program Fees	301,659	458,597	541,925
Passport Security Surcharge	220,109	412,672	496,000
Immigrant Visa Security Surcharge	66,450	30,825	30,825
Diversity Fee	15,100	15,100	15,100
Fraud Prevention Fee	19,293	31,800	31,800
Affidavit of Support	25,000	0	0
Expedited Passport Fees	0	60,000	0
Total, Border Security Program Expenses	1,263,716	2,027,560	2,124,458

Overview

The Department of State plays a critical role in protecting Americans as they travel or reside abroad and in securing our nation's borders through the proper adjudication of passports and visas. The Bureau of Consular Affairs (CA) is responsible for denying visas to individuals who pose a threat to the United States while facilitating the issuance of visas for legitimate travelers; adjudicating and issuing US passports and providing essential assistance to Americans citizens abroad; researching, developing, and deploying automated systems as part of a broad border security network; and implementing policies, procedures and processes in coordination with other federal agencies in support of homeland security goals. The State Department's Border Security Program (BSP) encompasses all consular activities and provides funds to all regional bureaus and several other functional bureaus which support consular operations. The FY 2009 budget reflects program growth to address increased passport demand due to the implementation of the Western Hemisphere Travel Initiative (WHTI). In addition, CA continues to manage policies and programs, many created or revised in response to the USA PATRIOT Act of 2001 (P.L. 107-56), and the Enhanced Border Security and Visa Entry Reform Act of 2002 (P.L. 107-173).

In order to develop an inclusive FY 2009 budget, CA is conducting Cost of Service Studies (COSS) to ensure that all consular fees are accurately captured and allow for full cost recovery. Accordingly, the revenue and cost estimates may be revised to better reflect requirements and revenue estimates based on the COSS results due in late FY 2008. To address the immediate demands placed upon CA by the FBI to collect 10 fingerprints from all visa applicants and send those prints to the Federal Bureau of Investigation, the Department has taken steps before the full COSS has been completed to adjust the Machine Readable Visa (MRV) fee, beginning January 2008. This included raising the base MRV from \$100 to \$131, primarily to add those charges associated with the FBI's ten print fingerprint requirements as well as FBI Security Advisory Opinion (SAO) namechecks. Other fees have been adjusted as well including the Passport Security Surcharge, which was recently increased from \$12 to \$20.

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

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Consular Project Initiatives	516,615	907,328	943,778	36,450
Consular Systems Install & Operations	35,000	35,000	43,000	8,000
Consular Systems Modernization & Support	82,850	113,150	109,645	(3,505)
Automated Namecheck Systems: CLASS	17,508	15,000	14,000	(1,000)
MRV Administrative Support	64,918	79,376	85,532	6,156
Public Information Support	22,300	42,315	30,581	(11,734)
Document Integrity/Fraud Programs	15,544	26,004	26,172	168
Consular Training (FSI)	8,536	10,715	8,506	(2,209)
Passport Operations	147,404	391,233	455,629	64,396
Passport Facilities	20,440	64,159	40,390	(23,769)
Passport Systems	45,300	79,500	76,071	(3,429)
Visa Processing	27,152	35,750	37,250	1,500
American Citizen Services	2,762	2,938	3,133	195
Intelligence Support Unit (INR)	762	779	814	35
Facilities Management (A)	26,139	11,409	13,055	1,646
Diplomatic Security	13,663	21,156	21,269	113
Investigative Support/Guards	13,663	21,156	21,269	113
Technology Support	19,000	18,000	18,000	-
Computer Systems and Operations	9,000	8,000	8,000	-
Diplomatic Telecommunications Support	10,000	10,000	10,000	-
Border Security Staff (American Salaries)	268,542	349,648	421,118	71,470
Consular Affairs	123,704	181,907	232,908	51,001
Bureau of Administration	89	92	283	191
Information Resource Management	3,039	3,125	3,219	94
Diplomatic Security	15,186	24,000	37,275	13,275
Overseas Staff	126,524	140,524	147,433	6,909
Border Security Support	445,896	731,428	720,293	(11,135)
Consular Affairs	291,013	559,384	536,937	(22,447)
Diplomatic Security	870	7,994	11,408	3,414
Information Resource Management	4,090	4,090	4,090	-
Western Hemisphere Affairs (BCC)	2,000	2,000	2,000	-
Overseas Support	147,923	157,960	165,858	7,898
Total Border Security Program	1,263,716	2,027,560	2,124,458	96,898
DHS Reimbursement	12,000	12,000	12,000	-

BORDER SECURITY PROGRAM

Justification of Request

Consular Systems Installation and Operations: \$43,000,000

This program activity provides the hardware and training for consular operations worldwide. CA has revised its equipment replacement cycle to reduce costs using online training when possible. The request also includes additional resource requirements, such as printers for passports and passport cards, necessitated by the increased demand for U.S. passports.

Consular Systems Modernization and Support: \$109,645,000

All systems research and development, consular database development and management as well as data sharing initiatives with other agencies, for example DHS, are included in this program activity. This also includes domestic operational support for the passport agencies, the Kentucky Consular Center (KCC) and the National Visa Center (NVC). The more users that are added increases capacity needs for network traffic and email, and also requires more Level 1 and 2 Help Desk support.

The Visa Systems Consolidation project was initiated to integrate the business processes supported by four legacy visa case processing systems into one single component based system and is aligned with the Information Technology Duplications Initiative. One of the primary goals of consolidation is to reduce the duplication of functionality that currently exists in the four legacy systems and thus reduce long-term maintenance and support costs. In the near term, the system that supports the NVC is nearing its maximum capacity and may not be able to support NVC's immediate expansion requirements.

The budget for the newly established Program Management Office is also included here. As recommended by an Office of the Inspector General audit, the organization will consolidate and centralize administrative functions such as acquisition plans, governance, program budgeting and program reviews of all system projects managed by CA.

Automated Namecheck System (CLASS): \$14,000,000

The Consular Lookout and Support System (CLASS) is the primary tool upon which consular officers depend when adjudicating passports and visas. The CLASS database consists of approximately 22 million primary and 7 million alias records against which consular officers perform name check and identity checks. CA maintains direct connections with the Department of Homeland Security (DHS), the FBI, the Drug Enforcement Administration and the Department of Health and Human Services, and will continue to support and expand that electronic data-sharing network. For passport checks, the database contains approximately 5,000,000 records. This expansion is a result of the threshold for passport denial for failure to pay child support dropping from \$5,000 to \$2,500 in calendar year 2006.

To execute name checks in areas of the world that offer limited telecommunication links, the Department has developed eCLASS, which provides standalone as well as central name check capabilities. With eCLASS, CA projects to be completely off mainframe technology in FY 2008, thereby reducing costs and increasing flexibility for 232 posts. In addition, it allows other agencies to share CLASS technology and the CLASS database. Under eCLASS, CA will continue to develop interfaces with other consular databases, such as the Consolidated Consular Database (CCD), the Diversity Visa Program database (eDV), the crisis management system and passport systems.

As part of its contingency planning and in accordance with Presidential Directive 63, which specifically lists CLASS as a mission critical system for which contingency resources must be developed, CA maintains an Alternate Processing Center at the KCC for name check processing.

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MRV Administrative Support: \$85,532,000

Funds are used to support such items as off-site bank collections, temporary staffing assistance (TDY) for overseas posts experiencing major workload surges, as well as the salary and benefits of consular agents. Also included are funds for the anticipated surge of Border Crossing Card (BCC) renewals in Mexico.

Public Information Support: \$30,581,000

This program activity supports a contractor-operated call center that provides information to American citizens interested in obtaining general passport information, an appointment for passport services (from a central passport system), and American citizen services. Recent experience has demonstrated the importance of having adequate public response capacity. The cost for the passport call center represents requirements needed to meet the FY 2009 anticipated call volume and reflects passport demand estimates.

Document Integrity Training and Anti-Fraud Programs: \$26,172,000

CA will continue to maintain its emphasis on enhanced U.S. border protection and security through its fraud prevention work. The FY 2009 initiatives include passport and visa fraud prevention, expanded H-1B and L visa fraud detection efforts, and consular training conducted by the Foreign Service Institute (FSI). Through the Office of Fraud Prevention Programs (FPP), CA will continue to maintain an extensive program to share fraud prevention information with Fraud Prevention Managers, Diplomatic Security Agents, DHS, and other agencies. In FY 2008 and FY 2009, CA will continue to provide training, technology, tools, and information to consular officers and others involved with consular adjudication processes. The Bureau will also conduct anti-fraud training at consular sections abroad, passport agencies, the NVC, and the KCC.

In accordance with the H-1B Visa Reform Act of 2004 (part of the FY 2005 Consolidated Appropriations Act (Public Law 108-447)) revenues generated from fees collected by DHS related to H-1, H-2B and L visas may be used by DHS, the Department of State, and the Department of Labor for anti-fraud programs related to these types of petitions. In FY 2008 and FY 2009, anti-fraud programs using these revenues by FPP and at the KCC will continue, along with increases in anti-fraud staffing, including additional investigative staff in the Bureau of Diplomatic Security (DS). H&L fee revenues for CA in FY 2008 and FY 2009 are anticipated to be approximately \$31,800,000.

Consular Training: \$8,506,000

The Foreign Service Institute will continue to provide training in the form of classes, conferences, workshops, and on-line courses to consular officers, Information Management Specialists, Foreign Service Nationals and consular agents. Courses cover anti-fraud and counter-terrorism techniques; name checking and identity recognition; consular system applications; and immigrant and non-immigrant visa adjudication policies and procedures. FSI also provides courses on crisis planning, assistance to victims of crime, the Hague Convention on Intercountry Adoption, and the Hague Convention on the Civil Aspects of International Child Abduction. Funds also provide for the administrative support related to conducting these classes. Additional passport adjudication classes will be held in FY 2009 for new hires.

Passport Operations: \$455,629,000

The Department's current estimate for passport workload is 29 million applicants in FY 2008 and may range between 30 and 36 million for FY 2009. Due to the passport workload growth as a result of the WHTI air phase implementation and the DHS planned phased implementation beginning in early 2008 of the sea and land phases, operating costs have increased across the board for Passport Operations. These costs include contractual support, postage, passport book processing facilities, lockbox ancillary charges and travel card expenses. All the costs for critical supplies, including passport books, cards, foils, ribbons, and postage are directly related to the anticipated demand to produce 29 million passport books and cards in

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FY 2008 and between 30 to 36 million in FY 2009. Continued cost increases can also be attributable to labor contracts at the Charleston Passport Center (CPC), the National Passport Center (NPC), and labor at other passport agencies. As the Department continues to hire new passport specialists and open new agencies, second and third shifts will be added to passport agencies where possible to maximize efficiencies.

Operational costs also include travel costs for training. CA plans to hire 900 new passport specialists in FY 2008 and hire an additional 300 in FY 2009. This training is absolutely essential to ensure the integrity of the passport adjudication process.

Postage costs are a substantial but necessary part of the passport production process. Increased costs in this category have two causes: increased demand and a change in procedure. In the past, a passport agency sent only a single mailing to applicants. Now, adjudication facilities return personal documents (e.g., birth certificates) to applicants in one mailing, while the two production facilities send the completed passport book or card in a separate mailing to applicants.

Passport Facilities: \$40,390,000

The network of passport facilities will be expanded to accommodate the new hires already coming on board. This request reflects the need to provide work stations for many of the approximately 300 new full time passport employees to be hired in FY 2009. The Department is planning to establish one new megacenter and three passport gateway agencies in FY 2008 plus another four gateway agencies in FY 2009.

Passport Systems: \$76,071,000

Passport Systems provides operational support for users at the 17 regional passport agencies and centers nationwide. The program also will support the seven new gateway agencies and the new megacenter being established in Fiscal Years 2008 and 2009. This budget will support systems requirements needed to meet the anticipated increased demand in passport applications. The increased rate of passport production is requiring a faster turnaround, which in turn requires additional shifts. These resources will provide 24/7 support and will replace aging passport production equipment, including printers. The multiple shift operations at the agencies and adjudication centers will shorten the equipment replacement cycles.

Visa Processing: \$37,250,000

This program activity supports the visa office and immigrant visa operations at the NVC and at the KCC. The Visa Office has identified and delegated certain visa processes that can be more effectively and efficiently performed centrally at KCC and NVC. As more work is shifted from posts to these domestic facilities, operating costs are increasing at each. In FY 2008, CA anticipates expanding NVC operations into the adjacent original National Passport Center (NPC) building once NPC completes its move to a larger facility.

The NVC supports immigrant visa processing through the centralization and management of several consular projects, including a portion of petition processing and the Affidavit of Support review program, which requires sponsors of visa applicants to provide evidence that they can financially support the visa applicant. The NVC also processes all SAOs and fingerprints for immigrant visa applicants and conducts anti-fraud activities related to immigrant visa petitions. NVC collects documents and schedules appointments at IV-issuing posts worldwide.

KCC manages the casework of the Diversity Visa Lottery Program, receives and prepares all visa records for storage at the National Archives and Records Administration, and manages the Facial Recognition Project, which involves screening visa applicants against an international lookout database. KCC also scans visa records for serious refusals and shares the information with other

BORDER SECURITY PROGRAM

federal agencies, as well as providing support to overseas posts for all petition-based nonimmigrant visa work. The KCC also serves as the Alternate Processing Center for CLASS.

American Citizen Services: \$3,133,000

One of the Department of State's core objectives is the safety and welfare of American citizens abroad, especially in times of crisis. The funding requested allows CA to meet its protection responsibilities by providing information to travelers as well as prospective adoptive parents; providing a website and internet-based registration site for American citizens traveling overseas; and enhancing crime victim assistance programs. In FY 2008 and FY 2009, the Bureau will continue to engage in bilateral and multilateral meetings to strengthen crisis assistance to citizens, monitor international treaty compliance; implement the Hague Convention on Inter-country Adoption; train American and international judges in the Hague Convention on Civil Aspects of International Child Abduction procedures; and train state and local officials on consular notification issues. The FY 2009 budget reflects cost estimates in support of CA's efforts related to children's issues programs (adoption, abduction and child support cases).

Intelligence Support Unit (INR): \$814,000

In support of the nation's counterterrorism efforts, the Bureau of Intelligence and Research operates the CA Watch that works to identify individuals who pose potential threats to the United States. The CA Watch is staffed during non-duty hours by individuals with consular training and experience who are able to access consular databases and answer questions from ports of entry, other watch operations and other agencies regarding lookout interpretation, document validity and consular procedures for handling emergencies. The CA Watch also acts as a point of contact for the Terrorist Screening Center and the National Counter-Terrorism Center and recovers intelligence files for SAO reviews.

Bureau of Administration: \$13,055,000

The Bureau of Administration (A) provides facilities maintenance support to the KCC, NVC, and the CPC. The requirements in Fiscal Years 2008 and 2009 include the rent and operations and maintenance costs for new facilities brought on-line in Fiscal Years 2008 and 2009.

Diplomatic Security: \$21,269,000

The Bureau of Diplomatic Security conducts passport and visa fraud investigations and provides guard services at all visa processing centers and passport agencies, including the new facilities being opened in Fiscal Years 2008 and 2009.

Technology Support: \$18,000,000

Funds for the Bureau of Information Resources Management (IRM) will be used to provide around-the-clock systems monitoring, operational and technical support, and systems software programming for the CLASS name check system. In addition, IRM supports the server-based eCLASS platform and provides backup contingency and disaster recovery for both CLASS and eCLASS systems, in compliance with Homeland Security and Critical Infrastructure Protection (CIP) requirements. IRM also provides support for the redundant CLASS system at the KCC.

Border Security Staff - American Salaries: \$421,118,000

For FY 2009, the Department plans to increase staff by 448 new positions (20 overseas and 428 domestic). Included in these numbers are 300 additional positions that will directly support the increasing demands for passport adjudication. Another 100 positions will be added to meet the rising demand for the Bureau of Diplomatic Security to prevent passport fraud, and 21 will be added to visa fraud prevention efforts managed under the H-1B and L Fraud Prevention Program. Nine new domestic positions are needed in other support functions affected by the increases in passport and visa workloads. As a result of these

BORDER SECURITY PROGRAM

increases, Border Security Program positions will total 5,215 by the end of FY 2009.

Border Security Program Support: \$720,293,000

Border Security Program Support includes funding for: passport books; visa supplies; the direct costs of the Border Crossing Card (BCC) program; start-up expenses for new consular officer positions established overseas; recurring expenses for existing U.S. direct hire consular officer positions overseas, including post specific benefits (i.e., cost of living allowances, educational allowances and danger pay); operating expenses related to production of the BCC renewals in Mexico; start-up and recurring expenses for locally engaged consular employees, including salary and benefits. The budget request also assumes production of the new passport card will start in mid-calendar year 2008.

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

As in prior fiscal years, the Department reimburses DHS for the cost of producing Border Crossing Cards (BCC) issued to Mexican nationals. Once the production of BCCs is transferred to the State Department in FY 2008 or early FY 2009, CA will cease reimbursement and re-channel these funds to internal production efforts.

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EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Worldwide Security Upgrades	898,575	670,524	948,400	277,876
Security Construction	799,852	562,110	843,700	281,590
Compound Security	83,915	93,536	99,700	6,164
Soft Targets	14,808	14,878	5,000	(9,878)
Maintenance & Construction	58,985	120,730	170,533	49,803
Operations	524,294	623,084	659,473	36,389
Planning and Development	10,294	11,801	11,897	96
Real Estate and Property Management	6,540	7,005	7,062	57
Project Execution	67,639	64,021	64,540	519
Operations and Maintenance	385,024	482,865	518,412	35,547
Information Management and Support	32,394	34,317	34,302	(15)
Harry S Truman Building and Domestic Renovations	22,403	23,075	23,260	185
Headquarters	8,998	11,236	11,328	92
Appropriation Total	1,490,852	1,425,574	1,789,734	364,160

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The Bureau of Overseas Buildings Operations (OBO), funded through the Embassy Security, Construction, and Maintenance (ESCM) appropriation, is responsible for providing U.S. Diplomatic and Consular missions overseas with secure, safe, and functional facilities to assist them in achieving the foreign policy objectives of the United States. OBO's mission, goals, and strategies contribute directly to the Secretary's goal of advancing "Transformational Diplomacy" by ensuring that a high-quality workforce is supported with a modern and secure infrastructure.

OBO's work is vital: over 80,000 United States government employees from 30 agencies at over 265 posts and their families depend on the facilities support provided by OBO. As a direct result of OBO's performance, over 4,900 overseas employees were moved into safer, more secure facilities in 2007, bringing the total number to over 16,000 since the year 2000.

The FY 2009 request seeks sufficient resources to maintain OBO's progress in replacing non-secure diplomatic facilities. Since 2001, OBO has delivered a total of 55 new facilities and has an additional 34

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

under design or construction. These 90 new facilities represent 46% of the 195 identified for replacement following the Nairobi/Dar es Salaam bombings in 1998 – continuing the record pace for delivering modern and secure diplomatic facilities on-time and within budget. Using funds appropriated in FY 2007, OBO awarded 9 contracts for new facilities. In FY 2008, the Department expects to award contracts for an additional 9 new facilities and is requesting funding in FY 2009 for the design and construction of 11 new facilities.

The innovative strategies employed by OBO have resulted in significant dividends. In FY 2007, OBO executed the third year of the Capital Security Cost Sharing program designed to accelerate the replacement of diplomatic compounds that do not meet security standards. This program increases the resources available to fund the replacement of new embassy compounds by levying a per capita charge on those agencies operating overseas under the Chief of Mission authority, providing an incentive for agencies to rightsize their overseas staffing, a major initiative of the President's Management Agenda.

While the capital construction program will replace the most vulnerable facilities, over a quarter of overseas posts will not receive a new embassy compound (NEC) under the current program. To address posts that will not be receiving a NEC as well as ensuring the new facilities are properly maintained, OBO has placed a renewed focus on the operations and maintenance (O&M) activities required to keep the Department's existing inventory of facilities functional. Management has begun applying the same results-based process and lessons learned from the capital construction programs to improve the effectiveness of the O&M programs and reduce the backlog of maintenance requirements. This funding request is critical to continuing these improvements in order to protect the Department's long-term investment in new facilities and extending the useful life of facilities not scheduled for replacement.

Program Description

Capital Construction and the Capital Security Cost Sharing Program

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

The FY 2009 request includes full funding for the Capital Security Cost Sharing Program (CSCSP). This program, together with the Capital Security Construction Program and other reimbursements, will provide over \$1.4 billion in FY 2009 for the planning, design, and construction of NECs. The CSCSP was established to accelerate the replacement of unsafe, unsecure, and outdated diplomatic facilities that are used overseas by U.S. Government agencies. In addition, the program creates incentives within all agencies of the Government to scrutinize and rightsize their overseas presence to avoid unnecessary costs and security risks by charging each agency for projected, as well as existing, authorized positions. Each agency with staff overseas under Chief of Mission authority will pay a fair share towards construction of new diplomatic facilities based on the number of authorized positions and the type of space occupied.

Functional Programs

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

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Justification of Request

The FY 2009 Budget request of \$1.8 billion and 923 positions for ESCM is comprised of \$670.8 million to support operating elements, \$170.5 million for maintenance and construction projects, \$843.7 million to continue the Capital Security Construction program, and \$104.7 million for critical security improvements.

Worldwide Security Upgrades - \$948.4 million

This request includes \$843.7 million for the Capital Security Construction Program that, when added to the funds contributed by other agencies through the CSCSP and other reimbursements, will provide over \$1.4 billion for the planning, design, and construction of NECs. These funds will allow the Department to meet its key goal of constructing secure facilities at high-risk overseas posts to protect employees from terrorists and other security threats. The FY 2009 plan includes:

- Construction of NEC facilities in Bangkok, Thailand (Phase I); Bucharest, Romania; Bujumbura, Burundi; Dakar, Senegal; Kabul, Afghanistan (NOX); Krakow, Poland; Malabo, Equatorial Guinea; Maputo, Mozambique; Nouakchott, Mauritania; Pretoria, South Africa; and Santo Domingo, Dominican Republic.
- Acquisition of sites for future NEC projects and planning activities.

In addition, \$104.7 million is requested to continue the Department's compound security program. As described in the Long-Range Overseas Buildings Plan (LROBP), the FY 2009 request will fund compound security upgrades, installation of forced entry/ballistic resistant doors and windows, maintenance of shatter resistant window film, environmental security protection, and setback properties should they become available for acquisition. This program also includes \$5 million for security enhancements to soft targets such as overseas schools and residential compounds.

Maintenance & Construction - \$170.5 million

The FY 2009 request has been restructured to place a greater emphasis on critical maintenance and infrastructure investment. This includes the creation of a dedicated maintenance and construction fund within the budget supported by a true project accounting financial structure. This new budget component is comprised of three programs, each designed to meet the demands of a critical gap in the overseas real property portfolio.

Strategic Capital - \$66.6 million

While the Worldwide Security Upgrade program has been extremely successful at moving personnel from the most vulnerable overseas locations to safer, more secure facilities, there remains a need for critical facilities upgrades other than security (e.g., strategic, policy or political considerations). The FY 2009 Strategic Capital request, when combined with funding previously provided from proceeds of sale and contributions by the American Institute in Taiwan, will provide \$171.6 million for the construction of a new office compound in Taipei, Taiwan.

Major Rehabilitation - \$51.6 million

This program rehabilitates, upgrades, or replaces worn out building systems that can no longer be physically or economically maintained by routine, preventive, and unscheduled maintenance and repair activities. System rehabilitation, replacement, and upgrade is done to extend the life of the building and ensure continued serviceability, provide a secure and safe environment for U.S. Government employees, and capitalize on efficiencies from new technologies. The request of \$51.6 million

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

supports projects planned for FY 2009 using a rigorous prioritization process that considers life-safety and security issues and aligns with the Department's Asset Management Plan and the LROBP. This request is a decrease of \$17.2 million over FY 2008 and will fund 13 comprehensive renovation projects.

Maintenance & Improvement Projects - \$52.3 million

One of the key success factors of the Worldwide Security Upgrade program was identifying a specific funding source for the critical security upgrades and then holding management accountable for performance. This lesson has been used to prepare the FY 2009 maintenance budget and this request identifies specific funding for critical maintenance and infrastructure improvements. In past fiscal years, funding for these activities was included in the overall request for Operations. Creating a stand alone budget for this critical element is the first step to improving the maintenance of overseas assets owned by the U.S. Government.

Operations – \$670.8 million

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

Planning and Development - \$11.9 million

Proper planning is the critical component of OBO's philosophy of "getting it right." The Planning and Development Office provides the central focus for overseas facility planning efforts and is the linchpin in OBO's efforts to continue the change from a "budget drives planning" mindset to one of "planning drives the budget." This office, which is responsible for producing the Long-Range Overseas Buildings Plan and Asset Management Plan (AMP), conducts business case analyses and provides the detailed Long-Range Facility planning, space requirements planning, project development, and cost management support necessary to design and construct new facilities or renovate existing ones, as well as manage any new initiatives. The FY 2009 budget requests funding for mandatory wage increases.

Real Estate - \$7.1 million

Site selection and acquisition are critical steps in the success of any new construction project, but they can be the most difficult to negotiate and complete. This program supports all aspects of real property acquisition, management, and disposal. The FY 2009 budget provides for mandatory wage and price increases.

Project Execution - \$64.5 million

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

- Construction and Commissioning - \$27.6 million This program funds expenses for the domestic and on-site construction management staff that oversee the work of the general contractors building and renovating the Department's overseas facilities. The FY 2009 Budget requests 5 new overseas project director positions funded out of the capital projects and a minimal increase to cover mandatory wage and price increases.
- Design and Engineering - \$25.5 million The Design and Engineering (DE) Division provides assistance in soliciting and negotiating architectural and engineering services contracts and

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

reviewing project drawings, specifications, and associated documents for compliance with codes and unique Department of State security requirements. Program funding includes the salary and support costs for the staff that resolves design problems and changes during the construction process. In addition to participating in the project planning and programming phases (including project definition and engineering support), staff members assist the Facility Management Division in determining criteria and standards governing operations, maintenance, and repair requirements. The DE program also coordinates the OBO “green” efforts to improve facility efficiency and reduce operating costs. The FY 2009 request includes funding to cover mandatory wage and price increases.

- Security Management - \$11.5 million The Department places a very high priority on the security of U.S. overseas facilities. This program provides security measures that safeguard overseas construction projects from potentially hostile terrorist acts and intelligence efforts. After evaluating threat levels and project complexity, the security policy and procedures are incorporated into project planning, design and construction to ensure facilities are capable of properly protecting both information and personnel. The FY 2009 budget requests funding cover mandatory wage and price increases.

Operations and Maintenance - \$518.4 million

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

- Area Management - \$62.8 million The core business of this program is to provide for the upkeep of the Department's existing inventory of U.S. Government-owned and long-term leased overseas properties. Proper stewardship of this inventory, which includes the Department's recently completed NECs, requires a continuing investment in maintenance and repair to retain asset value, stop deterioration, and ensure facilities are appropriate for conducting diplomacy. The majority of this request (\$45.2 million) funds routine maintenance and repair covering preventive maintenance of building systems, as well as recurring activities such as painting, weather-stripping, termite control, minor repairs, replacement of fixtures, and the acquisition of building supplies used for recurring maintenance requirements. This program also funds assessments of historic and culturally significant properties and develops property-specific maintenance manuals, annual maintenance plans, and a prioritized listing of required special maintenance and improvement projects.
- Leaseholds - \$365.1 million Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease, lease-purchase, and build-lease agreements. The decision to lease or purchase a property is based on economic analysis of the cost alternatives and the availability of funds. This program funds all activities associated with leasing overseas properties, including market assessments, legal expenses, and fee recording. It also provides living quarters allowance payments to Department employees at selected posts where U.S. Government provided housing is not available.

The Leasehold Program funds long-term leased (i.e., lease terms of ten years or longer) residential and non-residential properties overseas supporting all foreign affairs agencies under the supervision of the Chief of Mission. The Department also funds short-term leased residential and non-residential space for its own personnel. In cases where the Department leases shared office

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facilities on a short-term basis, the costs for such leases are distributed among all tenant agencies through the International Cooperative Administrative Support Services (ICASS) system. Under a Memorandum of Agreement with the Department of Defense, the Department is reimbursed for the cost of housing Marine Security Guards that are deployed overseas.

The FY 2009 request of \$365.1 million is directly linked to the Department's overseas presence and necessary to ensure that the Department can meet current lease commitments and provide safe, secure and functional facilities (both office and residential) for overseas staff where government owned facilities or a NEC are not an option. The Department's overseas presence has expanded and lease costs have increased due to many factors including the Global Repositioning Initiative and other policy/security changes. OBO continues to review internal business practices and implement process improvements to limit cost growth and identify inefficiencies in the pool of leased facilities. The savings achieved through these management initiatives is used to reduce the level of funding requested by OBO to support the Leasehold program. This request includes an increase of \$9.0 million for the lease and fit-out of six new American Presence Posts; \$7.3 million to support new overseas positions; an additional \$6.9 million for a lease fit out project in Guadalajara with the fit out costs amortized over five years; and \$11.1 million for contractual/inflationary increases. In addition to the \$365.1 million included in this request, OBO expects reimbursements of \$90.0 million from other Federal agencies to support their overseas lease requirements.

- Facility Management - \$68.9 million This program provides technical assistance and support to overseas posts in maintaining major building systems, as well as for maintenance-related activities associated with the planning and execution of the NEC program. This includes performing maintenance inspections, developing preventive maintenance programs specific to post requirements, and offering hands-on technical support and materials necessary where such assistance is not otherwise available. The FY 2009 requested increase will cover mandatory wage and price increases.
- Fire Protection - \$8.9 million This program provides a variety of services to the Department's overseas posts including: conducting fire inspections, promoting and presenting training programs, installing fire detection alarm systems, and supplying posts with critical fire and life safety equipment. The FY 2009 budget requests funding for mandatory wage and price increases.
- Safety, Health, and Environmental Management - \$3.9 million The Safety, Health, and Environmental Management (SHEM) program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize the environmental impact of Department activities, and provide occupational health and environmental services to Department of State domestic facilities. This is done by providing technical expertise and support to overseas managers to help them avoid accidents, eliminate workplace hazards and environmental contaminants, and meet with Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) standards. The FY 2009 request will cover mandatory wage and price increases.
- Art in Embassies Program - \$1.7 million The Art in Embassies program administers loans and donations of American works from museums, institutions, corporations, galleries, and individual artists and collectors to communicate American values and cultural diversity through the display of these works at overseas posts. The FY 2009 increase will provide for mandatory wage and price increases.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

- Post Communications - \$7.1 million The Post Communications program provides funding for the life-cycle replacement of all telephone systems located in U.S. Government-owned and long-term leased, non-residential facilities overseas. The goal of this program is to replace obsolete telephone systems with modern, reliable, digital systems capable of delivering a full range of services. The FY 2009 request includes funding for mandatory wage and price increases.

Information Management and Support – \$34.3 million

The request for Information Management and Support includes funding for all information technology (IT) and management support to OBO program offices, and includes GSA rent charges for OBO facilities. This request reflects increases necessary to maintain current systems and facilities, which will ensure adequate support for a growing program. The FY 2009 request is a small decrease from the FY 2008 funding level.

Domestic Renovations - \$23.3 million

The Department of State owns or operates and maintains numerous facilities in metropolitan Washington, D.C. and in other U.S. locales. To protect these real property investments and to ensure adequate working conditions for employees, the Department developed a Capital Improvement Program to upgrade building systems and to correct long identified deficiencies in these facilities. The FY 2009 budget maintains the current level of funding for this program.

Headquarters - \$11.3 million

This request provides for the salaries and support costs of the 76 positions providing executive direction, financial management, human resources and developmental training for the entire OBO staff. The FY 2009 request includes funding for mandatory wage and price increases.

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CIVILIAN STABILIZATION INITIATIVE

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Administrative Support	0	0	23,014	23,014
Civilian Response Readiness	0	0	225,617	225,617
Appropriation Total	0	0	248,631	248,631

Overview

The Civilian Stabilization Initiative (CSI) builds on two years of interagency development, exercises, and pilot efforts. It was developed to answer the President’s call in National Security Presidential Directive 44 to significantly improve the ability of the United States to respond to conflict and create a civilian counterpart to the U.S. military, ready and capable to stabilize countries in the transition from war to peace. The Department’s Office of the Coordinator for Reconstruction and Stabilization (S/CRS) manages this initiative.

Program Description

The FY 2009 request includes, \$248.6 million to build a coordinated capacity across the 15 United States Government civilian agencies and the Department of Defense for a “Whole of Government” response to emergent Reconstruction and Stabilization (R&S) crises. This will enable the President and Secretary to react to unanticipated conflict in foreign countries through the Interagency Management System, which produces interagency analysis and planning and puts civilian experts on the ground as they are needed, improving assistance effectiveness and increasing options available to support countries in crisis through a coordinated interagency response. These resources will strengthen civilian capacity to address the threat of failed states, thereby reducing or eliminating the need for military deployments in such crises. This will allow civilian agencies to increase the USG’s options for assistance and work to prevent the dangers of conflict and state failure that threaten U.S. interests around the world.

This request supports the recruitment, development and training of a 250-member interagency Active Response Corps (ARC) and a 2,000-member Standby Response Corps (SRC). The ARC and SRC will be situated in and drawn from the Departments of State, Justice, Commerce, Treasury, Agriculture, Health and Human Services, Homeland Security and the U.S. Agency for International Development. The request also supports a Civilian Reserve Corps of 2,000 citizens composed of 1,500 new Civilian Reservists in FY 2009 in addition to the 500 Reservists expected to have signed up by the end of FY 2008.

This interagency initiative is extensively coordinated within the USG and receives regular input from major partners with similar capabilities including the United Kingdom, Canada, the European Union, and the North Atlantic Treaty Organization (NATO). The Interagency Management System has the flexibility to integrate partners, build on coalition support, and otherwise operate as part of a broader international mission. S/CRS and its interagency partners consult regularly with the United Nations, the European Union, NATO and other organizations critical to effective R&S response.

CIVILIAN STABILIZATION INITIATIVE

Justification of Request

In March 2007, the USG approved the Interagency Management System that will serve as the mechanism for the USG response to future R&S crises. This approval included the budget elements developed through an intensive interagency study to reflect the civilian resources required to meet stabilization challenges of the next decade and beyond. The CSI reflects this integrated strategy by 15 departments and agencies to build the civilian capacity necessary based on analysis of recent USG experiences in Haiti, Bosnia, Kosovo, East Timor, Afghanistan, and Iraq. The strategy works to ensure that the United States is ready to meet the next crisis, bringing all necessary expertise to bear. CSI provides the trained, equipped, and mission-ready civilian experts and institutionalized systems that can partner with the U.S. Armed Forces to meet national security imperatives. This interagency FY 2009 budget will enable U.S. civilians to respond rapidly in countries in crisis, coordinating with U.S. or international military forces, delivering effective assistance, and deploying R&S teams to support U.S. embassies (where they exist) and to partner with local citizens and international actors on the ground.

U.S. civilian readiness comprises four initiatives: building up USG internal rapid response capacity through staffing, training, and pre-positioning of equipment; establishing a trained and equipped U.S. Civilian Reserve Corps to draw on broader American expertise; sustaining rapid responders in the immediate response (first two months); and providing initial funding to protect American civilians on the ground in the build-up of a mission.

The FY 2009 request assumes that, up to 1,100 American permanent staff or reserve responders will be required to respond to reconstruction and stabilization missions in FY 2009 to meet this requirement, the USG must have an overall capacity of 250 Active Responders, 2,000 Standby Responders, and 2,000 Civilian Reservists.

USG First Responders: \$75,220,000

Funds will be used to fully support USG first responders, including expansion of the Active Response Corps to 250 interagency members, through basic salaries, training, and other support costs. Training will be expanded from the current 500-member Standby Response Corps to a full complement of 2,000 members. Required equipment (armored vehicles, field communication and technology support items) will be acquired and pre-positioned to support immediate deployment in response to crisis.

Civilian Response Readiness: \$86,768,000

The Civilian Reserve Corps will expand to 2,000 reservists. Funding will support their recruiting, hiring, and training, and will support the acquisition and prepositioning of vehicles and equipment (including for the police training component) required for rapid start up across the spectrum of policing, rule of law, public administration and infrastructure assistance. This level will provide materials for up to 500 deploying reservists per year.

Expert Deployment: \$12,500,000

The Office of the Coordinator for Reconstruction and Stabilization will draw from rosters of program-funded agencies including Treasury and Justice for the first two months of an operation, ensuring that critical staff such as police trainers and advisors can be deployed when they are most needed.

Initial Deployment: \$28,974,000

Funding will be used to sustain deployed personnel and provide mission-specific logistics: to field and sustain the initial component of rapid response (up to 130 responders) for the first two months of an operation, before regular funding can be arranged; to begin stabilization and conflict mitigation activities; to

CIVILIAN STABILIZATION INITIATIVE

establish a U.S. field presence if necessary; and to build cooperation with host nations and international partners on the ground.

Civilian Force Protection (contingency-specific): \$22,155,000

Funding will provide security for the civilian mission in country and for up to three deployed field teams (up to 130 staff) and to sustain this security provision in a semi-permissive environment.

Washington Leadership and Management: \$23,014,000

Washington area leadership will coordinate, manage, and direct the interagency R&S response, including management of the total response capacity. This includes Office of the Coordinator for Reconstruction and Stabilization operations and staff, which were previously funded by the Diplomatic and Consular Programs appropriation.

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OFFICE OF INSPECTOR GENERAL

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Administration and Staff Activities	5,878	6,967	7,176	209
Inspections, Audits, Investigations	23,724	24,901	26,403	1,502
Policy Formulation	1,812	1,865	1,929	64
Appropriation Total	31,414	33,733	35,508	1,775

FY 2007 Actuals include \$36.5 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28) and reflects \$35.0 million transferred out to the Special Inspector General for Iraq Reconstruction.

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The Office of Inspector General (OIG) conducts independent audits, inspections, and investigations to promote effective management, accountability, and positive change in the Department of State, the Broadcasting Board of Governors, and the foreign affairs community. OIG provides leadership to:

- Promote integrity, efficiency, effectiveness, and economy;
- Prevent and detect waste, fraud, abuse, and mismanagement;
- Identify vulnerabilities and recommend constructive solutions;
- Offer expert assistance to improve Department and BBG operations;
- Communicate timely, useful information that facilitates decision-making and achieves measurable gains; and
- Keep the Department, BBG, and the Congress fully and currently informed.

Program Description

OIG's mandate encompasses all domestic and overseas activities, programs, and missions of the Department and the BBG. OIG's goals and activities are global in scope, supporting several of the Department's strategic goals. OIG's goals for FY 2009 are:

- Foreign Policy: The Department and the BBG effectively, efficiently, and economically advance the foreign policy interests of the United States.
- Security: The Department and the BBG adequately protect the people, information, and facilities under their control in the United States and abroad.
- Financial Management & Administrative Support: The Department and the BBG have the necessary systems and controls to meet legal and operational requirements.
- Accountability: The Department and the BBG ensure accountability and prevent or eliminate fraud, waste, abuse, and mismanagement in programs and operations.

OFFICE OF INSPECTOR GENERAL

To the extent allowed by changing priorities within the Department and BBG and external factors beyond its control, OIG's priorities for 2009 are to restore and strengthen its core capabilities (particularly its investigative function), enhance its presence in crisis/post conflict areas by strengthening the capability of OIG's Middle East Regional Office, and focus its oversight of information technology within its core offices. These efforts will improve OIG's capacity to meet its goals for foreign policy, security, financial management and administrative support, and accountability.

OIG's highest priority is to restore its ability to fulfill its statutory responsibilities and strengthen its capacity to respond to the increasing demands for review of Department and BBG programs, operations, and foreign affairs activities. Specific emphasis will be placed on restoring and strengthening OIG's investigations function. OIG currently has only 13 investigators to conduct investigations within a \$17.1 billion agency with offices in approximately 260 locations throughout the world. OIG's mandate includes the traditional areas of focus – including security, diplomatic and consular affairs, international broadcasting, administrative and financial management, law enforcement, and information technology – as well as new initiatives and priorities. Department initiatives in transformational diplomacy, global repositioning, and public diplomacy increase OIG's responsibility to provide meaningful and current feedback on these evolving programs. OIG is committed to continuing to assist the Department in strengthening the effectiveness and efficiency of its programs, operations, and initiatives.

Strengthening its oversight presence in crisis/post conflict areas within the Middle East is OIG's second priority. As the Department continues to commit significant resources to Iraq, Afghanistan, and other crisis/post-conflict countries, OIG's oversight responsibilities have correspondingly increased. OIG will continue to support the Department's activities in these areas by recommending improvements to policies, programs, and operations, and to coordinate its work with other USG inspectors general in the region. To do so effectively, OIG will establish its first overseas office to provide dedicated resources and expertise in Iraq, Afghanistan, and other crisis/post-conflict areas in the Middle East.

The enacted funding level for OIG in FY 2008 is \$33.7 million, an increase of \$2.3 million over the FY 2007 funding level, which includes \$1.5 million in supplemental funding above the Continuing Resolution level of \$29.914 million. OIG plans to utilize the increase to fund 16 positions to enhance OIG's audit and investigative oversight capability. OIG also plans to use approximately \$500,000 for architectural and engineering contractors to assist with OIG reviews of the new embassy compound in Baghdad and to fund needed equipment, such as protective gear, and travel for OIG investigators.

Justification of Request

To support its efforts in FY 2009, OIG is requesting \$35.5 million, which represents an increase of \$1.8 million over the FY 2008 enacted level. This increase includes \$0.8 million to normalize funding for OIG's newly established Middle East Regional Office, switching from supplemental funding to incorporation into the base budget, and to strengthen OIG's investigative function, and \$1.0 million to cover mandatory wage and price increases. This funding will help OIG meet its FY 2009 priorities of restoring and strengthening its core capabilities, enhancing its presence in the Middle East and sharpening its focus on IT oversight, which in turn would support OIG's strategic goals for foreign policy, security, financial management and administrative support, and accountability.

OIG is in the process of refocusing its oversight of information technology (IT) by eliminating its Office of Information Technology and transferring the staff and positions to the Office of Audits and Office of Inspections. This organizational change will result in more effective oversight of Department and BBG IT operations and programs by aligning OIG's oversight activities with its core audit and inspection functions.

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Office of Audits

The Office of Audits conducts and coordinates audits and program evaluations of the management and financial operations of the Department and BBG, including their audited financial statements, internal operations, external activities funded by the Department through contracts or financial assistance, and programs and operations in Iraq and Afghanistan. This Office's objectives are to: evaluate whether established goals and objectives are achieved and resources are used economically and efficiently; assess whether intended and realized results are consistent with laws, regulations, and good business practices; and test financial accountability and the reliability of financial statements.

The FY 2009 request will allow OIG to continue conducting financial and programmatic audits in the functional areas of financial management, contracts and grants, international programs, information technology, property and procurement, and security and intelligence and to support OIG's planned Middle East Regional Office. OIG will meet its annual work requirements and expectations for mandated financial statement audits. OIG's workload in this area will increase due to a likely change in primary contractor for the audit of the Department's FY 2009 financial statements and a change in BBG's financial service provider.

OIG is transferring half of its information technology oversight positions to the Office of Audits to more effectively utilize these resources, which will complement OIG's IT audit capability and improve its capacity to oversee the Department's growing automated IT systems and the corresponding vulnerabilities, issues, and expenditures. The Office of Audits will also conduct annual reviews of compliance by the Department and BBG with the Federal Information Security Management Act and related statutes, including intelligence community standards for protection of sensitive compartmented information.

Office of Inspections

The Office of Inspections evaluates operations of the Department and BBG, their facilities abroad, and related activities. Inspections review executive direction, policy and program implementation, resource management, and management controls. In this context, inspectors: evaluate operations' leaders and managers; review staffing to determine whether operations are right-sized; recommend consolidation and relocation of operations, if appropriate; assess posts' ability to deter, detect, and respond to threats and security vulnerabilities; consider whether counterterrorism and policy implementation efforts are coordinated among agencies overseas; examine consular processes and oversight of visa, passport, and American citizens services; evaluate information management and information security programs; evaluate the extent to which financial, human resources, procurement, and inventory management best practices are employed; and determine whether management controls are in place.

OIG will continue to examine and report on crosscutting issues and to conduct thematic inspections related to Department and BBG operations worldwide, including assessing the implementation of management reforms and foreign assistance programs. OIG will conduct thematic inspections of security issues worldwide, including Department efforts to provide security to U.S. personnel operating outside of the traditional embassy and consulate environments and will attempt to evaluate the effectiveness of the Department's orientation towards transformational diplomacy.

OIG will continue to assess the impact of initiatives such as changes in foreign assistance oversight, interagency cooperation in development, crisis response and counterterrorism, the development of American presence posts, and new public diplomacy and international broadcasting programs. OIG will examine how global repositioning impacts posts' ability to accomplish their missions and will help identify additional positions for potential repositioning. As part of regularly scheduled inspections, OIG will review

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the adequacy of efforts to streamline organizations through further centralization or regionalization of functions and will assess the adequacy of collaboration with the U.S. Agency for International Development and other agencies to create a common management platform at overseas posts.

The resource request also would enable OIG to continue to inspect Department and BBG information management and information security programs and efforts to protect their global information technology infrastructure and to assess the effectiveness of information management and security programs at domestic bureaus and overseas posts.

Office of Investigations

The Office of Investigations conducts investigations of criminal, civil, and administrative misconduct related to Department and BBG programs and operations by investigating specific allegations, reports, or other information indicating possible violations of law or regulation. Investigative results are referred to the Department of Justice for prosecution and to the Bureaus of Human Resources and Diplomatic Security or other agencies for administrative or other appropriate action. The office maintains the OIG Hotline, a confidential channel for complaints.

The FY 2009 request will enhance OIG's investigative capabilities to oversee, respond to, and investigate traditional fraud, waste, and abuse cases. The request will allow OIG to proactively conduct investigations in support of major Department and BBG programs and fully participate in joint law enforcement task forces and investigations. The additional resources would also allow OIG to expand its participation in various multi-agency task forces, such as the Department of Justice National Procurement Fraud Task Force.

The request will enable OIG to purchase needed investigative equipment and travel to domestic and overseas locations to respond appropriately to investigative allegations. OIG will expand fraud, outreach, and awareness training to help Department and BBG employees identify and prevent fraud, waste, and abuse worldwide and enhance OIG's effectiveness in rooting out malfeasance within the Department and BBG.

OIG visa and passport fraud initiatives contribute to the targeting of criminal organizations that engage in visa and passport fraud as well as identifying internal weaknesses that might facilitate the fraudulent issuance of visas and passports. OIG will expand its intra-agency and interagency investigative work on visa and immigration programs through the Immigration and Customs Enforcement Benefit Fraud Task Force and collaborative efforts with the Bureau of Diplomatic Security. These efforts will identify terrorist and criminal organizations attempting to exploit these programs, determine related systemic issues, and recommend global solutions.

OIG Middle East Regional Office

In order to provide adequate oversight and assistance for high-cost, high-risk Department programs in the Middle East, OIG will establish a permanent office in the region in 2008 to dedicate resources and expertise to Iraq, Afghanistan, and other crisis/post-conflict areas. The Middle East Regional Office (MERO) will be located in Amman, Jordan, and staffed by multidisciplinary employees capable of overseeing the region's evaluation, audit, or investigative needs.

The MERO will provide oversight of crisis and post-conflict areas and short-range oversight of major USG programs in nearby countries at substantially lower risk and life support costs than those projected for Baghdad and Kabul. MERO's proposed FY 2008 workplan focuses on oversight of key programs, including a performance audit of Blackwater security, processing of visas for Iraqi refugees, the Bureau of

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Diplomatic Security's management of security resources and programs in Iraq and Afghanistan, and the new embassy compound in Baghdad. The proposed increase in funding in 2009 will enable MERO to conduct assessments of justice training and counter-narcotics programs in Afghanistan, evaluate foreign assistance programs in Lebanon and Egypt, and review anti-corruption programs. MERO staff will review regional embassies, security programs, provincial reconstruction teams, and refugee programs, and would supplement OIG work requirements in Iraq on an as-needed basis. OIG inspections will include assessing the effectiveness of foreign assistance programs in Iraq and Afghanistan. OIG will establish an investigative capability in the Middle East and participate in the International Contract Corruption Task Force to address financial fraud involving Department employees, programs, and funds in Iraq, Afghanistan, and elsewhere in the Middle East. OIG will also provide proactive assistance to the Office of the Coordinator for Reconstruction and Stabilization through increased oversight of crisis/post-conflict programs and anti-corruption activities.

Conclusion

OIG's vision is to be a world-class organization promoting effective management, accountability, and positive change in the Department of State, the Broadcasting Board of Governors, and the foreign affairs community. OIG requests continued support to enhance OIG's capacity to increase cost-saving results and support the Secretary's priority initiatives.

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EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Academic Exchanges	263,347	285,639	302,679	17,040
Professional and Cultural Exchange Programs	150,153	163,702	161,743	(1,959)
Program and Performance	2,475	3,145	3,145	-
Exchanges Support	49,696	48,861	54,877	6,016
Appropriation Total	465,671	501,347	522,444	21,097

FY 2007 Actuals include \$20.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

President Bush, in his Address to the Nation on the 5th anniversary of September 11, 2001, clearly stated America's goal – "societies based on freedom and tolerance and personal dignity." He spoke of "offering a path away from radicalism" and working with men and women in the Middle East and around the world toward the day when nations recognize that their "greatest resource" is "the talent and creativity of their people." In supporting educational and professional exchange programs that promote mutual understanding between the people of the United States and other countries, the Bureau of Educational and Cultural Affairs (ECA) fulfills the President's goal and advances Secretary Rice's vision for transformational diplomacy. The Secretary has said of transformational diplomacy, "Working together, we can achieve a peaceful and more prosperous world." ECA programs foster engagement and encourage dialogue with citizens around the world, particularly with key influencers such as clerics, educators, journalists, women, and youth.

Educational and cultural engagement is premised on the knowledge that mutual understanding, the development of future leaders, and the benefits of education programs influence societies and affect official decision-making almost everywhere in the world today. ECA programs inform, engage, and influence participants across strategic sectors of society – including young people, women, teachers, clerics, journalists, and other key influencers – increasing the number of individuals who have first-hand experience with Americans and with the values of freedom, representative government, rule of law, economic choice, and individual dignity.

Over 250 current and former heads of state and government are alumni of ECA programs – one reflection of the tremendous opportunity the Department has to reach the leaders of tomorrow and expose them to democratic values. ECA program evaluations confirm the transformational power of exchanges to open minds and societies to democratic ideals.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Program Description

Academic Programs

Academic Programs include exchange programs for U.S. and foreign citizens: the J. William Fulbright Scholarship Program for the exchange of scholars, students, teachers and professionals; the Hubert H. Humphrey Fellowships for mid-career professionals from nations in development and transition (a Fulbright activity); the Benjamin Gilman program for American undergraduates with financial need to study abroad, and similar programs bringing foreign participants to the United States; English language programming abroad; English Access Microscholarships; U.S. overseas educational advising centers; U.S. studies programs designed to promote better foreign understanding of the United States; and exchanges involving specially targeted teachers, graduate students, and postdoctoral scholars.

ECA's Academic Programs serve to broaden cooperation between Americans, American institutions, and their counterparts overseas through academic study and professional activities. These programs cultivate large cadres of emerging foreign leaders whose role as university students, teachers, scholars, government officials, journalists and other professionals make them opinion leaders in their societies. ECA's Academic Programs also develop leadership among young Americans, and provide vital professional development for American scholars early in their careers, by providing them with substantive and challenging foreign study opportunities, which increase American knowledge of critical foreign languages and understanding of foreign viewpoints and international issues important to U.S. interests.

Professional and Cultural Exchanges

The Bureau's Professional and Cultural Exchanges include the International Visitor Leadership Program (IVLP) and Citizen Exchanges Program (CE). IVLP provides opportunities for current and emerging foreign opinion makers to gain firsthand knowledge about U.S. policies, politics, society and culture. The Citizen Exchanges Program engages an extensive network of U.S. private sector and non-governmental organizations and U.S. professional experts to mount professional, youth, cultural, and sports programs. Alumni of professional programs include many prominent leaders around the world in a wide range of fields.

Professional and Cultural Exchanges increase understanding of and appreciation for U.S. foreign policy goals by foreign decision-makers, opinion leaders and broader publics, and allow Americans to share their expertise and broaden U.S. participation in global issues and events. These exchanges provide foreign leaders in a broad range of professions exposure to American culture, values, ideas, decision-making models and traditions. They, in turn, have a multiplier effect within their own society. Cultural programs are particularly effective in providing a means to engage with audiences that might otherwise be hostile to American views. Youth and sports programs open young minds to American perspectives on a range of issues and develop leadership skills and a sense of citizen responsibility toward community.

Program and Performance

Program and Performance includes several functions vital to the success of ECA's mission. The Evaluation division monitors and evaluates the impact of Bureau programs, earning the highest rating of "Effective" from the OMB Program Assessment Rating Tool (PART) and providing policy makers with relevant, timely, and actionable information. The Office of Alumni Affairs works to establish and maintain productive engagement with ECA's more than 800,000 alumni worldwide, creating enduring links to these well-placed individuals with first-hand experience of America and Americans. The Cultural Heritage

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Center provides government-wide leadership in the area of cultural heritage and preservation, one of the most effective and rapidly expanding areas of public diplomacy.

Exchanges Support

Exchanges Support includes employee compensation and benefits for domestic staff and Regional English Language Officers (RELOs) abroad, as well as program direction and administration. It also includes the costs related to implementing U.S. Government exchanges coordination and the Convention on Cultural Property Implementation Act.

U.S. Government Exchanges Coordination – The Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training (IAWG) works to improve the coordination, efficiency, and effectiveness of the 15 federal departments and nearly 50 independent U.S. Government agencies that sponsor international exchanges and training. IAWG staff serves as an information clearinghouse, conducting research, data collection, analysis and reporting on international exchanges and training government-wide, and works to improve their coordination.

Exchange Visitor Program Designation – ECA designates U.S. organizations to administer exchange programs using the “J-visa” category. This program enables designated organizations to facilitate the entry of foreign nationals to the United States temporarily for participation in a variety of exchange programs. These programs include: academic, government, foreign medical graduates, trainees, camp counselors, summer work/travel and au pair. About 1,447 U.S. organizations are designated by the Department to administer exchange programs and sponsor some 300,000 foreign nationals annually.

Grants Management – In FY 2007, ECA managed, monitored, or executed over 1,400 ongoing and new grants to U.S. cooperating private institutions (NGOs, universities, associations, community organizations and think tanks). This included FY 2007 cooperative agreements and grant actions totaling approximately \$350,000,000, including the competitive review of approximately 500 proposals for new grants, and the award of approximately 220 new grants and approximately 130 amendments to existing grants.

To be able to achieve U.S. foreign policy goals, the growth in exchange programs worldwide requires a concomitant expansion of ECA staffing and resources. ECA’s ability to work through hundreds of private sector partners allows the Bureau to keep permanent staff to a minimum, but proportional growth in this area is essential for the Bureau’s progress.

Justification of Request

During International Education Week 2006, President Bush endorsed a major goal of ECA’s educational exchange programs – “to allow Americans to better understand other cultures and encourage students from around the world to see firsthand the true nature of the multicultural society we enjoy in America.” ECA implements this transformational strategy by fulfilling the three strategic objectives of the Under Secretary for Public Diplomacy and Public Affairs – to offer people throughout the world a positive vision of hope; isolate and marginalize violent extremists; and foster a sense of common interests and common values between Americans and people of different countries, cultures and faiths. ECA designs and implements programs that build relationships. ECA engages educational institutions and the private sector as partners in all its exchanges and key public diplomacy initiatives. The Bureau’s programs take place in a culture of evaluation to ensure that resources continue to educate and empower current and future leaders and expand mutual understanding and dialogue.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

The FY 2009 budget request totals \$522,444,000. This request is fully consistent with the U.S. National Strategy for Public Diplomacy and Strategic Communication and with the Under Secretary's initiative to counter ideological support for violent extremism. The request represents a net increase of \$21,097,000 over the FY 2008 Budget as enacted, including the following specific increases:

Partnership for Latin American Youth: \$35,521,000 (including staff)

The Department is requesting an increase of \$15,081,000 that will be combined with \$19,919,000 in existing funding to fulfill the President's major commitment to create a new Partnership for Latin American Youth. This initiative will build on the success of the Community College Summit Initiative by bringing non-elite students from the Western Hemisphere to study in U.S. community colleges. It will also fully launch the English Access Microscholarship Program in the Western Hemisphere Affairs (WHA) region and will offer grants to talented, economically disadvantaged students to allow them to pursue university study in the United States. The initiative will support U.S. studies institutes for undergraduate student leaders from indigenous and disadvantaged sectors, including women, and exchanges for English-speaking high school students who have emerged as leaders in marginalized communities to learn about U.S. society, culture, and values.

These funds will provide for: study at U.S. community colleges, building on the success of the Department's Community College Summit Initiative by bringing non-elite students from the Western Hemisphere, with emphasis on indigenous and minority populations, to a U.S. community college for one year of non-degree practical training and study; full launch of the English Access Microscholarship Program providing two-year microscholarships to study English for young people from marginalized communities; Opportunity Grants for talented, economically disadvantaged students to come to the United States for study by awarding small scholarships to cover initial, upfront costs; study of the U.S. Institutes for Undergraduate Student Leaders to bring indigenous and other disadvantaged undergraduate student leaders, including women, to the United States to learn about U.S. society, culture, and values and participate in leadership development; Youth Ambassadors to come to the United States for two-week exchange visits for young people from marginalized communities who have emerged as community leaders and socially active citizens.

Workload – 4 FTEs \$521,000

In order to effectively implement and manage the President's Partnership for Latin American Youth program, the Department requires an increase of four full-time permanent Civil Service positions. Funding will cover employee compensation and benefits and administrative support.

Workspace Modernization: \$2,420,000

The Department is implementing a Congressional mandate to co-locate all Public Diplomacy elements with its central offices at the Harry S Truman building. This will be accomplished by relocating the Bureau of Educational and Cultural Affairs from State Annex 44 to the American Pharmacist Association building adjacent to the HST building in the fall of 2009. The move will require \$2,000,000 to fund installation of computer networks and specialized equipment and a one-time increase to meet these needs is being sought. In the process of moving, it will be necessary to hire contractors to conduct a thorough accounting of all IT assets at a cost of \$420,000. This investment is essential for the Bureau to fully leverage desktop software and capabilities in the new building.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Addressing Critical Staffing Needs: \$3,075,000

Growth in the number of permanent staff dedicated to exchange programs is needed to keep pace with the overall growth in resources and complexity. The Department works with private sector partners, allowing permanent staff to remain at a low level. However, additional permanent staff resources are needed to ensure the maintenance of adequate management controls over significantly expanded program activities. These oversight functions are necessary to maintain continued effectiveness. The Department is requesting an additional \$2,075,000 to fund 15 additional positions to implement, manage, support, and audit program activity and to strengthen internal and management controls. The increases are as follows:

English Language Program Staff – 2 FTEs \$220,000

To implement the significant growth in English Language Programs, the Department is requesting two full-time permanent Civil Service positions. Funding will cover employee compensation and benefits and administrative support.

Regional English Language Officers – 3 FTEs \$700,000

The Department is requesting the addition of three Regional English Language Officer positions to carry out English language programs in critical countries and regions. These would be stationed in Brazil, East Africa, and South Asia. This includes \$400,000 for salaries and benefits and \$300,000 for program support costs.

Professional Exchanges Increases – 4 FTEs \$488,000

The Department is requesting the addition of four permanent Civil Service staff to support the Office of Professional Exchanges in meeting its growing workloads tied to expansion in WHA as well as other exchange initiatives focused on youth and Iran. This will strengthen Department management of the vastly increased workload associated with this program. Funding will cover employee compensation and benefits and administrative costs.

Executive Direction – 6 FTEs \$667,000

The Department is strengthening management controls and monitoring on many fronts and requests an increase of six new full-time permanent Civil Service positions in the Bureau of Educational and Cultural Affairs to address the Bureau's rapidly growing budget, staff, and grants workloads and allow for more effective control of critical resources. Funding will cover employee compensation and benefits and administrative support.

Cost of Living Adjustment \$1,000,000

In order to sustain the current staffing level within the Bureau of Educational and Cultural Affairs, it is essential to offset the projected annual salary increase. The addition of \$1,000,000 will address this mandatory increase in costs.

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REPRESENTATION ALLOWANCES

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	8,175	8,109	8,175	66

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

Pursuant to Section 905 of the Foreign Service Act of 1980, as amended, Representation Allowances permit Ambassadors, Principal Officers at constituent posts, and other Foreign Service Officers with vital contacts in the host country, to obtain partial reimbursement of costs incurred for official representation overseas. These official contacts help establish and maintain close personal ties with local government officials and influential private citizens who have expertise in the fields of politics, economics, business, journalism, labor, and science. Representational functions are vehicles to convey U.S. foreign policy goals and objectives and to gather information central to the formulation of U.S. bilateral and multilateral policies.

Representation is vital to our foreign policy objectives of advancing our economic interests, and maintaining our national security interests. In addition to our normal bilateral events, the Department concentrates on representational activities that support U.S. positions on trade issues associated with the European Union, Association of Southeast Asian Nations, Asia-Pacific Economic Cooperation, Central American Free Trade Agreement, Free Trade of the Americas, African Growth and Opportunity Acts and the North American Free Trade Agreement.

Program Description

The central feature of representational activities continues to be the promotion of American interests through the establishment and maintenance of solid working relationships with, and the gathering of information from, foreign officials and representatives. Funding is also used to promote economic activities through strengthening relationships among individuals (e.g., business and labor leaders) who perform duties such as trade promotion; protection of American business interests; economic, commercial, and labor reporting; and negotiations. Representation funding is also required for adherence to certain protocols or traditions that must be observed, such as the installation or inauguration of national leaders, recognition of deaths or marriages of prominent citizens, and presentation of credentials to heads of state.

Justification of Request

Funds requested for FY 2009 will continue support of U.S. national interests, economic activities, and other diplomatic functions at the more than 260 embassies, missions, and consulates worldwide. With the requested amount of \$8,175,000, the Department will be able to stage appropriate representational events and apply this vital diplomatic tool to enhance the effectiveness of U.S. national and foreign policy interests.

REPRESENTATION ALLOWANCES

Many Missions use holiday celebrations as a forum to strengthen communications with host country communities and institutions. Missions traditionally host July 4th events using Representation funding, bringing together various foreign national attendees and host country government representatives. The events offer a positive focus and opportunity for individuals to put aside differences. In one particular case reported by a post, bitter rivals and differing religious factions embraced and joined the U.S. Ambassador in singing the national anthems of the host country and the United States, and declared their commitment to democracy and representative government. Missions in nations with Muslim populations often hold annual Iftar dinners, providing a practical demonstration of U.S. openness toward the Islamic faith and of U.S. belief in religious freedom for all.

Use of representation funds also facilitates less formal meetings, supporting contact with those who are more comfortable meeting outside of an embassy or office setting. Foreign Service officers cultivate long-term relationships with key individuals in a culturally appropriate manner through these events. For example, in Asian cultures, particularly in China, dealing on a social level facilitates negotiations tremendously.

Representation events can help foster relationships to promote U.S. interests, and can also be used to even more directly advance U.S. foreign policy. As an example, events hosted in Abidjan successfully paved the way for compromise in the implementation of programs that allow the Government of Cote d'Ivoire to meet the Harkin-Engle Protocols. A similar event pushed the cashew industry to develop a way forward to meet and expand their value added production goals, promoting prosperity. These northern Ivory Coast industries needed and received information to increase production which supports regional security in that volatile area.

BUYING POWER MAINTENANCE ACCOUNT

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	0	0	0	0

Overview

The Buying Power Maintenance Account (BPMA) is authorized under section 24 of the State Department Basic Authorities Act of 1956. The BPMA is intended to sustain approved levels of activities under rapidly changing economic conditions abroad.

To the extent that adverse exchange rate fluctuations are experienced, the Department's buying power deteriorates, requiring reduced operational levels and base resource tradeoffs. Decisions to withdraw funds from this account to meet exchange rate losses are made after determining that such losses reduce activities below the approved level of operations, evaluating the ability to absorb losses within the current year financial plan, analyzing any offsetting gains in other parts of the world, and considering the balances available versus projections of exchange rate fluctuations in the current and the budget year based on recognized econometric models. Decisions to deposit exchange rate gains are made generally late in the fiscal year after determining that such gains increase activities above the approved level of operations, analyzing any offsetting losses in other parts of the world, and considering the balances available versus projections of exchange rate fluctuations in the current and budget year using recognized econometric models. Based on exchange rates as of September 30, 2007, a total of \$38 million had to be absorbed in FY 2008, reducing the Department's operating capacity. Any movement in exchange rates will either reduce or increase this loss. With no funding remaining in the Buying Power Maintenance Fund, these and any additional losses will have to be absorbed, requiring tradeoffs within the Department's operating accounts.

Justification of Request

The Department is not seeking additional FY 2009 appropriations for this fund.

Historically, the State Department's BPMA was capitalized at a level of over \$20 million in the mid-1980s, and balances were depleted in subsequent years due to the decline in the value of the dollar against the currencies of virtually every major industrialized country. During FY 1995, the Department completely depleted the BPMA by using funding remaining at that time to partially offset the annualized effects of the decline in the dollar, which occurred in the latter part of FY 1994 (\$5 million) and the continued decline in the dollar during the first half of FY 1995 (an additional \$5 million). From FY 1997 through FY 2002, the Department was able to build the fund back to \$16.7 million through exchange rate gains and the transfer of balances from the former USIA BPMA. However, because of significant worldwide losses in the value of the dollar in FY 2003 and FY 2004, the BPMA was drawn down to zero by the end of FY 2004 and has remained at a zero balance since that time. This leaves the Department with no current reserve to protect against exchange rate losses. Since 2004, the Department has consistently faced net exchange rate losses in its regional bureaus.

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PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Extraordinary Protection of Foreign Missions/Officials New York	7,509	20,814	16,000	(4,814)
Extraordinary Protection of Foreign Missions/Officials Rest of U.S.	1,761	2,000	2,000	0
Appropriation Total	9,270	22,814	18,000	(4,814)

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The Bureau of Diplomatic Security administers the Department's two programs for the extraordinary protection of international organizations, foreign missions and officials, and foreign dignitaries (under certain circumstances) throughout the United States. These programs are the Extraordinary Protection of International Organizations, Foreign Missions, and Officials in New York, and the Extraordinary Protection of International Organizations, Foreign Missions, and Officials Elsewhere in the United States.

The U.S. Government operates these programs in furtherance of its obligations under the Vienna Convention on Diplomatic Relations and other international treaties to protect foreign missions and officials in the United States. When the required level of protection exceeds that which local law enforcement authorities can reasonably be expected to provide to foreign missions and officials, international organizations, or certain visiting dignitaries, the Department is authorized to reimburse other federal agencies or state or local authorities for extraordinary protective services provided or to contract with private security firms to provide such services.

Examples of ongoing protective activities funded by these programs include:

- Permanent protection for certain foreign missions, consulates, and chanceries throughout the United States;
- Intermittent protection for certain other consulates in the United States;
- Protection for foreign officials and certain other distinguished foreign visitors during the annual meeting of the United Nations General Assembly; and
- Protection of foreign government officials while visiting metropolitan areas where there are multiple full-time consular or diplomatic missions, when these officials are in the United States to conduct official business with the U.S. Government.

The Vienna Convention and other international treaties require that host governments ensure reasonable security for foreign missions and officials. The events of September 11, 2001 dramatically changed the requirements for the protection of foreign missions and related personnel in the United States, especially with respect to additional protection and specialized training and equipment.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

Program Description

The program for *Extraordinary Protection of International Organizations, Foreign Missions, and Officials in New York* funds the special security requirements of diplomatic delegations and officials within New York City, including those accredited to the United Nations and other international organizations, and visiting foreign dignitaries under certain circumstances.

The program for *Extraordinary Protection of International Organizations, Foreign Missions, and Officials Elsewhere in the United States* funds the special security requirements of diplomatic delegations and officials and visiting foreign dignitaries under certain circumstances throughout the rest of the United States.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	13,440	8,927	19,000	10,073

FY 2007 Actual includes \$8.5 million transferred in from D&CP.

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

As authorized by Section 4 of the State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2671), the Emergencies in the Diplomatic and Consular Service (EDCS) account is used to meet unforeseen emergency requirements in the conduct of foreign affairs, including evacuations of personnel and their families overseas, and, in certain circumstances, private U.S. citizens and third country nationals; travel and representational expenses; confidential payments; urgent medical and travel expenses related to natural disasters or terrorist incidents; and other authorized activities that further the realization of foreign policy objectives. The EDCS account also is used for the payment of rewards for information related to international terrorism, narcotics related activities, and war crimes tribunals for the former Yugoslavia, Bosnia, Croatia, Rwanda and Sierra Leone as authorized by Section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C 2708) as amended, and by Section 102 of Public Law 105-323, as amended by Public Law 106-277. Funds appropriated for these purposes are authorized to remain available until expended.

Program Description

The evacuation of Lebanon, the Tsunami in Southeast Asia, the war in Iraq, the events of September . 11, 2001, the SARS epidemic and the potential outbreak of Avian Influenza, the bombings of the U.S. Embassies in Nairobi, Kenya and Dar es Salaam, Tanzania and the U.S. Missions in Riyadh, Saudi Arabia and Islamabad, Pakistan underscore the continuing need for a funding source from which extraordinary expenditures can be made on a timely basis to further and protect United States interests abroad. Funds are available under the EDCS appropriation for evacuations and other unforeseen emergencies, and for rewards related to international terrorism, narcotics related activities, and war crimes.

The Department established crisis response teams that are familiar with local language, laws, customs, and personalities, to work with embassy staff in handling all aspects of a major terrorist-related disaster. These teams are trained in crisis management, emergency medical assistance, forensics capabilities, and bereavement techniques, and the personnel are well versed in all aspects of Department of State operations (e.g., the Citizens Emergency Center in the Bureau of Consular Affairs). The cost to dispatch these emergency “fly-away” teams equipped with medical provisions, equipment and supplies, satellite phones, laptop computers, facsimiles, and portable two-way radios is borne by the EDCS appropriation.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Evacuations and Other Activities

Evacuation-related demands faced by the State Department, including the evacuation from Lebanon and those related to the tsunami in Southeast Asia have dramatically increased and emphasize the unpredictability of this EDCS appropriation component. In FY 2007, evacuations due to civil unrest occurred in Kinshasa, Congo, and Conakry, Guinea. Evacuations due to natural disaster (hurricane) occurred in Kingston, Jamaica, and Matamoros and Merida, Mexico.

Additionally, the EDCS appropriation funds certain activities relating to the conduct of foreign affairs by senior Administration officials. These activities generally take place in connection with the U.S. hosting of U.S. Government-sponsored conferences, such as the UN and OAS General Assembly, visits by foreign dignitaries, and official overseas travel by high-level members of the U.S. Government, including Members of Congress and prominent public sector delegates. Transformational diplomacy and Muslim outreach programs have contributed to a major increase in representational activity. The EDCS account also provides funding in support of confidential investigations conducted to counteract passport and visa fraud.

Demands on this account are unpredictable and heavily influenced by evacuations that result from natural disasters, epidemics, terrorist acts and civil unrest.

Terrorism, Narcotics, and War Crimes Rewards Program

Currently, there are approximately \$704.5 million in pending reward offers in the Terrorism, Narco-Terrorism, and War Crimes Rewards programs:

- \$401 million for cases concerning terrorist acts;
- \$193.5 million for cases concerning narcotics traffickers; and
- \$110 million for cases concerning war crimes.

Rewards for Justice publicity campaigns have focused on High Value Targets in Iraq and elsewhere, as well as prominent Al-Qaeda terrorists, such as Usama bin Ladin and Zawahiri, with rewards of up to \$25 million each. The Department has undertaken several aggressive publicity campaigns seeking information regarding terrorist acts against U.S. persons or U.S. property. These media efforts include public service announcements in print, by telecommunications, and on the Internet. The success of these media campaigns has, in recent years, led to reward programs covering narcotics-related matters and war criminals in the Former Yugoslavia and Rwanda.

Currently, standing reward offers cover numerous terrorist incidents, including the terrorist attacks of September 11, 2001; the Bwindi Park murders in Uganda in 1999; the United Texas Petroleum (UTP) murders in 1997 and U.S. Consulate murders in Karachi in 1995 and 2002; the murder of Wall Street journalist Daniel Pearl in 2002; the Embassy Islamabad killings; the bombings of the USS Cole in 2000, the World Trade Center bombing in 1993, the bombing of U.S. embassies in Nairobi and Dar Es Salaam in 1998, the attack on the U.S. Marine Barracks in Beirut in 1983, the bombing of the Khobar Towers in 1996, the attack on an American diplomatic convoy in Gaza in 2003, the bombings in Bali, Indonesia in 2002, and the attack on Saudi residential compounds in 2004. The Secretary of State has approved reward offers for the location and/or arrest of key leaders of the terrorist group Jemaah Islamiyah (JI) who were behind the Bali bombings and are believed to be planning further attacks in Southeast Asia. There are also standing reward offers for the arrest or conviction of Philippines based-Abu Sayyaf Group (ASG) members who were responsible for the kidnapping of three Americans in 2001. Given the momentum of the counter-terrorism campaign in the Philippines, it is highly likely that many of these key terrorists from ASG and JI will be brought to justice in the near future. There are also standing reward offers for several members of the former regime of Saddam Hussein; the arrest or conviction of Revolutionary Armed Forces of

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Colombia (FARC) kidnapers in Colombia; the arrest and/or conviction of major international drug lords; and the arrest of war criminals in Rwanda and the former Yugoslavia.

Justification of Request

The FY 2009 request of \$19 million will allow the Department to meet unforeseen emergency requirements in the conduct of foreign affairs, including evacuations of USG personnel, private citizens, and their families. It will also help to meet other activities vital to the successful execution of U.S. foreign policy goals, such as representation requirements and confidential investigations conducted to counteract passport and visa fraud. The Department anticipates a major increase in representational activities in FY 2009 due to preparations for the U.S. hosting of the 2011 APEC Ministerial. The FY 2009 request will also allow the Department to pay rewards in relation to international terrorism, narcotics trafficking and war crimes.

Current events worldwide have demonstrated the importance of having an emergency reserve upon which to draw to protect American lives overseas. No carryover from FY 2008 is anticipated.

The \$4 million increase in unforeseen emergencies will allow the Department to provide for the safe and immediate evacuation of Americans in times of strife, terrorism, natural disaster, and the impending threat of pandemic influenza outbreak, as well as to cover the escalating costs of a higher volume of investigations and apprehension of groups or individuals involved in fraudulent issuance of U.S. passports and visas, and the increased demand on domestic representation activities, particularly for international initiatives under a new administration.

The \$6 million increase in rewards will allow the Department to provide for payment of rewards for information on international terrorism, narcotics trafficking and war crimes, and to provide for the expansion of publicity efforts. The momentum generated by the successful counterterrorism campaigns in Southeast Asia will likely result in the arrests of key terrorists from ASG and JI in the near future.

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REPATRIATION LOANS PROGRAM ACCOUNT

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	1,302	1,275	1,353	78

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The FY 2009 request will allow the Department of State to subsidize and administer the Repatriation Loans program consistent with the Credit Reform Act of 1990 and at a funding level consistent with historical requirements. This activity is funded as a direct loan program in accordance with the Credit Reform Act. The Department of State receives a limited level of financing for direct loans from the Department of the Treasury in a separate financing account, disburses these funds to U.S. citizens as needed abroad, and repays the Treasury as the repatriation loans are collected from the public.

Program Description

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

Justification of Request

The Repatriation Loan Program directly benefits American citizens abroad by providing them with the means to return to the United States if destitute or otherwise in need of such assistance. The program also serves U.S. foreign policy interests where exigent circumstances require an individual's return to the United States consistent with host country laws or to preserve public safety. In 2007, \$902,589.88 for 678 loans were processed overseas for destitute Americans.

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PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Agriculture Services	425	445	461	16
Commercial Services	1,220	1,181	1,227	46
Consular Services	2,600	3,542	3,679	137
Economic Services	1,243	1,410	1,465	55
Other Services	6,860	6,649	6,906	257
Public Affairs Services	1,822	1,336	1,388	52
Washington Headquarters	1,656	1,656	1,714	58
Appropriation Total	15,826	16,219	16,840	621

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The American Institute in Taiwan (AIT) is incorporated under the laws of the District of Columbia as a nonprofit organization for the purposes of maintaining commercial, cultural and other relations between the people of the United States and the people of Taiwan in the absence of official government representation or diplomatic relations. In performing these functions, the Institute operates under authorities granted by the Taiwan Relations Act (P.L. 96-8). In accordance with the Act, U.S. Government programs in Taiwan are conducted through AIT under a contract with the Department of State. This appropriation funds that contract, which provides funding for salaries, benefits, representation, and other expenses associated with operations in Taiwan and in the United States. Other funding is derived from visa processing fees and payments by other agencies. Through agreements and contracts with other USG agencies, AIT carries out a variety of programs. Under the Act, Congress exercises an oversight role over AIT operations and procedures.

Program Description

To support U.S. interests in Taiwan, AIT promotes U.S. exports to Taiwan, serves as the advocate to Taiwan authorities for U.S. political and security interests, provides consular services (non-immigrant and immigrant visas as well as various American citizen services), participates in cultural, scientific, and information exchange programs, analyzes and reports on political and economic events critical to U.S. interests, and facilitates U.S. arms sales to Taiwan. In addition, AIT negotiates agreements on behalf of the United States with its Taiwan counterpart, the Taipei Economic and Cultural Representative Office in the United States (TECRO).

AIT's Washington headquarters carries out executive functions and acts as the liaison between various U.S. Government agencies and TECRO. In particular, the Washington office provides executive and administrative direction for AIT, financial oversight and contract administration of all agency agreements, and coordination of negotiations and agreements. In accordance with the

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

AIT-TECRO Agreement on Privileges and Immunities, the Washington office also issues identity cards and tax exemption cards to TECRO employees and their dependents, and serves as the liaison between TECRO, the Department of State, and the Department of Homeland Security, Directorate of Border and Transportation Security regarding visas and adjustments of status.

Support for American Institute in Taiwan operations comes from three funding sources: this Department of State appropriation; reimbursements by USG agencies such as the Departments of Commerce, Agriculture, Defense, Department of Homeland Security/Customs and Border Protection, and the Department of Energy for specific staff positions on an actual cost-reimbursable basis; and a significant portion of the visa processing fees (charged by AIT under Department of State authority).

In FY 2009, AIT anticipates collecting a total of \$32 million from sources other than its appropriations. This includes approximately \$18 million in visa processing fees and \$14 million in reimbursements from other agency contracts as well as compensation associated with supporting the Foreign Service Institute's Chinese Language School. Of the estimated \$18 million in visa processing fees, \$16.475 million will be needed to cover direct and indirect operating expenses in addition to the appropriation provided. The remaining funds will be set aside for the capital projects account and consular service upgrades.

In addition to ongoing efforts, AIT has been successful in resolving property issues in accordance with a full cost-reimbursement program as mandated by OMB Circular A-122 Cost Principles for Nonprofit Organizations and has continued to receive "unqualified" OMB Circular A-133 audits since instituting a commercial/accrual based accounting system in 1998. AIT also continues to work closely with the Department on planning and design of a new office building complex. AIT and the Taiwan authorities signed a ninety-nine year lease agreement for the new complex in December 2004. Design activities for the new office building project are being managed by the Department's Bureau of Overseas Buildings Operations. Ground breaking for the new office compound in Taipei is scheduled for FY 2008.

Justification of Request

This request of \$16,840,000 will maintain overall operations at the FY 2008 level and ensure that some visa processing fee revenues can be transferred to the capital projects account in order to support construction of a new office compound in Taipei. AIT will use remaining visa processing revenues to cover lease costs, indirect costs, and other special projects.

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	126,400	122,500	122,500	0

Overview

This appropriation provides mandatory funding to the Foreign Service Retirement and Disability Fund (FSRDF). This appropriation finances, by 30 annual installments, any unfunded liability created by new or liberalized benefits, new groups of beneficiaries, and salary increases. This appropriation is one of several sources of income to the FSRDF. Funding is maintained through contributions by employees; agency contributions; special government contributions, including this program; interest on investments; and voluntary contributions. This request includes the State Department's portion of these Foreign Service costs. The U.S. Agency for International Development (USAID) is responsible for requesting its share of the cost in a separate appropriation.

This separate payment by the State Department into the FSRDF is authorized by Section 821 of the Foreign Service Act of 1980, as amended, which provides for an appropriation to be established to the Fund, to be paid in thirty annual installments, of the amount required for the unfunded liability created by new or liberalized benefits, new groups of beneficiaries, or increased salaries on which benefits are computed. In addition, Section 822 of the Act authorizes financing of the balance of the normal cost for each fiscal year, an amount equal to the balance of annual costs to the Fund in excess of current employee and employer contributions.

Program Description

The request funds continuing installments of unfunded liabilities created by federal salary increases, the extension of benefits to new groups of employees, by new or liberalized benefits paid from the Fund, and for normal costs not met by employee and employer contributions. The amount of the appropriation is the result of the annual evaluation of the Fund balance based on current statistical data, including Federal pay raise information.

The FSRDF includes the operations of two separate retirement systems - the Foreign Service Retirement and Disability System (FSRDS) and the Foreign Service Pension System (FSPS). The FSRDF was established to provide pensions to all eligible retired and disabled members of the Foreign Service who are enrolled in either of the two systems, and certain eligible former spouses and survivors. The purpose of this appropriation is to maintain the required funding level of the FSRDS. This appropriation is the complementary funding required, in addition to the other sources of funding previously mentioned.

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INTERNATIONAL ORGANIZATIONS

Resource Summary

(\$ in thousands)

Appropriations	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Contributions to International Organizations	1,201,317	1,343,429	1,529,400	185,971
Contributions for International Peacekeeping Activities	1,418,275	1,690,517	1,497,000	(193,517)
Total, International Organizations	2,619,592	3,033,946	3,026,400	(7,546)

FY 2007 Actual for Contributions to International Organizations includes \$50.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

FY 2007 Actual for Contributions for International Peacekeeping Activities includes \$283.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

FY 2008 Estimate for Contributions for International Peacekeeping Activities includes \$468.0 million in emergency funding provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

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CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	1,201,317	1,343,429	1,529,400	185,971

FY 2007 Actual includes \$50.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

Funding for the Contributions to International Organizations (CIO) account enables U.S. participation in over forty organizations that provide unique opportunities for the U.S. to leverage other nations' expertise and financial resources in pursuit of shared solutions to common problems, such as the war on terrorism. International organizations advance global commitments to free and fair trade, respect for human rights, peaceful uses of nuclear energy, and the destruction of chemical weapons. International organizations enable nations to work together to eliminate disease, reduce environmental degradation, secure airports and seaports, protect intellectual property rights, and maintain the world's telecommunications networks.

Program Description

Organizations funded through the CIO account achieve real results that promote U.S. strategic and economic interests abroad. Many sectors of the U.S. economy depend on international organizations for access to foreign markets and reduction of trade barriers. U.S. citizens depend on international organizations for dispute resolution and application of international law in areas such as child custody.

International organizations are advancing the Department's transformational diplomacy objectives in every region of the world. Because international organizations leverage financial contributions from other nations, their impact can be significantly greater than that of an individual nation working unilaterally or bilaterally. Each organization funded through the CIO account directly supports at least one of the Department's transformational diplomacy objectives: Peace and Security, Governing Justly and Democratically, Investing in People, Economic Growth and Humanitarian Assistance.

International organizations are advancing *Peace and Security* around the world.

- The United Nations gained agreement from the Government of Sudan to accept deployment of a joint African Union-United Nations hybrid force, and approved the establishment of a force of nearly 26,000 personnel for operations in Darfur.
- The United Nations launched the International Compact with Iraq, fostering regional engagement and representing a commitment between the Government of Iraq and the international community to advance peace, sound governance and economic reconstruction.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

- The North Atlantic Treaty Organization deployed over 40,000 soldiers from 37 countries in the fight against terrorism in Afghanistan, and trained more than 5,000 Iraqi military and 400 Iraqi gendarme officers.
- The Organization for the Prohibition of Chemical Weapons oversaw and verified the destruction of 3,800 metric tons of chemical warfare stockpiles in 2006 alone, depriving state and non-state actors of access to these dangerous materials.
- The International Atomic Energy Agency reported Iranian non-compliance on the peaceful development and use of nuclear energy to the United Nations Security Council, and continues to investigate Iran's nuclear program. In turn, the Security Council imposed sanctions on elements of the Iranian regime involved in proliferation activities.
- The International Civil Aviation Organization completed security audits of aviation facilities in nearly all of its 190 member states via the Universal Security Audit Program, with 161 states submitting corrective action plans to improve their security posture during 2006-2007.
- The World Customs Organization is implementing a port and container security initiative that enhances U.S. border security by establishing international standards for high-risk cargo shipments at their ports of origin. 145 nations have committed to implementing the initiative.
- The International Maritime Organization developed the International Ship and Port Facility Security Code, which is binding on 148 nations and requires risk assessments and application of appropriate security measures to address risks associated with ships and ports.

International organizations are helping nations *Govern Justly and Democratically*.

- The United Nations established a UN Mission in Nepal to support peaceful elections for the Constituent Assembly, a key step in the peace process and a means to consolidate stability in Nepal after a decade-long conflict.
- The United Nations advanced the restoration of law and order in several African nations, including the Democratic Republic of Congo, which held democratic elections for the first time in forty years, and Burundi, which held democratic elections for the first time in twelve years.
- The Organization of American States helped facilitate elections and referenda during 2006 and 2007 in numerous Latin American nations, including Colombia, Ecuador, Guatemala, Haiti, Nicaragua, Panama, Peru and Venezuela.
- The International Labor Organization promulgated child labor standards that are applicable to each of its 179 member states through its largest technical cooperation program, the International Program for the Elimination of Child Labor.
- The Organization for Economic Cooperation and Development implemented an Anti-Bribery Convention and Principles of Corporate Governance that promote integrity at corporations, financial institutions and markets around the world.
- The United Nations established new human rights offices in Togo, Guatemala, Nepal and Uganda, increasing the number of countries with a United Nations human rights presence to forty.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International organizations are promoting global *Economic Growth* and creating export opportunities for U.S. manufacturers, farmers, ranchers and service providers.

- The World Trade Organization facilitates an international trade framework that enabled the U.S. to export over \$1.4 trillion worth of goods and services in 2006.
- The Asia-Pacific Economic Cooperation forum sponsors efforts that have reduced trade barriers by five percent in the Asia-Pacific region, which accounts for over two-thirds of U.S. global trade.
- The International Telecommunication Union completed projects that helped over 60 developing countries reform their telecommunication sectors. The projects reflect U.S. priorities for international capacity building, network security and infrastructure development.
- The International Labor Organization sponsors small business and entrepreneurship programs that create business opportunities and promote growth in nearly ninety countries.

International organizations *Invest in People* by advancing health care, reducing the threat of disease, and promoting education around the world.

- The World Health Organization raised immunization levels of the world's children from 20% in 1980 to over 80% today, helped reduce the number of polio cases to 740 in 2006, and partnered with other agencies to attain an estimated 80% global vaccination level for measles.
- The Food and Agriculture Organization is helping more than 130 countries adopt measures to prevent and control the spread of avian influenza (bird flu).
- The United Nations Educational, Scientific and Cultural Organization conducts a teacher training program that is increasing literacy and basic education in forty-six countries.

International organizations lead global efforts to provide *Humanitarian Assistance*.

- The United Nations assisted refugees in numerous regions of the world, including 3.6 million refugees returning to Afghanistan and 400,000 refugees returning to Angola.
- North Atlantic Treaty Organization forces in Afghanistan provided food supplies, winter clothing and medical care to thousands of Afghans preparing for severe winter weather.
- The Food and Agriculture Organization provided relief and rehabilitation support to Bangladesh in the wake of damage caused by Cyclone Sidr in November 2007.

Justification of Request

The Department's FY2009 request provides for continued U.S. membership in over forty international organizations. The CIO account is the source of funding for assessed contributions that the U.S. pays as a full participant in these organizations. U.S. participation includes serving on governing bodies that establish policies and oversee programs impacting international peace and security, trade, travel, navigation, health care, telecommunications, postal service, development of nuclear energy, and conservation of water and wildlife resources.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For most of the organizations funded through this account, the obligation to pay assessed contributions results from U.S. ratification of an international treaty or convention. Each treaty or convention brings nations together in a shared commitment to develop solutions to some of the world's most pressing problems, such as the elimination of chemical weapons and containment of avian influenza. Other nations contribute a large proportion of the financial resources that support these shared solutions. For all but a few organizations, the U.S. contributes twenty-five percent or less of the organizations' assessed budgets.

Funding for the CIO account enables a substantial number of U.S. federal agencies to send delegations, participate in governing bodies, and otherwise take advantage of opportunities to promote U.S. goals and objectives at these organizations. The federal agencies that participate in these organizations include the Departments of Defense, Homeland Security, Treasury, Commerce, Agriculture, Transportation, Labor, and Health and Human Services. The U.S. private sector also has a substantial interest in the work that these organizations do abroad to promote international relations and commerce.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
United Nations and Affiliated Agencies				
United Nations Regular Budget	422,699	495,704	452,560	(43,144)
United Nations Capital Master Plan	22,110	85,435	75,535	(9,900)
United Nations War Crimes Tribunal - Yugoslavia	17,476	19,860	21,571	1,711
United Nations War Crimes Tribunal - Rwanda	15,080	15,443	14,967	(476)
Food and Agriculture Organization	93,382	98,713	113,345	14,632
International Atomic Energy Agency	84,753	96,476	101,784	5,308
International Civil Aviation Organization	15,149	16,872	18,530	1,658
International Labor Organization	67,743	72,368	77,166	4,798
International Maritime Organization	1,630	1,574	1,641	67
International Telecommunication Union	8,083	8,457	8,428	(29)
UN Educational, Scientific and Cultural Organization	73,479	77,285	80,184	2,899
Universal Postal Union	1,736	1,815	1,862	47
World Health Organization	101,421	101,421	106,573	5,152
World Intellectual Property Organization	944	1,010	1,006	(4)
World Meteorological Organization	11,236	12,083	11,938	(145)
Subtotal, United Nations and Affiliated Agencies	936,921	1,104,516	1,087,090	(17,426)
Inter-American Organizations				
Organization of American States	45,395	45,728	46,757	1,029
Pan American Health Organization	56,609	57,865	59,121	1,256
Inter-American Institute for Cooperation on Agriculture	16,360	16,360	16,360	-
Pan American Institute of Geography and History	324	324	324	-
Subtotal, Inter-American Organizations	118,688	120,277	122,562	2,285
Regional Organizations				
Organization for Economic Cooperation and Development	94,868	104,298	105,242	944
North Atlantic Treaty Organization	55,778	63,336	71,290	7,954
NATO Parliamentary Assembly	996	1,163	1,231	68
The Pacific Community	1,686	1,725	1,715	(10)
Asia-Pacific Economic Cooperation	696	696	900	204
Colombo Plan Council for Technical Cooperation	15	15	15	-
Subtotal, Regional Organizations	154,039	171,233	180,393	9,160

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Other International Organizations				
Organization for the Prohibition of Chemical Weapons	22,415	24,966	27,883	2,917
World Trade Organization	22,263	21,211	22,163	952
Customs Cooperation Council	4,275	4,754	4,684	(70)
Hague Conference on Private International Law	224	253	253	-
International Agency for Research on Cancer	1,842	1,858	1,900	42
Int'l Bureau for the Publication of Customs Tariffs	149	161	165	4
Int'l Bureau of the Permanent Court of Arbitration	67	76	78	2
International Bureau of Weights and Measures	1,349	1,430	1,486	56
International Center for the Study of Preservation and Restoration of Cultural Property	1,078	1,154	1,154	-
International Coffee Organization	551	566	649	83
International Copper Study Group	56	54	57	3
International Cotton Advisory Committee	309	322	331	9
International Grains Council	578	582	624	42
International Hydrographic Organization	118	146	146	-
International Institute for the Unification of Private Law	162	174	180	6
International Lead and Zinc Study Group	50	50	51	1
International Organization of Legal Metrology	157	164	168	4
International Rubber Study Group	132	133	139	6
International Seabed Authority	-	-	1,296	1,296
International Seed Testing Association	10	11	11	-
International Tribunal for the Law of the Sea	-	-	3,608	3,608
International Tropical Timber Organization	228	219	220	1
Int'l Union for the Conservation of Natural Resources	379	408	413	5
Int'l Union for the Protection of New Varieties of Plants	223	237	237	-
World Organization for Animal Health	198	199	201	2
Subtotal, Other International Organizations	56,813	59,128	68,097	8,969
Tax Reimbursement Agreements for U.S. Citizens	17,595	19,181	20,485	1,304
Total Requirements	1,284,056	1,474,335	1,478,627	4,292
Adjustment for Exchange Rate and Other Changes (1)	(82,739)	(77,906)	50,773	128,679
Adjustment for Pending FY 2008 Supplemental	-	(53,000)	-	53,000
Total Contributions to International Organizations	1,201,317	1,343,429	1,529,400	185,971

(1) The FY 2009 Request includes funding which will be applied to FY 2007 arrears for the following organizations: United Nations Regular Budget; Food and Agriculture Organization; International Labor Organization; UN Educational, Scientific and Cultural Organization; and Organization for Economic Cooperation and Development.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	1,418,275	1,690,517	1,497,000	(193,517)

FY 2007 Actual includes \$283.0 million provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J) and includes \$468.0 million in emergency funding provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The Contributions for International Peacekeeping Activities (CIPA) account funds expenses for international peacekeeping activities. UN peacekeeping operations support activities to maintain and restore international peace and security and can be an effective means of containing conflict and resolving disputes in a way that furthers U.S. interests.

Program Description

UN peacekeeping is a valuable tool for U.S. national strategy. Acting through the UN allows the United States to share the risks and costs of dealing with international crises with other nations. Deployment of UN peacekeeping operations, and selective U.S. participation in them, can advance important U.S. interests.

More generally, peacekeeping operations can:

- separate adversaries,
- maintain cease-fires,
- facilitate the delivery of humanitarian relief,
- help create conditions where refugees and displaced persons can return home,
- facilitate peace talks,
- constrain the forces of opposing parties, and
- create conditions conducive to political reconciliation and free elections.

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

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

- **UN Disengagement Observer Force** (UNDOF, established May 31, 1974) – acts as a buffer between Syria and Israeli troops in the strategic Golan Heights area.
- **UN Interim Force in Lebanon** (UNIFIL, established March 19, 1978) – restores international peace and security in southern Lebanon and Lebanese sovereignty in the south of Lebanon.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

- **UN Mission in Western Sahara** (MINURSO, established April 29, 1991) – monitors the cease-fire and assists in conducting a referendum on the future status of the Western Sahara.
- **UN Mission in Kosovo** (UNMIK, established June 10, 1999) – provides an interim administration for Kosovo while establishing, oversees the development of provisional, democratic and self-governing institutions in the province, and worked to facilitate a safe environment for all people in Kosovo. In March 2007, the UN Security Council received a set of proposals from special envoy Martti Ahtisaari that included measures to protect Kosovo's minority populations and a recommendation of "supervised independence" for Kosovo. The budget request reflects an assumption that the Mission will close in FY 2008 in connection with the resolution of Kosovo's final status and an assumption of follow-on functions by an International Civilian Presence along the lines described in the Ahtisaari Proposal..
- **U.N. Peacekeeping Force in Cyprus** (UNFICYP established March 4, 1964) – serves as a buffer force between Turkish and Turkish Cypriot forces on one side of the zone and the Greek Cypriot National Guard on the other. UNFICYP has helped to prevent an outbreak of conflict on Cyprus that could provoke Turkey and Greece, two U.S. NATO Allies, into hostilities, thus endangering both peace in the immediate area and the stability of the greater Balkans-Aegean region.
- **UN Observer Mission in Georgia** (UNOMIG, established August 24, 1993) – monitors compliance with the cease-fire agreement reached between the Republic of Georgia and Abkhaz separatist forces on May 14, 1994.
- **War Crimes Tribunals in Yugoslavia and Rwanda** (established for Yugoslavia in May 1993 and for Rwanda in November 1994) – investigate and prosecute war crimes in these areas. Half of each of these tribunals is funded by a special assessment using the UN regular budget scale of assessments, which is paid out of the Contributions to International Organizations account, and the other half is funded using the UN peacekeeping scale, which is paid out of this account.
- **UN Mission in Timor Leste** (UNMIT, established August 25, 2006) – provides stability and policing capacity as domestic institutions continue to be strengthened in the aftermath of successful 2007 presidential and parliamentary elections.
- **UN Operations in the Democratic Republic of Congo** (MONUC, established November 30, 1999) – covers expenses of UN activities in the Democratic Republic of Congo (DROC) in support of the Lusaka accords goals of withdrawal of foreign forces and the disarmament and demobilization of armed rebel groups, and conduct free and fair elections.
- **UN Mission in Ethiopia/Eritrea** (UNMEE, established July 31, 2000) – supports the cessation of hostilities and the peace agreements signed by Ethiopia and Eritrea in 2000, and following the Boundary Commission determination on the delimitation of the border areas, UNMEE will observe and provide technical support for the demarcation of the disputed areas.
- **UN Mission to Liberia** (UNMIL, established September 19, 2003) – supports the implementation of the ceasefire agreement and assists with restructuring the Liberian government and re-establishing national authority throughout the country.
- **UN Mission in Sudan** (UNMIS, established March 24, 2005) – supports implementation of the Comprehensive Peace Agreement (CPA) signed by the parties; facilitates and coordinates, within its capabilities and in its areas of deployment, the voluntary return of refugees and internally displaced persons and humanitarian assistance; and contributes towards international efforts to protect and promote human rights in Sudan.
- **UN Operation in Cote d'Ivoire** (UNOCI, established April 4, 2004) – monitors the cease-fire and assists Cote d'Ivoire's transitional power-sharing government in disarming and repatriating the former

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

combatants. Restoring stability to Cote d'Ivoire is a critical element in restoring peace to the entire West African region.

- **UN Mission in Haiti** (MINUSTAH, established April 30, 2004; replaced the Multinational Interim Force (MIF) on June 1, 2004) – assists in the reestablishment of Haiti's police functions, coordinates with other International Organizations in providing assistance in Haiti, assists in organizing Haitian elections, and helps create an environment where the Haitian political process and economic recovery can take hold.
- **UN–AU Hybrid Mission in Darfur** (UNAMID, established July 31, 2007) – contributes to the restoration of security conditions for the safe provision of humanitarian assistance; to the protection of civilian populations under imminent threat of physical violence and prevent attacks against civilians; to the promotion of respect for and protection of human rights and fundamental freedoms in Darfur; to a secure environment for economic reconstruction and development, as well as the sustainable return of internally displaced persons and refugees to their homes.
- **UN Mission to Chad/Central African Republic** (MINURCAT, established September 25, 2007) – assists in the protection of refugees, internally displaced persons (IDPs), other vulnerable civilian populations, and humanitarian relief efforts in those regions of Chad and the Central African Republic (CAR) that border Sudan's Darfur province. It is envisioned as a multinational presence of civilian and military personnel along with a separate European Union (EU) force, under EU command and control, of approximately 2,800 to 4,300 troops.

Justification of Request

The \$1,497,000,000 FY 2009 request is \$193.5 million less than the FY 2008 enacted level (11.5% decrease) and will provide funds for the U.S. share of assessed expenses for United Nations peacekeeping operations.

The Department requests that 15% of FY 2009 funds be appropriated as "two-year funds". This flexibility is particularly important given the unpredictability of the requirements in this account and because UN peacekeeping missions are multi-year operations that have mandates that often overlap the U.S. fiscal year.

The Administration notes that the U.S. assessed share of UN peacekeeping has been reduced in recent years from well over 27 percent for assessments made in 2005 to just under 26 percent for assessments received in 2008 and 2009. In order to allow for the payment of peacekeeping assessments at the rates assessed by the United Nations, including amounts withheld because of the statutory cap limited payments to 25 percent of UN peacekeeping costs from 2005 through 2007, the Administration requests authority to pay up to 27.1% of the cost of any UN peacekeeping operation for assessments received from calendar year 2005 through calendar year 2009.

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CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
UN Disengagement Observer Force (UNDOF)	9,353	10,790	7,660	(3,130)
UN Interim Force in Lebanon (UNIFIL) (1)	309,266	243,972	186,400	(57,572)
UN Mission for the Referendum in Western Sahara (MINURSO)	8,924	12,047	8,400	(3,647)
UN Interim Administration Mission in Kosovo (UNMIK)	83,778	26,855	0	(26,855)
UN Peacekeeping Force in Cyprus (UNFICYP)	6,482	6,416	4,540	(1,876)
UN Observer Mission in Georgia (UNOMIG)	7,995	10,082	7,400	(2,682)
War Crimes Tribunal - Yugoslavia (UNICTY)	22,680	25,356	17,000	(8,356)
War Crimes Tribunal - Rwanda (UNICTR)	18,554	17,563	14,000	(3,562)
UN Integrated Mission in Timor-Leste (UNMIT) (2)	76,389	46,876	34,500	(12,376)
UN Organization Mission in the Democratic Republic of the Congo (MONUC)	317,834	284,661	210,000	(74,661)
UN Mission in Ethiopia/Eritrea (UNMEE)	30,020	34,424	26,000	(8,424)
UN Mission in Liberia (UNMIL)	177,214	179,700	123,400	(56,300)
UN Mission in Sudan (UNMIS) (3)	252,136	241,638	208,900	(32,738)
UN Operation in Burundi (ONUB)	15,588	0	0	0
UN Operation in Cote d'Ivoire (UNOCI)	158,809	120,007	81,000	(39,007)
UN Stabilization Mission in Haiti (MINUSTAH)	86,530	145,822	114,400	(31,422)
UN-AU Hybrid Mission in Darfur (UNAMID)	0	884,000	414,000	(470,000)
UN Mission to Chad/Central African Republic (MINURCAT)	0	83,000	39,400	(43,600)
Unpaid FY 2006 Assessments (4)	65,174	0	0	0
Annual Requirements	1,646,726	2,373,209	1,497,000	(876,209)
Enacted Emergency Requirements	(283,000)	(468,000)	0	468,000
Pending Emergency Requirements - UNAMID	0	(333,600)	0	333,600
Total, Non-Emergency Requirements	1,363,726	1,571,609	1,497,000	(74,049)
Resource Adjustments				
FY 2006 Supplemental - UNMIS	(129,800)	0	0	0
FY 2007 Supplemental - MINURCAT	83,000	(83,000)	0	83,000
FY 2006 Adjustment	(65,174)	0	0	0
FY 2007 Adjustment	(116,477)	0	0	0
FY 2008 Adjustment	0	(266,092)	0	266,092
Subtotal, Resource Adjustments	(228,451)	(349,092)	0	349,092
Total, Non- Emergency Appropriations	1,135,275	1,222,517	1,497,000	274,483
Total, Enacted Emergency Appropriations	283,000	468,000	0	(468,000)
Total, Contributions for International Peacekeeping Activities	1,418,275	1,690,517	1,497,000	(193,517)

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

- (1) FY 2007 Actual includes \$184 million in supplemental funds.
- (2) FY 2007 Actual includes \$16 million in supplemental funds.
- (3) FY 2007 Actual includes \$129 million in FY 2006 supplemental funds.
- (4) Statutory cap on U.S. Contributions for International Peacekeeping Activities.

INTERNATIONAL COMMISSIONS

Resource Summary

(\$ in thousands)

Appropriations	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
International Boundary and Water Commission	33,600	117,893	76,506	(41,387)
Salaries & Expenses	28,368	30,184	32,256	2,072
Construction	5,232	87,709	44,250	(43,459)
International Fisheries Commissions	23,693	26,312	22,000	(4,312)
American Sections	9,962	10,851	11,449	598
Border Environment Cooperation Commission	2,094	2,202	2,120	(82)
International Joint Commission	6,450	7,131	7,559	428
International Boundary Commission	1,418	1,518	1,770	252
Total, International Commissions	67,255	155,056	109,955	(45,101)

FY 2007 Estimate for the International Boundary and Water Commission - Salaries and Expenses includes \$0.650 million transferred in from D&CP - Ongoing Operations.

All FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

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

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Administration	5,476	6,094	6,038	(56)
Engineering	2,382	2,327	2,605	278
Operations and Maintenance	20,510	21,763	23,613	1,850
Appropriation Total	28,368	30,184	32,256	2,072

FY 2007 Actuals include \$0.650 million transferred in from D&CP-Ongoing Operations.

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The U. S. Section of the International Boundary and Water Commission (USIBWC) is responsible for the overall management and administration, including planning, of Commission programs and facilities. The Commissioner manages the execution of the USIBWC mission, which is to exercise U.S. rights and obligations assumed under U.S.-Mexico boundary and water treaties and related agreements in an economically and sound manner and to develop binational solutions to water and boundary problems arising along the 1,952 miles of border between the U.S. and Mexico, which encompasses the four U.S. states of Texas, New Mexico, Arizona, and California and the six Mexican states of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, Sonora, and Baja California, and to resolve current and anticipated boundary and water disputes between the U.S. and Mexico in the best interest of the American public.

The IBWC is made up of the United States (U.S.) Section, headquartered in El Paso, Texas, and the Mexican Section (CILA), headquartered in Ciudad Juarez, Chihuahua. Both sections have field offices along the boundary. In accomplishing the IBWC's mission, the U.S. and Mexican Sections jointly exercise the provisions of existing treaties to improve the water quality of the Tijuana, Colorado, and Rio Grande rivers and resolve border sanitation problems. The Commission also applies the provisions of these treaties and agreements to equitably distribute the boundary rivers water to both countries and for the operations of: international flood control projects along the boundary rivers, international reservoirs for conservation of Rio Grande water and for hydroelectric generation, and international wastewater treatment plants. The IBWC also has the responsibility to establish and maintain the boundary in the limitrophe section of the international rivers and demarcate the land boundary. Most projects are developed jointly by the U.S. Section and CILA, requiring interdependence for full implementation of those projects.

Program Description

Administration

The U.S. Section is staffed to address domestic and international agreements and issues relating to the distribution and delivery of international waters in the Rio Grande and Colorado Rivers, protection of lives

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

and property from floods along bordering communities, border demarcation and water quality and quantity matters. The U.S. Section has authority to perform its own administrative activities, including human resources management, budgeting, procurement, finance and accounting, payroll, and property. These are performed using established internal control procedures within Federal laws and regulations. The U.S. Section has advanced information management service capabilities, and contracts out the data processing of the financial, payroll, property, and acquisition functions with a Financial Management Center of Excellence via a cross-service agreement.

Engineering

The Engineering Department performs technical planning, investigations/studies, designs, environmental and project management for agency engineering programs. The Engineering Department also reviews plans, designs, studies and prepares environmental documentation for non-IBWC projects, such as construction of new international bridges and ports of entry and pipelines for transborder conveyance of liquefied petroleum and natural gas, on the U.S.-Mexico border with potential trans-boundary impacts on IBWC projects/mission.

General engineering activities include:

- Operational and long-range agency project planning and studies;
- Development, coordination/management and review of infrastructure projects in areas including: hydraulic, flood control, sanitation, and bridges;
- Environmental management documentation for mission activities in flood control, sanitation, facilities operations, and construction;
- Water quality monitoring and inventory programs of boundary waters; and
- Water resource studies to include surface and groundwater assessments.

Operations & Maintenance

The Operations Department operates and maintains all river and reservoir structures, hydroelectric power plants, and international wastewater treatment facilities. It is responsible for demarcating the border between the U.S. and Mexico by maintaining the integrity of boundary markers along the land boundary, river channels along international river boundaries, and boundary buoys on international reservoirs. The Operations Department also conducts all international water accounting in close coordination with Mexico.

Justification of Request

The FY 2009 budget request of \$32,256,000 for the Salaries and Expenses activities comprises: \$6,038,000 for the Administration Activity; \$2,605,000 for the Engineering Activity; and \$23,613,000 for the Operations and Maintenance Activity.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Boundary-Wide Program	1,197	100	1,500	1,400
Facilities Renovation	828	1	1,000	999
Heavy Equipment Replacement	369	0	200	200
Critical Infrastructure Protection	0	0	300	300
Land Boundary Demarcation	0	99	0	(99)
Water Quantity Program	3,636	21,747	14,750	(6,997)
Rio Grande Canalization	249	0	0	0
Rio Grande Flood Control System Rehabilitation	2,590	21,524	13,000	(8,524)
Safety of Dams Rehabilitation	598	223	1,000	777
Colorado River Boundary and Capacity Preservation	199	0	750	750
Water Quality Program	399	65,862	28,000	(37,862)
Secondary Treatment of Tijuana Sewage	399	65,465	28,000	(37,465)
Nogales IWTP Improvements	0	397	0	(397)
Appropriation Total	5,232	87,709	44,250	(43,459)

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The International Boundary and Water Commission (IBWC) is a binational organization comprised of a United States (U.S.) Section and a Mexican Section. The U.S. Section is an instrumentality of the U.S. government, headquartered in El Paso, Texas, and the Mexican Section is headquartered in Ciudad Juarez, Chihuahua. Both sections have field offices strategically situated along the boundary, which enables the IBWC to carry out its mission objectives and meet its required obligations.

Pursuant to U.S. law and treaties between the United States and Mexico, the USIBWC carries out several construction projects. This appropriation provides funding for the U.S. portion of binational construction projects independent of, or with, Mexico to rehabilitate or improve water deliveries, flood control, boundary preservation, and sanitation.

Since the Convention of February 1, 1933, which provided for rectification of the Rio Grande through the El Paso–Juarez valley, the two governments have participated in several bi-national construction projects. The 1944 Water Treaty provided that the two governments construct diversion and storage dams on the Rio Grande and Colorado River. The dams provide the means for conservation and regulation of international river waters. In addition, the 1944 Water Treaty provides for flood control works on the Rio

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Grande, Colorado River, and Tijuana River. It also directs both governments to give priority attention to border sanitation issues.

This appropriation provides funding for construction and major renovations along the U.S.- Mexico border that enables the storage, distribution, and delivery of international waters in the Rio Grande and Colorado River, and affording protection of lives and property from floods in bordering communities. In addition, the appropriation provides for the preservation of the international boundary, and the improvement of the water quality on both sides of the border.

Border Sanitation

Under the authority of the 1944 Water Treaty between the U.S. and Mexico, the IBWC is entrusted to give preferential attention to border sanitation issues. Presently, the IBWC is addressing a number of sanitation problems in the western land boundary region. These problems are mostly a result of trash, debris, and sewage entering into the U.S. from Mexico through rivers and storm water runoff. The IBWC is currently working toward addressing bi-national sanitation issues at the following areas: Nogales AZ Calexico, CA (New River) and in San Diego, CA (Tijuana River Valley, Estuary and coastal environment).

The inflow of trash, debris, and raw sewage from Mexico through the New River has for years created major health and sanitation concerns in Calexico, CA. The U.S. Environmental Protection Agency (EPA) is currently working on a project to address the sewage issues across the border in Mexicali, and the U.S. Section is working on addressing the trash and debris problem that impacts U.S. residents in Calexico, California. The U.S. Section is working with the City of Calexico, California, to develop defensive measures to eliminate or reduce the amount of trash and debris conveyed into the U.S. through the New River.

In 1997, the U.S. Section completed construction of the advanced primary treatment portion of the South Bay International Wastewater Treatment Plant (SBIWTP). The purpose of the SBIWTP was to capture and treat Tijuana wastewater, which would otherwise flow into the U.S. through the Tijuana River and canyons, to secondary standards for discharge into the Pacific Ocean. In the interest of addressing public health and environmental concerns as expeditiously as possible, the U.S. Section and EPA decided to construct the SBIWTP in stages and operate the advanced primary plant and discharge the effluent into the ocean prior to the construction of the secondary treatment facilities. Before construction of SBIWTP secondary treatment facilities could commence, funding for the project was capped at a level that was insufficient to cover the cost of construction of the secondary treatment facilities. The current advanced primary treatment effluent does not meet U.S. Clean Water Act (CWA) discharge permit requirements.

Public Law 106-457, as amended by Public Law 108-425, "The Tijuana River Valley Estuary and Beach Cleanup Act," provides for treatment of the effluent from the SBIWTP and additional Tijuana sewage to U.S. secondary standards. The U.S. Section will work with Mexico to pursue the most efficient means to provide secondary treatment of Tijuana sewage and comply with the Public Law.

The City of Nogales and U.S. Section jointly own the Nogales International Wastewater Treatment Plant (NIWTP), located 8.8 miles from the border in Nogales, Arizona. The plant, which is operated by the U.S. Section, provides treatment of wastewater from both Mexico and the U.S., and discharges the effluent into the Santa Cruz River. In 2001, more stringent standards, which could not be attained by the NIWTP, were applied to the CWA discharge permit. As a result, the U.S. Section is working with the City of Nogales, EPA, and the Border Environmental Cooperation Commission (BECC) to upgrade the NIWTP to meet current CWA discharge permit standards. BECC has certified a project, which will be funded by EPA, to develop and incorporate upgrades at the NIWTP to ensure compliance with the new discharge standards. A design-build contract was awarded in November 2006. Construction of the NIWTP upgrades is expected to be completed by August 2009.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Flood Control

The U.S. Section operates and maintains flood control systems along the Tijuana River and the Rio Grande. These flood control systems protect the lives and property of over 3 million U.S. residents. Each country owns and is responsible for the maintenance of flood control works in its respective territory.

Currently, the U.S. Section is in the process of rehabilitating deficiencies that have been identified in portions of its Rio Grande flood control systems. The Canalization flood control system begins in southern New Mexico and ends at American Dam where the international segment of the Rio Grande begins. The Rectification (in far west Texas), Presidio, and Lower Rio Grande (south Texas) flood control systems are on the international portion of the Rio Grande River. Since the "Canalization Project" is not along international waters, its rehabilitation is budgeted separately from the other three projects. These three projects on the river boundary are grouped together as the single budget item designated as the "Rio Grande Flood Control System Rehabilitation Project (RGFCP)." Coordination with Mexico is necessary on RGFCP; however, the work is limited to the U.S. portions of the flood control systems. The Canalization Project (130 miles of levees on both side of river), authorized by law in 1935 to facilitate water deliveries to Mexico under the Convention of 1906 and to protect against Rio Grande floods, extends 106 miles from Percha Dam in south central New Mexico to American Dam in El Paso, Texas. The Lower Rio Grande Flood Control Project (270 miles of levee) and the Rectification Project (85 miles of levee) were both authorized by legislation in the 1930's and the Presidio Flood Control Project (15 miles of levee) authorized by law in 1970. The Lower Rio Grande Project was authorized solely for flood control, while the Presidio and Rectification Projects serve the dual purpose of flood control and boundary preservation.

Program Description

The U.S. Section will continue to carry out construction and rehabilitation projects related to water quality/sanitation, critical infrastructure security, flood control, distribution and deliveries of international waters, and boundary demarcation. These projects are organized into four program groups, which complement the agency's strategic goals: Boundary Preservation, Water Quantity, Water Quality, and Resource Management. In this endeavor, the U.S. Section will explore best and innovative practices from both the private and other public sectors. The FY 2009 funding request for the construction activities are as follows:

Boundary Preservation Program: \$1,500,000

Facilities Renovations: \$1,000,000

Most of the U.S. Section facilities were constructed between 1930 and 1950. Major rehabilitation work is needed in order to comply with Americans with Disabilities Act (ADA) requirements, Occupational Safety and Health Administration (OSHA) standards, current environmental laws and regulations, and to provide a more efficient, effective, and secure working environment.

Heavy Equipment Replacement: \$200,000

Due to the age of some heavy equipment, the U.S. Section incurs excessive maintenance cost to maintain the equipment as operational. Also, repair parts are more difficult to find for equipment that is 20 years or older. The Commission's normal operations have been affected in trying to maintain obsolete equipment.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Critical Infrastructure Program: \$300,000

The project will allow the U.S. Section to implement defensive measures to address security and vulnerability risks at critical transboundary infrastructure, and field office and headquarters facilities. It is incumbent upon the agency to take the steps necessary to protect its critical infrastructure. This request will provide for perimeter control improvements at Falcon International Storage Dam and Power Plants.

Water Quantity Program: \$14,750,000

Rio Grande Flood Control System Rehabilitation (combined with Rio Grande Canalization): \$13,000,000

This project, which includes the rehabilitation of flood control systems along the international segment of the Rio Grande, is being combined with the Rio Grande Canalization Rehabilitation Project, which involves the rehabilitation of the flood control system in the domestic portion of Rio Grande. These projects were initially separated because the domestic portion of the flood control system does not involve coordination with Mexico and includes flood control levees on both sides of the river, whereas the international portion includes flood control works in the U.S. side of the river only. However, since the flood control system is continuous from Caballo, New Mexico to below Fort Quitman, Texas the 106-mile Rio Grande Canalization Rehabilitation Project, consisting of 130 miles of levees on both sides of the river channel, will be included in the Rio Grande Flood Control System Rehabilitation Project.

The redefined project will consist of three primary flood control systems: (1) Upper Rio Grande, (2) Presidio Valley, and (3) Lower Rio Grande. The Upper Rio Grande Flood Control System will contain 221 miles of levee and extend 197 miles from Caballo, New Mexico to Little Box Canyon below Fort Quitman, Texas. The Presidio Valley Flood Control System covers a 15-mile stretch of levee and Rio Grande in Presidio, Texas. The Lower Rio Grande Flood Control System contains 270 miles of river and interior floodway levees between Peñitas and Brownsville, Texas; which are about 75 miles apart.

The new Rio Grande Flood Control System Rehabilitation project will continue the multi-year effort that the agency started in FY 2001 to evaluate and improve the existing Rio Grande flood control systems. The project work includes the engineering evaluation of the existing flood control systems, and improvement or rehabilitation of inadequate levee segments and related structures. The U.S. Section will utilize the FY 2009 request and remaining carryover to fund the pre-construction cultural resource surveys and/or develop design plans for flood control improvements at Mesilla/Las Cruces, NM; El Paso, TX; Canutillo, TX; Lateral A to Retamal Dam, TX; Donna Pump (levee forks left) to Brownsville, TX; and the Lower Rio Grande Valley Interior Floodways. Funds will also be used to construct improvements at Mesilla/Las Cruces, NM; El Paso, TX; and Phase II of Hidalgo, TX. Remaining funds will be used to purchase land/water rights for environmental mitigation and design habitat restoration sites in the Upper Rio Grande, and provide for environmental mitigation enhancements in the Lower Rio Grande.

Safety of Dams Rehabilitation: \$1,000,000

Originally funded in FY 2001, this project will continue a multi-year effort for the rehabilitation and proper operation of all U.S. Section dams, as recommended by the Joint Technical Advisors of the Federal Safety of Dams Program. The U.S. Section is solely responsible for operation and maintenance of two diversion dams on the Rio Grande (American and International), and jointly responsible for four international dams (Amistad, Falcon, Anzalduas, and Retamal). These dams provide for distribution of the Rio Grande waters between the U.S. and Mexico as well as for the conservation, flood control, water storage, power generation, and regulation of the flow of the river, pursuant to the 1944 Water Treaty.

Amistad, Falcon, Anzalduas, and Retamal Dams were recently inspected by the Joint Technical Advisors, which includes the U.S. Army Corps of Engineers (USACE), in April 2007. These four dams were rated in accordance with the risk-based action classification system used by the USACE. Unfortunately, the safety

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

inspection yielded urgent and high priority deficiencies at three of the four dams. Amistad Dam received a category rating of Dam Safety Action Class (DSAC) II, “urgent, potentially unsafe.” Falcon and Retamal Dams received a DSAC III rating, “high priority, conditionally unsafe,” while Anzalduas Dam received a DSAC IV rating, “priority, marginally safe.” Therefore, the U.S. Section is developing strategies to address these deficiencies and is revising its work plan accordingly. The FY 2009 request will be used to remove an accumulated sediment island that formed below Retamal Dam, which impacts on the dam’s operations. Funding will also be used to design foundation improvements at Amistad and Falcon International Storage Dams. The agency will also conduct a pressure test, and repair the non-responsive gallery piezometers at Amistad International Storage Dam.

Colorado River Boundary and Capacity Preservation: \$750,000

This project was initially funded in 1998 to improve the conveyance capacity of the international segment of the Colorado River in accordance with IBWC Minute No. 291, address/improve salinity to ensure compliance with IBWC Minute No. 242, and to reestablish the international river boundary in accordance with the 1970 Boundary Treaty between Mexico and the United States. The project includes conveyance system improvements and environmental mitigation efforts along the entire 24-mile international stretch of the Colorado River from the Northerly International Boundary to the Southerly International Boundary in Yuma, Arizona.

Due to unresolved bi-national issues concerning the Colorado River’s channel and floodway capacity, and the boundary related obligations under the 1970 Boundary Treaty, the U.S. Section has temporarily reduced the scope of the project until these issues are resolved. An interim project has been established that will focus specifically on the channel capacity and environmental mitigation immediately upstream and downstream of Morelos International Dam. This interim project will involve vegetation clearing and sediment removal at the dam to restore capacity. This will improve the performance of the dam, and decrease the risk of its partial or complete operational failure. The agency will reestablish riparian habitat to mitigate the environmental impacts resulting from project activities.

Conclusion of this interim stage is expected in FY 2010, by which time the current issues surrounding the project should be resolved. The U.S. Section will work with the Mexican Section, the U.S. Bureau of Reclamation, and its stakeholders to resolve these issues and reintroduce the project with the necessary amendments. The FY 2009 request of \$750,000 and assumed project carryover of approximately \$465,000 will be used to clear 40 acres and excavate about 260,000 cubic yards of sediment from the floodway immediately upstream and downstream of Morelos Dam. The U.S. Section will also relocate a boat ramp as part of environmental mitigation requirements.

Water Quality Program: \$28,000,000

Secondary Treatment of Tijuana Sewage: \$28,000,000

The project will provide for new facilities in the U.S. consistent with Public Law 106-457, “The Tijuana River Valley Estuary and Beach Sewage Cleanup Act of 2000,” amended by Public Law 108-425 to address secondary treatment of Tijuana sewage and to bring the existing South Bay International Wastewater Treatment Plant into compliance with the Clean Water Act and its discharge permit. The Public Law authorizes the U.S. Section to take appropriate actions to comprehensively address the treatment of sewage emanating from the Tijuana River area, Mexico that flows untreated into the United States causing significant adverse public health and environmental impacts. The U.S. Section, in concurrence with OMB guidance, proposes to upgrade the existing SBIWTP to U.S. secondary standards. Facilities will be constructed to treat an average flow of 25 mgd and handle peak flows of 50 mgd. The FY 2009 request will be used to complete the upgrade of the SBIWTP to a secondary treatment facility by utilizing an activated sludge process to treat Tijuana sewage.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Justification of Request

The FY 2009 budget request totals \$44,250,000, which is \$43,458,758 less than the FY2008 budget of \$87,708,758. The increases in the Boundary Wide and Water Quantity Programs indicate the high priorities for the agency to fulfill its mission requirements in flood control, and wastewater sanitation, and also meet its obligations to stakeholders and employees by protecting its critical infrastructure and restoring its facilities and heavy equipment. The decrease in the Water Quality Program reflects the reduced construction cost for the final stage of the secondary sewage treatment improvements at the South Bay International Wastewater Treatment Plant.

INTERNATIONAL FISHERIES COMMISSIONS

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Great Lakes Fishery Commission (GLFC)	14,386	16,627	13,140	(3,487)
Inter-American Tropical Tuna Commission (IATTC)	1,747	1,785	1,785	0
International Pacific Halibut Commission (IPHC)	2,834	2,787	2,300	(487)
Other Marine Conservation Organizations	1,926	2,089	1,839	(250)
Pacific Salmon Commission (PSC)	2,800	3,024	2,936	(88)
Appropriation Total	23,693	26,312	22,000	(4,312)

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The International Fisheries Commissions appropriation supports the Department's strategic goals of securing a sustainable global environment and ensuring economic prosperity and security by funding U.S. shares of operating expenses for ten international fisheries commissions and organizations, the International Whaling Commission, two international marine science organizations, the Antarctic Treaty, and international sea turtle conservation initiatives. In most cases, U.S. contributions are mandated by treaty and failure to meet assessments results in loss of voting rights or influence within the commissions. The appropriation also provides for travel expenses of the U.S. Commissioners and their advisors, as well as compensation to non-government employees of the Pacific Salmon Commission for days actually worked as U.S. commissioners, panel members, advisors, and/or alternates.

The commissions funded by this appropriation were established by treaties and agreements negotiated by the United States and ratified by the President, with the advice and consent of the Senate. The United States entered into these treaties to protect its access to shared international fisheries resources and to support other vital economic and environmental interests.

Recent developments have underscored the importance of working through the commissions and programs funded by this account to conserve and manage finite and vulnerable shared marine resources. The recently re-authorized Magnuson-Stevens Fishery Conservation and Management Act lays out a specific new mandate for the United States to work multilaterally to address illegal, unregulated and unreported (IUU) fishing and by-catch of protected living marine resources. It specifically calls on the United States to promote improved monitoring, control, and surveillance for high seas and shared fisheries; improve the effectiveness of international fisheries governance through adoption of IUU vessel lists, stronger port state controls, and market-related measures; and build capacity in other countries to ensure sustainable fisheries and regulatory enforcement. An October 2006 Presidential Directive also instructed the Secretary of State, in consultation with the Secretary of Commerce, to work with other countries and international organizations to establish rules based on sound science to enhance sustainable fishing practices and eliminate unregulated destructive fishing practices that jeopardize fish stocks and the habitats that support

INTERNATIONAL FISHERIES COMMISSIONS

them. The Regional Fishery Management Organizations and other cooperative arrangements funded by this account are the primary means of achieving these goals.

Program Description

The commissions and organizations funded by this appropriation enable the United States to promote U.S. economic and conservation interests for critical fisheries-related issues. Each of the commissions and programs supported by this request facilitates international cooperation by conducting or coordinating scientific studies of fish stocks and other living marine resources and establishing common management measures to be implemented by member governments based on their results. Many also oversee the allocation of fishing rights to their members. Specific activities include: conservation and management of important fish stocks and other living marine resources in the Pacific, Atlantic and Southern Oceans; protection of scarce whale populations, dolphins, and endangered and threatened sea turtles; scientific research into global fish stocks; study and protection of the marine environment; and the programs detailed below.

The Inter-American Tropical Tuna Commission (IATTC) provides a forum for nations to cooperate on the study and management of tuna and tuna-like species in the Eastern Tropical Pacific Ocean to permit maximum sustained yields. The IATTC conducts scientific analysis of the biology, life history, vital statistics, population structure, migration, and behavior of tuna in the Eastern Tropical Pacific and, based on this scientific advice, makes conservation recommendations to its member nations to prevent over-fishing. The program has been successful in maintaining these tuna stocks near their optimum levels, from which they can support high average yields.

Through the International Dolphin Conservation Program, the IATTC is the only international organization dedicated to reducing incidental mortality of dolphins in tuna purse-seine fishery. The program mandates one hundred percent observer coverage aboard all large-scale tuna purse-seine vessels to monitor compliance with internationally agreed dolphin conservation measures. It also provides training for vessel captains and crews in the use of fishing gear and techniques to reduce and ultimately eliminate dolphin mortalities in the fishery. These efforts have resulted in a reduction of dolphin mortality in the eastern Pacific tuna fishery from approximately 100,000 animals in 1989 to less than 2,000 in recent years, well below the target levels.

The Great Lakes Fishery Commission (GLFC) plays a critical role in the management of the Great Lakes fisheries. In particular, the GLFC upholds key bi-national obligations, undergirds the day-to-day work of state and provincial management agencies, and complements federal efforts to rehabilitate the fishery. As outlined in its Strategic Vision for the First Decade of the New Millennium, the GLFC employs a dynamic ecosystem approach to management and study of Great Lakes fish stocks, an approach that recognizes the shared nature of the resources and that cooperation is the key to ensuring a sustained fishery. The Commission works with federal, provincial, state, and tribal agencies to determine the most effective management measures, conduct and coordinate research, and publish the results of scientific work.

The single greatest challenge facing the GLFC is control of the invasive parasitic sea lamprey. The Great Lakes recreational and commercial fisheries, valued at up to \$4 billion annually, depend heavily on effective sea lamprey control. In conjunction with the U.S. Fish and Wildlife Service's National Fishery Research Center, the GLFC has traditionally utilized chemical lampricide to control this aquatic pest. In recent years, the Commission has researched and advanced the use of alternative controls, including barriers to lamprey migration and sterilization of male lampreys. Through increased use of these alternative methods, and greater precision in lampricide application, the Commission has been able to significantly reduce the total use and cost of chemical treatments. The GLFC also works in partnership with the U.S.

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Army Corps of Engineers, providing support for its Ecosystem Restoration Program. The U.S. and Canada share proportional responsibility for funding sea lamprey control programs.

The Pacific Salmon Commission (PSC), established by a U.S.-Canada treaty in 1985, conducts activities necessary to save, replenish, and share the salmon resource on northwest borders. The Commission's work, particularly since the conclusion of the 1999 Pacific Salmon Agreement, has put an end to divisive U.S.-Canada disputes over interceptions by one country of salmon originating in the other country, and has provided an effective forum in which governments and stakeholders cooperate to research and conserve Pacific salmon. The Commission's conservation and management activities depend on information and recommendations from each country and from experts and resource managers from state, federal and tribal agencies in the United States and Canada. Recent research priorities have focused on improving determinations of salmon stock, migratory patterns and where, when, and by whom the fish are caught, to help countries properly allocate and conserve salmon stocks. Legislation provides for salary payments to U.S. commissioners and panel members and their alternates for hours committed to Commission business. This activity also funds travel and expenses of U.S. commissioners and other U.S. participants in the PSC.

The International Pacific Halibut Commission (IPHC), a bi-national (U.S.-Canada) commission founded in 1923, is charged with conducting scientific research on Pacific halibut and maintaining stocks at levels that permit optimum yield. The IPHC's area of responsibility ranges up the Pacific Northwest coast from northern California, past the Aleutian Islands in Alaska to the eastern shore of the Bering Sea. Both the U.S. and Canadian governments provide funds to support the Commission, which conducts research to further understanding of Pacific halibut, carries out regular stock assessments, and provides a forum to establish joint catch limits and management measures. In recent years, the Commission has developed innovative electronic data capture and catch monitoring systems. Throughout its eighty years, the IPHC has facilitated unprecedented cooperation between the United States and Canada and successfully managed the shared halibut stock to historically high biomass levels. The Pacific halibut fishery is very specialized, provides a valuable food source, and adds over \$700 million annually to the U.S. economy.

Justification of Request

The majority of the FY 2009 request covers the United States' treaty-mandated assessments. Funds are required to maintain good standing, and in some cases voting privileges, in each of the commissions and organizations to advance the interests of the United States and important constituent groups. Through the ongoing efforts of the commissions and programs funded by this account, many fishing areas that were nearly depleted are now yielding sustainable catches for U.S. commercial and sport fishermen, and some key endangered marine populations are recovering. The commercial and recreational fisheries managed by these organizations generate income from \$12 to \$15 billion annually to the United States.

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Other Marine Conservation Organizations

Request by Commission

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Antarctic Treaty	35	50	36	(14)
Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)	88	94	94	0
Expenses of the U.S. Commissioners	160	114	120	6
International Commission for the Conservation of Atlantic Tunas (ICCAT)	273	268	250	(18)
International Council for the Exploration of the Sea (ICES)	214	218	218	0
International Sea Turtle Conservation Programs	124	139	129	(10)
International Whaling Commission (IWC)	166	258	182	(76)
North Atlantic Salmon Conservation Organization (NASCO)	46	50	50	0
North Pacific Anadromous Fish Commission (NPAFC)	131	139	139	0
North Pacific Marine Science Organization (PICES)	92	104	104	0
Northwest Atlantic Fisheries Organization (NAFO)	280	248	200	(48)
Western and Central Pacific Fisheries Commission (WCPFC)	317	407	317	(90)
Other Marine Conservation Organizations Total	1,926	2,089	1,839	(250)

BORDER ENVIRONMENT COOPERATION COMMISSION

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	2,094	2,202	2,120	(82)

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

Many of the reforms to the Border Environment Cooperation Commission (BECC) and North American Development Bank (NADB), as agreed by the governments of the United States and Mexico, were fully implemented during 2006. Crucial among these reforms are the establishment of a single Board of Directors for the BECC and NADB, as well as the expansion of the geographic scope of both organizations to 300 kilometers on the Mexican side of the border under an agreement authorized by Congress.

The U.S. Department of State, the Department of the Treasury and the Environmental Protection Agency (EPA) sit on the NADB/BECC Board of Directors, along with their three Mexican Government counterparts. In addition to the federal members, the Board includes two non-federal members from each side of the border (including a border state representative and another from civil society). The U.S. non-federal Board members are Presidential appointees.

As a result of the institutional reforms, the new BECC-NADB Board of Directors implemented a variety of measures aimed at improving the operational effectiveness of both organizations. Most relevant among these measures are the following: integrating the project cycle so that project certification and financing approval occur at the same time; the establishment of strategies to encourage private sector participation in the development of environmental projects; and updating the BECC project certification criteria to facilitate project development in general, including those related to air quality, hazardous waste management and clean energy, among others.

The BECC and the NADB are international organizations created by the Governments of the United States and Mexico under a side agreement to the North American Free Trade Agreement, in order to help address the environmental infrastructure needs in the border region between both countries. The *Agreement between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank* (the BECC/NADB Charter), was executed in 1993 and amended through Protocol of Amendment signed on November 25 and 26, 2002, which entered into effect on August 6, 2004.

Pursuant to the BECC/NADB Charter, BECC's purpose is to help preserve, protect and enhance the environment of the border region between the United States and Mexico, which is defined as the region located between 100 kilometers north and 300 kilometers south of the international boundary between both countries. In order to carry out its purpose, the BECC/NADB Charter grants the BECC the following functions:

- With their concurrence, assist states and localities and other public entities and private investors in: coordinating, preparing, developing, implementing and overseeing environmental infrastructure

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projects in the border region, including the design, siting and other technical aspects; analyzing the financial feasibility or the environmental aspects of the environmental infrastructure projects; evaluating social and economic benefits of the projects; and organizing, developing and arranging public and private financing for environmental infrastructure projects in the border region; and

- Certify, by a decision of its Board of Directors, environmental infrastructure projects in the border region to be submitted for financing to the NADB, or to other sources of financing that request such certification.

The BECC/NADB Charter defines an environmental infrastructure project as a project that will “prevent, control or reduce environmental pollutants or contaminants, improve the drinking water supply, or protect flora and fauna so as to improve human health, promote sustainable development, or contribute to a higher quality of life”.

Based on this definition, the specific sectors that BECC and NADB currently address are the following:

- Water Pollution
- Wastewater Treatment
- Municipal Solid Waste
- Water Conservation
- Industrial and Hazardous Waste
- Domestic hook-ups to Water and Wastewater Systems
- Recycling and Waste Reduction

* The sectors listed above are given priority by the BECC/NADB Charter

- Air Quality
- Clean and Efficient Energy
- Public Transportation
- Municipal Planning and Development, including Water Management

The work of the BECC contributes to the Department’s Social and Environmental Issues strategic goals.

Program Description

Technical Assistance

The role of the BECC is to assist border communities in the development and certification of high priority environmental infrastructure projects by providing technical assistance services such as engineering analysis, project development and design, financial feasibility studies, community participation, environmental assessment and sustainable development. In addition to providing project development expertise, the BECC mobilizes the resources from U.S. and Mexican environmental agencies and other sources, and provides access to the financial resources of the NADB or other funding sources requiring such certification.

The BECC assists the U.S.-Mexico border’s neediest communities that without this assistance would otherwise be incapable of obtaining financial resources, by providing grant funding for planning, development, and design of necessary, complex environmental infrastructure projects. BECC commits technical assistance resources that enable border communities to undertake initial project development activities and also facilitates subsequent detailed technical work necessary to formulate high quality projects that can meet the intent of the certification process.

The Technical Assistance Program includes project development, project design, certification, and other project related activities. The primary funding source for the Technical Assistance Program comes from the EPA Project Development Assistance Program (PDAP). The BECC has received \$42.7 million from EPA

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for grant assistance for the development of water and wastewater infrastructure projects. To date, the remaining balance of that amount is \$5 million. A new grant has been discussed with EPA and a formal application will be submitted which would provide funds starting in FY 2009. The BECC has accomplished a project prioritization process in an effort to better utilize the PDAP money.

In FY 2006, Mexico's Ministry of the Environment and Natural Resources (SEMARNAT) restored its funding level to the BECC operating budget, which made it possible to provide technical assistance funds to projects related to solid waste management and the new sectors of activity. Initially \$350,000 was labeled for technical assistance, with expenditure of these funds beginning in 2006.

Additionally, based on a proposal from BECC Management, in June 2006 the Board of Directors approved the creation of a special technical assistance program designed to support the development of projects that will not receive PDAP funding, solid waste projects and projects in the expanded sectors of activity addressed by BECC. This new program was to be originally funded with a \$1.147 million reserve fund contained in the BECC's 2006 operating budget. Subsequently, the fund was increased to a total of approximately \$1.7 million using savings obtained in FY 2006. The fund is expected to be used to support project development over a period of three years, beginning in fiscal year 2007.

Border 2012

BECC has significantly increased its participation in implementing this important bi-national program. In September 2005, BECC and EPA-Region 9 signed a cooperation agreement that includes the administration of funds allotted by EPA, which total approximately \$2.0 million dollars, to projects designed to better meet the Border 2012 goals and objectives. This agreement also includes the supervision and development coordination of the identified projects. Accordingly, in 2006 BECC coordinated the start-up of 10 projects in the States of California-Baja California and 5 more projects in the Arizona-Sonora region. Currently there are around 30 different environmental projects in process, including: air pollution monitoring, water quality, municipal waste management, emergency response, hazardous waste management, environmental training, and others.

Public Participation

The BECC operations are based on the premise that aggressive and extensive public involvement in the project development process results in the certification of high quality environmental infrastructure projects. The required public participation is accomplished through extensive outreach, deployment of expert BECC personnel, and facilitation of a broad public dialogue where residents on both sides of the border make their views known through public meetings, workshops, and other information sharing sessions.

In 2006, BECC certified ten projects, all of which fully complied with requirements related to ensuring availability of adequate information to the communities. Thirteen citizens' committees were initiated, 78 local organizations were contacted and 30 public participation meetings were held, and a regional video was produced.

The growing interest in sustainable development, the environment and health issues among the communities is obvious. The current task is to identify other agencies or institutions, which might invigorate public participation, as a basic premise for including sustainability in projects and actions carried out by communities and local governments. BECC is driven to increase public participation where transparency and open information about what is happening in their communities, is a contributing factor to motivate social organization as a successful way to solve problems.

BORDER ENVIRONMENT COOPERATION COMMISSION

BECC plans to prepare approximately 30 projects for certification during FY 2009, and thus anticipates holding more than 60 public meetings in various communities, with over 120 steering/citizen's committee meetings to keep the public informed on both sides of the U.S.-Mexico border.

Justification of Request

For FY 2009, the BECC is requesting a total of \$2,120,000 in U.S. funding for its operating budget. This level will allow the BECC to meet the high demand for technical assistance to border communities, including project development, design and certification, thereby continuing to support the Department of State in achieving its strategic goal of improving health and environmental conditions for the U.S.-Mexico border region. The BECC's request for FY 2009 maintains the same level of program activity as in FY 2008.

INTERNATIONAL JOINT COMMISSION

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Special & Technical Investigations by U.S. Geological Survey	590	974	1,284	310
U.S. Section	5,860	6,157	6,275	118
Appropriation Total	6,450	7,131	7,559	428

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The Boundary Waters Treaty of 1909 (BWT) established the International Joint Commission (IJC) as a cornerstone of United States – Canada relations in the boundary region. The IJC has fine-tuned a successful model for preventing and resolving disputes that is unbiased, scientifically-based, inclusive and open to public input. Under the BWT, the IJC licenses and regulates certain water resource projects along the border that affect levels and flows on the other side, provides advice to and conducts studies at the request of governments on critical issues of joint concern, and apportions waters in transboundary river systems. The IJC also alerts the governments to emerging issues that might have negative impacts on the quality or quantity of boundary waters and brings to the attention of senior officials the latest developments in science, engineering and administration that could benefit the management, security or conservation of water-related natural resources. Other treaties, agreements and conventions (often the result of IJC advice and recommendations) direct the IJC to assess progress in restoration of water quality in the Great Lakes, and, in specified transboundary basins, to respond quickly to emergency water level conditions, apportion flows and approve diversions. The IJC also assists the governments in efforts to prevent transboundary air pollution and improve air quality.

Led by three commissioners from each country, the IJC operates through small section staffs in Washington, D.C. (U.S. funded) and Ottawa, Canada (Canadian funded) and a binational Great Lakes Regional Office in Windsor, Canada (jointly funded). Currently, 20 active boards and task forces, plus various related technical working groups and committees, provide expert advice on both science and policy issues. Approximately 300 professionals from within government agencies, universities, nonprofit agencies and industry carry out this work in their personal and professional capacities and not as representatives of their respective organizations or countries.

More specifically, the BWT gives the IJC the responsibility to approve certain applications for and oversee the operation of hydropower dams and other infrastructure projects in waters along the U.S.-Canadian border to suitably protect all interests from potential adverse effects of these projects. From the Moses-Saunders dam in the east to the Grand Coulee Dam in the west, these projects have been a source of power to spur economic growth and a source of water to support agriculture in communities all along the boundary. When the IJC approves such projects, a binational board typically is established to oversee construction and operations so that treaty requirements are met and changing conditions can be addressed. A decade ago, the IJC committed to review the operational criteria for projects under IJC jurisdiction to take into consideration developments such as demographic changes, global warming and new understandings

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regarding the impacts such projects have on biodiversity and human health. The BWT also provides that the U.S. and Canadian governments may refer questions or matters of difference to the IJC to study and provide recommendations for action. To respond to such “references,” the IJC typically appoints a binational investigative board or task force whose extensive scientific, academic and policy experience give substantial credibility to their findings. Over the past century, the governments have sought the advice of the IJC regarding more than 120 applications and references, with the commission successfully completing its charge in virtually every instance. The result has been to strengthen relations between the U.S. and Canada. The IJC’s record of success is well known internationally, and commissioners and staff are often asked to provide advice to other nations and organizations seeking help managing transboundary waters.

Program Description

During FY 2008, the IJC will:

- Implement changes to the operation of the Moses-Saunders Dam on the St. Lawrence River (New York, Ontario and Quebec), based on a new Order of Approval, operational plans and institutional structures. These improvements to the management of levels and flows in Lake Ontario and the St. Lawrence River were much needed to modernize a 50-year-old regulatory regime based on the latest science and considerable public input over a five-year study period. In addition, for the first time, the interests of the environment and recreational boaters will be formally recognized while other interests (hydropower and irrigation, domestic and sanitary, navigation and riparian) continue to be protected and enhanced.
- Continue a five-year study of the Upper Great Lakes, as detailed in an October 2005 Plan of Study, to assess possible changes in the St. Clair River (the connecting channel between Lake Huron and Lake St. Clair) and determine improvements required to the Orders of Approval governing the regulation of outflows from Lake Superior into Lakes Michigan, Huron and Erie (Minnesota, Wisconsin, Michigan, Illinois, Indiana, Ohio, Pennsylvania, New York and Ontario.) This study is especially timely given extremely low water levels in the lakes that are now approaching record lows, causing great concern among interests throughout the basin. Significant variations in water levels have and will continue to create social and economic impacts on a wide range of interests that must be considered by the study. Launched in FY2006 to update 1970s era control orders, the Upper Great Lakes Study in FY2008 will focus on developing a state-of-the-art model of flows in the St. Clair River based on new bathymetric data, assessment of net basin supplies of water, improved geographic information, analysis of sediment transport and other existing and newly collected data sources. Technical Work Groups will produce major papers on coastal erosion and habitat, endangered and threatened species and water budget accountability. In the short term, the study is expected to report on the causes of changes in the relative levels of the Upper Lakes that some assert are the result of dredging in the St. Clair River. This work will include extensive outreach and public participation.
- Continue prudent development and expansion of the International Watershed Initiative to build local capacity to address emerging issues in watersheds that straddle the U.S.-Canada boundary (such as the St. Croix, Red, Rainy, Lake Champlain, Souris, and Osoyoos Lake watersheds). By creating institutions for cross-border communication, understanding and outreach on a watershed basis, disputes can be resolved at a local and regional level before they escalate to the urgent attention of the national governments, making them much harder and costlier to resolve. This work will include supporting transboundary mapping where such efforts can best facilitate cross-border cooperation.

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- Develop and implement administrative measures resulting from a recent study (including extensive public input) to improve the apportionment of waters in the St. Mary and Milk Rivers (Montana, Alberta and Saskatchewan).
- In consultation with the U.S. and Canadian governments, organize and host a Great Lakes accountability workshop that will give the governments the opportunity to discuss and review measures of progress in restoring Great Lakes Water quality.
- Publish a 14th Biennial Report on Great Lakes Water Quality. The report will address the status of clean up efforts in toxic hotspots through an assessment of government programs aimed at reducing the discharges of critical pollutants. A more detailed evaluation of progress toward controlling pollution from municipal and industrial sources and remediating contaminated sediment as well as an assessment of efforts to address groundwater contamination in Areas of Concern will be also be the focus of the 14th Biennial Report. Drafting of this major document will take place largely in FY 2008.
- Issue a special report reflecting the collaborative work of IJC's Great Lakes advisory boards focusing on significant water quality issues related to urban land use. Topics include best management practices (Great Lakes Science Advisory Board), decaying infrastructure (Great Lakes Water Quality Board), urban transportation (International Air Quality Advisory Board), and health effects (Health Professionals Task Force). The work of these advisory boards will also be reflected in a report assessing the state of groundwater throughout the Great Lakes watershed.
- Begin work on Great Lakes 2007-2009 biennial priorities, targeting near shore areas of the Great Lakes for study, resulting in advice to the governments regarding such critical issues as beach health, nuisance algal blooms and their toxins, fish consumption advisories, impacts of and responses to aquatic invasive species, and developing nutrient targets to address runoff. This initiative will assist the two federal governments as they work to revise and update the Great Lakes Water Quality Agreement for the first time in two decades.
- Plan for a stakeholder summit to be held in 2009, as recommended in the IJC's advice to the governments on the review of the Great Lakes Water Quality Agreement, and building on experience from the 2007 Biennial Meeting. This event will provide the public with a signal opportunity to air their concerns and ideas with the governments and to learn about the latest science and policy developments.
- Prepare for and organize the launch of the review of Orders of Approval for regulation of the control structure for Zosel Dam at the outlet of Osoyoos Lake (British Columbia and Washington). Eight major study components address topics such as drought operations, potential effects of water-level regulation on water quality, possible ecosystem requirements and climate change.
- Continue to monitor pathogens and parasites in the Devils Lake and greater Red River basin (Minnesota, North Dakota and Manitoba), utilizing on binational lessons learned from prior years' monitoring.
- Implement an integrated approach to water quality and water quantity responsibilities in the Souris River basin (North Dakota, Manitoba and Saskatchewan).
- Take advantage of the Boundary Water Treaty's upcoming centennial in 2009 by participating in an expert symposium and other activities designed to highlight the benefits of close cooperation between the U.S. and Canada to protect the transboundary environment.

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- Hold an expert consultation on energy issues and their impact on transboundary air quality, resulting in a report to the governments to assist them as they make decisions regarding the future mix of energy sources needed to generate electricity.
- Subject to the receipt of referrals or applications from governments, make recommendations on the harmonization of efforts to prevent the introduction of aquatic invasive species; consider a request for permission to construct an expanded Peace Bridge and Goat Island Bridge over the Niagara River (New York and Ontario) and to build a new Detroit River crossing (Michigan and Ontario); assess water quality and health concerns in the St. Marys River (Michigan and Ontario); assess the impacts of possible coal-bed methane development and other mining proposals in the Flathead River basin (Montana and British Columbia); evaluate transboundary impacts of operations by Teck Cominco along the Columbia River (Washington and British Columbia); and undertake the assessment of a proposed mine on the Taku River in British Columbia that may pose a risk of substantial damage to the salmon fishery in Alaska.
- Support the U.S. Government's program to monitor water levels and flows in numerous boundary and transboundary rivers and to meet water apportionment requirements. This work is accomplished through an interagency agreement with the United States Geological Survey (USGS).
- Continue to manage water levels and flows in the Great Lakes and other boundary waters to achieve an appropriate balance among the many significant interests dependent on or affected by water levels. The unpredictable increase in both drought and flooding events in border watersheds has placed greater demands on the resource and intensified the need for careful and well analyzed control of the outflows from regulated structures during high and low water periods.

Justification of Request

The FY 2009 request of \$7,559,000 reflects an increase of \$428,000 over the FY 2008 estimate. The requested increase provides funding for the International Watershed Initiative – a project that has long been supported by both governments. In addition to supporting capacity-building in specific pilot projects (including the Rainy, Souris, Red and St. Croix River watersheds) and mapping along the boundary to encourage outreach and cooperation and prevent disputes, the funding for this project includes resources to fund further monitoring of pathogens and parasites in the Devils Lake watershed. The requested increase also provides funding for the Upper Great Lakes Study examining the regulation of Lake Superior outflows and their water levels and flow impacts for Lakes Superior, Huron, Michigan and Erie and their connecting channels, including the St. Clair River; The funding increase will also launch a three-year study to assess changes needed to the regulation of outflows from Osoyoos Lake through Zosel Dam in accordance with an August 2006 Plan of Study; which must be undertaken and implemented (including public consultation) prior to the expiration of the current regulatory framework in 2013. The requested increase also bolsters gauging in the U.S. portion of the St. Mary and Milk Rivers basin. The requested increase supports wage and price increases for the operations of the IJC and ongoing special investigations by the U.S. Geological Survey, and accounts for devaluation of the U.S. dollar with respect to the Canadian dollar for the joint operations of the IJC's Great Lakes Regional Office in Windsor, Ontario.

During FY 2009, the IJC will:

- Build capabilities at the watershed level to prevent and resolve disputes concerning shared waters locally through its International Watershed Initiative before they become international shared disputes. Efforts will build on measured progress to date in various transboundary watersheds, including hydraulic and hydrological modeling projects to manage and prevent flooding in specific watersheds,

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seamless digital watershed maps in watersheds across the boundary to facilitate cross-border pollution prevention and natural resource management, scientific coordination and public involvement in examining watershed water quality concerns; assessment of technical support leading to phosphorus reduction; and other joint efforts that eliminate duplication of effort, increase efficiency, partner with local institutions, and maximize results on both sides of the border.

- Continue to implement changes to the operation of the Moses-Saunders Dam on the St. Lawrence River (New York, Ontario and Quebec), based on a new Order of Approval, operational plans, institutional structures and an adaptive management plan approved in FY 2008.
- Continue a five-year study of the Upper Great Lakes, as detailed in an October 2005 Plan of Study, to assess possible changes in the St. Clair River (the connecting channel between Lake Huron and Lake St. Clair) and determine improvements required to the Orders of Approval governing the regulation of outflows from Lake Superior into Lakes Michigan, Huron and Erie (Minnesota, Wisconsin, Michigan, Illinois, Indiana, Ohio, Pennsylvania, New York and Ontario). Major activities include compiling results from the initial portions of the study to assess the effects of natural and man-made effects on the St. Clair River, and evaluating data collected by technical work groups leading to the development and assessment of initial option regulation plans. Public outreach and involvement will continue to be a critical component, particularly as initial results become apparent and regulation plan options taking them into account begin to be framed.
- Through expert Great Lakes advisory boards, complete priority work focusing on the near shore areas of the Great Lakes, resulting in advice to the governments regarding such critical issues as beach health, fish advisories, prevention of aquatic invasive species, and control of runoff. This initiative will assist the two federal governments as they work to revise and update the Great Lakes Water Quality Agreement for the first time in two decades.
- As recommended in the IJC's advice to governments on the review of the Great Lakes Water Quality Agreement, and building on experience from the 2007 Biennial Meeting, host a stakeholder gathering that provides the public with a single opportunity to air their concerns and ideas with the governments and to learn about the latest science and policy developments.
- Report on the results of monitoring of pathogens and parasites in the Devils Lake and greater Red River basin (Minnesota, North Dakota and Manitoba), including any additional sampling that may be required, and begin work on overall risk assessment.
- Continue the review of Orders of Approval for regulation of the control structure for Zosel Dam at the outlet of Osoyoos Lake (British Columbia and Washington). The first areas of study include assessing how to take into account the impact of climate change in potential orders, to determine whether changes in water management can affect water quality and to understand how to include ecosystem requirements.
- Continue efforts to improve the apportionment of waters in the St. Mary and Milk Rivers (Montana, Alberta and Saskatchewan);
- Continue to implement an integrated approach to water quality and water quantity responsibilities in the Souris River basin (North Dakota, Manitoba and Saskatchewan);
- Subject to the receipt of referrals and applications from governments, make recommendations on the harmonization of efforts to prevent the introduction of aquatic invasive species; consider a request for

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permission to construct an expanded Peace Bridge and Goat Island Bridge over the Niagara River (New York and Ontario) and to build a new Detroit River crossing (Michigan and Ontario); assess water quality and health concerns in the St. Marys River (Michigan and Ontario); examine the impacts of possible coal-bed methane development and other mining proposals in the Flathead River basin (Montana and British Columbia); evaluate transboundary impacts of operations by Teck Cominco along the Columbia River (Washington and British Columbia); and undertake the assessment of a proposed mine on the Taku River in British Columbia that may pose a risk of substantial damage to the salmon fishery in Alaska;

- Implement plans to use the Boundary Waters Treaty centennial to highlight the benefits of close cooperation between the U.S. and Canada to protect the transboundary environment;
- As required by the U.S.-Canada Air Quality Agreement, collect and synthesize public comment on the annual report of the U.S.- Canada Air Quality Committee;
- Support the U.S. Government's program to monitor water levels and flows in numerous boundary and transboundary rivers and to meet water apportionment requirements by expanding gauging in the St. Mary and Milk Rivers. This work is accomplished through an interagency agreement with the United States Geological Survey (USGS); and,
- Continue to manage water levels and flows in the Great Lakes and other boundary waters to achieve an appropriate balance among the many significant interests dependent on or affected by water levels. The unpredictable increase in both drought and flooding events in border watersheds has placed greater demands on the resource and intensified the need for careful and well analyzed control of the outflows from regulated structures during high and low water periods.

INTERNATIONAL BOUNDARY COMMISSION

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	1,418	1,518	1,770	252

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The primary mission of the International Boundary Commission (IBC) is to maintain an “effective” (cleared and well-marked) boundary between the United States and Canada as prescribed by the 1925 Treaty of Washington. In recent years, the IBC has modified its mission to more effectively support the Department’s Strategic goals of Regional Stability and Homeland Security. To achieve its mission, the IBC has established a maintenance schedule for the entire U.S.-Canadian boundary (5,525 miles) as the primary performance measure of the effectiveness of the IBC. The February 2004 “Report on the Present State of the Maintenance of the United States and Canada Boundary and Recommendations for the Future” details the state of the boundary and the steps necessary for the IBC to meet the performance goal.

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

Program Description

Although the boundary was cleared, surveyed and marked years ago, a cyclical program of maintenance is required to sustain an effective boundary line. The necessity of continuous maintenance is due to the deterioration and destruction of boundary monuments and to brush and timber overgrowth obstructing the 20-foot wide vista. Generally, the boundary was on a 15-year maintenance cycle, but the IBC estimates that over the last 15 years the maintenance cycle has fallen behind by 8 years. This deterioration in the cycle was due in part to the discontinuation of the use of herbicides. Additionally, increased security issues along the boundary in recent years has caused the IBC to alter project priorities to accelerate the maintenance cycle in high traffic areas.

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

INTERNATIONAL BOUNDARY COMMISSION

Justification of Request

The FY 2009 request of \$1,770,000 will fund the IBC operations and four boundary maintenance projects:

- (1) Vista reclearing southwest and south line Maine-Quebec (42 miles);
- (2) Vista clearing 49th parallel Minnesota-Manitoba (41 miles);
- (3) GPS survey and monument maintenance southeast Alaska-British Columbia; and
- (4) Reclearing and monument maintenance 141st meridian Alaska-Yukon.

Funding will also provide for the second year of a five-year remapping project of the entire boundary as well as the implementation of a GIS system and complete computations on a backlog of field survey projects.

A well-marked and maintained boundary enables federal, state, and local law enforcement agencies to accomplish their duties more effectively. It also ensures that persons arriving at the boundary anywhere along its length will know which country they are in and therefore, what laws they are under. An ambiguous boundary line would needlessly complicate and disrupt the business of government and private industry as well as the lives of the people living and working along it.

RELATED APPROPRIATIONS

Resource Summary

(\$ in thousands)

Appropriations	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
The Asia Foundation	13,821	15,374	10,000	(5,374)
National Endowment for Democracy	74,042	0	80,000	80,000
East-West Center	18,994	19,342	10,000	(9,342)
Center for Middle Eastern-Western Dialogue - Program	740	868	875	7
Eisenhower Exchange Fellowship Program	494	496	500	4
Israeli Arab Scholarship Program	370	372	375	3
Total, Related Appropriations	108,461	36,452	101,750	65,298

All FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

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THE ASIA FOUNDATION

Resource Summary

(\$ in thousands)

Activities	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Operating Activity Expenses	1,698	1,888	1,228	(660)
Program Grants and Services	12,123	13,486	8,772	(4,714)
Appropriation Total	13,821	15,374	10,000	(5,374)

FY 2008 Estimates reflect the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

The Asia Foundation (TAF) is a private, nongovernmental organization (NGO) that advances U.S. interests in the Asia-Pacific region. For 53 years, working through its network of 17 offices in Asia, TAF has been a well recognized American organization, with programs grounded in Asia, helping to solve local problems in cooperation with Asian partners. TAF has gained local credibility, a nuanced understanding of the issues facing each country, and extensive access to and relationships with government, nongovernmental groups and the private sector. TAF programs and grants help develop institutions of democratic governance; support civil society development and peaceful conflict resolution; expand economic opportunity, including for women; and promote better understanding between the United States and countries of Asia. TAF operates throughout Asia, including in key front line states, such as Afghanistan, Pakistan, Indonesia, and the Philippines and China.

TAF remains faithful to its grant-making role, steadily building democratic institutions and strengthening Asian leadership. TAF programs support training, technical assistance and seed funding for new, local organizations, all focused on promoting reform at the national and local level, building Asian capacity and strengthening U.S.-Asia relations. The impact of TAF's programs are identifiable from stronger parliaments to more transparent legal systems and the existence of a wide range of democratic governance and civil society organizations that did not exist before.

TAF's expertise and reputation enable it to take risks, combining a long-term view of policy reform and development in Asia with a rapid response capacity through grant making, and expert staff who deliver short-term, high impact programs. TAF undertakes sensitive programs that are difficult for the U.S. government to address directly, and achieves results on difficult issues such as human rights. TAF expands and deepens engagement and outreach to moderate Muslim organizations, and makes a tangible contribution to public diplomacy through visible programs, reinforcing long-standing ties and forging new relationships. It operates where the U.S. government no longer has a development presence, such as on the Korean Peninsula, and has been encouraged by the Department of State to be an early bridge to countries emerging from isolation or authoritarian rule, as in the case of North Korea and previously, in Mongolia, Vietnam, and China. Likewise, in Burma, TAF has begun to supply books to local libraries in cooperation with the Department of State, and the U.S. Embassy there, as directed by the Congress.

Under the Asia Foundation Act, enacted by the Congress in 1983, appropriated funds are the single most important source of funding for TAF, enabling it to maintain its strategic presence in key countries in the region. These funds provide flexibility for a quick response to new activities and needs in support of U.S.

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policy; they allow for innovative pilot projects to invest in the capacity of new organizations; and provide a degree of protection that enables TAF to pursue cutting edge reforms and new approaches. Appropriated funds enable TAF to leverage resources from private and other sources, while ensuring that TAF programs are not dominated by the special interests of any single donor. TAF is committed to effective performance monitoring and evaluation through an approach that ensures sound program and financial management and accountability at all levels of the organization. Its standard use of performance benchmarks and indicators to monitor and evaluate performance of its programs, and evidence of the positive impact of its programs over time prove the effectiveness of its approach. TAF consistently maintains a nationally recognized low program-to-operating cost ratio, reflected in the Negotiated Indirect Cost Rate Agreement (NICRA) of 14% of total direct costs.

Program Description

TAF's program priorities are developed in consultation with the Department of State and are closely aligned with U.S. foreign policy priorities and goals in Asia. Within the strategic goals of the Department, TAF focuses at the country and regional level on building democratic institutions, the rule of law, and a strong and vibrant civil society; preventing extremism; supporting the policies and institutions required for open markets, trade and investment; increasing opportunities for women's participation and protecting women's basic rights; and encouraging stability and cooperative relations among nations in the Asia-Pacific region.

Democratic Institutions, the Rule of Law, and Civil Society

TAF's programs strengthen democratic institutions, governance and parliamentary processes, support democratic elections, foster accountability within governments, promote the rule of law and free and fair elections, and encourage a vibrant, tolerant civil society, including Muslim organizations working toward effective citizen participation in a democracy, developing strategies for conflict management and protecting human rights. TAF support extends beyond the formal structures of institutions by focusing on their performance.

- **Elections:** TAF is active in Asia supporting voter education and domestic and Asian election monitors, specifically with Muslim organizations in Indonesia and the Philippines, and the Independent Election Commission (IEC) in Afghanistan. TAF coordinates the international donor efforts for civic education, and domestic election monitoring in Bangladesh, Pakistan and Nepal.
- **Legislative and Executive Branch Strengthening :** TAF assists national and provincial parliaments in 16 countries in the Asia-Pacific region. TAF provides technical assistance and training on legislative development and reform, research and legislative drafting, and strengthening committees. TAF's project with the Office of Administrative Affairs of the President, Council of Ministers Secretariat and Ministry of Parliamentary Liaison provides technical assistance and critical support to the new Afghan government. TAF is also the main supporter of assistance to the parliament in Timor-Leste.
- **Local Governance:** TAF supports new decentralization efforts to devolve political and administrative authorities to provincial and local government through training and technical assistance in key countries in Asia, including Cambodia, the Philippines, Sri Lanka, Bangladesh, and Indonesia.
- **Legal Reform:** TAF supports legal reform programs across Asia, including legal drafting, strengthening judicial and legal institutions, legal education, legal aid, public legal awareness, and alternative dispute resolution, including in China, Timor-Leste, Indonesia, the Philippines, Sri Lanka and Nepal.

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- **Civil Society:** TAF builds institutional and program capacity of the non-governmental sector and improves the regulatory environment as a vital supporter of NGOs in Asia. TAF helped to establish the International Center for Islam and Pluralism (ICIP) in Indonesia, and the Philippine Center for Islam and Development (PCID) and the Thailand Center for Muslim Democratic Development (TCMD), like-minded institutions working to promote tolerance and democracy. In addition, civic education and curriculum reform in Muslim schools and universities, particularly in Thailand and Indonesia, continue to be important TAF priorities.
- **Human Rights:** TAF promotes the protection and advancement of human rights in Asia through support of local NGOs and governmental human rights efforts at the national and local levels. This includes strengthening local organizations to investigate past human rights abuses, human rights education, monitoring and reporting, documentation through new technology, and legal services, particularly in Sri Lanka and in Mindanao in the Philippines.

Open Markets, Trade and Environmental Protection

TAF supports reform efforts that create more competitive markets, foster entrepreneurship, enhance the use of domestic capital and attract vital foreign investment to Asian countries to bolster economic growth and create jobs. TAF's programs focus on removing barriers to economic growth through policy reform.

- **Small and Medium Enterprise Policy Reform:** TAF supports small business associations to streamline business licensing for small business, and assists regional business associations, which have gained voice in local and provincial parliaments in Indonesia, Bangladesh, Vietnam and Cambodia. The programs identify regulatory constraints, strengthen the capacity of small business constituencies to call for reform and facilitate cooperative links between government, business and NGOs. TAF also supports local economic growth and job creation in Mindanao, and ground-breaking studies of provincial economic competitiveness in Indonesia, Vietnam and Cambodia.
- **Trade:** TAF also works with civil society in Cambodia on policy formation in the WTO accession process and supported the formation of the Economic Institute of Cambodia (EIC) to increase stakeholder understanding of the benefits of trade and investment for Cambodia.
- **Environmental Protection and Labor Law Reform:** TAF brings together government, civil society and private sector actors in Mongolia to promote responsible mining to protect the environment through a common framework of education, water quality monitoring and NGO capacity building. In China, TAF supports labor law reform and enforcement for migrant workers, and throughout Southeast Asia, working with government and civil society organizations, TAF expands access to clean water and sanitation, strengthens environmental compliance and enforcement and helps pilot initiatives through innovative grants to bolster environmental governance and the management of trans-boundary conflicts.

Women's Political Participation

TAF has consistently advanced the role of women in Asian societies by increasing women's effective participation in political, economic and social life. Foundation programs build the capacity of women's organizations to increase access to education, fight trafficking through public awareness, reduce violence against women, protect women's basic rights, and help local organizations to develop effective policies and strategies to protect women's rights.

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- **Access to Legal Services and Expanding Women's Rights Awareness:** TAF programs support opportunities for women to protect their rights through legal rights awareness, legal services and legal aid, including aid to hundreds of Afghan women, thousands of migrant workers in China and Thai women victims of the 2005 Tsunami through the media, educational workshops and training programs. Activities include cooperation with women's ministries, and non-governmental organizations.
- **Increasing Tolerance within Islam:** TAF supports women's organizations throughout South Asia through a special program on Women and Islam, to expand the space for women in Muslim societies to identify and share their concerns about women's rights, economic opportunities and education.
- **Increasing Counter Trafficking Efforts:** To combat trafficking, TAF programs support local organizations to prevent trafficking through public education; protect women victims through shelters and services; and help prosecute traffickers on a national and regional basis. TAF established an anti-trafficking web portal, www.tipinasia.info, a cutting-edge online information website, to facilitate information sharing, coordination and cooperation among a range of organizations that deal with trafficking, including NGOs, shelters, hotlines, courts, government and international agencies.

Stable and Cooperative Relations among Nations in the Asia-Pacific Region

TAF contributes to regional stability by helping develop a more skilled and well informed diplomatic corps, and through informal U.S.-Asian dialogue on issues such as democratization, human rights, civil society, and regional economic policy.

- **Fellowships:** TAF continued its longstanding fellowship program for mid-career diplomats of the Chinese Ministry of Foreign Affairs, and a visiting fellow program for the Indian Ministry of External Relations.
- **Exchange Programs and Dialogues:** TAF initiated an Emerging Leaders Program for young Southeast Asian and American professionals to expand linkages and dialogue on foreign policy issues, and continued support for CSCAP and other regional and bilateral Track II meetings.
- **Disaster Preparedness:** TAF has implemented disaster preparedness training in the Pacific Islands for over a decade, and has just initiated a program in China to work with the Ministry of Civil Affairs, local government officials, the private sector and NGOs on public education and training.

TAF expanded the ongoing efforts of **Books for Asia**, the Foundation's most well known and highly recognized English language book donation program, which provided over 800,000 volumes each year to academic institutions, government agencies, and nongovernmental organizations. In addition to donating books to hundreds of Asian institutions, at the request of U.S. Embassies, TAF also provides books to American Corner and American Discovery Centers in Nepal, Pakistan, the Philippines and as noted, in Burma.

NATIONAL ENDOWMENT FOR DEMOCRACY

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	74,042	0	80,000	80,000

In FY 2008, funding of \$99,190,000 was provided for the National Endowment for Democracy in the Democracy Fund.

Overview

The National Endowment for Democracy (NED) is a non-profit organization, created in 1983 to strengthen democratic institutions around the world. Through its worldwide grants program, NED assists those abroad who are working to build democratic institutions and spread democratic values. The four institutes embedded in the core of NED's work – the American Center for International Labor Solidarity (ACILS), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI), and the National Democratic Institute (NDI) – represent public American institutions that work abroad in sectors that are critical to the development of democracy. In addition, NED support helps develop and fund key initiatives of nongovernmental organizations (NGOs) that foster independent media, human rights, and other essential democratic institutions, values and processes.

NED does not administer programs directly, but rather provides funding for numerous private groups and organizations. A bi-partisan Board of Directors makes funding decisions based on established criteria. NED functions with 123 staff members, who are responsible for program development and evaluation, grant management, financial oversight, research and outreach. Currently, NED operates under a provisional Negotiated Indirect Cost Recovery Agreement (NICRA) of 13%.

The Endowment's grants program, which funds programs in nearly 100 countries, is bolstered by the International Forum for Democratic Studies, a democracy research center that publishes the Journal of Democracy and administers the Reagan-Fascell Fellows Program, the World Movement for Democracy, a global hub for democracy networking and solidarity, and the Center for International Media Assistance, which strengthens media assistance abroad.

NED has received the resolute backing of every Administration since its founding, as well as strong bipartisan support from each Congress. The Endowment's track record of working in partnership with grassroots activists throughout the world is well documented, and it has confirmed the wisdom of a non-governmental, multi-sectoral approach.

Program Description

NED's program areas are as follows:

Freedom of Information	Rule of Law
Political Processes	Civic Education
Democratic Ideas and Values	NGO Strengthening
Strengthening Political Institutions	Freedom of Association

NATIONAL ENDOWMENT FOR DEMOCRACY

Accountability	Developing Market Economy
Human Rights	Conflict Resolution

NED's program is guided by a strategy document which is revised every three to five years. The Endowment's current strategy document prioritizes five conceptual and operational categories incorporating the enormous regional, cultural and political diversity of the nearly 100 countries where NED is working: opening political space in authoritarian countries; aiding democrats and democratic processes in semi-authoritarian countries; helping new democracies succeed; building democracy after conflict; aiding democracy in the Muslim world.

The following program highlights, though not exhaustive, are representative of the kinds of ongoing projects supported by NED that are enabling indigenous groups throughout the world to build and sustain democratic institutions.

Africa

In spite of difficult challenges in the past year in countries such as Sudan, Cote d'Ivoire, the Democratic Republic of Congo, Somalia, and Nigeria, significant gains were made in each of these countries as African NGOs and NED's core grantees engaged in some of the continent's most critical struggles for freedom. And in the bigger picture across the continent, democracy and the attendant respect for human rights, press freedom, and good governance became increasingly accepted as the norm by both government and citizens as the norm.

The **Democratic Republic of Congo (DRC)** has remained NED's top priority in Africa. Much remains to be done in the DRC after the elections in 2006, but some measure of stability and democratic government has finally been established in this vast nation in the heart of Africa. NED's Congolese partners, as well as NDI and ACILS, provided civic education and training for the elections, promoted women's rights and the rule of law, and fought corruption and impunity. In North Kivu, PAIF mobilized women's participation in the elections while continuing to campaign against impunity for abuses of human rights, including a massive number of rapes in the province.

In **Sudan**, despite the conflict raging in Darfur, civil society is carving out free political space in the prelude to democratic elections that are scheduled to be held by 2008, followed by a referendum on self-determination to be held by 2011. NED's 23 Sudanese partners expanded press freedom, engaged in conflict resolution in Darfur and the Nuba Mountains, monitored and advocated for human rights, and raised awareness of democracy and good governance throughout the country. New initiatives included democracy training by Kuli Baila in West Darfur, Rise Development and Tapari in Juba, and the Sudanese Organization for Non-Violence and Development for young people based in Khartoum. The Babiker Badri Association trained women activists in rural areas, including Kassala. And the daily publication of the *Khartoum Monitor* continued to serve as a fearless commentator for all Sudanese, both northerners and southerners.

In **Somalia**, the ascendancy of the Islamic Courts Union and its abrupt demise at the hands of Ethiopia by the end of the year was the context for courageous efforts by human rights groups and the media to defend basic freedoms. Groups such as the Center for Democracy and Human Rights (CDHR), the Center for Peace and Democracy (CPD), the Dr. Ismail Jumale Human Rights Organization (DIJHRO), the National Union of Somali Journalists (NUSOJ), HornAfrik, and Radio Banadir provided training on human rights to local police and judicial personnel, protested attacks on journalists, and promoted the rights of women. In neighboring **Somaliland**, an island of relative peace and democracy, NED partners such as the Agriculture Development Organization (ADO) helped to organize and strengthen farmers' associations, and the Voice

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of Somaliland Minority Women Organization (VOSOMWO) successfully protected the rights of ethnic minorities.

The deepening crisis in **Zimbabwe** has inspired opposition to the regime by the trade union movement, led by the Zimbabwe Congress of Trade Unions with assistance from ACILS. Other civil society groups also joined the struggle, including the National Constitution Assembly (NCA), the Zimbabwe Election Support Network (ZESN), the Zimbabwe Human Rights Association, and the Zimbabwe Lawyers for Human Rights (ZLHR), which received the Martin Ennals Human Rights Award in 2006. These organizations have barely survived the collapse of the economy and have suffered arrest and intimidation as a result of their efforts to promote electoral reforms to ensure free and fair elections, to disseminate unbiased news reports on human rights violations and the deteriorating economy, and to mobilize rural populations that have been excluded from participating in civic dialogue. In **Uganda**, the East and Horn of Africa Human Rights Defenders Network reinforced its impressive monitoring, protecting and lobbying on behalf of activists throughout the region. The Foundation for Human Rights Initiative (FHRI) monitored the elections and issued a series of important reports on human rights issues. NDI and IRI strengthened Ugandan political parties and women parliamentarians, while CIPE helped local business associations. In **Kenya**, both NDI and IRI worked with political parties and members of parliament to increase their effectiveness amidst the political turmoil that characterizes this otherwise peaceful democracy.

Liberia is demonstrating impressive progress. A dynamic civil society vigorously defended and expanded the hard-fought democratic gains that have been made there since the October 2005 elections. NED made grants to groups such as the National Coalition of Civil Society Organizations of Liberia (NACCSOL), the Foundation of Human Rights and Democracy (FOHRD), the Press Union of Liberia (PUL), and the National Youth Movement for Transparent Elections (NAYMOTE) to educate and mobilize Liberian citizens to respect human rights and press freedom, fight corruption, and participate in the new democracy. NED partners in **Sierra Leone** promoted democratic culture through a variety of means, including the media, religious institutions, and even, in the case of a project by Green Scenery, motorbike taxi associations. Likewise, in **Nigeria**, NED supported partners throughout Nigeria to conduct a wide variety of programs to strengthen community activism, increase youth participation, fight corruption, and promote democracy.

A transitional government in **Mauritania** was on track to hold that nation's first-ever democratic elections; NDI provided vital assistance to political parties in this process. In **Mali**, one of Africa's most vigorous democracies, NED provided seed funding to the Council for a Community of Democracies in partnership with the Malian NGO Secretariat to begin preparations for the Community of Democracies Ministerial Conference to be held in 2007. The Gorée Institute received support to build a network of domestic election monitors in West Africa in anticipation of numerous elections in the coming year. Likewise, NDI is working with civic organizations in Southern Africa to strengthen their election monitoring capacity.

Asia

Across Asia, a spectrum of authoritarian governments—including those in Pakistan, Burma, Vietnam, China, and North Korea—continue to maintain their tight grip on political power. Moreover, political developments in countries throughout the Asia region, in Bangladesh, Nepal, Thailand, and East Timor in particular, underscored the fragility of young democracies and the need for long-term and systemic approaches to democracy promotion. The Endowment continues to concentrate its resources in Asia in eight countries, all of which are among the region's least democratic or have recently made the transition to democratic rule: China, including Tibet, and North Korea in East Asia; Burma, Indonesia, and Malaysia in Southeast Asia; and Pakistan and Nepal in South Asia.

NATIONAL ENDOWMENT FOR DEMOCRACY

In **China**, the Endowment increased support for a wide variety of programs designed to promote the development of democratic values; carry out human rights education and protection; address labor rights, the rights of ethnic minorities, and the right to free exercise of religion; foster public debate of policy alternatives and proposals for constitutional and political reform; and play a watchdog role through advocacy and organizing.

A core feature of NED's China program is its support for freedom of expression, the free flow of information, and independent media outlets devoted to the circulation of objective news and information inside China. These independent media outlets provide a forum for diverse opinion and commentary, particularly on issues that may be distorted or filtered by government-controlled mass media. NED supported several important Chinese-language news services, journals of opinion and cultural criticism, and academic journals, reaching audiences in China primarily through Internet distribution. The Independent Chinese PEN Center (ICPC), for example, provides online publication of banned works and, through its membership of distinguished writers living in China and abroad, actively advocates for freedom of expression and for the release of imprisoned writers, editors, and "cyber-dissidents."

The struggle to advance human rights and political freedom in **Tibet** continues to be driven in large measure by the efforts of the exile Tibetan community under the leadership of the Dalai Lama. The Endowment's Tibet program, which concentrates its resources on the exile community, focused on three areas of activity: information and media, institution and civil society building, and democracy and human rights education. NED-supported Tibetan-language media outlets such as the *Tibet Times* newspaper and the Voice of Tibet radio provide an independent source of information to the Tibetan people. And, through a mini-grants program, the NED helped strengthen grassroots democracy and civil society in Tibetan communities throughout India.

For **North Korea**, NED looked to provide access to information inside the country and to improve the human rights situation through documentation and advocacy. In 2006, the Endowment greatly expanded its program, including efforts to provide radio listeners in North Korea with independent sources of news and information. To this end, it has funded three start-up projects providing daily radio broadcasts that cover the testimony of defectors, objective analysis and information about conditions in North Korea, and educational features that include English-language lessons and programs on basic economics and international developments.

The political situation in **Burma** has remained largely unchanged despite increasing attention from the international community, including at the UN Security Council, public calls for political reform from within the Association of Southeast Asian Nations (ASEAN), and small but notable demonstrations within the country protesting the military regime's oppressive measures. The Endowment continued to fund programs in several core areas: independent media; human rights education, documentation, and advocacy; international advocacy and organizing; ethnic nationality affairs; and women's participation and empowerment. NED-funded projects were instrumental in building support within ASEAN for democracy in Burma; in documenting on-going human rights issues, including internal displacement, religious freedom, women's rights, and political prisoners; and in building and expanding independent media. Today, with Endowment support, Burma's exile media boasts a shortwave radio station, a satellite TV station, numerous Burmese-language journals and newspapers, an internationally recognized English-language magazine, and media outlets that cover Burma's ethnic states.

In **Malaysia** and **Indonesia**, NED-funded projects looked to increase access to independent information, address worker rights and other human rights issues, tackle endemic corruption, and strengthen political parties.

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In South Asia, the Endowment's priority remained **Pakistan**. The second largest Muslim-majority country in the world with a population of over 160 million people, Pakistan faces numerous daunting challenges. High-profile issues such as terrorism, religious extremism, and conflict with India over Kashmir and Afghanistan over the Tribal Areas, often overshadow other serious and pervasive problems plaguing the country, including weak political institutions, pervasive corruption, poverty and unemployment, and center-regional tensions. The Endowment funded projects in all four provinces, including innovative women's empowerment projects in rural Punjab and Balochistan, and national-level projects that worked to strengthen civil society engagement in electoral politics and democratic reform. IRI, NDI, and the Islamabad-based Center for Civic Education all worked to encourage greater public participation in the electoral process, and to inform and educate citizens about democratic rights, political parties, and political institutions.

Elsewhere in South Asia, the Endowment expanded its efforts to promote democracy in **Nepal** following the re-establishment of civilian rule, and broadened its efforts in **Sri Lanka** to strengthen civil society, improve worker rights, and address endemic corruption.

Eurasia

Nongovernmental organizations and democratic political forces are coming under intensified pressure in **Russia**. While headlines were dominated by the murders of journalist Anna Politkovskaya and ex-KGB agent Alexander Litvinenko, equally important were the Kremlin's redoubled efforts to suppress civil society, rein in the media, restrict political space, and bring private businesses under state control. A new law requiring NGOs to report extensively on their activities and finances was used to shut down NED grantee the Russian-Chechen Friendship Society. Another grantee was physically attacked in St. Petersburg and numerous regional activists were arrested to prevent them from attending a NED-supported event in Moscow.

Such threats notwithstanding, NED grantees continued to advocate on behalf of Russian citizens whose rights have been violated, provide legal assistance to NGOs at risk from the new law, push for a more accountable political system, and report on developments in the troubled North Caucasus region. The Moscow Helsinki Group was instrumental in convening the *Other Russia*, a conference of activists of widely divergent views, to lay the foundation for a broader democratic movement. The Institute for Information Freedom Development worked to ensure that Russian government agencies complied with laws mandating freedom of information and official transparency. In the North Caucasus, NED grantees include Mashr, working to end impunity in Ingushetia by investigating and intervening in cases of forced disappearance; the Kabardin-Balkar Social Center for Human-Rights Activism, serving as the only human rights organization in Kabardino-Balkaria; and *Dagestanski Rakurs*, providing an important perspective on local events as the only independent newspaper in Dagestan.

Despite the constitutional crisis in **Ukraine**, NED grantees have been able to continue building a stronger foundation of democratic practices in the country. Young Rukh continued its efforts to democratize young people's lives by supporting the formation of student governments in Ukrainian universities. The Center for Research on Social Perspectives in the Donbas provided unbiased coverage of the 2006 parliamentary elections and their aftermath in Ukraine's largely Russophone Eastern regions, while the Institute of Mass Information protected such efforts through its monitoring of violations of press freedoms. Finally, Youth Alternative helped strengthen Ukraine's national and regional legislatures by arranging internships with the Verkhovna Rada and with local legislatures in 14 cities.

In **Belarus**, NED continued to support nonpartisan voter education and mobilization programs targeting upcoming elections. It will continue a long-term strategy of sustaining and building Belarus' third sector, especially the United Coalition of Democratic Forces, youth groups, trade unions, and regional NGO

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resource centers. NED remains one of the leading supporters of independent and alternative media in Belarus.

In the **Caucasus**, NED funding focused on increasing the capacity of independent media, fostering youth participation in civil society, NGO development outside the capital cities, and ensuring human rights and rule of law. In **Armenia**, NED supported two programs that linked Yerevan based groups and regional networks of television stations and NGOs to inform voters about the parliamentary elections. Supporting independent media and providing legal assistance to the population were the main priorities for NED in **Azerbaijan**. Independent newspapers *Gyun*, *Yukselish Namine*, and *Janub Khabarlari*, as well as internet sites Media Forum and Ganzha Media Center, were published with NED support while the Media Rights Institute conducted trainings to inform journalists about the new law on freedom of information. Other groups supported by NED conducted a campaign to persuade parliament to publish its voting records, monitored abuses in the judiciary, and organized forums for constituents to meet with members of parliament. Several years after the “Rose Revolution,” civil society continues to work to expand democratic reforms in **Georgia**. ACILS began to train trade union leaders and NDI worked to expand the capacity of the election monitoring NGO International Society for Fair Elections and Democracy. Several NED grantees, including Former Political Prisoners for Human Rights, Human Rights Information and Documentation Center, and Georgian Association of Young Lawyers, took the lead in organizing a new NGO coalition “Civil Society for a Democratic Georgia,” which coordinates joint actions to curb human rights abuses.

Central Asia is among the most authoritarian regions in the world and, despite some gains in Kyrgyzstan, most countries in the region continue to endure harsh conditions for NGOs and the deterioration of basic freedoms. Against this bleak background, NED’s grantees in Central Asia are laying the foundation for the long-term development of democratic values. The core areas of NED activity in Central Asia are human rights and the rule of law. In **Kazakhstan**, NED supported the Bureau for Human Rights and Rule of Law, the Almaty Helsinki Committee, and Journalists in Danger which conducted a range of activities to protect the rights of journalists, refugees, and minorities. NED sought to build on the momentum of the 2005 “Tulip Revolution” in **Kyrgyzstan** by expanding programs that fostered the rule of law, youth participation in civil society, and human rights. NED supported three organizations—Youth Human Rights Group, Kel Kel, and Institute for Public Policy—which aimed to increase the rhetorical, organizational, and political skills of youth activists and expand their ability to defend their rights and freedoms. Other programs focused on improving electoral legislation and conducting human rights monitoring. Programs in **Tajikistan** fostered freedom of information by supporting two independent internet publications, *Avesta* and *Asia Plus*; a local Uzbek language newspaper, *Tong*; a journalism resource center in Khuzhand; and legal assistance for independent journalists through the National Association of Independent Mass Media. Despite a deepening crackdown against NGOs in **Uzbekistan**, NED’s support for regional human rights efforts were critical to protecting refugees and documenting and distributing information about human rights abuses. NED supports several rule of law and human rights programs in **Turkmenistan** and will expand on this foundation if the new government permits greater freedom for civil society.

Central and Eastern Europe

Significant strides towards consolidating democratic transitions in the region were made with the expected accession of Bulgaria and Romania to the European Union in 2007 and the signing of a Stabilization and Association Agreement by Albania and Macedonia. The Western Balkans also showed signs of stabilization following Montenegro’s peaceful separation from Serbia and the decision to invite Bosnia and Herzegovina, Montenegro, and Serbia to join the Partnership for Peace program, a step towards NATO membership. However, unresolved border issues, the rise of political extremism, weak and opaque institutions, civic apathy, and corruption continued to cast a shadow over democratization. The prospect of independence for Kosovo and Serbia’s failure to cooperate with the International Criminal Tribunal for the

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former Yugoslavia, which forced the EU to break off accession negotiations, boosted the popularity of radical forces in Serbia prior to key parliamentary elections scheduled for January 2007. On the issue of Kosovo's independence, a compromise with Serbia proved impossible and the delay of a decision on final status continued to fuel political and ethnic tension and hinder democratic reforms in both entities. Constitutional reform was a key issue in Bosnia's October 2006 elections, further dividing the electorate over the future status of *Republika Srpska*.

The Endowment focused its support on strengthening independent media, especially at the local and regional levels, which is increasingly under attack in the Balkans; fostering interethnic understanding and historical reconciliation in the former-Yugoslav countries; and promoting youth participation in civic and political life. NED concentrated its resources on the former Yugoslavia, with a strong emphasis on Serbia, Kosovo, and Bosnia and Herzegovina. NED assistance raised the professional standards of local media throughout the region by training journalists in investigative reporting and strengthening independent sources of information.

The Belgrade-based Balkan Investigative Reporting Network (BIRN) provided comprehensive training to local journalists operating in areas with significant minority populations in Kosovo, Montenegro, and Serbia, enabling them to produce feature articles and objective analysis on political, economic, and social issues relevant to minority communities. Similarly, in the multiethnic region of northern **Serbia**, the Independent Journalists' Association of Vojvodina used Endowment funding to train minority journalists to create and use an online archive of articles published in minority languages. Recognizing that media can serve as a powerful tool for promoting ethnic and historic reconciliation, the NED supported projects such as Fund B92's documentary film festival Free Zone, and the human rights festival VIVISECTfest, organized by Vojvodjanka – Regional Women's Initiative. Such events provided a framework for debates on sensitive human rights topics and drew the attention of young audiences in Serbia and Bosnia and Herzegovina to the dangers of extreme nationalism and xenophobia.

NED support for independent media also increased public discourse among citizens in **Bosnia and Herzegovina** on critical issues facing the country. In Republika Srpska, where a restrictive political environment inhibits objective media coverage, the Center for Informative Decontamination produced a series of live television debates on politically sensitive issues affecting Bosnian citizens, particularly young people. Similarly, BIRN in **Kosovo** collaborated with the leading public TV broadcaster on producing cutting-edge TV debates on crucial political, economic, and social topics in Kosovo and the region. Other programs in these entities focused on promoting civic activism as well as the transparency and accountability of government institutions. The Kosova Democratic Institute used NED assistance to monitor the Central Assembly and inform the public of its performance through scorecards, analytical reports, and press conferences.

In newly-independent **Montenegro**, where reforms continue to be hindered by weak state institutions and inadequate rule of law, the Center for Democracy and Human Rights analyzed the quality of the country's democratic transition through a series of surveys examining public perceptions of institutional capacity, adherence to human rights standards, and governmental stability. To increase the quantity and quality of analysis on economic and foreign policy issues in **Macedonia**, IRI established the Ohrid Institute for Economic Strategies and International Affairs, a think tank that conducts research, publishes policy papers, organizes roundtable discussions and lectures, and advocates for more effective and efficient government. The Endowment continued to strengthen the transparency and accountability of government institutions in **Albania** by assisting the Center for Parliamentary Studies, which published a monthly journal documenting and analyzing draft legislation and other parliamentary initiatives.

Despite the government's pro-Western pronouncements, democratic reforms in **Moldova** have been slow to materialize. NED supported a civic initiative to promote a free and fair electoral process in the autonomous

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region through observation missions and a nonpartisan voter education and mobilization campaign. In a continuing effort to strengthen civil society in the breakaway region of Transnistria, the Endowment assisted the Center of Information, Education, and Social Analyses' monthly bilingual journal, which provided independent analysis of civil society developments in the region.

In Romania and Bulgaria, where the Endowment is scaling down its work, support was targeted at promoting human and minority rights and political participation. In **Romania**, the Association for the Protection of Human Rights monitored the drafting of new laws for adherence to human rights standards and advocated for the implementation of existing legislation. In **Bulgaria**, NDI strengthened the political representation of women by supporting issue-based advocacy initiatives and good governance training for elected women officials, as well as conducting a gender assessment of political parties.

The Endowment has increased support for regional programs, which share useful experiences, skills, and program models across borders. The Romanian Academic Society examined best practices and lessons learned from anticorruption projects in the Balkans, established an NGO network for anticorruption programs, and led a regional initiative to build effective civic coalitions to increase the transparency of the electoral process and accountability of elected officials throughout the region. Following the success of its Roma leadership training academy in Bulgaria and Slovakia, which provides emerging leaders with the skills needed to compete for elected office and better address their communities' long-term needs, NDI expanded the program to include Roma activists from Romania.

Latin America and the Caribbean

An intense cycle of executive and legislative elections took place throughout Latin America and the Caribbean in 2006. The new correlations of power reflect diverse political and socioeconomic realities in the region. Nevertheless, some common features are still present in the countries NED has identified as priorities: increasing political polarization; deep socioeconomic inequalities; and weak democratic institutions.

In **Haiti**, Centre de Formation Citoyenne et d'Appui au Développement (CEFCAD) and Rassemblement National des Citoyens Organisés pour le Développement d'Haïti (RANCODHA) worked with newly elected officials to promote greater collaboration between them and community leaders. In **México**, Centro de Encuentros y Diálogos (CED) held a series of "get-out-the-vote" activities and monitored election-day voting. Movimiento por Nicaragua and Hagamos Democracia encouraged **Nicaraguans** to participate in the presidential and legislative elections.

NED has continued to devote significant resources to **Cuba**. NED supported various organizations committed to monitoring human rights violations and to providing humanitarian assistance to political prisoners and their families. NED also broadened its programs aimed at overcoming the information blockage in Cuba and supported innovative efforts to promote the rights and voice the grievances of independent labor groups, women, and Afro-Cuban descendants. Some organizations worked to establish effective networks and collaborative approaches among the different groups working abroad and inside the island. Other organizations are engaged in creating awareness and solidarity in the international community about the efforts of Cuban individuals and organizations to pursue their right to live in a democratic society.

More than one-third of the NED's Latin American projects focused on the Andean sub-region (**Bolivia, Colombia, Ecuador, Perú and Venezuela**), which has experienced high levels of instability and conflict in the past decade. Most of NED's projects in this sub-region have targeted issues of local concern and are aimed at strengthening local democratic institutions and processes, including traditionally excluded populations such as indigenous people, Afro-Latino populations, and women.

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In response to the multifaceted challenges confronting **Venezuelan** democracy, NED awarded the largest number of grants in the region to this country. Various organizations dealt with issues related to the independence and transparency of the judiciary, monitoring of human rights violations, defense of civil society's independence, and promotion of community justice. Other organizations worked at the local level developing trainings on human rights for police officers, promoting programs to enhance citizen participation, developing consensus building and conflict resolution programs, and strengthening citizen oversight of social programs. One organization worked with indigenous groups to promote their rights, strengthen their skills and encourage their participation in municipal government.

NED continued to support regional projects that share valuable experiences, skills and program ideas across borders. NED core institutes developed ambitious projects in several countries based on their extensive regional networks and experience. NDI and IRI concentrated their efforts on training young political party leaders, reforming political parties and electoral monitoring. ACILS continued its regional projects to support freedom of association among workers, strengthen unions' negotiation capacities, and develop unions' internal democratic procedures. CIPE focused on the discussion and spread of market-centered economic ideas and practices in the region. Among NED discretionary programs, Afro-América XXI continued its program to promote the political participation of Afro-Latino communities throughout the region. The American University, in association with law schools in Bolivia, Chile, México and Venezuela, promoted innovative programs to develop human rights curricula and the training of human rights practitioners. Organizations such as the Center for Justice and International Law (CEJIL) and Centro de Estudios Legales y Sociales (CELS) promoted and defended human rights in the Andean region and Argentina and Paraguay. The Institute of Press and Society (IPYS) used its wide network of media monitors throughout the region to protect freedom of expression and journalists.

Middle East/North Africa

Despite setbacks and new challenges that swept the region, NED remained firm in supporting the efforts of civic groups and activists to bring democratic change and consolidate reform. While regional politics on war and terrorism overshadowed domestic agendas in public debates, NED expanded its program in support of trade unions, youth organizations, business and professional associations, and political coalitions. NED support helped civic groups build institutions and associations throughout the region and advance programs on citizen participation, rule of law, transparency, women and human rights, and freedom of expression.

Politics throughout the region were dominated by state sponsored political parties and religious opposition groups, often squeezing out democrats during contentious election campaigns revolving around issues of accountability, freedom of expression, and labor rights. However, calls for democratic and civic reforms became prevalent in the popular press and were echoed by government officials and Islamist political opposition.

Regional concerns over security overshadowed local politics. Relentless violence in Iraq, factional fighting among the Palestinians, the return of the Taliban in Afghanistan, and the war between Israel and Hezbollah in Lebanon have all heightened security concerns and encouraged governments to strengthen their grip on power and further radicalized Islamic opposition groups. Reformers and democrats had less political space and faced more risks. Public opinion turned against groups working with foreign organizations. But despite intimidation and pressure, democracy activists participated in local and national elections held in Palestine, Bahrain, Kuwait, Yemen, and Iran.

Brave civic campaigners, human rights defenders, and activists in Egypt, Syria, Tunisia and Bahrain were arrested, detained, or imprisoned. In closed political environments in **Syria, Libya** and **Iran**, NED support

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built the capacity of emerging civil society organizations, created web-based forums, facilitated meetings, and brought together activists and intellectuals to develop ideas and form networks.

At the forefront of the democracy struggle were independent media groups and journalists who continued to challenge governments on freedom of speech and expression. In **Yemen, Morocco, Jordan, and Tunisia**, scores of journalists and media groups ended up in courts or detention centers. To address the growing needs of the independent media in their fight for freedom of expression, NED supported groups like the International Center for Journalists, Article 19: Campaign for Global Freedom of Expression, and AmmanNet. These groups provide informational resources, capacity building, and advocacy campaign training for journalists and civil society organizations in the region struggling to advance legislative reforms, awareness of journalist abuse, and protections against violations of freedom of the press.

Within an increasingly diminishing space to maintain reform efforts, democrats and civic groups in **Palestine** participated in historic legislative elections. The outcome brought Hamas to power, triggered international sanctions, crippled the Palestinian economy, halted virtually all government activity, and erupted in sustained factional violence between Fateh and Hamas supporters. Under exceptionally harsh circumstances, NED maintained a solid program of support to civic and democratic projects to promote nonviolent conflict resolution, strengthen political participation by women and young people, encourage the development of strong and independent NGOs, and advocate for democratic reform.

The war between Israel and Hezbollah in **Lebanon** set back the clock on Lebanon's reconstruction and shifted public attention away from building national accountable democratic institutions and back to pre-civil war power struggles. NED support ensured the continuity of a strong civic voice and reform platforms for democrats and activists among women, young people, business associations, and local communities.

NED programs in **Iraq** continued in the midst of growing insurgency and deteriorating security. NED helped build the capacity of civic groups throughout Iraq in projects to combat sectarian tensions and support the country's fragile political transition. Grantees like the Student League for Human Rights engaged university students from all over the country in dialogues on national reconciliation. ACILS and CIPE provided critical capacity-building development training for Iraqi labor unions and the business sector, respectively, including working with Iraqi political parties to develop economic policy platforms, as well as working to facilitate development of a national economic policy and advocacy program for Iraqi labor unions.

Increased violence and deteriorating security posed serious challenges to the nascent democratic order and the authority of the Karzai government in **Afghanistan**. In rural areas, NED supported Afghan civic organizations in civic participation programs and engagement in local democracy projects. NED also supported programs to strengthen media organizations, raise civic awareness among young people and women, and engage local power structures and community leaders. The Welfare Association for Development of Afghanistan (WADAN) ran an extensive voter education program, disseminating democratic principles, and engaging local power holders (*maliks*) and elders in support of local elections.

For the first time in **Kuwait**, women candidates and voters were allowed to participate in elections. In **Yemen and Bahrain**, opposition candidates fought unprecedented election battles. Breaking new ground in Saudi Arabia and the Gulf, NED support helped strengthen civil society, broaden the political space, and advance reform agendas for freedom of expression, good governance, and promotion of free market economic principles. ACILS's gulf regional program helped to strengthen the capacity of trade unions in Bahrain, Kuwait, and Yemen; NDI expanded its capacity building training for local council representatives; and through support to a local polling center in Kuwait, IRI helped politicians and activists reach out to citizens and engage in local issues.

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While the **Egyptian** government used emergency laws and the threat of extremism to reduce political space; attack journalists, judges, and politicians; and shut down core institute programs, NED supported grassroots groups in rural communities. NED grantees like the Rural Studies Center and National Association for the Defense of Rights and Freedoms opened new doors for activists and promoted political participation of women and farmers in rural areas of Egypt. In Cairo, NED supported the Andalus Institute for Tolerance and Anti-Violence Studies to raise youth awareness of the work of Parliament and improve communication between members of Parliament and university students.

In its top-down political and economic reforms, **Morocco** fell short in meeting social, economic, and political reform targets and needed to expand its nascent independent sector. NED supported Moroccan activists to strengthen the capacity of new civil society groups focused on the empowerment of women, civic education for youth, human rights monitoring, and citizen participation on the local level. In neighboring **Algeria**, NED support was critical to groups at the forefront of government accountability, such as the Collective of Families of the Disappeared in Algeria, the sole advocate for the establishment of an independent truth and justice commission to redress past human rights abuses.

Monitoring and Evaluation

As the NED grant-making program grows, NED staff needs to increase its ability to monitor and evaluate grants, which will require increased staff attention and mobility. Through monitoring and evaluation, the Endowment aims to ensure that project objectives are being met, NED grant regulations are being followed, and the support is helping to build the institutional capacity of grantees.

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Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	18,994	19,342	10,000	(9,342)

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

Congress established the East-West Center (EWC) as a national educational and research organization to promote U.S.-Asia Pacific understanding and relations through cooperative study, training and research. The Center programs, which are multinational and interactive, bring Americans and counterparts from the region for policy-oriented study, research and exchange on critical issues of mutual importance, including regional security, terrorism, good governance, economic development, family and social issues, health, education, disaster preparedness, environmental protection, and resource needs. The Center gives special attention to “communicators” who shape public and governmental views in their respective countries—politicians and policymakers, journalists, educators, and younger leaders. In the post-September 11 era, the Center has placed new emphasis on the issues of homeland security, internal conflict in Asia, terrorism, educational policy, and outreach to Muslim populations.

The Center works to prepare Americans for an era of deeper engagement with the Asia Pacific region through the development of Asian studies in nearly 500 U.S. colleges, including community colleges and minority serving institutions. The Center’s professional alumni network (including government officials, business persons, and educators) extends its outreach through 47 alumni chapters in the region. Under its current plan, the Center continues to develop competitive, self-funded, private sector oriented activities consistent with its public mission.

Program Description

Research Program

East-West Center research activities are multinational and collaborative in nature, involving experts and institutions from the United States and throughout the Asia Pacific region. The Center recognizes that the most urgent regional problems are also global challenges and seeks to address U.S.-Asia Pacific partnerships in a global context. The Research Program is organized into four broad study areas: politics, governance and security; economics; environmental change, vulnerability and governance; and population and health. Themes explored by resident and visiting fellows change depending on research and policy needs.

Through multilateral, collaborative research, the Center:

- Promotes sound macro-economic policies, market oriented investment, legal and regulatory reforms, and analyzes policies that support reforms, smooth democratic transitions, encourages vigorous civil society organizations, human rights, and the rule of law;

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- Conducts research on critical environmental and energy issues, e.g., the stabilization of greenhouse gas emissions, the maintenance of bio-diversity, the relationship between the environment and trade, and energy security;
- Supports development of comprehensive approaches to family planning, maternal and child health, aging and demographic change, and closely related health concerns;
- Contributes to understanding the dynamics of the spread of epidemic diseases and their control, especially HIV/AIDS, and strengthens international health surveillance and response policies and networks; and
- Supports the development of the rule of law through capacity-building judicial training activities.

East-West Center in Washington

East-West Center in Washington supports the Center's overall mission through direct work with U.S. policymakers and opinion leaders in the nation's capital. It facilitates understanding of the U.S. policy process by Asia Pacific participants through direct interaction with U.S. policymakers. Research and seminar activities address U.S. national interests by focusing on internal conflict and conflict resolution in East, Southeast, and South Asia, areas where internal conflict can spill over into international terrorism. A new thrust will be a project demonstrating how Asia Pacific matters to U.S. communities by collecting data on trade, employment, census and other data at the community level. The U.S. Asia Pacific Council promotes active U.S. participation in the leading academic and business networks in the Asia Pacific region and provides a key support base for the Asia Pacific Economic Cooperation (APEC) processes.

The Center increases contact and understanding between U.S. policymakers and policy leaders and Asia Pacific counterparts, particularly emerging leaders; provides analytical underpinnings for security, preventive diplomacy, and conflict reduction activities; and strengthens effective U.S. private sector and non-governmental participation in Asia Pacific regional networks.

Pacific Islands Development Program

The Pacific Islands Development Program (PIDP) is a unique partnership between the East-West Center and the Pacific island governments, organized to provide policy analysis and research information to the Pacific Island Leaders in their collective efforts to achieve the desired development goals. The heads of state/government play a direct role in shaping the PIDP agenda through annual meetings on the EWC campus. In 2007, PIDP brought the island leaders to Washington DC and held meetings with both the Executive and Legislative branches of the U.S. government. PIDP plays a major role in sponsoring a series of national unity conferences in Fiji to promote dialogue between the two top political leaders and among ethnic groups in that centrally important Pacific Island nation.

The Pacific Islands Development Program promotes reduced aid dependency by strengthening Pacific island economies and enhancing U.S. trade and investment with island nations through the Joint Commercial Commission; helps developing nations lessen the dislocations that may result from market openings; and builds, strengthens, coordinates with, and employs international organizations, NGOs, the academic community, and national institutions to secure democratic transitions, prevent conflict, and promote good governance.

Education

The Center offers educational opportunities for future leaders in the Asia Pacific region and the U.S. in an era of increased social, economic and technological interdependence. Graduate degree scholarships and certificate programs prepare students and professionals to address the challenges and complexities of the world's most dynamic region. Undergraduate degree scholarships build and strengthen the base of future leaders in East Timor and the South Pacific. In FY 2006, 470 students from multiple countries across the

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Asia Pacific region and U.S., as well as Canada, Latin America, Central Asia, Europe, Africa and the Middle East, took part in EWC education programs.

Professional development seminars, workshops, and field studies for K-12 teachers and higher education faculty broaden the capacity of individuals and institutions to prepare students to live in an interdependent world where the Asia Pacific region plays an increasingly important role. An emerging international forum on education considers the implications of globalization, interdependency and equity on educational systems in the Asia Pacific region and the U.S.

Seminars

Seminar programs provide short-term educational experiences for policymakers, professionals and scholars from Asia, the Pacific and the United States seeking greater understanding of the issues and challenges facing the region. The EWC provides a neutral meeting place where professionals, specialists and emerging leaders discuss regional issues and build relationships with their counterparts. By facilitating peer-to-peer engagement in a collegial setting, the Center is a catalyst for regional cooperation.

External Affairs

The Center improves and strengthens international relations by promoting better understanding through educational, cultural and information programs; gains support for the East-West Center's mission through organized and targeted communication strategies; and strengthens and motivates the extensive EWC alumni network of more than 50,000 individuals worldwide.

The External Affairs Office is broadly responsible for the Center's outreach effort. The Center has a vigorous national and regional outreach program to support its effort to become one of the leading catalysts for Asia Pacific community building. Activities include organizing public programs on freedom of the press and the importance of responsible media in the development of democracies; government, legislative and diplomatic relations; official visitor programming and briefings; arts programming; and an alumni office. The Arts Program provides a comprehensive introduction to the cultures of Asia and the Pacific through traditional performances and visual arts. Many alumni remain committed to the Center's mission and are now in leadership positions in government, business and education. The 47 alumni chapters have programs throughout the year, and international alumni conferences occur every two years.

Program Direction, Administration and Overall Mission Support

Under this heading are grouped the activities and functions of the Board of Governors; the International Advisory Panel, which provides external guidance and evaluation of Center programs; the Office of the President, which provides the overall planning, coordination, and direction of the Center's programs, including fund-raising; and the Office of Administration, which provides personnel, fiscal, budget, computer systems and facilities management services for the Center.

Besides carrying out the Center's administrative functions, the funds budgeted here support the entire Center's research, education and training mission. For operational efficiency, the budgets here include internal and contracted costs for: information technology support and computer replacements, facilities improvements, utilities, cleaning services, liability insurance, audit and legal fees, and the overall services agreement with the University of Hawaii providing library, security and other services.

The primary focus is to increase productivity through streamlined organization and staffing, staff development, better use of technology, and increasing housing and other revenues.

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CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	740	868	875	7

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

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

The Center will further scholarship and implement programs to encourage mutual understanding between the people of the United States and Europe, who share a Western European tradition, and the peoples of Southeast Europe, the Near and Middle East, and Central Asia, who share cultural and religious traditions associated with the dominant nations of those areas. The goal of the Center is to promote dialogue on key issues, the growth of civil society and democratic institutions, and peaceful resolution of differences.

Program Description

Under the leadership of CAORC, the Center's Panel of Advisors is convening important policy meetings for U.S. and regional experts about key issues of Middle Eastern-Western concern including: a conference in Istanbul focused on the development of indigenous universities in the Muslim world; and other conferences on the emergence of private universities in the Muslim world and their vital role in strengthening higher education. The Center will also continue to serve as the key U.S. NGO convener for U.S. government engagement with Iranian scholars and experts. Currently, the Center plans to convene three conferences involving U.S.-Iranian educational exchange and cooperation. Themes for these conferences include: Iranian cultural heritage preservation; Iranian influence on the Persian Gulf economies; and, the history of Iranian Studies in the U.S. and U.S. Studies in Iran. In addition, the Center plans to conduct two "Next Generation" conferences, bringing together emerging political, cultural, business and community leaders under age 40 from the United States and leading Muslim-majority countries such as Pakistan, Indonesia, and Egypt. The Center's Panel of Advisors continues to work to identify potential partners in the U.S. and in the broader Middle East and North Africa region, and make recommendations for program activities and institutional management of the Center. CAORC will continue to report annually to Congress on the Center's conferences and other activities.

The Center will continue to develop programs of cooperative study, training, and research for students and scholars to exchange views and ideas. The Center will focus on development of region-based dialogue groups that will conduct research on topics such as post-war Iraq and the empowerment of women in government and leadership throughout the Middle East.

CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

The Center has conducted program activities in Istanbul while seeking to establish a permanent office there. During FY 2008, CAORC and the Center will establish a permanent presence in Istanbul with an office and an in-country office director.

Justification of Request

The FY 2009 budget seeks appropriation authority to spend \$875,000 in estimated interest earnings of the Center for Middle Eastern-Western Dialogue Trust Fund. These funds will be used for operations of the Center.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	494	496	500	4

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

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

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

Program Description

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

- Multi-Nation Program (MNP) – Provides two-month U.S. fellowships for an Eisenhower Fellow from each of 24 to 27 countries;
- Single Region or Common Interest Program (SRP, CIP) – Provides two-month U.S. fellowships for 20 to 25 Fellows representing a range of professions from a single geographic region or professional area;
- USA Program (USA) – Sends 10 to 15 Americans abroad, for one to two months, to countries where their fields can be enriched by persons, organizations, and institutions encountered; and
- Eisenhower Fellowships Network – Links alumni Fellows worldwide, enabling Fellows to collaborate on projects, extend and strengthen relationships, and develop international links. Approximately 1,700 men and women from over 100 countries have joined the ranks of Eisenhower Fellows since 1953, a significant percentage of whom remain actively engaged in the Eisenhower Fellowships Network.

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

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Justification of Request

The FY 2009 request seeks appropriation authority to spend \$500,000 in estimated interest earnings of the Eisenhower Exchange Fellowship Program Trust Fund. The funding will be applied to:

- Providing learning and networking opportunities for mid-career international and U.S. leaders in preparation for increasingly senior positions in government, business, and NGOs;
- Exposing these emerging leaders to best practices in building democratic institutions and free markets; and
- Advancing peace through the increased international dialogue, understanding, and collaboration that result from the fellowships and from an active global alumni leadership network.

ISRAELI ARAB SCHOLARSHIP PROGRAM

Resource Summary

(\$ in thousands)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Increase/ Decrease
Appropriation Total	370	372	375	3

FY 2008 Estimate reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

Overview

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

Program Description

IASP funds are invested only in interest-bearing obligations of the United States or in obligations guaranteed by the United States as to both principal and interest. The interest from such investments is credited to the fund and made available subject to annual appropriation's acts to carry out the scholarship program.

Justification of Request

The FY 2009 request seeks authority to spend \$375,000 in estimated interest earnings of the Israeli Arab Scholarship Fund. The funding will be applied to:

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

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DEPARTMENT OF STATE FEE COLLECTIONS

Overview

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

Fee Collections by Bureau

Bureau of Consular Affairs

Machine Readable Visa Fees

Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (P.L. 103-236), as amended, authorizes the Department to charge a fee for processing machine readable non-immigrant visas and to deposit such fees as offsetting collections to any Department appropriation to recover the costs of providing consular services. These fees finance much of the Department's Border Security Program.

Expedited Passport Fees

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

Passport Security Surcharge and Immigrant Visa Security Surcharge

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005 (P.L. 108-447) authorizes the Department to charge and retain surcharges related to consular services in support of enhanced border security. These fees finance a significant portion of the Department's Border Security Program.

H-1B and L Fraud Prevention and Detection Fee

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

Western Hemisphere Travel Surcharge

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

DEPARTMENT OF STATE FEE COLLECTIONS

certain non-U.S. citizens to present a passport or other secure documentation proving identity and citizenship when entering the United States.

Diversity Visa Fees

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

Visa Fingerprint Fees

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1995 (P.L. 103-317) provides that thereafter all receipts received from an increase in the charge for immigration visas attributable to the cost of processing an applicant's fingerprints shall be deposited as an offsetting collection. This allows the Department to pass on to the visa applicant the cost of FBI fingerprint checks, for which the FBI charges State a fee. As of January 2008, this fee will no longer be charged to visa applicants as a separate fee since full, ten-fingerprint checks are now part of the non-immigrant and immigrant visa process.

Affidavit of Support Fees

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

Bureau of Political-Military Affairs

Defense Trade Control Fees

Registration fees are charged by the Office of Defense Trade Controls in accordance with Section 45 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2717) and are available without fiscal year limitation for specified expenses related to Defense Trade Control licensing, compliance, and enforcement activities.

Bureau of Economic, Energy, and Business Affairs

Commercial Services Fees

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

Bureau of Educational and Cultural Affairs and Bureau of International Information Programs

Information and Educational Exchange Fees

DEPARTMENT OF STATE FEE COLLECTIONS

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

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

Foreign Service Institute

Fees for Use of National Foreign Affairs Training Center

Section 53 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2725) authorizes the Secretary to charge a fee for use of the National Foreign Affairs Training Center of the Department of State. Amounts collected (including reimbursements and surcharges) are deposited as an offsetting collection to Department of State appropriations to recover the costs of such use and remain available for obligation until expended.

Bureau of Administration

Fees for Use of Diplomatic Reception Rooms

Section 54 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2726) authorizes the Secretary to charge a fee for use of the diplomatic reception rooms of the Department of State. Amounts collected (including reimbursements and surcharges) are deposited as an offsetting collection to Department of State appropriations to recover the costs of such use and remain available for obligation until expended.

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DEPARTMENT OF STATE FEE COLLECTIONS

(\$ in thousands)

Revenue Source	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
Machine Readable Visa Processing Fees			
Carryforward Allocations	53,797	74,631	-
Prior Year Collections Unallocated	113,824	67,764	137,656
Current Year Collections Projected (Net)	732,468	958,897	1,036,465
Total Collections Available	900,089	1,101,292	1,174,121
Carryforward Allocations Planned	35,961	55,973	-
Current Year Allocation Plan	796,364	907,663	981,233
Total Allocations	832,325	963,636	981,233
Carryforward Allocations Returned	17,836	18,658	-
Unallocated Collections	49,928	118,998	192,888
Ending Unallocated Collections	67,764	137,656	192,888
Western Hemisphere Travel Surcharge			
Carryforward Allocations	-	1,048	-
Prior Year Collections Unallocated	8,425	19,827	20,875
Current Year Collections Projected (Net)	132,802	569,500	569,500
Total Collections Available	141,227	590,375	590,375
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	121,400	569,500	569,500
Total Allocations	121,400	569,500	569,500
Carryforward Allocations Returned	-	1,048	-
Unallocated Collections	19,827	19,827	20,875
Ending Unallocated Collections	19,827	20,875	20,875
Passport Security Surcharge			
Carryforward Allocations	-	47	-
Prior Year Collections Unallocated	26,179	18,891	18,938
Current Year Collections Projected (Net)	212,821	412,672	496,000
Total Collections Available	239,000	431,610	514,938
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	220,109	412,672	496,000
Total Allocations	220,109	412,672	496,000
Carryforward Allocations Returned	-	47	-
Unallocated Collections	18,891	18,891	18,938
Ending Unallocated Collections	18,891	18,938	18,938
Expedited Passport Fees			
Carryforward Allocations	32,404	37,250	-
Prior Year Collections Unallocated	56,101	124,679	125,317
Current Year Collections Projected (Net)	315,011	315,000	315,000
Total Collections Available	403,516	476,929	440,317
Carryforward Allocations Planned	76,837	37,250	-
Current Year Allocation Plan	202,000	314,362	343,000
Total Allocations	278,837	351,612	343,000
Carryforward Allocations Returned	-	-	-
Unallocated Collections	124,679	125,317	97,317
Ending Unallocated Collections	124,679	125,317	97,317

DEPARTMENT OF STATE FEE COLLECTIONS

Immigrant Visa Surcharge			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	32,535	5,962	5,962
Current Year Collections Projected (Net)	39,877	30,825	30,825
Total Collections Available	72,412	36,787	36,787
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	66,450	30,825	30,825
Total Allocations	66,450	30,825	30,825
Carryforward Allocations Returned	-	-	-
Unallocated Collections	5,962	5,962	5,962
Ending Unallocated Collections	5,962	5,962	5,962
Affidavit of Support Fees			
Carryforward Allocations	-	5,899	-
Prior Year Collections Unallocated	37,890	17,969	23,668
Current Year Collections Projected (Net)	25,279	21,000	21,000
Total Collections Available	63,169	44,868	44,668
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	45,200	21,200	23,000
Total Allocations	45,200	21,200	23,000
Carryforward Allocations Returned	-	5,899	-
Unallocated Collections	17,969	17,769	21,668
Ending Unallocated Collections	17,969	23,668	21,668
Visa Fingerprint Fees			
Carryforward Allocations	-	281	-
Prior Year Collections Unallocated	14,757	19,671	20,252
Current Year Collections Projected (Net)	6,414	1,800	-
Total Collections Available	21,171	21,752	20,252
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	1,500	1,500	1,600
Total Allocations	1,500	1,500	1,600
Carryforward Allocations Returned	-	281	-
Unallocated Collections	19,671	19,971	18,652
Ending Unallocated Collections	19,671	20,252	18,652
Diversity Lottery Fees			
Carryforward Allocations	-	4,533	-
Prior Year Collections Unallocated	10,699	6,106	8,639
Current Year Collections Projected (Net)	18,007	20,600	20,600
Total Collections Available	28,706	31,239	29,239
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	22,600	22,600	22,300
Total Allocations	22,600	22,600	22,300
Carryforward Allocations Returned	-	4,533	-
Unallocated Collections	6,106	4,106	6,939
Ending Unallocated Collections	6,106	8,639	6,939

DEPARTMENT OF STATE FEE COLLECTIONS

H-1B and L Fraud Prevention Fee			
Carryforward Allocations	-	4,756	-
Prior Year Collections Unallocated	68,079	94,522	94,522
Current Year Collections Projected (Net)	45,736	31,800	31,800
Total Collections Available	113,815	131,078	126,322
Carryforward Allocations Planned	-	4,756	-
Current Year Allocation Plan	19,293	31,800	31,800
Total Allocations	19,293	36,556	31,800
Carryforward Allocations Returned	-	-	-
Unallocated Collections	94,522	94,522	94,522
Ending Unallocated Collections	94,522	94,522	94,522
Defense Trade Control Fees			
Carryforward Allocations	2,558	1,396	-
Prior Year Collections Unallocated	-	1,383	1,383
Current Year Collections Projected (Net)	9,484	8,225	8,225
Total Collections Available	12,042	11,004	9,608
Carryforward Allocations Planned	2,558	1,396	-
Current Year Allocation Plan	8,101	8,225	8,225
Total Allocations	10,659	9,621	8,225
Carryforward Allocations Returned	-	-	-
Unallocated Collections	1,383	1,383	1,383
Ending Unallocated Collections	1,383	1,383	1,383
Commercial Service Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	6	6
Current Year Collections Projected (Net)	13	16	16
Total Collections Available	13	22	22
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	7	16	16
Total Allocations	7	16	16
Carryforward Allocations Returned	-	-	-
Unallocated Collections	6	6	6
Ending Unallocated Collections	6	6	6
Sec. 810 USI & EE Act Fees			
Carryforward Allocations	4,482	5,415	-
Prior Year Collections Unallocated	4,199	5,085	5,085
Current Year Collections Projected (Net)	6,454	6,000	6,000
Total Collections Available	15,135	16,500	11,085
Carryforward Allocations Planned	4,482	5,415	-
Current Year Allocation Plan	5,568	6,000	6,000
Total Allocations	10,050	11,415	6,000
Carryforward Allocations Returned	-	-	-
Unallocated Collections	5,085	5,085	5,085
Ending Unallocated Collections	5,085	5,085	5,085

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DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by section 801 of the United States Information and Educational Exchange Act of 1948; representation to certain international organizations in which the United States participates pursuant to treaties ratified pursuant to the advice and consent of the Senate or specific Acts of Congress; arms control, nonproliferation and disarmament activities as authorized; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, [\$4,385,042,000: *Provided*, That of the amount provided by this paragraph, \$575,000,000 is designated as described in section 5 (in the matter preceding division A of this consolidated Act)]\$4,201,473,000: *Provided* [further], That of the amount made available under this heading, not to exceed \$10,000,000 may be transferred to, and merged with, "Emergencies in the Diplomatic and Consular Service", to be available only for emergency evacuations and terrorism, *narcotics, and war crimes* rewards: *Provided further*, That of the amount made available under this heading, not less than [\$360,905,000]\$394,806,000 shall be available only for public diplomacy international information programs: [*Provided further*, That of the funds made available under this heading, \$5,000,000 shall be made available for a demonstration program to expand access to consular services: *Provided further*, That of the amount appropriated under this heading, \$2,000,000 shall be available for the Secretary to establish and operate a public/private interagency public diplomacy center which shall serve as a program integration and coordination entity for United States public diplomacy programs: *Provided further*, That of the amounts appropriated under this heading, \$4,000,000, to remain available until expended, shall be for compensation to the families of members of the Foreign Service or other United States Government employees or their dependents, who were killed in terrorist attacks since 1979: *Provided further*, That none of the funds made available for compensation in the previous proviso may be obligated without specific authorization in a subsequent Act of Congress:] *Provided further*, That during fiscal year [2008]2009, foreign service annuitants may be employed, notwithstanding section 316.401 of title 5, Code of Federal Regulations, pursuant to waivers under section 824(g)(1)(C)(ii) of the Foreign Service Act of 1980 (22 U.S.C. 4064(g)(1)(C)(ii)): [*Provided further*, That of the funds appropriated under this heading, \$5,000,000 shall be made available for the Ambassador's Fund for Cultural Preservation: *Provided further*, That of the funds appropriated under this heading, \$500,000 may not be available for obligation until the Secretary of State submits a report to the Committees on Appropriations outlining a plan to increase the capacity of United States Embassy Moscow to monitor human rights and Russian laws relating to the press and civil society groups, and consults with the Committees on Appropriations concerning such plan: *Provided further*, That the Secretary may transfer to and merge with "Emergencies in the Diplomatic and Consular Service" for rewards payments unobligated balances of funds appropriated under "Diplomatic and Consular Programs" for this fiscal year and for each fiscal year hereafter, at no later than the end of the fifth fiscal year after the fiscal year for which any such funds were appropriated or otherwise made available:] *Provided further*, That funds available under this heading may be available for a United

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States Government interagency task force to examine, coordinate and oversee United States participation in the United Nations headquarters renovation project: [*Provided further*, That no funds may be obligated or expended for processing licenses for the export of satellites of United States origin (including commercial satellites and satellite components) to the People's Republic of China unless, at least 15 days in advance, the Committees on Appropriations are notified of such proposed action:] *Provided further*, That funds appropriated under this heading are available, pursuant to 31 U.S.C. 1108(g), for the field examination of programs and activities in the United States funded from any account contained in this title. In addition, not to exceed [\$1,558,390]\$1,605,150 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act; in addition, as authorized by section 5 of such Act, \$490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational Exchange Act, not to exceed \$6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs and from fees from educational advising and counseling and exchange visitor programs; and, in addition, not to exceed \$15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities. In addition, for the costs of worldwide security protection, [\$974,760,000]\$1,162,796,000, to remain available until expended[: *Provided*, That of the amount provided by this paragraph, \$206,632,000 is designated as described in section 5 (in the matter preceding division A of this consolidated Act)].

CAPITAL INVESTMENT FUND

For necessary expenses of the Capital Investment Fund, [\$60,062,000]\$71,000,000, to remain available until expended, as authorized: *Provided*, That section 135(e) of Public Law 103-236 shall not apply to funds available under this heading.

CIVILIAN STABILIZATION INITIATIVE

For necessary expenses to establish, support, maintain, mobilize, and deploy a civilian response corps, and for related reconstruction and stabilization assistance to prevent or respond to conflict or civil strife in foreign countries or regions, or to enable transition from such strife, \$248,631,000, to remain available until expended: Provided, That such funds may be made available to provide administrative expenses for the Office of the Coordinator for Reconstruction and Stabilization: Provided further, That the Secretary of State may transfer and merge funds made available under any other heading in Titles I, III and IV of this Act with funds made available under this heading to maintain and deploy a civilian response corps: Provided further, That the Secretary may appoint, compensate and remove Civilian Reserve Corps personnel without regard to Civil Service or classification laws.

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EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized, [~~\$505,441,000~~]~~\$522,444,000~~, to remain available until expended: *Provided*, That not to exceed \$5,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, educational advising and counseling programs, and exchange visitor programs as authorized.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services, as authorized, [~~\$23,000,000~~]~~\$18,000,00~~, to remain available until September 30, [~~2009~~]~~2010~~.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, [~~\$9,000,000~~]~~\$19,000,000~~, to remain available until expended as authorized, of which not to exceed [~~\$1,000,000~~]~~\$1,000,000~~ may be transferred to and merged with the "Repatriation Loans Program Account", subject to the same terms and conditions.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act (Public Law 96-8), [~~\$16,351,000~~]~~\$16,840,000~~.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, [~~\$34,008,000~~]~~\$35,508,000~~, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980 (Public Law 96-465), as it relates to post inspections.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926 (22 U.S.C. 292-303), preserving, maintaining, repairing, and planning for buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Harry S. Truman Building, and carrying out the Diplomatic Security Construction Program as authorized, [~~\$761,216,000~~]~~\$841,334,000~~, to remain available until expended as authorized, of which not to exceed [~~\$25,000~~]~~\$25,000~~ may be used for domestic and overseas representation as authorized: *Provided*, That none of the funds appropriated in

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this paragraph shall be available for acquisition of furniture, furnishings, or generators for other departments and agencies.

In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, [~~\$676,000,000~~]~~\$948,400,000~~, to remain available until expended.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, [~~\$158,900,000~~]~~\$122,500,000~~.

REPRESENTATION ALLOWANCES

For representation allowances as authorized, \$8,175,000.

REPATRIATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, [~~\$678,000~~] ~~\$678,000~~, as authorized: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

In addition, for administrative expenses necessary to carry out the direct loan program, [~~\$607,000~~]~~\$675,000~~, which may be *paid to* [transferred to and merged with] "Diplomatic and Consular Programs".

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, [~~\$1,700,500,000~~]~~\$1,497,000,000~~, of which 15 percent shall remain available until September 30, [2009]~~2010~~: *Provided*, That [none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peacekeeping mission unless,] *it is the sense of the Congress that* at least 15 days in advance of voting for [the] a new or expanded mission in the United Nations Security Council (or in an emergency as far in advance as is practicable): (1) the Committees on Appropriations and other appropriate committees of the Congress [are] *should be* notified of the estimated cost and length of the mission, the national interest that will be served, and the planned exit strategy; (2) the Committees on Appropriations and other appropriate committees of the Congress [are] *should be* notified that the United Nations has taken appropriate measures to prevent United Nations employees, contractor personnel, and peacekeeping forces serving in any United Nations peacekeeping mission from trafficking in persons, exploiting victims of trafficking, or committing acts of illegal sexual exploitation, and to hold accountable individuals who engage in such acts while participating in the peacekeeping mission, including the prosecution in their home countries of such individuals in connection with such acts; and (3) [a reprogramming of funds] *notification* pursuant to section [615]~~610~~ of this Act [is] *should be* submitted, and the procedures therein followed, setting forth the source of funds

LEGISLATIVE LANGUAGE

that will be used to pay for the cost of the new or expanded mission: *Provided further*, That funds shall be available for peacekeeping expenses only upon a certification by the Secretary of State to the Committees on Appropriations that American manufacturers and suppliers are being given opportunities to provide equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers[: *Provided further*, That of the amount provided by this paragraph, \$468,000,000 is designated as described in section 5 (in the matter preceding division A of this consolidated Act)].

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, [\$1,354,400,000: *Provided*, That the Secretary of State shall, at the time of the submission of the President's budget to Congress under section 1105(a) of title 31, United States Code, transmit to the Committees on Appropriations the most recent biennial budget prepared by the United Nations for the operations of the United Nations: *Provided further*, That the Secretary of State shall notify the Committees on Appropriations at least 15 days in advance (or in an emergency, as far in advance as is practicable) of any United Nations action to increase funding for any United Nations program without identifying an offsetting decrease elsewhere in the United Nations budget and cause the United Nations budget for the biennium 2008-2009 to exceed the revised United Nations budget level for the biennium 2006-2007 of \$4,173,895,900]\$1,529,400,000: *Provided*[further], That any payment of arrearages under this title shall be directed toward activities that are mutually agreed upon by the United States and the respective international organization: *Provided further*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings.

INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:
[INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO]
INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed \$6,000 for representation; as follows:

[SALARIES AND EXPENSES]

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, [\$30,430,000]\$32,256,000.

LEGISLATIVE LANGUAGE

CONSTRUCTION

For detailed plan preparation and construction of authorized projects, [~~\$88,425,000~~]~~\$44,250,000~~, to remain available until expended, as authorized.

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided, for the International Joint Commission and the International Boundary Commission, United States and Canada, as authorized by treaties between the United States and Canada or Great Britain, and for the Border Environment Cooperation Commission as authorized by Public Law 103-182, [~~\$10,940,000~~]~~\$11,449,000~~: *Provided*, That of the amount provided under this heading for the International Joint Commission, \$9,000 may be made available for representation expenses [45 days after submission to the Committees on Appropriations of a report detailing obligations, expenditures, and associated activities for fiscal years 2005, 2006, and 2007, including any unobligated funds which expired at the end of each fiscal year and the justification for why such funds were not obligated].

[Of the funds made available in the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006, Public Law 109-108, as continued by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5), for the International Joint Commission (119 Stat. 2323), \$300,000 for the Lake Champlain Basin Program shall remain available for the purposes intended until September 30, 2009.]

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, [~~\$26,527,000~~]~~\$22,000,000~~: *Provided*, That the United States share of such expenses may be advanced to the respective commissions pursuant to 31 U.S.C. 3324[: *Provided further*, That funds appropriated under this heading shall be available for programs in the amounts contained in the table included in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act) accompanying this Act and no proposal for deviation from those amounts shall be considered].

EAST-WEST CENTER

To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to the Center for Cultural and Technical Interchange Between East and West in the State of Hawaii, [~~\$19,500,000~~]~~\$10,000,000~~: *Provided*, That none of the funds appropriated herein shall be used to pay any salary, or enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376.

LEGISLATIVE LANGUAGE

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$80,000,000, to remain available until expended.

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, as authorized by the Asia Foundation Act (22 U.S.C. 4402), [~~\$15,500,000~~]~~\$10,000,000~~, to remain available until expended, as authorized.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

For necessary expenses of Eisenhower Exchange Fellowships, Incorporated, as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204-5205), all interest and earnings accruing to the Eisenhower Exchange Fellowship Program Trust Fund on or before September 30, [2008]2009, to remain available until expended: *Provided*, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A-110 (Uniform Administrative Requirements) and A-122 (Cost Principles for Nonprofit Organizations), including the restrictions on compensation for personal services.

ISRAELI ARAB SCHOLARSHIP PROGRAM

For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, [2008]2009, to remain available until expended.

CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE TRUST FUND

For necessary expenses of the Center for Middle Eastern-Western Dialogue Trust Fund, the total amount of the interest and earnings accruing to such Fund on or before September 30, [2008]2009, to remain available until expended.

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