

**Broadcasting Board of Governors
Fiscal Year 2008 Budget Request**

Executive Summary

Broadcasting Board of Governors
FY 2008 Budget Request
\$668.2 million

Our national security strategy is founded upon two pillars:

The first pillar is promoting freedom, justice, and human dignity – working to end tyranny, to promote effective democracies...Peace and international stability are most reliably built on a foundation of freedom.

The second pillar of our strategy is confronting the challenges of our time by leading a growing community of democracies...history has shown that only when we do our part will others do theirs. America must continue to lead.

George W. Bush
March 16, 2006

The Broadcasting Board of Governors (BBG) provides critical support to the two pillars of the U.S. national security strategy through its non-military international broadcasting services. A free press, open exchange of ideas, and equal access to critical information are vital underpinnings of any democratic society. The BBG broadcast services promote freedom, justice, human dignity, and support the open environments in which democracies thrive.

To achieve BBG's strategic plan, its broadcast services strive to broadcast quality programming and reach mass audiences in strategic areas. The BBG language services also serve as an example of a free and professional press; focus on nations key to the war on terror and where freedom and democracy are threatened; gain audience trust as a source of news; communicate what America stands for; counter global extremism; foster respect for human rights; support popular aspirations for freedom in repressive societies; strengthen civil society, rule of law, and transparency; stem religious and ethnic intolerance; and combat hate media.

The BBG includes Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), Radio and TV Marti (OCB), and Middle East Broadcasting Networks (MBN), and reaches a worldwide audience of 140 million in 58 languages via radio, television, and the Internet. While all BBG broadcast services adhere to the broadcasting standards and principles of the International Broadcasting Act of 1994, the BBG has fundamentally transformed U.S. non-military international broadcasting in pursuit of its mission: to promote freedom and democracy and to enhance

understanding by broadcasting accurate, objective, and balanced news and information about the United States and the world to audiences abroad.

As it looks forward, the BBG will continue critical programs as it seeks to expand its reach and meet its mission in new ways. New programming proposed in FY 2008 will counter the misinformation and dangerous ideology in East Africa, particularly Somalia; provide expanded broadcasts to North Koreans who seek greater access to unbiased information in their repressive, closed society; and enable Alhurra to enhance its programming, focus the agenda in the Middle East's media market, and reach this critical audience.

Program Innovations

The BBG has proven its ability to respond quickly to cover crises as they occur and taken significant steps to strengthen its broadcasts to critical areas of the world. VOA now broadcasts four hours of original Persian television programming to Iran with a focus on U.S. and international news, discussion, and objective analysis. During the 2006 Hezbollah-Israeli crisis, MBN transformed into a 24/7 news organization successfully presenting accurate and objective Arabic language coverage on satellite television throughout the Middle East.

When Fidel Castro temporarily gave leadership of Cuba to his brother, Raul Castro, VOA expanded its daily program to Cuba and Radio and TV Marti hastened its launch of the airborne-platform to better reach Cuban audiences. South Korean media frequently picked up VOA and RFA news stories on the escalating crisis on the Korean Peninsula as North Korea tested nuclear weapons and medium-range missiles throughout 2006. VOA programs in Africa countered local misinformation and filled in where poor government media infrastructure failed by providing citizens vital information on health crises like polio in Nigeria and avian flu in Mozambique. In Central Asia, Afghans turned to VOA and RFE/RL for coverage and discussion of key political and social issues.

To meet our national security challenges, BBG program innovations are based on the rigorous use of research, new technologies, regular program review, and commercial broadcast expertise. The BBG uses audience and market research to identify target audiences and their program preferences, augmenting our ability to provide listeners and viewers the serious news, information, and debate that fuels democratic development. These refinements continue to strengthen international broadcasting as the most effective U.S. tool to directly access a worldwide audience, counter misrepresentations of the U.S. and its policies, and provide accurate news and information and vibrant intellectual discussions and debates to those who do not receive this from their own media.

Key accomplishments in FY 2006 include:

- VOA's Persian language television continues to rank as one of the top international broadcasters in Iran, attracting a TV audience that has grown in the past two years. In 2006, VOA Persian TV surged from one to four hours of original programming daily. The four-hour program block is repeated three times

daily. According to a recent survey, the hour-long news program *Late Edition* has already attracted a weekly audience of nearly 9% of adult Iranians through its first five months of airing.

RFE/RL's *Radio Farda* is reaching its target audience of younger listeners in Iran, despite continued jamming by Iranian authorities. In 2006, Radio Farda provided additional news coverage during the Hezbollah-Israeli crisis and also provided balanced, thorough coverage of the growing nuclear crisis in Iran, airing interviews with some of the most prominent experts in the fields of politics and nuclear proliferation.

- In 2006, in addition to the around-the-clock coverage of the Hezbollah-Israeli crisis, Alhurra provided comprehensive live coverage of the elections in Egypt, Iraq, Israel, Kuwait, and the Palestinian Territories. Alhurra's current affairs programming gives its audience in-depth exploration of the issues through round-table and panel discussions. Alhurra Europe, a 24/7 channel, began broadcasting in FY 2006 to give the U.S. a connection with Arabic-speakers in Europe. In August 2006, Alhurra-Iraq expanded its reach terrestrially with a transmitter in Mosul, Iraq.

Radio Sawa extended its newscasts during the Hezbollah-Israeli crisis and held in-depth discussions on the conflict on its current affairs programs. Radio Sawa also expanded audience reach in FY 2006 with the addition of a separate stream to Lebanon.

- BBG broadcasts to Afghanistan continue to build on the success of its seamless daily 24-hour program stream in the Dari and Pashto languages. Radio Free Afghanistan and VOA continue to rank as two of the top three international broadcasters in Afghanistan. In FY 2006, VOA launched a daily 60-minute TV news program (30 minutes each in Dari and Pashto) that is broadcast directly to viewers via satellite and affiliates.

On August 14, VOA launched the initial phase of its new Pashto broadcasts to the 25 million Pashto-speakers living on the Afghanistan-Pakistan border. *Radio Deewa* (Light) programming includes a news hour with in-depth feature segments on international, regional, and local news, four top-of-the-hour newscasts, and music.

- VOA continues its 12-hour-a-day Urdu language (*Radio Aap ki Duniyaa*) broadcasts to reach millions of Pakistanis. With a contemporary format targeting young people between the ages of 15 and 39 (60 million of 150 million Pakistanis), *Radio Aap ki Duniyaa*'s listenership has doubled since its debut in May 2004. VOA's 30-minute prime-time television show, *Beyond the Headlines*, is Pakistan's most widely watched satellite channel broadcast. According to the national survey, *Radio Aap ki Duniyaa* and *Beyond the Headlines* have a combined national audience of more than five million.

- Despite continued obstacles of jamming or government restriction, the BBG expanded its reach in North Korea. VOA broadcasts over 21 hours every week, and RFA developed a two-hour live format, increasing original programming by 30 minutes.
- In continued support for the U.S. government's mission to combat terrorism and deliver critical programs to diverse audiences around the world, a new 800kW medium wave transmitter became operational in 2006 to improve Urdu broadcasts to Pakistan. The installation of a shortwave transmitter at the Kuwait station significantly improved broadcasts to Afghanistan. Additional key FM capability was established for Radio Deewa and for Radio Sawa.

FY 2008 Performance Goals

Through the combination of strengthened targeted programming, transmission capability, and the realignment of essential support services, the BBG request of \$668.2 million will serve to increase the overall audience reach of U.S. international broadcasting. Of the BBG's total budget, \$116.0 million is included for Arabic language programming; \$142.4 million for Near East, South, Central Asia and Eurasia programming; \$67.2 million for East Asia programming; \$13.6 million for Africa programming; and \$45.0 million for Latin America programming. The costs for these performance objectives include all programming and program delivery expenses to each region. \$284.0 million is proposed for the support functions across all entities to support the total audience reach. BBG performance objectives are to reach audiences in these targeted regions. This can only be accomplished if our programs, transmission, and support services provide professional, timely and reliable service to our audiences.

Program Changes Proposed for FY 2008

The proposed FY 2008 program changes are pivotal to the strategic goals of the agency. The key areas targeted for additional investment are:

- Establishing a 10-hour coordinated stream of VOA and RFA daily programming to North Korea (\$2.9 million).
- Launching a daily three-hour live Alhurra television program produced and broadcast from the Middle East (\$11.1 million).
- Continuing VOA Somali Service's 30-minute daily radio broadcast to the millions of Somali speakers in Somalia, Djibouti, and the greater Horn of Africa (\$.6 million).
- Improving Radio and Television Marti's reach into Cuba through additional transmission capability, including DirecTV, medium wave leases and enhancing the production of the programming. Also, increasing VOA to Cuba programming to seven days a week (\$3.2 million).

- Addressing the BBG's most critical infrastructure and equipment maintenance and repair requirements to support all U.S. international broadcasting (\$5.0 million).

To fund these initiatives and mandatory cost increases, the BBG is proposing to reallocate savings achieved through program decreases of \$33.4 million. The FY 2008 budget focuses on audiences in North Korea, the Middle East, Somalia, and Cuba. Based on research, language service review, and an analysis of audience media preferences, the BBG is proposing reductions to its broadcast programs. These include the elimination of VOA and RFA Cantonese and VOA Uzbek, as well as reductions to VOA and RFE/RL Ukrainian, VOA and RFA Tibetan, VOA Portuguese to Africa, and RFE/RL Romanian, South Slavic, and Kazakh services. The BBG is also proposing reductions to its program support, transmission, and administrative programs. These include the closure of one transmitting station, and other transmission reductions; reduction to VOA audience mail, VOA and RFA music, and RFE/RL central news functions as well as to the BBG overseas and domestic bureaus; and savings in BBG administrative support programs.

The FY 2008 budget request also includes several of the reductions and enhancements requested in FY 2007. Enhancements include: \$6.3 million for MBN to expand Alhurra's live news capacity to 24 hours a day and increase Radio Sawa's local news coverage; \$.9 million to expand VOA Spanish television programming to Venezuela; \$1.9 million to lease additional transmission capabilities for RFE/RL Russian and RFA Korean; \$0.5 million for audience development in high-priority markets worldwide; and \$0.4 million to increase funding for employee training and awards programs. The FY 2008 budget also includes the following reductions proposed in the FY 2007 budget request: eliminating VOA broadcasts in Croatian, Greek, Georgian, and Thai and RFE/RL broadcasts in Macedonian; eliminating VOA radio broadcasts but continuing VOA television programming in Serbian, Albanian, Bosnian, Macedonian, Hindi, and Russian; and discontinuing 14 hours a day of VOANewsNow English radio broadcasts.

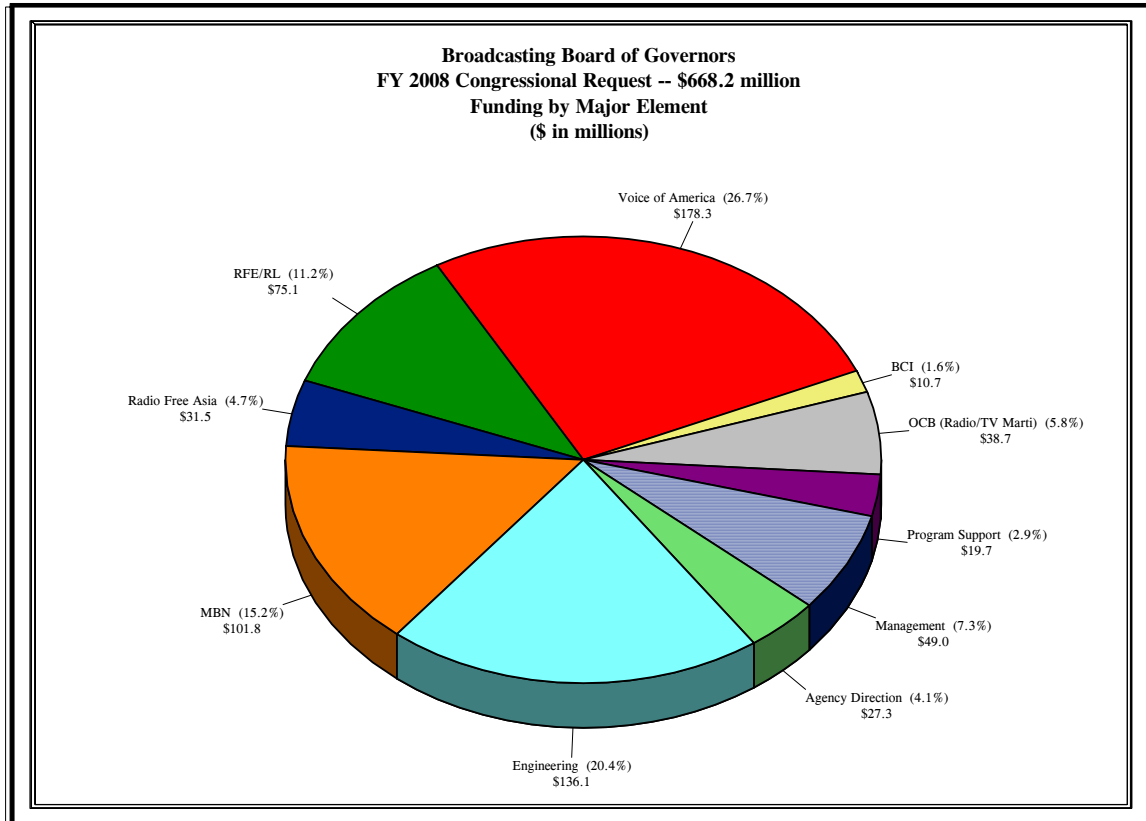
Summary of Funding Request by Account

The Broadcasting Board of Governors requests a total of \$668.2 million for FY 2008.

The FY 2008 request includes:

- \$618.8 million for International Broadcasting Operations (one-year funding for all broadcasting and support services except for Radio and TV Marti). This request includes increased funding to: enhance VOA and RFA programming to North Korea; launch a new Alhurra program from the region; continue the VOA Somali service; and enhance VOA Spanish to Cuba.
- \$38.7 million for Broadcasting to Cuba (no-year funding for Radio and TV Marti). This includes funding to operate the aircraft, to improve program production, and to further enhance transmission options for Radio and TV Marti to Cuba for satellite television, and medium wave and shortwave for radio.

- \$10.7 million for Broadcasting Capital Improvements (no-year funds for transmission infrastructure maintenance and improvements). This includes funding for maintenance, repairs, and improvements to existing systems, and other measures to secure the current transmission capability. Increased funding is included to address critical broadcasting repairs and replacement requirements.



Broadcasting Board of Governors
Summary of Resources
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> ¹ | <u>2008</u> <u>Request</u> | <u>2007- 2008</u> <u>Difference</u> |
|--|-------------------------------|---|-------------------------------|--|
| <u>International Broadcasting Operations</u> | | | | |
| International Broadcasting Bureau | | | | |
| Voice of America | 166,603 | 177,536 | 178,346 | 810 |
| Broadcasting to Cuba | 36,920 | 33,579 | - | (33,579) |
| Engineering and Technical Services | 157,720 | 150,313 | 136,090 | (14,223) |
| Agency Direction | 25,286 | 28,704 | 27,333 | (1,371) |
| Management | 45,563 | 47,205 | 48,974 | 1,769 |
| Program Support | 17,342 | 18,705 | 19,668 | 963 |
| Total, IBB | 449,434 | 456,042 | 410,411 | (45,631) |
| Independent Grantee Organization | | | | |
| Radio Free Europe/Radio Liberty | 75,337 | 76,626 | 75,145 | (1,481) |
| Radio Free Asia | 30,395 | 31,530 | 31,457 | (73) |
| Middle East Broadcasting Networks | 79,458 | 81,614 | 101,764 | 20,150 |
| Total, Grantees | 185,190 | 189,770 | 208,366 | 18,596 |
| Total IBO Resources | 634,624 | 645,812 | 618,777 | (27,035) |
| SUMMARY OF RESOURCES | | | | |
| Appropriated P.L. 109-108/Estimate/Request | 641,450 | 636,060 | 618,777 | (17,283) |
| Transfers from USAID | 845 | - | - | - |
| FY 2006 Emergency Supplemental P.L. 109-234 | 522 | 9,752 | - | (9,752) |
| Rescission | (8,193) | - | - | - |
| Total, IBO Resources | 634,624 | 645,812 | 618,777 | (27,035) |
| <u>Broadcasting to Cuba</u> | | | | |
| Estimate/Request | - | - | 38,700 | 38,700 |
| Total, OCB Resources | - | - | 38,700 | 38,700 |
| <u>Broadcasting Capital Improvements</u> | | | | |
| Appropriated P.L. 109-108 adjusted for FY 2006 | | | | |
| Supplemental/Estimate/Request | 10,893 | 7,624 | 10,748 | 3,124 |
| Offset of Balances | 16,000 | - | - | - |
| FY 2006 Emergency Supplemental P.L. 109-234 | 99 | 25,727 | - | (25,727) |
| Rescission | (139) | - | - | - |
| Total, BCI Resources | 26,853 | 33,351 | 10,748 | (22,603) |
| Grand Total, Broadcasting Board of Governors Appropriated/Request | 645,477 | 679,163 | 668,225 | (10,938) |

¹ A regular 2007 appropriation for these accounts had not been enacted at the time this budget was prepared; therefore these accounts are operating under a continuing resolution. The amounts included in 2007 in this budget reflect the levels provided by the current continuing resolution.

Broadcasting Board of Governors
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | |
|---|-------------------|
| FY 2007 Estimate | + 643,684 |
| Represents levels provided by the current continuing resolution for the FY 2007 for all BBG elements adjusted by FY 2006 Supplemental funding. | |
| FY 2006 Emergency Supplemental (Public Law 109-234) | + 35,479 |
| Wage Increases: Domestic/American | + 8,815 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | |
| Wage Increase: FSNs | + 174 |
| Represents anticipated wage increases for overseas foreign service national employees. | |
| Other Wage Requirements | + 13,511 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008, including increased workers compensation and health care costs. | |
| Built-in Requirements | + 2,709 |
| Includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following: | |
| a) Technical Requirements for Alhurra | 1,303 |
| b) Rent/Utilities/Security | 992 |
| c) Internet Streaming and Information Technology | 362 |
| d) Consolidated research contract | 52 |
| Non-Recurring Costs | - (23,989) |
| The following costs are non-recurred in FY 2008: | |
| a) One time costs associated with the FY 2006 emergency supplemental | (21,343) |
| b) Payroll and financial management systems | (1,137) |
| c) Program Delivery | (1,033) |
| d) International Cooperative Administrative Support Services (ICASS) | (335) |
| e) Other non-recurs | (141) |
| FY 2007 Proposals included in the FY 2008 Request | - (1,546) |
| Reductions proposed in FY 2007 Request | |
| a) VOA and RFE/RL broadcast reductions | (11,530) |
| Enhancements proposed in FY 2007 Request | |
| a) Strengthen Targeted Programming | 7,212 |
| b) Improve Transmission Capabilities | 1,860 |
| c) Develop our Audiences | 500 |
| d) Employee Development | 412 |
| Program Decreases | - (33,382) |
| Reflects the following reductions to base operations: | |
| a) VOA, RFE/RL, and RFA broadcast reductions | (7,786) |
| b) Transmission Network Reductions | (13,268) |
| c) Administrative and Broadcast Support Efficiencies | (12,328) |
| Program Increases | - 22,770 |
| Reflects the increase above base operations to fund the following enhancements: | |
| a) Broadcasting to North Korea | 2,858 |
| b) Enhance Alhurra's Presence in the Middle East | 11,144 |
| c) Targeting Extremism in Somalia | 589 |
| d) Enhance Programming to Cuba | 3,179 |
| e) Protect Our Broadcast Capability | 5,000 |

| | |
|--|----------------|
| TOTAL FY 2008 BROADCASTING BOARD OF GOVERNORS REQUEST | 668,225 |
|--|----------------|

Broadcasting Board of Governors
Explanation of Change
FY 2007 - FY 2008
(\$ in thousands)

| | FY 2007 Estimate | FY 2008 Requirements | | FY 2008 Continuing Operations | Program Decreases ¹ | Program Increases ¹ | FY 2008 Request |
|--|---------------------|----------------------|----------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|--------------------|
| | | Wage Requirements | Other Net Built-in Changes | | | | |
| International Broadcasting Bureau | | | | | | | |
| Voice of America | 177,536 | 12,522 | 4,255 | 194,313 | (18,277) | 2,310 | 178,346 |
| Engineering and Technical Services | 150,313 | 1,997 | (1,340) | 150,970 | (16,683) | 1,803 | 136,090 |
| Agency Direction | 28,704 | 303 | (1,420) | 27,587 | (329) | 75 | 27,333 |
| Management | 47,205 | 691 | 698 | 48,594 | (82) | 462 | 48,974 |
| Program Support | 18,705 | 134 | (36) | 18,803 | (625) | 1,490 | 19,668 |
| Independent Grantee Organizations | | | | | | | |
| Radio Free Europe/Radio Liberty | 76,626 | 3,397 | 23 | 80,046 | (4,901) | - | 75,145 |
| Radio Free Asia | 31,530 | 972 | (111) | 32,391 | (2,685) | 1,751 | 31,457 |
| Middle East Broadcasting Networks | 81,614 | 1,348 | 1,383 | 84,345 | - | 17,419 | 101,764 |
| Subtotal, IBO | 612,233 | 21,364 | 3,452 | 637,049 | (43,582) | 25,310 | 618,777 |
| Broadcasting to Cuba | 33,579 | 1,136 | 884 | 35,599 | (766) | 3,867 | 38,700 |
| Broadcasting Capital Improvements | 33,351 | - | (25,054) | 8,297 | (564) | 3,015 | 10,748 |
| Total, BBG Request | 679,163 | 22,500 | (20,718) | 680,945 | (44,912) | 32,192 | 668,225 |

¹Includes FY 2007 program increases and decreases proposed in the FY 2007 request and new FY 2008 program increases and decreases.

**Broadcasting Board of Governors
Summary of Positions and FTE
As of September 30, 2006-2008**

| | FY 2006 On Board | | FY 2007 Authorized | | FY 2008 Request | |
|---|------------------|----------------|--------------------|----------------|-----------------|----------------|
| | Positions | FTE | Positions | FTE | Positions | FTE |
| <u>International Broadcasting Bureau</u> | | | | | | |
| Agency Direction | 80 | 80.1 | 100 | 84.0 | 97 | 82.7 |
| American Salaries | 80 | 80.1 | 100 | 84.0 | 97 | 82.7 |
| Management | 96 | 97.1 | 108 | 103.5 | 107 | 104.9 |
| American Salaries | 96 | 97.1 | 108 | 103.5 | 107 | 104.9 |
| Program Support | 54 | 53.9 | 60 | 56.7 | 60 | 56.7 |
| American Salaries | 49 | 49.6 | 55 | 51.7 | 55 | 51.7 |
| Foreign Nationals | 5 | 4.3 | 5 | 5.0 | 5 | 5.0 |
| Voice of America | 1,173 | 1,149.5 | 1,356 | 1,251.3 | 1,213 | 1,192.6 |
| American Salaries | 1,149 | 1,126.9 | 1,331 | 1,226.3 | 1,188 | 1,167.6 |
| Foreign Nationals | 24 | 22.6 | 25 | 25.0 | 25 | 25.0 |
| Engineering and Technical Services | 533 | 583.1 | 569 | 543.6 | 528 | 516.4 |
| American Salaries | 223 | 232.0 | 257 | 234.6 | 229 | 220.4 |
| Foreign Nationals | 310 | 351.1 | 312 | 309.0 | 299 | 296.0 |
| Subtotal, Int'l Broadcasting Bureau | 1,936 | 1,963.7 | 2,193 | 2,039.1 | 2,005 | 1,953.3 |
| <u>Broadcasting to Cuba</u> | | | | | | |
| American Salaries | 153 | 144.3 | 169 | 155.9 | 173 | 166.0 |
| Subtotal, BBG Federal Employees | 2,089 | 2,108.0 | 2,362 | 2,195.0 | 2,178 | 2,119.3 |
| <u>Grantees</u> | | | | | | |
| Radio Free Europe/Radio Liberty | 538 | - | 544 | - | 513 | - |
| Employees | 538 | - | 544 | - | 513 | - |
| Radio Free Asia | 245 | - | 281 | - | 258 | - |
| Employees | 245 | - | 281 | - | 258 | - |
| Middle East Broadcasting Networks | 260 | - | 289 | - | 469 | - |
| Employees | 260 | - | 289 | - | 469 | - |
| Subtotal, Grantees Employees | 1,043 | - | 1,114 | - | 1,240 | - |
| Total, Broadcasting Board of Governors | 3,132 | 2,108.0 | 3,476 | 2,195.0 | 3,418 | 2,119.3 |

**Broadcasting Board of Governors
Fiscal Year 2008 Budget Request**

Program Enhancements

Broadcasting Board of Governors
Broadcasting to North Korea
(\$2.9 million and 20 positions)

Background

In response to the crisis in North Korea, the BBG has developed a plan to enhance broadcasts to North Korea by focusing on improved programming, increased original broadcast hours, and enhanced transmission. Improvements began in August 2006, with schedule changes for VOA and RFA to more popular broadcast hours. Building on this in FY 2007, VOA and RFA will phase in increased daily original hours of programming. Finally, in FY 2008 the BBG proposes to establish a 10-hour coordinated stream of VOA and RFA daily programming.

10-Hour Program Stream

The BBG proposes a 10-hour coordinated stream of VOA and RFA daily programming to North Korea. Based on audience research on North Korean listener habits, this schedule provides the greatest potential audience reach. There are strong indications that the North Korean audience is increasingly listening to broadcasts on medium wave (AM) and shortwave between 9 pm and 7 am daily. A 10-hour program stream will focus BBG's programming and transmission resources to the hours that have the potential for reaching the greatest number of listeners.

While research on media access and ownership in North Korea is not possible, defector surveys indicate that North Koreans have access to radios. An InterMedia study of defectors in 2005 indicated that 78% of the defectors had access to radios while they were in North Korea and 33% had personally altered their radios to receive foreign broadcasts. Also, North Koreans tune in so furtively that they usually do not listen for more than 15 minutes at a time. VOA and RFA will coordinate developing programming that is complementary and meets the unique needs of the North Korean listeners. Both broadcasters will target young listeners, 15-35 years of age.

New RFA programming will include news briefs on items related to North Korea; in-depth news reporting that focuses on events inside North Korea, North-South relations, and defectors who have escaped from North Korea; and features, interviews and commentaries, including commentaries by North Korean defectors on events inside North Korea.

VOA's new programming will include world and U.S. news; news of the region and the Korean peninsula; reports on North Korea and North Korean refugees; panel discussions on North Korea-related issues; reports on what America and the rest of the world are saying and thinking about North Korea; and U.S. Policy Corner, including editorials on issues of relevance to North Korean listeners.

| | | | |
|--|----------------------------|----------------|----------------|
| Broadcasting to North Korea 10- hour coordinated stream of VOA and RFA daily programming | | | |
| | | | |
| Performance Measures | Performance Targets | | |
| | FY 2008 | FY 2009 | FY 2010 |
| Cumulative Added Audience (millions) | NA | NA | NA |

Broadcasting Board of Governors
Enhance Alhurra's Presence in the Middle East
(\$11.1 million and 150 positions)

Since its launch in 2004, Alhurra has successfully provided direct access to the hearts and minds of the people of the Middle East to inform this vast and critical audience about American policies, people, institutions, and perspectives. According to recent research, Alhurra's weekly audience rates range from 4.9% in Egypt to 64.1% in Qatar, and include 32.7% in Kuwait, 26.0% in urban Morocco, and 42.3% in Iraq. However, research also shows that the market is still clearly dominated by competing channels, including Al Jazeera and Al Arabiya. To increase Alhurra's competitiveness and significantly expand its audience reach in the Middle East, the BBG proposes to launch a signature three-hour daily Alhurra television program.

The three-hour daily program capitalizes on Alhurra's unique perspective in a growing market of over 200 channels by giving viewers a reason to turn to Alhurra as a primary information source. The new show would define Alhurra by providing a format and information mix unavailable in the region today. This program, based on shows such as *Today* and *Good Morning America*, is a proven broadcast technique for developing audience loyalty and will enable Alhurra to reach a large listening area that crosses several time zones in the Middle East. The three-hour original production will provide the means to focus the agenda for news and information in the region. The new show will focus on the news of the day, discuss compelling social issues, broadcast investigative reporting and a spectrum of information not presented anywhere else.

Content for the show would primarily originate in Cairo with smaller regional hubs in Morocco, Beirut, and Dubai -- the regional hub in Morocco provides a base for coverage in North Africa; a Beirut hub focuses on Lebanon, Jordan, Syria and the Palestinian territories; and a Dubai hub allows coverage of the Gulf Arab states and Iraq. In addition, Alhurra will receive regular reports and live contributions from Jerusalem.

To produce the new show, Alhurra will also take advantage of existing resources in Washington, New York, and other U.S. cities. Alhurra will use existing resources in Washington to provide live reports, guests and packaged items for the program, as well as a series of reports from across America that focusing on culture and special events to provide our audience with a broader slice of American life -- American life outside Washington. For maximum exposure, the program would be broadcast on Alhurra's regional channel, Alhurra-Iraq and Alhurra Europe.

The show's format provides a forum for discussion on topics of relevance to the lives and future of the audience. The new program will enable Alhurra to engage and empower the audience through in-depth reporting and open dialogue on a wide variety of social, cultural and political topics, including U.S. policy.

MBN/Alhurra

Produce daily 3-hr program from the Middle East.

| Performance Measures | Performance Targets | | |
|--------------------------------------|----------------------------|-------------------|-------------------|
| | FY 2008 | FY 2009 | FY 2010 |
| Program Quality Score for Alhurra | Good to Excellent | Good to Excellent | Good to Excellent |
| Cumulative Added Audience (millions) | 1.0 | 1.5 | 2.0 |

Broadcasting Board of Governors
Targeting Extremism in Somalia
(\$.6 million and 4 positions)

In FY 2008, the BBG proposes to continue a 30-minute daily VOA radio programming to Somalia aimed at the millions of Somali speakers in Somalia, Djibouti and the greater Horn of Africa. The daily broadcasts will also be carried on shortwave and FM. This program is funded through a reimbursable agreement with the Department of State in FY 2007.

Background

The events of the past year have highlighted the urgency with which the U.S. must reach out to the Somali-speaking population in the Horn of Africa. This region remains vulnerable to conflict and instability, penetration of terrorism and extremism, and drug and arms trafficking. There is a growing distrust of U.S. foreign policy objectives and Al-Jazeera is a potent force, particularly among the area's large and increasingly alienated Muslim populations. Another powerful voice in the region recently has been the fundamentalist Islamic Courts Union (ICU). At one time in control of much of Somalia, the group has drawn frequent comparisons to Afghanistan's Taliban movement and its strict interpretation of Islamic law.

Groups like ICU currently retain the potential to spread their hateful ideology without being challenged by democratic alternatives, and this represents a dangerous threat to regional stability in the Horn of Africa and a fundamental rejection of democratic principles. There is a desperate need to tell America's story in this region, address the governance challenges that Somalia faces, and counteract the rumors and misperceptions about U.S. policies in the region.

The BBC and Al-Jazeera are the primary broadcasters in Somalia. VOA Somali broadcasts will begin in FY 2007 to provide an accurate representation of American values and policies to the region. This proposal supports and implements renewed U.S. public diplomacy efforts to engage non-Arabic Muslim populations through balanced, comprehensive and objective news and information programming.

VOA will target the seven to ten million people in Somalia, Djibouti, Ethiopia, the greater Horn of Africa, East Africa and Yemen who either speak or understand Somali. Specific program segments will target Somali-speaking youth, ages 17-35, who are predominantly Muslim. The median age in Somalia is 18 for both men and women. Further, research indicates that the target audience is heavily radio dependent. Recent audience research from Djibouti shows large potential audiences (50-65%) for Somali-language radio broadcasts.

In spite of anarchic conditions, community radio, TV and newspapers have flourished, and Somalia's cell phone system is one of Africa's best. There is tremendous interest in news and information but there is a vacuum for reliable news in general and about the U.S. in particular. This new VOA programming will fill this need. Given the lack of

accurate, objective, and comprehensive news and information sources in the target area, VOA could reasonably expect to attract initially at least a half million new listeners with its Somali-language broadcasts throughout the region.

VOA is proposing to develop the Somali programming in partnership with a variety of civic and non-profit organizations in the region. This is a radically different broadcast model than traditionally used by VOA. This interactive model of programming has achieved great success for VOA in Africa, particularly in Zimbabwe, Nigeria and Rwanda, especially among the youth. The programming will provide news, information on political, social, and economic issues, and provide opportunities for the audience to participate in the discussion.

| VOA Somali Broadcast - Horn of Africa | | | |
|--|----------------------------|-------------------|-------------------|
| Sustain 30 minutes daily radio programming (SW and FM) | | | |
| Performance Measures | Performance Targets | | |
| | FY 2008 | FY 2009 | FY 2010 |
| Program Quality Score - new language service | Good to Excellent | Good to Excellent | Good to Excellent |
| Cumulative Added Audience (millions) | 0.50 | 1.00 | 1.25 |

Broadcasting Board of Governors
Enhance Programming to Cuba
(\$3.2 million and 5 positions)

The BBG proposes to enhance programming to Cuba, a country with an authoritarian government. The Commission for Assistance to a Free Cuba (CAFC II) lays out the Administration's plan to prepare for the transition that may occur when Fidel Castro is no longer Cuba's leader. This proposal directly supports CAFC II's plan for international broadcasting, including Radio and TV Marti and VOA Spanish.

BBG Broadcasting to Cuba (\$1.2 million and 5 positions)

Radio and Television Marti Programming (\$.9 million and 4 positions)

VOA Spanish to Cuba (\$.3 million and 1 position)

The FY 2008 budget includes proposals in support of the CAFC II plan. In FY 2007, OCB continues to improve programming that is broadcast from the airborne platform, including two live newscasts and eight 30-minute programs a day. In FY 2008, the BBG proposes further improvements to Radio and TV Marti program production in OCB's Miami facility by adding a second television studio, virtual sets, and additional portable production capability.

In addition, VOA proposes to initiate a 30-minute interactive music program on Saturday and Sunday targeted to the youth in Cuba. This program would complement the current program *Ventana a Cuba*, a 30-minute program six days a week and the weekly talk show *Hablemos Con Washington*.

Satellite TV and Medium Wave Lease Costs (\$2.0 million)

Given the current situation in Cuba and the analysis that the best method for overcoming jamming is to transmit programming in a variety of transmission methods, the BBG believes that this enhancement is critical to addressing the jamming of OCB broadcasts by Cuba. Reports from recent Cuban arrivals participating in focus groups indicate a potentially significant number of people viewing DirecTV in Cuba. This will provide another important means of transmission for TV Martí in addition to Hispasat and the airborne broadcast platform. To further the anti-jamming efforts, the BBG proposes in FY 2008 to continue and expand the transmission leases begun in FY 2007 for DirecTV and medium wave radio frequencies.

| | | | |
|--|----------------------------|-------------------|-------------------|
| OCB Add additional transmissions and enhanced program production | | | |
| | | | |
| Performance Measures | Performance Targets | | |
| | FY 2008 | FY 2009 | FY 2010 |
| Program Quality Score with enhanced programming | Good to Excellent | Good to Excellent | Good to Excellent |
| Cumulative Added Audience (millions) | | | |
| Weekly listeners | NA | NA | NA |

| | | | |
|---|----------------------------|-------------------|-------------------|
| VOA Add a 30-minute interactive music programming to Cuba | | | |
| | | | |
| Performance Measures | Performance Targets | | |
| | FY 2008 | FY 2009 | FY 2010 |
| Program Quality Score with enhanced programming | Good to Excellent | Good to Excellent | Good to Excellent |
| Cumulative Added Audience (millions) | | | |
| Weekly listeners | NA | NA | NA |

Broadcasting Board of Governors
Protect Our Broadcast Capability
(\$5.0 million)

Background

The complexity and scope of the BBG's worldwide broadcast mission exceeds that of any comparable organization found in the private sector. In a single day, BBG delivers programming on a number of media platforms in 58 languages to nearly every corner of the world. This mission requires a diverse set of transmission and technical support mechanisms that differ in their composition in each regional market and with each method of delivery. However, whether it is bringing medium wave radio broadcasting to North Korea and Afghanistan, shortwave broadcasts to Africa, or delivering satellite television throughout much of North Africa and the Middle East, one common theme emerges: BBG and its broadcasters require adaptable, reliable broadcast and information technology equipment in order to fulfill their mission.

BBG's broadcast equipment is increasingly affected by the dynamic, rapidly evolving broadcast IT market, particularly in light of the advent of digital technology. While digital technology provides the highest quality production and increased opportunities for improved efficiencies, the equipment requires a more stringent replacement and upgrade cycle due to industry standards. As the pace of obsolescence accelerates with new technologies, vendors discontinue supporting older versions and repairs or upgrades become difficult or even impossible. In this rapidly evolving environment, the agency's production of television and multimedia programming has expanded to meet post-September 11th national security and international broadcasting needs. Up-to-date equipment is necessary to effectively utilize new software products and improve the speed of moving large video files and other data throughout the BBG network. Major generational changes in the agency's computing environment make annual incremental changes necessary to keep current with the state of the information technology market.

As programming and production expand to meet complex broadcast requirements, the strain and demand on our broadcast equipment increases. The new components and technology must be maintained, and it is ultimately the BBG broadcasters and their listeners who rely on the agency's ability to maintain and upgrade this complex infrastructure in order to ensure that the programs are produced, transmissions are reliable, and that the agency meets its mission of providing accurate news and information to its worldwide audiences.

Critical Broadcast Equipment Requirements

The BBG is proposing \$5.0 million in FY 2008 to address the most critical broadcast and IT equipment requirements. Each year as part of the capital planning process, the BBG will determine the appropriate allocation between the entities to ensure that the agency's most critical broadcast and technical infrastructure upgrades and renovations are addressed. This will further the BBG's capital planning process by allowing the BBG to strategically plan for agency-wide broadcast and IT upgrades and maintenance over time, resulting in a more comprehensive and organized review of critical agency needs and the

development of a multi-year plan similar to the agency’s multi-year security maintenance plan. The FY 2008 proposed projects are:

IBB and VOA (\$3.015 million) - The BBG proposes to replace VOA’s analog audio control consoles with digital consoles, purchase server and computer replacements based on obsolescence cycles, and to upgrade the agency’s email system to provide enhanced information security and safeguard the agency’s vital internal communications links from possibly crippling system failures.

The enhancement funds the upgrade of VOA radio studios by replacing obsolete analog audio control consoles with digital consoles. Modern digital studio equipment will provide more reliable service and will provide VOA with the needed flexibility to meet its rapidly changing broadcast requirements. This includes the ability to adapt and repurpose audio content to VOA’s Internet and affiliate streams.

The enhancement also supports the replacement of obsolescent workstations on a three-year cycle and network server components on a five-year cycle, moving the agency closer to replacement cycle industry standards. Major changes in the agency’s computing environment make annual upgrades essential to keep up with the rapidly changing state of the IT market and to handle the requirements of TV and multimedia production. Many of the current IBB workstations are well over three years old, and some server components are approaching ten years of age.

This funding will also upgrade the agency’s e-mail and calendaring system into an industry standard integrated configuration. The agency currently uses an e-mail system based on Netscape software that is no longer supported by a commercial vendor. Today, e-mail is the lifeblood of every modern enterprise. This enhancement proposes an e-mail solution that will safeguard the agency’s vital internal communications links from possibly crippling system failures and provide more modern and productive business features.

RFA (\$1.00 million) – This will fund the most critical technical requirements for RFA. RFA is a fully digital radio broadcast operation and, since its establishment 10 years ago, has not adequately upgraded its digital consoles, servers, or network storage. These funds would also support the purchase of computer, studio and telephone equipment based on industry obsolescence cycles.

OCB (\$.985 million) – This will support the TV Marti’s migration to digital television production equipment.

| Protect Our Broadcast Capability | | | |
|---|----------------------------|----------------|----------------|
| Performance Measures | Performance Targets | | |
| | FY 2008 | FY 2009 | FY 2010 |
| Network Availability | 99.5% | 99.5% | 99.5% |

**Broadcasting Board of Governors
Fiscal Year 2008 Budget Request**

International Broadcasting Operations

**Broadcasting Board of Governors
International Broadcasting Bureau
Voice of America**

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|-------------------------------------|---------------------------|-----------------------------|----------------------------|
| Funding | 166,431 | 170,429 | 178,346 |
| Emergency Supplemental P.L. 109-234 | 172 | 7,107 | - |
| Total Funding | 166,603 | 177,536 | 178,346 |
| Positions | 1,173 | 1,356 | 1,213 |

The **Voice of America (VOA)** has been promoting U.S. interests abroad for the past 65 years by providing accurate and objective news and information about events in the United States and the world to people who live in places lacking access to unbiased news. VOA is a multi-media organization, with worldwide distribution of content to an audience of millions via television, radio, the Internet, Real Simple Syndication (RSS) and podcasts. VOA's coverage of the War on Terrorism is a global effort, engaging reporters in its foreign and domestic bureaus as well as a worldwide network of stringers. In addition to providing U.S. and international news, VOA tells the world how America's democratic system works, the reasons behind our policies, the thinking of our leaders, and what motivates us. Through call-in shows and other interactive media, VOA also seeks a dialogue with its audiences as it enhances their understanding of America. All major pronouncements by top officials of our executive, judicial, and legislative branches are broadcast. VOA's Mandarin Service alone broadcast 86 interviews with members of Congress in 2006.

Through its daily worldwide broadcasts, VOA serves the national interest and is a powerful source of inspiration and example of the values of freedom and democracy. To keep its content fresh, unique, and compelling, VOA continually improves its programs, transmissions, and marketing to strategically important countries such as Iran, Iraq, Afghanistan, Pakistan, North Korea, China, Indonesia, Russia, and the Andean region in Latin America. VOA's weekly multimedia broadcasts currently include more than 1,000 hours of radio programs in 44 languages and more than 60 hours of original television in 25 languages. In addition, VOA has a network of more than 1,200 local affiliate stations. As VOA continues to evolve, it will seek to utilize the latest technologies in newsgathering and distribution to serve its worldwide audiences.

Dramatic Growth in Television

Since September 2002, VOA's worldwide TV audience has quadrupled; from 10 million to 42 million a week, and efforts are underway to ensure that the content and production values of VOA's TV broadcasts are of a consistent quality. In 2006, VOA renovated three of its four TV studios to provide visual enhancements to improve competitiveness. VOA is also taking advantage of its unique vantage points in New York and Washington in order to provide its affiliates and audiences with footage they cannot get elsewhere. In

addition, new interview capabilities in London, New York, Los Angeles and Miami make it possible for VOA to provide viewers with access to a greater variety of experts. A new digital Master Control system to be completed in the summer of 2007 will allow VOA to simultaneously feed more than a dozen video signals to different affiliates, and will improve production quality. Enhancements to our central video server are allowing language services to share stories more efficiently and gain access to centrally produced television stories on a more timely basis.

VOA Expands its Reach via the Internet

Since its launch in 2000, VOA's website, VOANews.com, has become one of the world's most trusted and frequently visited sites for international news and information. The New Zealand-based research firm Newsknife has rated VOANews.com as one of the top ten news sites for 2006, based on the number of VOA stories posted on Google News. It also ranked VOA as the second most popular source for highly visible top stories on the Google News home page. No other news website provides as complex a mix of text content with audio and video in 44 languages. The number of visitors to VOA's site increased in 2006 to over 22.9 million, up from 17.3 million in 2005. In addition, the website had more than 2.5 million additional visits via proxy servers in countries such as China and Iran, where VOANews.com is blocked by those governments. The most popular VOANews.com web pages in 2006 included VOA's Portal page, Special English page, and home pages for Persian, Chinese, English, Amharic, Horn of Africa, Albanian, Vietnamese and Khmer.

With the growing worldwide interest in news and information about avian flu, VOA created a special avian flu web page in English and 27 additional languages, which links to stories and important resources. VOA's ambitious and multilingual avian flu web pages have already made VOANews.com an internationally recognized news and information resource for this disease. VOA's Portal and English home pages also maintained sections for the war in Iraq, terrorism and security, immigration, youth, and the changing face of America. VOA also highlighted its exclusive reporting from hard-to-reach areas such as North Korea and rural China, as well as special series on issues of global concern such as women's rights, human trafficking, desertification, Niger's food crisis, and the global need for clean water.

In May 2006, VOA launched VOAmobile.com, a mobile service that allows users worldwide to access text versions of VOA's top stories on handheld Internet-enabled devices such as cell phones and PDAs. VOAmobile is available in ten languages: English, Chinese (Mandarin), Indonesian, Turkish, Albanian, Serbian, Vietnamese, Persian, Korean, and Spanish.

During the first half of 2007, VOANews.com plans to reflect the latest types of online experiences and services Internet users expect. The new layout will include interactivity, increased use of podcasts, Real Simple Syndication (RSS) feeds, and display visuals in the newest formats. VOA Indonesian's web page, for example introduced a new *Video of the Day* feature of originally produced video, and began a RSS feed that permits content to be automatically delivered. A five-week marketing campaign in late 2006 designed to

increase VOA's reach in Indonesia generated more than 460,000 text messages via cell phones, handheld devices, and emails to the VOA Indonesian web page.

FY 2006 – FY 2007 Program Accomplishments

Persian Language Broadcasting

VOA's Persian language television continues to rank as one of the top international broadcasters to Iran, attracting a TV audience that has grown significantly in the past two years. In a national 2006 telephone survey of adults inside Iran, 22.5% of respondents reported viewing VOA Persian TV during the previous week. Overall, 29% of respondents watch VOA Persian TV programs annually.

In the spring of 2007, VOA Persian will expand its television programming from four to six original hours, as part of a 12-hour broadcast stream to include repeats and acquired programming with fresh news updates. VOA Persian's flagship daily 60-minute *News & Views* TV program continues to offer a comprehensive review of the day's regional and international news stories, on-the-scene reporting of major U.S. and world events, as well as a daily Washington report on Iran-related developments. It also features interviews with prominent Iranian political experts, activists, journalists, and academics, along with daily email and recorded comments from viewers in Iran.

In June 2006, VOA Persian expanded its weekly discussion and call-in show, *Roundtable with You*, from 90 minutes weekly to 60 minutes daily. The program features discussions of current events, politics, and issues ranging from popular culture to global health, and includes prominent Iranian-Americans and receives calls and emails from Iran and the world. In July 2006, VOA Persian launched *Late Edition*, a daily 60-minute newscast that offers a nightly wrap-up of the day's news targeted to a younger demographic. According to a recent survey, *Late Edition* has already attracted a weekly audience of nearly 9% of adult Iranians. In October, VOA launched a fourth hour of daily television programming with a 60-minute show called *News Talk*, which features a recap of the day's top news stories, followed by a discussion with a panel of experts on issues of interest to Iranians. *News Talk* closes with a segment on worldwide media coverage of Iran. All four original hours of Persian television are repeated and simulcast on radio.

In addition to the VOA Persian television-radio simulcast programs, there is a lively, 60-minute radio breakfast show that airs during a peak listening time in Iran. It features in-depth coverage of news and current events, along with a daily call-in segment with experts and callers from within and outside of Iran. VOA also continues to provide 8 hours daily of programming for Radio Farda. Meanwhile, VOA Persian's website is one of VOA's five most frequently visited sites. In 2006, traffic to the site grew over the previous year, despite stepped up efforts by the Iranian government to block access to it. All VOA Persian audio and video programs are streamed live on the website.

Afghan Language Broadcasting

VOA's Afghanistan Service continues to build on the success of its seamless daily 12-hour program stream in the Dari and Pashto languages. Known as *Radio Ashna (Friend)*,

the service's broadcasts are presented in a contemporary, fast-paced format with daily call-in shows and in-country reporting from approximately 30 stringers. VOA continues to rank as one of the top three international broadcasters in Afghanistan. According to a national survey in May 2006, nearly half of all Afghan adults listen to *Ashna* at least once a week.

According to the national survey, 16% of Afghans viewed at least one VOA-produced piece on Afghan TV during the previous week. In September 2006, VOA launched *TV Ashna*, a daily (Saturday through Thursday) 60-minute TV news program (30 minutes each in Dari and Pashto) broadcast directly to viewers nationwide via satellite and its affiliate Radio and TV Afghanistan (RTA). In addition, with eight video journalists stationed throughout the country, *TV Ashna* regularly provides exclusive news coverage and feature stories from within Afghanistan.

Since the launch on August 14, 2006 of *Radio Deewa (Light)*—a new broadcast stream aimed at the more than 40 million Pashto-speaking people living in the Afghanistan-Pakistan border region—VOA has expanded its broadcast to three hours daily. The program offers local, regional, and international news as well as features on politics, economy, health, education and sports. In December 2006, *Radio Deewa* added a new 60-minute program focusing on life in America and human interest stories from stringers in the region and a live 60-minute call-in show that has attracted large audiences in Pakistan, Afghanistan and the Pashto-speaking diaspora. It also broadcasts 10-minutes of regional and global news at the top of the hour for three additional hours every evening, followed by Pashto music 24/7. In 2007, the content will be expanded to six hours of original daily programming.

Urdu Language Broadcasting

VOA's 12-hours-a-day Urdu language radio broadcast stream, *Radio Aap ki Duniyaa (Your World)*, continues to attract a growing number of listeners with a contemporary format that includes news, information, roundtable discussions, call-in shows, interviews, features, and music. A recent national survey in Pakistan indicated that *Radio Aap ki Duniyaa's* listenership has doubled since its debut in May 2004. The programs target Pakistani listeners between the ages of 15 and 39 – who account for some 60 million of Pakistan's 150 million residents – as well as millions of additional potential listeners in India, the Gulf, and the Pakistani diaspora.

In November 2005, VOA's Urdu Service launched a 30-minute TV news magazine show, *Beyond the Headlines*, which airs every weekday during prime time on GEO, Pakistan's most widely watched satellite/cable television news channel. The program features current affairs, discussions of the issues behind the news, and feature stories illustrating shared values between Pakistanis and Americans. It also has regular in-depth reports from VOA's Islamabad bureau on Pakistani politics and cultural issues, and interviews with newsmakers, policy experts, diplomats, and journalists.

According to the national survey, *Radio Aap ki Duniyaa* is heard weekly by 2.9% of adult listeners in Pakistan (mostly in rural areas), and *Beyond the Headlines* is seen weekly by

3% (mostly in cities), for a combined national audience of more than five million people. To increase the reach of and to promote both *Radio Aap ki Duniya* and *Beyond the Headlines*, VOA is creating a new web page offering live radio streaming and 24-hour access to its television program.

Korean Language Broadcasting

For 21 hours every week, VOA's Korean language broadcasts deliver hard-hitting, in-depth news and information on developments in and around North Korea. Of special interest are human rights conditions in North Korea and the security threats posed by North Korea's nuclear and missile activities. In the aftermath of North Korean missile tests, South Korean national media frequently picked up VOA's news reports and interviews with members of the U.S. Congress. A 2006 Intermedia survey of North Korean defectors affirmed VOA's impact: 36% of the defectors said they had listened to VOA at least once a week while still in North Korea. In October 2006, VOA expanded its broadcasts to North Korea to a total of three hours daily and is working to increase its original programming during 2007.

Indonesian Language Broadcasting

VOA continued to expand and diversify its programming to Indonesia, the world's most populous Muslim nation. With more than five million Indonesians now watching or listening to VOA Indonesian on a regular basis, it is by far the number one international broadcaster in Indonesia. The success is largely due to VOA's efforts to provide 3-to-5-minute reports during the most popular peak-hour news and information programs produced by Indonesian stations. As a result, VOA news and information is now widely seen and heard during prime-time hours in the top nine markets and in the most remote reaches of the more than 15,000 islands in the archipelago. VOA TV is on the air on 23 national and local TV affiliates, and serves as Indonesia's window to America and the rest of the world. Meanwhile, more than 200 radio stations air VOA's 60-minute morning and evening news shows, its 30-minute youth oriented *VOA Direct Connection* news and entertainment show, and its five-minute reports of breaking news reported 18 times a day. VOA launched six new Indonesian news and information television programs for major Indonesian television stations in the past five months, including a twice-weekly evening *Washington Report* and weekly feature reports for three of the top TV stations in Indonesia.

Mandarin Language Broadcasting

During the past year, VOA's Mandarin Service focused on original news programming to explain the U.S. to the Chinese audience and to provide first-hand coverage of major news developments. The service, which broadcasts more than 85 hours of radio and 13 hours of television weekly, provided comprehensive reporting and interviews on major stories in the U.S. as well as in-depth coverage of U.S.-Chinese relations through live call-in shows with members of Congress. VOA's Mandarin Service produced and distributed to its affiliates in China a 30-minute TV documentary on avian flu and how China, Hong Kong, and Taiwan are combating the health threat. VOA Mandarin also launched a new daily program that teaches English vocabulary using the day's news headlines. The modern, fast-paced program has been well-received. Despite the Chinese

government's tightening control of the media, 12 television stations and more than 70 radio stations in China now carry VOA's programming, and branded multimedia VOA Mandarin English teaching programs are widely sold throughout China in the form of CDs and booklets. VOA Mandarin launched a traditional Chinese character website and continued to expand daily news emails to millions of subscribers. VOA Mandarin is also at the forefront of using a variety of new Internet-based techniques including proxy servers and mirror websites to circumvent efforts by the Chinese government to create an electronic firewall against VOA and other foreign websites. In addition, VOA's Chinese Branch in 2006 launched a new VOA headline news service for mobile phone users.

Kurdish Language Broadcasting

Broadcasting four hours of daily radio programming, VOA's Kurdish Service remains highly popular among Kurds in Iraq despite their increased access to a variety of media choices. According to a 2006 survey conducted by InterMedia, VOA's Kurdish Service has a 31% audience share among the Kurds of Iraq. The survey stated, "In fact, no radio station ranks higher in terms of reliability" and "VOA occupies a unique position among Iraqi Kurds as it is the only major international broadcaster offering programs in the Kurdish language." Iraqi President Jalal Talabani, a longtime listener to VOA's Kurdish, Persian, and English broadcasts, recently remarked: "VOA's continuous promotion of the values of democracy, freedom, and human rights has influenced our positive view of the United States as a champion of liberation from dictatorship and totalitarianism."

Russian Language Broadcasting

With radio audiences declining in Russia, VOA has increased its efforts to provide quality television programming to that country and the Russian-speaking audiences in the former Soviet Republics. According to an October 2005 nationwide survey, VOA's weekly 30-minute TV program – known as *Kurier* on TV3 and *Window on the World* on other stations – had nearly doubled VOA's reach in Russia. In December 2006, VOA Russian's largest affiliate, TV3, was purchased by a Russian media holding company that immediately dropped VOA programming. VOA's Russian Service continues to broadcast its daily, 30-minute TV news program, *Obyektiv (Focus)*, which was launched in April 2005 and was initially picked up by five Russian affiliates. While a few other stations have picked up *Objektiv* since then, some station owners have expressed a reluctance to place the program for fear of political repercussions due to the VOA affiliation. Both *Window on the World* and *Obyektiv* currently air on a Moscow cable station that reaches about one million viewers. That station also makes use of the Russian Service's daily TV feeds.

Efforts are underway to contact potential new partners and identify methods by which affiliate stations can place VOA programming in accordance with the Russian government's legal requirements. VOA Russian regularly takes part in Russian media fairs, which present another opportunity to expand its contacts with local broadcasters in Russia.

Zimbabwe Broadcasting

According to a May 2006 survey commissioned by USAID-Harare – which sponsors VOA’s popular daily *Studio 7* radio program targeted to Zimbabwe in English, Shona, and Ndebele – VOA’s audience for the program increased 300% since the last USAID survey in April-May 2005 (from 270,000 to more than one million listeners). The findings are consistent with those of a survey commissioned by VOA in July-August 2005, which showed that VOA’s audience had doubled since late 2003. Since June 2006, *Studio 7*’s medium wave signal has been jammed throughout Zimbabwe, presumably by the government, which indicates the impact of the program as a balanced, objective, and credible alternative to state media. In response to the jamming, *Studio 7* broadcasts have been directing listeners to tune in to three shortwave frequencies. To further increase its reach, the service recently launched a news website in all three languages. This program continues to be funded through a reimbursable agreement with USAID.

Spanish Language Broadcasting

On the first day of the announcement that Fidel Castro had temporarily given command to his brother Raul, VOA’s Spanish Service extended its weekly radio call-in program *Hablemos con Washington* (Let’s Talk With Washington), from one to two hours, receiving calls from many countries in Latin America. The following day, VOA extended its daily radio program *Ventana a Cuba* (Window on Cuba), from 30 to 60 minutes to provide more in-depth coverage of ongoing developments in Cuba. VOA’s coverage has included interviews with U.S. government officials, Congressional representatives, analysts, and Cuban exiles in Miami and Latin America. For added coverage, VOA expanded its television news capsule *Desde Washington* (From Washington) from five to 10 minutes daily. These TV programs are being carried by several major TV affiliates in Venezuela, and VOA Spanish has already received calls from Venezuelans who say they have watched VOA’s coverage about the crisis in Cuba and Miami on local TV affiliates.

The first VOA-trained Spanish video journalist (VJ) stringers recently provided critical on-the-scene television coverage of the December 3 Venezuelan presidential election, including TV reports on the campaigns of Hugo Chavez and the opposition in Caracas, and on the campaign of opposition candidate Manuel Rosales from Maracaibo. VOA’s Newsroom correspondent augmented this coverage by reporting in Spanish and English from Caracas.

Hindi Language Broadcasting

VOA’s Hindi Service has achieved an unprecedented breakthrough in reaching India’s urban, upwardly mobile audiences since the 2004 launch of its weekly 30-minute news and current affairs TV program, *Duniya (The World)*, which airs on India’s leading nationwide private cable TV news channel, Aaj Tak. Owned by the TV Today Network, Aaj Tak is estimated to reach more than 30 million homes in India. Internal media ratings used by Aaj Tak showed an increased audience share due in part to the joint *Duniya* production.

VOA Hindi also regularly contributes television reports on major news developments in the U.S. to Aaj Tak's general TV news programs. In March 2006, it presented a series of special TV programs on President Bush's first visit to India, including an unprecedented live, 90-minute joint VOA/Aaj Tak program linking studios in Washington, New Delhi, and Islamabad. VOA Hindi has also hosted several prime time programs on American news and feature topics on the Indian channel's popular *Vishesh (Special)* program.

Tibetan Language Broadcasting

VOA Tibetan's weekly 60-minute radio and television simulcast program, including a review of major international news and events of the week and a 40-minute live discussion and call-in segment, continues to provide an important forum for Tibetans inside China and other parts of the world. In 2006, Intermedia research reported that viewers in the Amdo region were recording the VOA Tibetan TV program and distributing it to other Tibetan-speakers who lacked satellite dishes. Meanwhile, viewers in China's Sichuan province indicate that Tibetans are watching the program by downloading or streaming it at Internet cafés. Most Tibetan refugee settlements in India and Nepal during this past year have arranged to have the program broadcast throughout the settlements via their local television cable providers. VOA Tibetan radio broadcast the first live debate in Tibet's history between two candidates for prime minister of the Tibetan government-in-exile. The debate was followed by a discussion of the candidates' competing platforms and the democratic process with Tibetan leaders around the world.

Other VOA Highlights

Ukrainian Language Broadcasting

Two years after the Orange Revolution, VOA's Ukrainian Service continues to have a major impact through its television programming. A September 2006 survey indicated that VOA Ukrainian weekly TV audience reach is 10.5%, and that the combined weekly TV and radio audience reach is 11.7% (4.7 million people). VOA's TV programming efforts in Ukraine include the nightly *Chas-Time* news program, two weekly magazine shows (*Window on America* and *Innovations Plus*) and two prime-time interactives for the Ukraine's Channel 5 and Tonis TV national networks. The pro-Western policies of President Viktor Yushchenko were dealt a serious setback when pro-Russian Viktor Yanukovich (Yushchenko's rival in the presidential election) became prime minister in August 2006. In this context VOA plays a critical role in providing information about U.S. policies and objectives, which could help sustain Ukraine's democracy amid the otherwise authoritarian countries in the region.

Azerbaijani Language Broadcasting

According to a March 2006 InterMedia national survey in Azerbaijan, VOA Azerbaijani had emerged as the leading international broadcaster in Azerbaijan with an audience share of 34%. Just before the end of 2006, a ruling by Azerbaijan's National Council on Radio and Television Broadcasting banned rebroadcasts of targeted programs produced by foreign broadcasters in the Azerbaijani language by local, private broadcasters. This resulted in the loss of a very successful affiliation between VOA and Azerbaijan's top rated private TV network, ANS, as well as the loss of VOA Azerbaijani's FM frequency

in Baku. To counter the setback, VOA and RFE/RL on January 1, 2007 launched a joint 24/7 radio stream on 101.7 FM in Baku, which carries the Azerbaijani broadcasts as well as VOA Special English and VOA Music Mix. In addition, VOA Azerbaijani began airing a Monday through Friday seven-minute TV news roundup and a weekly 15-minute magazine show on Azerbaijan's State TV network on January 10, 2007.

Armenian Language Broadcasting

In partnership with Armenia TV Company, a major TV network in Armenia, VOA's Armenian Service launched a weekly 30-minute television program, *VOA Armenian TV Magazine*, that airs in Armenia and, via satellite, in various countries in Europe and the Middle East where there are sizeable Armenian communities. VOA Armenian also produces a 10-minute daily TV feed for broadcast on the same network. The latest research indicates that VOA Armenian leads Western broadcasters in Armenia and has a substantial audience share, exceeding 20.3% of those surveyed.

Turkish Language Broadcasting

Recent research indicates that television is the primary source of news for most Turks, followed by radio. The research also shows that Internet use is growing sharply in Turkey. VOA's Turkish Service has reconfigured its radio broadcasts to develop its TV and Internet content. In 2006, VOA Turkish expanded its TV affiliation in Turkey by launching two weekly live broadcasts on TGRT News TV network, a 24-hour nationwide news network with a weekly audience share of over 30% of Turkey's estimated 25 million regular viewers. A 15-minute wrap of the news and current affairs, VOA-TGRT Live is broadcast at 9:00 p.m. local time in Turkey on Tuesdays and Fridays. VOA Turkish Service also produces a weekly 30-minute news and magazine program that is aired on TGRT News network 9:30 p.m. local time on Sundays.

On radio, VOA Turkish broadcasts two news shows (Monday-Friday) on NTV-FM Turkey's largest FM news network. VOA has also been working to attract more users to the VOA Turkish website. The average number of monthly visitors to the VOA Turkish site has tripled this year to almost 65,000 a month. VOA Turkish is also one of the first VOA languages in June 2006 to offer text versions of top news stories for use on web-enabled handheld devices such as cell phones and PDAs.

Hausa Language Broadcasts to Nigeria

InterMedia research in 2005 indicated that more than 51% of Hausa speakers in Nigeria listen to VOA Hausa broadcasts on a weekly basis. The research stated that this figure "continues to give (VOA) one of, if not the largest, audience in the world." In June 2006, Friends of Nigeria, an NGO which claims 2.5 million members throughout Nigeria, presented VOA Hausa program, *Tsaka Mai Wuya*, with an award – the first of its kind – for being "the best political radio program that has contributed to the development of democracy in Nigeria." The leader of Friends of Nigeria called VOA Hausa "a watchdog of democracy in Nigeria."

English to Africa

In April 2006, VOA's English to Africa Service launched a new, seamless 24/7 program lineup for its English-speaking African audiences. It is a specially tailored mix of programs produced by English to Africa, VOA Worldwide English and Central Programs, providing millions of listeners across the continent with more in-depth local and world news, breaking news reports, and a broader range of topical features covering social and political issues, developments in science and technology, African youth, lifestyle, music, and more. In addition to providing comprehensive news coverage, the new lineup features expanded discussion shows about news, health, general interest topics, and sports. The programs will continue to broadcast some of English to Africa's most popular magazine shows and live call-in programs, but they will also include a new African music lineup in early 2007.

Special English Broadcasts

In 2006, the International Academy of Digital Arts and Sciences honored VOAnews.com's Special English web page as an "Official Honoree" in the 10th annual Webby Awards—the Oscars of the Internet. Website traffic grew to 250,000 visitors a month, up 67% from 2004. Subscriptions to the weekly Special English email report doubled over the past year to 23,000, and its audience sends the service an average of 500 e-mails a month. Numerous e-mails from Iran and China continue to indicate a loyal following in those countries; proxy servers helped web users bypass blocking. The service increased its efforts to reach out to English teachers around the world in 2006, and continues to help people throughout the world improve their American English while learning about world news, American life, science, business, and much more.

VOA Special English broadcasts seven days a week to primary target audiences worldwide. Broadcasts include 12 half-hour shows every weekday and 11 on weekends. Most of these broadcasts include 10-minutes of live news and 20-minutes of feature programming. Each shortwave broadcast is aimed at a different area: Asia, China, Africa, the Middle East, and Latin America. In addition, Special English broadcasts are transmitted to Kuwait, Iraq, Kabul, Moscow, and most recently, to Baku, Azerbaijan several times a day on FM and medium wave.

FY 2008 Performance Goals

VOA continues to receive excellent or good program quality ratings on a consistent basis and will work to maintain this ranking. In the language services where the audiences prefer television, VOA has been successful in attracting larger television audiences. At the same time, we recognize the fact that there are many strategically critical regions, such as areas of Africa, that rely on radio or Internet. Enhancements for targeted countries will further expand audience growth in strategic areas.

FY 2008 Program Changes

FY 2007 Proposals Included in the FY 2008 Request

The FY 2008 budget request includes several of the increases and reductions requested in FY 2007, including the expansion of VOA Spanish television programming to Venezuela. VOA proposes adding a 30-minute news magazine program, *El Mundo al Dia*, Monday through Friday and a news feed five days a week.

The reductions proposed in the FY 2007 budget request include eliminating VOA broadcasts in Croatian, Greek, Georgian, and Thai, eliminating radio broadcasts but continuing television programming in Serbian, Albanian, Bosnian, Macedonian, Hindi, and Russian, and discontinuing 14 hours a day of VOANewsNow English radio broadcasts.

FY 2008 Program Decreases

The FY 2008 budget includes proposals to eliminate VOA Cantonese and VOA Uzbek and reduce VOA Ukrainian, VOA Tibetan, and VOA Portuguese to Africa broadcasts. The FY 2008 budget also achieves savings by reducing VOA costs in television editing, radio technical, audience mail, special events, and music programs. In addition, the BBG proposes to realign BBG overseas and domestic bureaus by collocating VOA, RFA, RFE/RL, and OCB in several locations to enhance newsgathering and production capabilities and achieve savings.

FY 2008 Program Increases

Broadcasting to North Korea (\$.8 million and 10 positions)

To address the situation in North Korea, the BBG includes funds to establish a coordinated broadcast stream developed and launched by VOA and RFA's Korean services. The 10-hour stream of daily programming will be broadcast on medium wave and shortwave between 9 p.m. and 7 a.m. daily.

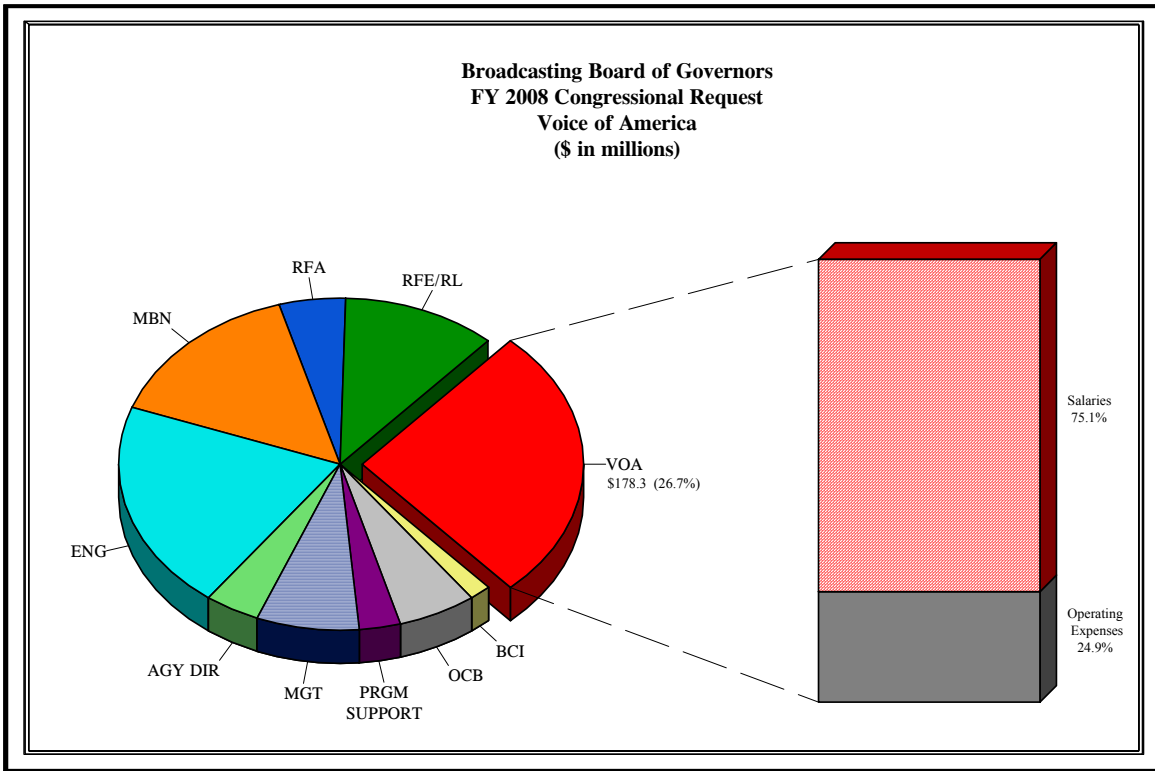
Targeting Extremism in Somalia (\$.5 million and 4 positions)

Through a reimbursable agreement with the Department of State, VOA is scheduled to launch a half-hour, seven-day a week broadcast in February 2007. Aimed at the millions of Somali speakers in Somalia, Djibouti, and the greater Horn of Africa, the broadcasts will include a mix of news, information, and music to target 17- to 35-year-old Muslims. The BBG is proposing to continue this program in FY 2008.

Enhance Programming to Cuba (\$.25 million and 4 positions)

The BBG plans to expand Spanish broadcasts to Cuba to seven days a week by initiating a 30-minute interactive music program on Saturday and Sunday targeted to the youth in Cuba. This program would complement the current program *Ventana a Cuba*, a 30-minute program six days a week and the weekly talk show *Hablemos Con Washington*.

For FY 2008, we are requesting \$178.3 million for the Voice of America.



Voice of America
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | |
|--|-----------|
| FY 2007 Estimate | + 170,429 |
| Represents the FY 2007 estimate for Voice of America excluding program delivery and research costs which are provided by Engineering, Program Support and the BBG. | |
| FY 2006 Emergency Supplemental (Public Law 109-234) | + 7,107 |
| Wage Increases: Domestic/American | + 3,770 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | |
| Wage Increase: FSNs | + 87 |
| Represents anticipated wage increases for overseas foreign service national employees. | |
| Other Wage Requirements | + 8,665 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008. | |
| Built-in Requirements | + 4,302 |
| Includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following: | |
| a) Annualization of operating costs associated with the FY 2006 emergency supplemental | 4,302 |
| Non-Recurring Costs | - (47) |
| The following costs are non-recurred in FY 2008: | |
| a) Other Non-recurs | (47) |
| FY 2007 Proposals included in the FY 2008 Request | - (8,851) |
| Reductions proposed in FY 2007 Request | |
| a) Elimination of broadcasts in Croatian, Greek, Georgian and Thai. Elimination of radio in Serbian, Albanian, Bosnian, Macedonian, Russian, Hindi and Worldwide English | (9,632) |
| Enhancements proposed in FY 2007 Request | |
| a) Strengthen Targeted Programming | 781 |
| Program Decreases | - (8,645) |
| Reflects the following reductions to base operations: | |
| a) Eliminate Cantonese and Uzbek and reduce Portuguese to Africa, Romanian, Ukrainian and Tibetan broadcasts | (2,944) |
| b) Administrative and Broadcast Support Efficiencies | (5,701) |
| Program Increases | - 1,529 |
| Reflects the increase above base operations to fund the following enhancements: | |
| a) Broadcasting to North Korea | 778 |
| b) Targeting Extremism in Somalia | 499 |
| c) Enhance Programming to Cuba | 252 |

| | |
|---|----------------|
| TOTAL FY 2008 VOICE OF AMERICA REQUEST | 178,346 |
|---|----------------|

Voice of America
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> | <u>2008</u> <u>Request</u> | <u>Increase or</u> <u>Decrease (-)</u> |
|--|-------------------------------|--------------------------------|-------------------------------|---|
| Domestic Operations | | | | |
| Office of the VOA Director | 1,411 | 2,187 | 1,639 | (548) |
| Associate Director, Operations | 43,970 | 42,768 | 43,531 | 763 |
| Associate Director, Central Programming | 25,723 | 25,631 | 25,608 | (23) |
| Associate Director, Language Programming | 2,686 | 2,776 | 2,817 | 41 |
| Africa Division | 12,023 | 13,513 | 13,430 | (83) |
| East Asia & Pacific Division | 25,131 | 26,248 | 26,430 | 182 |
| Eurasian Division | 12,724 | 11,787 | 10,217 | (1,570) |
| Latin American Division | 4,424 | 4,702 | 5,967 | 1,265 |
| Near East and Central Asia Division | 5,027 | 4,721 | 4,436 | (285) |
| West & South Asia Division | 21,552 | 30,583 | 34,861 | 4,278 |
| Worldwide English Division | 6,352 | 6,115 | 2,995 | (3,120) |
| Total, Domestic Operations | 161,023 | 171,031 | 171,931 | 900 |
| Domestic Correspondent Bureaus | 792 | 983 | 1,033 | 50 |
| Overseas Correspondent Bureaus | 7,603 | 9,047 | 7,494 | (1,553) |
| TOTAL, VOICE OF AMERICA | 169,418 | 181,061 | 180,458 | (603) |
| Reconciliation: | | | | |
| (-) Balances In | (2,873) | (1,453) | - | 1,453 |
| (+) Balances Out | 1,453 | - | - | - |
| (-) Reimbursements | (1,395) | (2,072) | (2,112) | (40) |
| Enacted/Request Level | 166,603 | 177,536 | 178,346 | 810 |

**Broadcasting Board of Governors
Radio Free Europe/Radio Liberty**

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|-------------------------------------|-------------------|---------------------|--------------------|
| Funding | 75,036 | 74,927 | 75,145 |
| Emergency Supplemental P.L. 109-234 | 301 | 1,699 | - |
| Total Funding | 75,337 | 76,626 | 75,145 |
| Positions | 538 | 544 | 513 |

Radio Free Europe/Radio Liberty (RFE/RL) is a nonprofit international communications organization with a mission to promote democratic values and institutions by disseminating timely, accurate and objective news, information and analysis. Through its radio, Internet, television, and other information products, RFE/RL continues to make a significant contribution to supporting aspirations for freedom in repressive societies and to the U.S.-led global struggle against terrorism.

RFE/RL is funded through a grant from the BBG. Its role is to focus on local and regional developments in places where the media are not free or are engaged in a transition from totalitarian control and where government intimidation, censorship, economic hardship, ethnic and religious intolerance, violent extremism, and other threats to democracy remain.

As of September 2006, RFE/RL broadcasts in 28 languages to Central, Eastern and Southeastern Europe; Russia; the Caucasus; Central Asia; Iraq; Iran; and Afghanistan. Eighteen of RFE/RL's broadcast languages—almost two-thirds of the total—are directed to countries or regions where the majority populations are Muslim.

RFE/RL's comprehensive news and information organization includes 20 bureaus throughout its broadcast region and more than 1,000 freelancers worldwide reporting local, regional and international news. RFE/RL's reporting emphasis on domestic issues regularly draws the ire of repressive and undemocratic governments. In FY 2006, RFE/RL correspondents were harassed, including being assaulted and forced to flee abroad in Iran, Uzbekistan, Turkmenistan, Belarus, Afghanistan, Iraq, and Russia. In less than one year, RFE/RL lost over 50% of its Russian re-broadcasting partnerships because of increasing pressure on its affiliates by the Russian government. In Uzbekistan, authorities outlawed RFE/RL's bureau in Tashkent following the government crackdown on demonstrators in May 2005. In Turkmenistan and Uzbekistan, RFE/RL correspondents were arrested on dubious charges and imprisoned without due process.

Each week, RFE/RL broadcasts more than 1,000 hours of radio programming and over 4 hours of television from its operations center in Prague and bureaus. In 2006, RFE/RL's 19 Internet websites reached a monthly average of nearly 1.2 million unique visitors and logged more than 1.4 million requests to listen to radio content online—which reflects increases of 36 and 35

percent, respectively, over 2005. Proximity to the broadcast region facilitates production of relevant, locally oriented programming in a cost-efficient manner.

While RFE/RL broadcasts are transmitted by shortwave and medium wave stations that belong to or are leased by the IBB, programs are increasingly carried on local AM and FM frequencies. As of the end of 2006, RFE/RL programs were available on a total of 547 local AM and FM frequencies across its broadcast region.

In FY 2006, RFE/RL increased delivery of its information products on television, the Internet and other emerging media in order to attract new audiences and to reach closed and semi-closed societies. In Kyrgyzstan, for instance, RFE/RL launched two weekly television shows—a youth program and a discussion program—in addition to re-launching nationwide FM radio programming on the country's main broadcaster. In Belarus, the service achieved impressive audience interactivity by asking citizens to send their questions and comments by SMS message. On March 23, the service received more than 650 questions about the election in less than two hours during one of its weekly on-line interviews with candidates and experts.

FY 2006 Highlights and Program Accomplishments

In FY 2006, RFE/RL devoted new programming about the difficult, uneven state of democracy throughout its broadcast region, where reform in some countries contrasts starkly with deepening oppression and lack of freedom in others. RFE/RL also continued to enrich its information products for countries and regions that are in the front line of the U.S.-led efforts to promote global democracy and the struggle against terrorism.

- **New Programming and Special Coverage.** Radio Farda – a Persian-language partnership between RFE/RL and VOA – broke its regular format to increase coverage of the Hezbollah - Israel crisis. Radio Farda also provided balanced, thorough coverage of the growing nuclear crisis in Iran, airing interviews with some of the most prominent experts in the fields of both politics and nuclear proliferation. Coverage of these and other stories was broadcast to audiences via enhanced interactivity on the radio and web, and through balanced views and reactions from experts from all strata of society. Radio Free Afghanistan devoted its live call-in show to the rising number of suicide attacks in that country and what people can do to prevent such attacks. Radio Free Afghanistan has a 75.3% audience share.

RFE/RL covered other major international stories that had special relevance to regional and local audiences, including the energy crisis in Ukraine, Russia and Georgia; negotiations between Armenia and Azerbaijan over the Nagorno-Karabakh dispute; avian flu; lessons learned on the 20th anniversary of the Chernobyl nuclear disaster; and the reaction of many Muslims to the controversial cartoon editorials printed in the European press.

RFE/RL programming continues to promote tolerance and combat extremism, including a new reporting initiative to give voice to religious moderates. The new *Religion and Tolerance* reporting initiative—including a special section on RFE/RL's English-

language website—offers interviews with religious leaders, including many moderate Muslim thinkers, who speak out against extremism and offer moderate interpretations of religious teachings. RFE/RL programs also bring together experts and ordinary people across regional and demographic lines to discuss contentious issues. Examples of such programming are the “Caucasus Crossroads” regional show broadcast to Armenia, Azerbaijan, Georgia, and Russia; and the regional program of the South Slavic and Albanian Languages Service.

- **Highlighting Democracy in Action.** RFE/RL covered presidential, parliamentary, and constitutional elections in Afghanistan, Armenia, Azerbaijan, Belarus, Iraq, Kazakhstan, Kyrgyzstan, Tajikistan, Macedonia, Bosnia and Herzegovina, and Montenegro. Listeners received information and participated in discussions on candidates, local and comparative electoral politics, voting procedures, and corruption. In Azerbaijan and Kazakhstan, RFE/RL covered international criticism of election irregularities. In Belarus, RFE/RL’s stringer reported live from the scene of a post-election demonstration when security forces launched an attack. Continuous Internet updates from the Belarus website exposing the flawed elections were printed and distributed to demonstrators by audiences at the central square in Minsk. Radio Free Iraq correspondents inside Iraq and elsewhere provided extensive, day-long live coverage of the elections for the constitutional and permanent National Assembly. For the Ukrainian Service, RFE/RL stringers in New York, Brussels, London, and Warsaw provided global perspective on the parliamentary elections to local television outlets.

RFE/RL also provided extensive coverage, geared to domestic audiences across its broadcast region, of democracy in action in the United States. In June, U.S. Under Secretary of State for Public Diplomacy and Public Affairs Karen Hughes gave an interview to Central News that was aired in all 28 of RFE/RL’s languages to its broadcast region; it was also posted online in multiple languages and picked up by other news outlets.

- **Defending Freedom and Human Rights.** RFE/RL covered a myriad of human rights violations across the region, including attacks by Iranian police forces on female demonstrators on International Women’s Day, discrimination against minorities in Iran, the arrest of an Afghan Christian for his religious beliefs, and press freedom violations. According to Freedom House, the human rights situation in Russia has worsened in all categories since December 2005, when Russia was moved from the list of “partially free” to that of “not free.” RFE/RL covered this decline extensively throughout the year. RFE/RL also promoted transparent judicial processes in its coverage of the trial of Saddam Hussein, the trial and death of Slobodan Milosevic, and the arrest of a Croatian war crimes fugitive.

RFE/RL’s own correspondents on the front lines suffered physical danger, threats, harassment, and even imprisonment at the hands of government authorities. In Iraq, the Baghdad bureau was severely damaged in a bomb attack; in Uzbekistan, reporters and their families were put under surveillance by authorities prior to and following the eventual closure of the Tashkent bureau; three of RFE/RL’s Turkmen correspondents and

one Uzbek were imprisoned in contravention of local and international laws; and newly restrictive media laws in Belarus and Uzbekistan sought to hamper journalists from reporting on local events. The new Belarusian code could yet have a severe impact on RFE/RL's operations because of vague language that bans the distribution of "knowingly false information besmirching the reputation and threatening the security of the Republic of Belarus."

Against these odds, RFE/RL correspondents managed to report on the aftermath of the Andijan massacre in Uzbekistan, the third anniversary of Operation Iraqi Freedom, election fraud, corruption in Central Asia, and the armed clashes in Nalchik, the capital of Russia's Kabardino-Balkaria Republic, where they gained unprecedented interviews with representatives of the Russian Federal Security Service who were in their office when it was attacked.

- **The Internet as Key Delivery Platform.** The average number of page views to RFE/RL's 19 Internet websites in calendar year 2006 grew by more than 70 percent over the previous year, to an average of 16.6 million per month. Use of the Belarus site increased tenfold in comparison with the previous month in the days before the presidential election as Internet users turned to the site for information available nowhere else. Radio Farda's Internet site maintained its popularity and increased its monthly page views by more than 30 percent after the launch of its upgraded website in November 2006. The Azerbaijani site was redesigned and launched in April 2006, along with upgrades to the English site in FY 2006.

The Russian site attained a 132 percent increase in monthly unique visitors in 2006, following the launch of an upgraded website in January and an aggressive marketing campaign for its new design. Thirteen million Russians now go on-line at least once a week. In light of the uncertainty of continued radio delivery through affiliates in Russia, RFE/RL promotes the website as a main platform for news and information to Russia.

Each month, RFE/RL distributes via email over 1.3 million copies of news and analysis reporting about the countries to which it broadcasts, an increase of more than 18 percent over the previous year.

- **Television: Expanded Audiences Using Local Partners.** In FY 2006, RFE/RL launched and promoted television programs in Kyrgyzstan, Bosnia, Macedonia, Georgia and Ukraine in partnership with local television outlets using RFE/RL-branded content and talent. In these and other markets, television is the most popular medium for news and information.

FY 2007 Challenges

In FY 2007, RFE/RL will continue to focus on audiences gained through its efforts to enhance Radio Farda's broadcasting and Internet site with the addition of new staff, enhanced programming and 8½ hours of daily news and information. Program enhancements began in July 2006, with additional reports that provided in-depth coverage of the fighting in Gaza and

Lebanon. Special programming also included interviews and reports from Radio Farda correspondents in Washington, Jerusalem, Beirut, Cairo, Damascus, London, Stockholm and major cities inside Iran. In the first quarter of FY 2007, RFE/RL launched its newly redesigned Radio Farda website, which is already reaching significantly greater audiences in Iran. The new site provides news headlines and daily updates and is also rich in topical information utilizing creative on-line storytelling techniques. Topical information is broken into categories such as politics, education, health, technology and entertainment. Images, audio, video, and interactive features such as polls, games and forums are integrated with text to create a rewarding experience for the audience.

RFE/RL Relocation

Following the terrorist attacks of September 11, 2001, general threat assessments by a variety of U.S. government agencies continued to emphasize that RFE/RL's headquarters in Prague was vulnerable to terrorist attack, and therefore should be relocated. The schematic design and building permit process were undertaken in FY 2006. In FY 2007, the design package is scheduled for completion with construction planned to commence in early to mid calendar year 2007.

FY 2008 Performance Goals

RFE/RL continues to receive excellent or good program quality ratings on a consistent basis and will work to maintain this ranking.

FY 2008 Program Changes

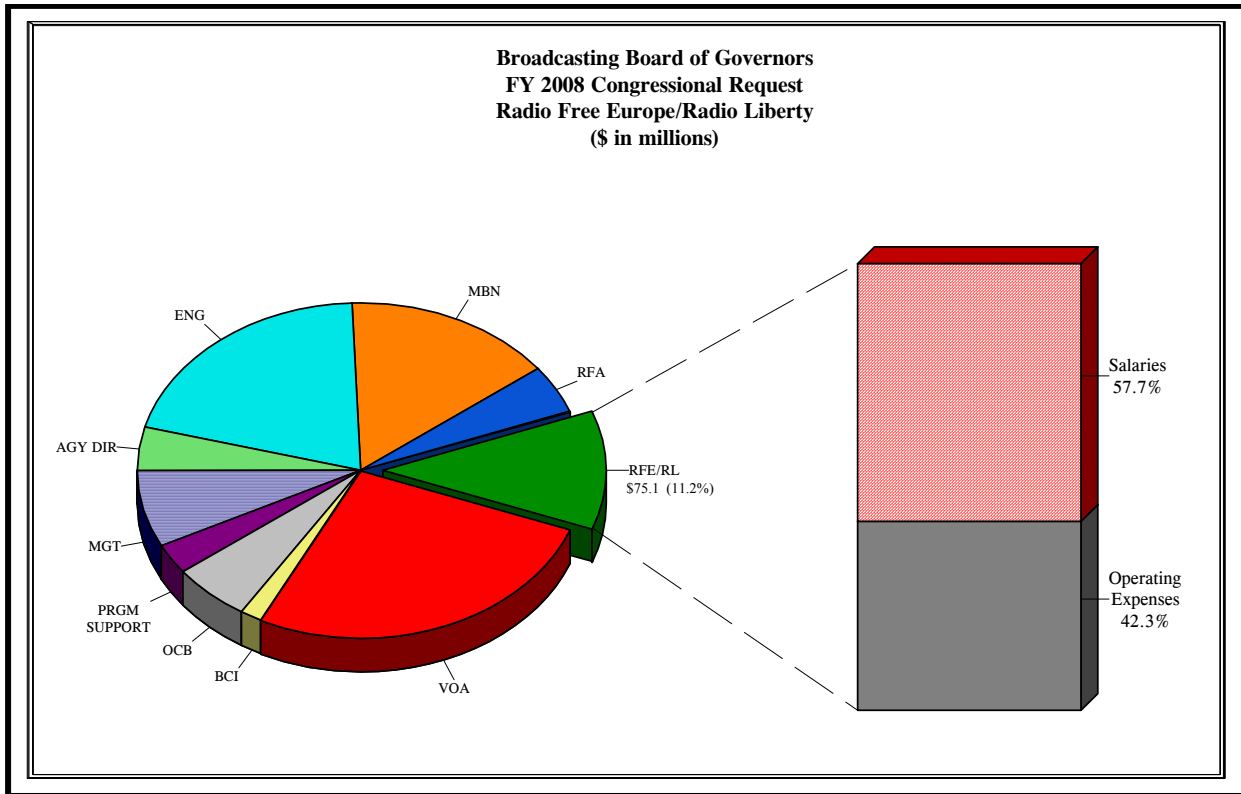
FY 2007 Proposals Included in the FY 2008 Request

The FY 2008 budget request includes several of the reductions requested in FY 2007. This includes eliminating RFE/RL Macedonian broadcasts and realigning radio broadcasting in Russian to support an UKV broadcast strategy by eliminating 6 hours a day of repeat broadcasts. Increased funding for additional UKV frequencies is included in Program Support.

FY 2008 Program Decreases

The FY 2008 budget includes reductions to RFE/RL Ukrainian, Romanian, South Slavic, and Kazakh services. The FY 2008 budget also achieves savings by reducing RFE/RL costs in the Communications, Central News, marketing programs. In addition, the BBG proposes to realign BBG overseas and domestic bureaus by collocating VOA, RFA, RFE/RL, and OCB in several locations to enhance newsgathering and production capabilities and achieve savings.

For FY 2008, we are requesting \$75.1 million for RFE/RL.



Radio Free Europe/Radio Liberty
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | | |
|--|---------|----------------|
| FY 2007 Estimate | + | 74,927 |
| Represents the FY 2007 estimate for Radio Free Europe/Radio Liberty excluding most program delivery and research costs which are provided by Engineering, Program Support and the BBG. | | |
| FY 2006 Emergency Supplemental (Public Law 109-234) | + | 1,699 |
| Wage Increases: Domestic/American | + | 1,306 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | | |
| Other Wage Requirements | + | 2,091 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008. | | |
| Built-in Requirements | + | 570 |
| Includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following: | | |
| a) Rent/Utilities/Security | 453 | |
| b) Program Delivery | 117 | |
| Non-Recurring Costs | - | (547) |
| The following costs are non-recurred in FY 2008: | | |
| a) One time costs associated with the FY 2006 emergency supplemental | (547) | |
| FY 2007 Proposals included in the FY 2008 Request | - | (366) |
| Reductions proposed in FY 2007 Request | | |
| a) Elimination of Macedonian broadcasts | (366) | |
| Program Decreases | - | (4,535) |
| Reflects the following reductions to base operations: | | |
| a) Reduce broadcasts in Romanian, South Slavic, Ukrainian and Kazakh | (1,294) | |
| b) Administrative and Broadcast Support Efficiencies | (3,241) | |
| TOTAL FY 2008 RADIO FREE EUROPE/RADIO LIBERTY REQUEST | | 75,145 |

Radio Free Europe/Radio Liberty
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> | <u>2008</u> <u>Request</u> | <u>Increase or</u> <u>Decrease (-)</u> |
|--|-------------------------------|--------------------------------|-------------------------------|---|
| Broadcasting Division | | | | |
| Director | 3,134 | 3,078 | 3,161 | 83 |
| Marketing & Affiliates Development | 2,032 | 1,998 | 1,989 | (9) |
| Broadcast Services: | | | | |
| Armenian | 1,102 | 1,081 | 1,140 | 59 |
| Azerbaijani | 1,094 | 1,066 | 1,122 | 56 |
| Belarusian | 2,061 | 2,073 | 2,180 | 107 |
| Georgian | 1,008 | 1,056 | 1,113 | 57 |
| Kazakh | 1,321 | 1,343 | 1,286 | (57) |
| Kyrgyz | 1,546 | 1,602 | 1,689 | 87 |
| Radio Farda (Persian) | 3,607 | 5,326 | 4,635 | (691) |
| Radio Free Afghanistan (Dari and Pashto) | 3,873 | 3,830 | 3,980 | 150 |
| Radio Free Iraq (Arabic) | 1,831 | 1,934 | 1,988 | 54 |
| Romanian to Moldova | 961 | 990 | 837 | (153) |
| Russian | 9,150 | 8,188 | 7,962 | (226) |
| North Caucasus Unit (Avar, Chechen and Circassian) | 1,113 | 1,127 | 1,192 | 65 |
| South Slavic/Albanian (Bosnian, Macedonian, Serbian) | 4,123 | 4,045 | 3,765 | (280) |
| Tajik | 1,509 | 1,495 | 1,585 | 90 |
| Tatar-Bashkir | 859 | 893 | 940 | 47 |
| Turkmen | 1,124 | 1,115 | 1,173 | 58 |
| Ukrainian | 2,414 | 2,516 | 2,096 | (420) |
| Uzbek | 1,355 | 1,327 | 1,387 | 60 |
| News and Current Affairs | 3,687 | 3,899 | 4,045 | 146 |
| Total, Broadcasting Division | 48,904 | 49,982 | 49,265 | (717) |
| Office of President | 1,512 | 1,807 | 1,728 | (79) |
| Administration | 5,468 | 5,835 | 5,835 | - |
| Human Resources | 2,164 | 2,163 | 2,134 | (29) |
| Finance | 4,632 | 4,758 | 4,824 | 66 |
| RFE/RL Relocation Project | 411 | 1/ | 1,125 | 1,125 |
| Communications | 3,600 | 3,633 | 3,376 | (257) |
| Technology Systems | 9,057 | 8,448 | 7,983 | (465) |
| Total, Offices | 26,844 | 26,644 | 27,005 | 361 |
| TOTAL, RADIO FREE EUROPE/ RADIO LIBERTY | 75,748 | 76,626 | 76,270 | (356) |
| Reconciliation: | | | | |
| (-) Balances In | (411) | (1,125) | (1,125) | - |
| (+) Balance Out | 1,125 | 1,125 | - | (1,125) |
| (-) Other resources ² | (1,125) | - | - | - |
| Enacted/Request Level | 75,337 | 76,626 | 75,145 | (1,481) |

1/ In FY 2006, \$13.5 million for RFE/RL relocation is in the Broadcasting Capital Improvements Account.

2/ Includes \$1.125 million for relocation costs provided by the Czech Government.

Broadcasting Board of Governors Radio Free Asia

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|------------------|-------------------|---------------------|--------------------|
| Funding | 30,395 | 31,530 | 31,457 |
| Positions | 245 | 281 | 258 |

Radio Free Asia (RFA), a non-profit news organization, celebrated its tenth year in 2006 and continued its mission of providing objective, timely, in-country news and information in the native language of its target countries. Through its radio broadcasts and Internet presence, RFA directs vital broadcasts to people throughout the region. “We North Korean refugees in China are listening to RFA broadcasting,” writes one 29-year-old North Korean woman, “We get joys and sorrows, passion and determination, hope and plans for future...all of this combined... I am writing to say thank you.”

Created under the 1994 International Broadcasting Act and funded through a grant from the BBG, RFA’s role is to “provide accurate and timely information, news, and commentary about events in the respective countries of Asia and elsewhere and to be a forum for a variety of opinions and voices from within Asian nations whose people do not fully enjoy freedom of expression.” RFA broadcasts in 9 languages and 3 dialects to China (including Tibet and Xinjiang), Burma, Cambodia, Laos, North Korea, and Vietnam, operating as an unbiased news source in Asian countries that do not tolerate a free press and filling the news gap created by state-controlled media.

Through its network of reporters across Asia and its eight bureaus/offices, RFA frequently leads the world in breaking news and continues to cover stories not reported by other media. RFA’s language services are recognized worldwide as authoritative sources of breaking news and compelling features, and RFA services are routinely cited in leading mainstream media. RFA broadcasts 252 hours of news and information weekly, transmitted by the IBB’s shortwave and medium wave stations. In addition, all RFA programming is streamed over the Internet, which provides an increasingly accessible medium in reaching an expanded and younger audience.

FY 2006 - FY 2007 Highlights and Program Accomplishments

Building on successes in FY 2006, RFA continues to broaden its reach with expanded and enhanced programming and improved Web site design and tools. In 2006 RFA services devoted in-depth coverage to the spread of the avian flu virus, helping listeners understand the dangers and how to avoid spreading the disease. In celebration of International Women’s Day 2006, RFA launched *Women in Their Own Words*, an ongoing series that collects first-person narratives from women native to RFA’s target listening communities. This multimedia series is featured on RFA.org. During 2006, RFA.org also introduced blogging, began offering podcasts and expanded its newsletter subscriptions via email. Coverage of the 2006 Winter Olympics in Turin, Italy marked the first time RFA was granted official press recognition by the International Olympic Committee.

Korean

By the end of FY 2007, the Korean service will broadcast three hours of original programming. The service went to a two-hour live format in FY 2006, increasing original programming by 30 minutes. The expanded live format provides the flexibility to change programming, daily or even hourly. An example of this was on July 4, 2006 when North Korea conducted seven ballistic missile launches; RFA's Korean service dropped its regular format in order to provide comprehensive, in-depth reporting on the missile tests, filling in the blanks left by official North Korean media. In 2006 the service added a series of seven weekly features written by North Korean defectors. Topics in the series range from the different lifestyles between North and South Korea and messages to the younger generation to analysis of the North Korean media reporting. RFA is increasing the staff working out of its Seoul bureau to enable reporting closer from North Korea, and to originate daily programming including timely news updates, local call-in shows, and interviews and roundtable discussions between guests and reporters in Seoul and Washington, D.C.

Mandarin

Broadcast content of the Mandarin service has highlighted the emergence of human rights consciousness at the grassroots level. RFA's Mandarin service has given prominent on-air coverage to activists such as Chen Guangcheng, a blind legal activist from Shandong who mobilized villagers to bring an unprecedented class-action lawsuit against government officials who forced them to undergo abortions and sterilizations and to Shanghai lawyer Zheng Enchong, who helped victims of forced evictions seek compensation from real estate developers and government officials. RFA's Mandarin Service has added several new sources from inside China, including writers and legal experts who provide regular analysis and commentaries.

Uyghur

The Uyghur service specializes in reporting stories that are banned in China and rarely covered by the international media. In late 2005 and 2006, the service reported extensively on taboo topics avoided by the state-controlled media such as unpaid child labor practices, widespread drug addiction, and the arrest of a literary journal editor. The service's reporting has raised the consciousness of religious persecution, both inside Xinjiang and around the world.

Tibetan

In March 2006, the Tibetan service broadcast three roundtable programs in preparation for Tibetan government in-exile elections, providing a forum for voters to question candidates, which was a first for Tibetans. The series culminated with a town hall meeting of all candidates, moderated by RFA. RFA's second largest service broadcasts in three Tibetan dialects: Uke, Amdo, and Kham. In January 2007 RFA began broadcasting regular commentary and analysis for the first time from a Tibetan writer living inside China.

Cantonese

The Cantonese service focuses on local news in southern China. In April 2006, the service was the first to report on a major clash over water rights between police and villagers in Guangdong province. Exclusive video footage of this was streamed on the Cantonese web site. In FY 2006, the service introduced two new weekly features that have drawn favorable reactions from listeners, including a book review program featuring mostly books banned by the Chinese government and commentary and analysis. On July 1, 2006, the Cantonese service broadcast a live special program when tens of thousands of Hong Kong citizens turned out for a pro-democracy demonstration.

Khmer (to Cambodia)

The vital role RFA plays in providing independent news and information to the people of Cambodia was highlighted when Prime Minister Hun Sen cracked down on independent media and government opposition, imprisoning among others, the owner of FM affiliate Beehive Radio. Through RFA's extensive reporting, audiences learned about avian flu and how to avoid spreading the disease. In numerous cases, when RFA has reported on problems such as starvation in remote villages, illegal land grabs and corruption, Cambodian officials, NGO's and international organizations have responded with solutions that have made a real difference in people's lives. In 2006, RFA started production of a history series created by a renowned historian and began preparations for the upcoming Khmer Rouge Tribunal in Phnom Penh. RFA was the top international broadcaster in Phnom Penh, according to BBG's latest national survey conducted in June 2006.

Burmese

The Burmese people have come increasingly to rely upon RFA for news on issues ranging from bird flu to local unrest. An Australian journalist recently in Burma reported that RFA was one of the most popular of the international broadcasters because of "timing, signal strength, [and its delivery of] a whole full hour of news and information more relevant to Burma." The Burmese service has doubled its presence in Bangkok to better report on events inside Burma, in the region and along the Thai-Burma border. When the Burmese military began attacking ethnic Karen villages, the Burmese service was able to send a reporter across the border to get first-hand accounts from Karen refugees. Responding to the demands of the large ethnic minority populations in Burma, the service has introduced regular programming in four of the five main ethnic languages.

Vietnamese

In the last year, the Vietnamese service has created new weekly magazines and produced special programs to meet the needs of a growing audience and to attract younger listeners and more rural listeners. The new magazine programs include: *Youth Forum*, a discussion of issues that particularly affect the young; *Traditional Music* for people living in the southern countryside where their favorite music is not readily available; *One Story a Week* which profiles interesting Vietnamese people in and outside the country, and *Health and Life*, which explores diseases and medicines common in Vietnam.

Lao

RFA's Lao Service began producing its program (evening in Laos) from RFA's Bangkok bureau in September 2005 in an effort to improve news coverage. As part of this pilot project, Washington, D.C.-based broadcasters are assigned to Bangkok for extended rotations. These reporters have better access to stories and sources, and can easily go in and out of Laos to cover breaking news and features. The Lao Service has focused a great deal of reporting over the last year along the dangerous Thai/Lao border.

RFA Online

Traffic on language services' websites continues to increase. Weekly site visits to the Uyghur, Tibetan and Burmese websites rose over 60 percent over the prior year, and the Vietnamese traffic rose over 55 percent in spite of censorship. Khmer and Cantonese traffic increased 39 percent and 30 percent respectively. To build these audiences, RFA has devoted much effort to expanding news and information content. News content is published in all scripts read by RFA's target countries (simplified and traditional characters for Chinese; and Latin, Cyrillic and Arabic for Uyghur) and is

made available to our audience for podcasts and RSS feeds. This growth is also due to those in RFA's online audience, who share their methods of bypassing Internet censorship, creating informal "clubs" on how to access the blocked sites.

During the past year RFA expanded its offering of original video feeds to enhance the programming presented on RFA.org. Other online projects included a pilot video-streaming program, featuring the Mandarin service's well-known call-in host Han Dongfang. In 2006 RFA began experimenting with blogs—which can be regarded as uniquely effective proxies for disseminating RFA content. RFA continues to build an informal network of partner sites that reproduce and redistribute its content to new audiences.

Organizational Accomplishments

- In FY 2006, RFA continued to rotate Washington, D.C.-based broadcasters to the Bangkok bureau. This places the broadcasters closer to their targeted countries.
- In 2006, the web site was redesigned and a new content management system was implemented to improve usability of each service's site and accessibility from the remotest parts of the world.
- The Bangkok, Seoul, Phnom Penh and Dharmasala offices were upgraded with Internet audio equipment to facilitate secure, live programming feeds to Washington, D.C. This technology was used in Dharmasala for the live coverage of the Tibetan government in-exile elections and is being used in these field offices to feed regularly scheduled live programming.

FY 2008 Performance Goals

It is difficult to estimate a listening audience due to the inability to gather reliable survey data in many of the countries where Radio Free Asia broadcasts. However, RFA continues to receive excellent or good program quality ratings on a consistent basis and will work to maintain this ranking in 2008. The enhancement for a 10-hour coordinated stream of VOA and RFA daily programming to North Korea, including new programming by RFA, and enhanced transmission will advance the objective of reaching a larger audience in this targeted country.

FY 2008 Program Changes

FY 2008 Program Decreases

The FY 2008 budget includes proposals to eliminate RFA Cantonese and reduce RFA Tibetan broadcasts. The FY 2008 budget also achieves savings by reducing RFA costs in its administrative and music programs. In addition, the BBG proposes to realign BBG overseas and domestic bureaus by collocating VOA, RFA, RFE/RL, and OCB in several locations to enhance newsgathering and production capabilities and achieve savings.

FY 2008 Program Increases

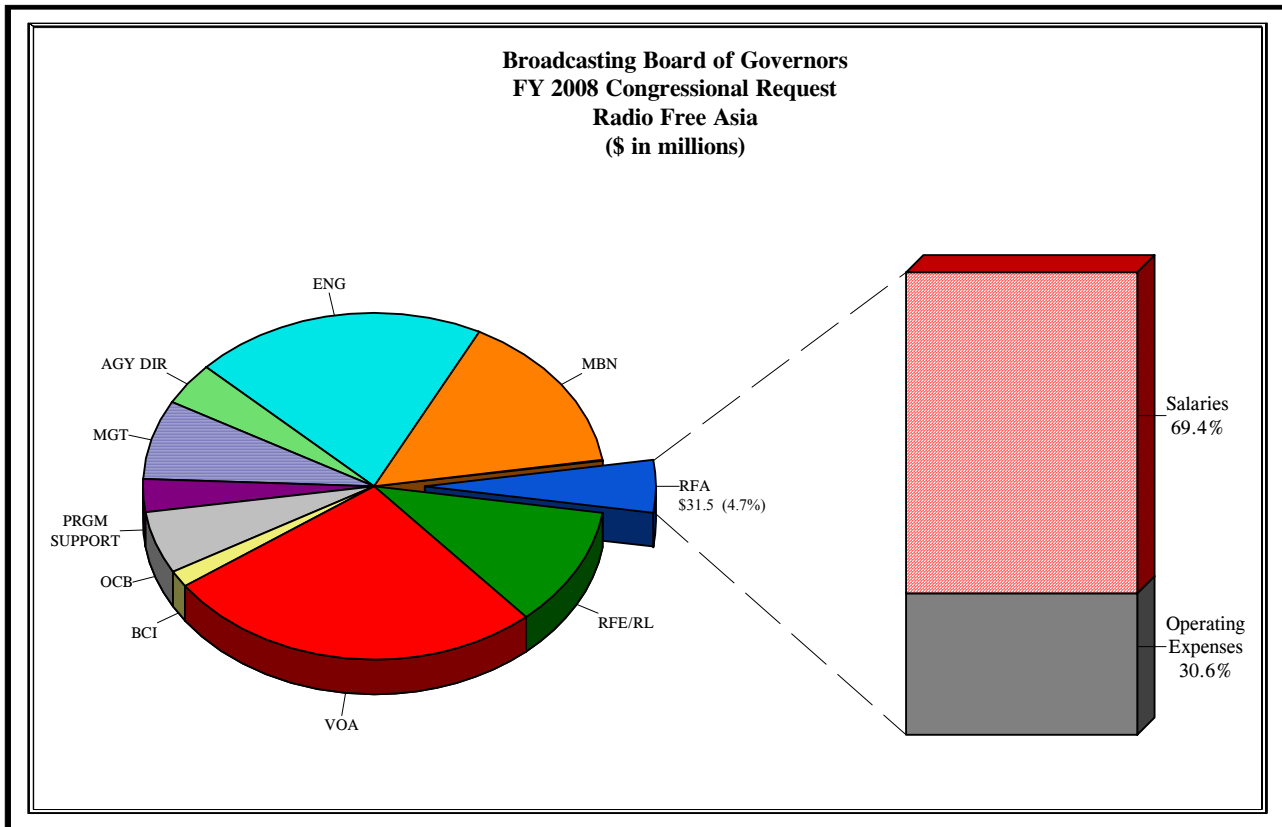
Broadcasting to North Korea (\$.8 million and 10 positions)

To address the crisis in North Korea, the BBG has included funds for a coordinated broadcast schedule developed and launched in tandem with VOA’s Korean service. The 10-hour coordinated stream of daily programming will be broadcast on medium wave and shortwave between 9 pm and 7 am daily.

Protect Our Broadcast Capability (\$1.0 million)

RFA’s FY 2008 request includes funds to support its most critical technical requirements. As a fully digital radio broadcast operation, RFA has immediate and pressing requirements to upgrade its digital consoles, servers, and network storage capacity. Funding would also support maintenance requirements and the purchase of computer, studio and telephone equipment based on industry obsolescence cycles.

For FY 2008, we are requesting \$31.5 million for Radio Free Asia.



Radio Free Asia
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | |
|--|------------------|
| FY 2007 Estimate | + 31,530 |
| Represents the FY 2007 estimate for Radio Free Asia excluding most program delivery and research costs which are provided by Engineering, Program Support and the BBG. | |
| Wage Increases: Domestic/American | + 671 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | |
| Other Wage Requirements | + 301 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008. | |
| Non-Recurring Costs | - (111) |
| The following costs are non-recurred in FY 2008: | |
| a) Rent/Utilities/Security | (111) |
| Program Decreases | - (2,685) |
| Reflects the following reductions to base operations: | |
| a) Eliminate broadcasts in Cantonese and reduce Tibetan | (1,774) |
| b) Administrative and Broadcast Support Efficiencies | (911) |
| Program Increases | - 1,751 |
| Reflects the increase above base operations to fund the following enhancements: | |
| a) Broadcasting to North Korea | 751 |
| e) Protect Our Broadcast Capability | 1,000 |

| | |
|--|---------------|
| TOTAL FY 2008 RADIO FREE ASIA REQUEST | 31,457 |
|--|---------------|

Radio Free Asia
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> | <u>2008</u> <u>Request</u> | <u>Increase or</u> <u>Decrease (-)</u> |
|--|-------------------------------|--------------------------------|-------------------------------|---|
| Programming Division | | | | |
| Executive Editor | 2,586 | 2,159 | 1,947 | (212) |
| Program Services: | | | | |
| Burmese Service | 1,725 | 1,742 | 1,809 | 67 |
| Cambodian Service | 1,651 | 1,709 | 1,732 | 23 |
| Cantonese Service | 813 | 828 | - | (828) |
| Korean Service | 1,627 | 1,916 | 2,273 | 357 |
| Laotian Service | 1,545 | 1,598 | 1,561 | (37) |
| Mandarin Service | 4,702 | 4,805 | 4,839 | 34 |
| Tibetan Service | 3,503 | 3,610 | 2,992 | (618) |
| Uyghur Service | 1,142 | 1,194 | 1,266 | 72 |
| Vietnamese Service | 1,666 | 1,863 | 1,825 | (38) |
| Program Offices: | | | | |
| Ankara Office | 55 | 79 | 79 | - |
| Bangkok Office | 304 | 309 | 316 | 7 |
| Dharamsala Office | 15 | 18 | 18 | - |
| Hong Kong Office | 497 | 558 | 442 | (116) |
| Phnom Penh Office | 183 | 211 | 188 | (23) |
| Seoul Office | 164 | 155 | 437 | 282 |
| Taipei Office | 141 | 149 | 150 | 1 |
| Total, Programming | 22,319 | 22,903 | 21,874 | (1,029) |
| Office of the President | 651 | 718 | 764 | 46 |
| Research, Training, and Evaluation | 388 | 459 | 487 | 28 |
| Technical Operations | 5,226 | 5,485 | 6,297 | 812 |
| Communications | 197 | 196 | 282 | 86 |
| Finance | 1,492 | 1,432 | 1,385 | (47) |
| Human Resources | 381 | 337 | 368 | 31 |
| Total, Admin, Mgt & Finance | 8,335 | 8,627 | 9,583 | 956 |
| TOTAL, Radio Free Asia | 30,654 | 31,530 | 31,457 | (73) |
| Reconciliation: | | | | |
| (-) Balances In/Recoveries | (259) | - | - | - |
| Enacted/Request Level | 30,395 | 31,530 | 31,457 | (73) |

**Broadcasting Board of Governors
Middle East Broadcasting Networks**

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|------------------|-------------------|---------------------|--------------------|
| Funding | 79,458 | 81,614 | 101,764 |
| Positions | 260 | 289 | 469 |

Middle East Broadcasting Networks, Inc. (MBN) is a private, non-profit corporation that provides objective, accurate, and relevant news and information to the people of the Middle East about their region, the world, and the United States. MBN programming expands the spectrum of ideas, opinions, and perspectives presented in the region’s media. By providing a source of balanced information in Arabic, MBN advances freedom and democracy and long-term U.S. national interests.

MBN reaches an estimated 35 million people each week and provides the United States a direct and undistorted line of communication with the Arabic-speaking population of the Middle East -- a conduit that can impact the attitudes and opinions of the region. MBN works to broaden the range of perspectives and exchange of ideas on issues of significance to the lives and future of its audience, and to ensure they have objective, realistic information about America, American policies, and Americans.

MBN is a multimedia broadcasting organization that currently operates three, 24/7 Arabic-language news and information television channels -- Alhurra, Alhurra-Iraq, and Alhurra Europe – as well as Radio Sawa, which broadcasts 24/7 on seven programming streams in the Middle East. MBN broadcasts from its headquarters in Springfield, Virginia, with bureaus in Baghdad and Amman, production capability in Dubai and Beirut, and correspondents in more than 25 countries in the Middle East and around the world.

Alhurra

Alhurra television programming is unique in the Middle East due to its balanced news coverage and its current affairs programming that addresses topics not discussed by other Arabic-language stations, including the rights of women, religious freedom, and human rights. Alhurra broadcasts four, one-hour newscasts, including live reports from Washington and the Middle East, in-depth discussion and roundtable programs, as well as high-quality current affairs and information programs. In addition, news updates are broadcast twice an hour to provide regular news coverage 16 hours of the day. Live breaking news is broadcast around the clock, as events warrant, including coverage of major U.S. foreign policy speeches as well as press conferences and Congressional hearings of interest to the Middle East.

Alhurra programming is broadcast via three channels. The regional Alhurra channel was launched in February 2004 to provide a reliable source of objective news and information to the entire Middle East region. Alhurra-Iraq was launched in April 2004 to provide more specialized local news and programming to the people of Iraq. Most recently, Alhurra Europe was launched on August 1, 2006 to provide a reliable source of news and information to Europe's growing Arabic-speaking population. Alhurra-Iraq carries some programs aired on the regional Alhurra channel, but concentrates on targeted news and current affairs programs for Iraqi viewers as they move into a new era and rebuild their country. Alhurra Europe combines the most popular news and information programs seen on Alhurra and Alhurra-Iraq.

Alhurra is distributed via Arabsat and Nilesat, the same satellites used by all major Middle Eastern channels. Alhurra-Iraq is distributed via the Arabsat (digital) and Nilesat (digital) satellites as well as terrestrial transmitters in Baghdad (Channel 12), Mosul (Channel 12), Basra (Channel 3) and Al Hilla (Channel 35). Alhurra Europe is currently distributed on Eutelsat Hotbird 3.

Radio Sawa

Radio Sawa broadcasts reliable and objective news via newscasts at 15 and 45 minutes past each hour, totaling over 335 live, updated newscasts per week on each of its seven broadcasting streams targeted to the sub-regions of the Middle East. Daily 30-minute news magazines provide listeners with in-depth reporting and news analysis. Radio Sawa also broadcasts live simultaneous translations of major speeches on Middle East issues by senior U.S. officials as well as important U.N. debates and press conferences on important issues affecting U.S. policy in the region.

Radio Sawa advances freedom and democracy while focusing on clear and effective presentation of U.S. policies through a range of targeted programming that includes its weekly signature current affairs discussion, *Free Zone*, as well as *Ask The World Now*, a regular program that provides answers to key questions that listeners have about U.S. policies as they relate to the Middle East and the ongoing war on terrorism. To Iraq, Radio Sawa broadcasts features focusing on rule of law, democratic political debate, and citizen concerns.

Radio Sawa can be heard throughout the Middle East through FM and medium wave (AM) transmissions on seven streams including: 1. Iraq (FM and AM); 2. Jordan and the West Bank (FM); 3. the Gulf (FM and AM); 4. Egypt and the Levant (AM); 5. Morocco (FM); 6. Sudan and Yemen (AM); and 7. Lebanon and Syria (FM). Listeners can also hear Radio Sawa live on the Internet by going to its website and clicking on any of the streams.

FY 2006 – FY 2007 Programming Accomplishments

MBN continues to enhance the quality of its programming and news coverage to expand the depth and breadth of information and perspectives available in the region's media. In FY 2006 and FY 2007, MBN's guiding principles include:

- **Establishing a reliable, balanced source of news and information of breaking news.** Alhurra and Radio Sawa were the first to report on the execution of Saddam Hussein. For hours, other primary Middle East and U.S. media outlets cited Alhurra as the source for the breaking news story. In addition to reporting the story, Alhurra and Radio Sawa provided context and reaction from expert guests in Iraq, the United States and throughout the Middle East.

In July 2006, when the Hezbollah-Israeli crisis began, Alhurra TV operated as an around-the-clock breaking news station. Alhurra began broadcasting a daily three-hour program from downtown Beirut with live reports from around the country, bringing viewers the latest news and information from Lebanon. Alhurra correspondents in other parts of the world, including those at the State Department, White House, United Nations and in Europe, presented live reports that provided Alhurra's audience with a wider perspective and reaction to the events in the Middle East. Radio Sawa extended its twice-an-hour newscasts during the Hezbollah-Israeli crisis, expanding the first newscast of each hour to at least 15 minutes to provide listeners with the latest updates and in-depth reports on the conflict. Radio Sawa pre-empted its regular programming with breaking news coverage as warranted and supplemented its coverage with interviews of Lebanese, Israeli and U.S. experts and government and military officials to provide comprehensive and balanced coverage of the conflict.

- **Promoting democracy in the Middle East.** In FY 2006 and FY 2007, Alhurra and Radio Sawa provided comprehensive live coverage of the elections in Iraq, Israel, Kuwait, Bahrain, UAE, Mauritania, the Palestinian Territories and the municipal elections in Iran. Election coverage included discussion programs featuring opposing candidates as well as in-depth reporting on election issues. In certain instances, like the Iraqi elections, Alhurra also produced public service announcements encouraging people to vote. On Election Day in Iraq, Alhurra kept viewers informed with 12 hours of continuous coverage from across the country interviewing voters and candidates about the election and the democratic process. In addition to election coverage, in 2006 Alhurra launched a new program, *Eye on Democracy* focusing on democratic efforts throughout the Middle East and included interviews with leaders of democracy movements in the region.
- **Promoting discussion of freedom and human rights issues not covered in the region's media.** Current Affairs programs like Alhurra's *Equality* continue to be unique in the region's media, due to the limitations imposed by the countries that finance regional television networks. Hosted by Saudi journalist Nadine Al-Bdair, the program discusses the rights of women and tackles subjects such as young girls being forced into marriage, the right of women to drive and the rights of women in Islam. There has been incredible feedback on this program and others, some praising Alhurra's courageousness for airing such a groundbreaking program and others condemning Alhurra for discussing these topics.

During 2006, Radio Sawa's *The Free Zone* continued to address issues of freedom and democracy and human rights throughout the Arab world. *The Free Zone* is regarded as

the only regular program on Arabic-language radio to address such issues. The *Free Zone* has broadcast programs on constitutional reforms in Egypt and Algeria, the sentencing of Saddam Hussein in the context of rule of law perspectives, the political debate among Palestinians regarding their future, the recommendations of the Iraq Study Group, media freedom in Egypt, recommendations of the Arab Women's Conference held in Bahrain, challenges to the governing party's domination of political life in Egypt, unemployment and poverty in the Arab world, the debate over the new law governing royal succession in Saudi Arabia, the debate over banning the veil in Tunisia, the human rights situation in Darfur, and the balance between human rights and security in Iraq.

- **Giving Arabic-language viewers a better understanding of the United States.** Broad coverage of the U.S. elections, including the historic shift in Congress, provided an opportunity to showcase the political institutions of the United States. During the weeks preceding the elections, Radio Sawa broadcast special previews of major issues that were being debated by candidates during the campaigns. On election night, the radio's twice-hourly news and headlines provided opportunities to broadcast regular updates of election results throughout the night as winners and losers were announced. Special analyses of the broader trends contained in the results were included in several of the broadcasts election night, including the implications of Republican or Democratic control of the House of Representatives and Senate. Alhurra's coverage of the midterm elections included a weekly discussion program *America Elects* with American government experts to examine the issues impacting the election. The television network also focused on the key races across the country and used them as an example of elections in the United States. Both Alhurra and Radio Sawa followed the election of the first Muslim Congressman in the U.S.

In addition, Alhurra produced programs in 2006 to provide objective information on America and Americans to the people of the Middle East. A documentary series called *Americans* highlighted a different aspect of American life and American history in each episode, which received critical acclaim in the Arabic press. *Inside Washington* takes viewers behind the scenes of the political process in Washington with guests such as Supreme Court Justice Antonin Scalia, Alexander Haig and Representatives Howard Berman, Ileana Ros-Lehtinen, Tom Lantos and Peter Hoekstra. In FY 2007, Alhurra will initiate additional series to expand perspectives and information on America, including *Route 66*, a program that will focus on how different cultures live and work together and make this country so unique.

- **Providing objective news and information to the Arabic-speaking population in Europe.** To address the absence of Arabic-language news in Europe that puts America and American policies in an objective context, Alhurra Europe began transmitting in FY 2006. The channel, which is available via the Hotbird satellite system, was established as a vehicle to broadcast Alhurra and Alhurra-Iraq news and information programs.
- **Expanding radio reach to Lebanon, within Iraq, and to Sudan.** Radio Sawa expanded its programming and audience reach in FY 2006 when it added a separate stream to Lebanon, which became Radio Sawa's seventh distinct programming stream.

Radio Sawa now broadcasts on FM throughout Lebanon in Beirut, North Lebanon, South Lebanon and the Bekaa Valley. This expanded reach enabled Radio Sawa to broadcast throughout Lebanon from the first day of Israeli-Hezbollah crisis. Some of these transmitters also reach Damascus and other Syrian cities.

In 2006 Radio Sawa added FM transmitters in Iraq and signed an agreement to establish several FM transmitters throughout Sudan. Kirkuk became the seventh city in Iraq to have an FM transmitter broadcasting Radio Sawa, joining Erbil, Baghdad, Basra, Mosul, Nasiriya and Sulimaniyah. By adding FM to its existing medium wave coverage into Sudan, Radio Sawa will increase the number of listeners who can receive objective news and information about Sudan, the Middle East and the world.

FY 2008 Performance Goals

For FY 2008, MBN will continue to be a valued source of news and information in the competitive Arabic-speaking marketplace. The goal is that over 70% of the audience judges its news and information as at least “somewhat trustworthy/reliable” or “very trustworthy/reliable”. Also, the enhancements to establish a new 3-hour program on Alhurra, expand live news coverage on Alhurra, and further localize Radio Sawa programming are expected to increase the audience reach of MBN in strategic countries.

FY 2008 Program Changes

FY 2007 Proposals Included in the FY 2008 Request

The FY 2008 budget request includes an enhancement for MBN that was requested in FY 2007. This enhancement (\$6.3 million) would expand Alhurra’s live news capability. The BBG proposes to increase Alhurra’s newscast capability to 24 hours a day – an expansion from the 16-hours per day capability currently funded. The request also includes funding to continue customization of Radio Sawa news and information to focus on local and national developments of vital importance to its diverse audience.

FY 2008 Program Increases

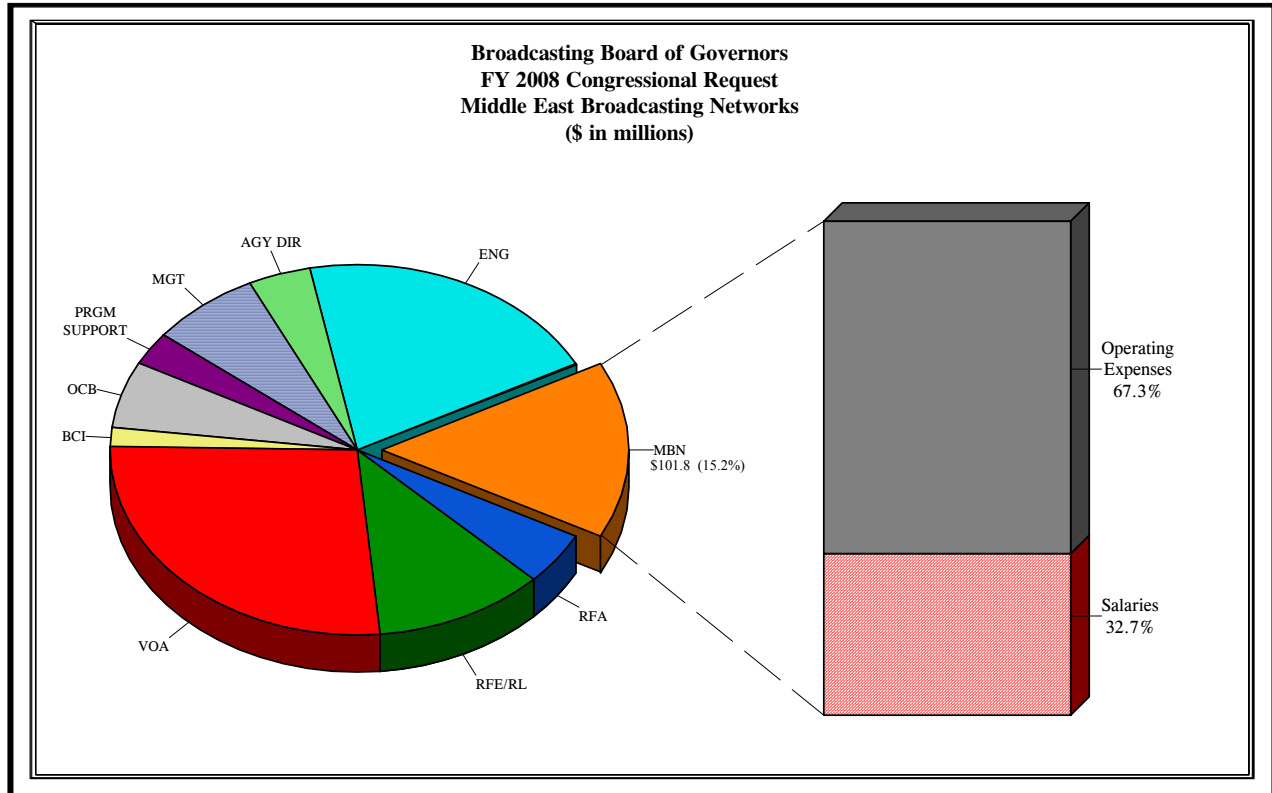
Enhance Alhurra’s Presence in the Middle East (\$11.1 million and 150 positions)

The request includes \$11.1 million to launch a live, daily, three-hour television program. The new three-hour daily show would define Alhurra by providing a format and information mix unavailable in the region today – it would create a signature program to distinguish Alhurra effectively in the crowded and competitive market. The new show would be a launching pad for focusing the news of the day, discussing compelling social issues, investigative reporting and a spectrum of information not presented anywhere else.

The show would originate primarily from Cairo with smaller regional hubs in Morocco, Beirut, and Dubai, and the U.S. Contributions from Dubai and Morocco will greatly enhance original reporting from the region. The 3-hour program will allow Alhurra to give more time to significant issues that affect the lives and future of the people of the Middle East through focused

information programming. The program will include news updates and provide time to go in-depth on major news stories. The multi-dimensional programming concept and format would be unique in the region.

For FY 2008, we are requesting \$101.8 million for Middle East Broadcasting Networks.



Middle East Broadcasting Networks
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | | |
|--|--------|---------------|
| FY 2007 Estimate | + | 81,614 |
| Represents the FY 2007 estimate for Middle East Broadcasting Networks excluding most program delivery and research costs which are provided by Engineering, Program Support and the BBG. | | |
| Wage Increases: Domestic/American | + | 819 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | | |
| Other Wage Requirements | + | 529 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008. | | |
| Built-in Requirements | + | 1,383 |
| Includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following: | | |
| a) Technical Requirements for Alhurra | 1,303 | |
| b) Rent/Utilities/Security | 80 | |
| FY 2007 Proposals included in the FY 2008 Request | + | 6,275 |
| Enhancements proposed in FY 2007 Request | | |
| a) Strengthen Targeted Programming | 6,275 | |
| Program Increases | - | 11,144 |
| Reflects the increase above base operations to fund the following enhancements: | | |
| a) Enhance Alhurra's Presence in the Middle East | 11,144 | |

| | |
|--|----------------|
| TOTAL FY 2008 MIDDLE EAST BROADCASTING NETWORKS REQUEST | 101,764 |
|--|----------------|

Middle East Broadcasting Networks
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | 2006 Actuals | 2007 Estimate | 2008 Request | Increase or Decrease (-) |
|--|-------------------------|--------------------------|-------------------------|-------------------------------------|
| Programming | | | | |
| Central News and Current Affairs (Including Alhurra) | 31,559 | 27,399 | 31,566 | 4,167 |
| Alhurra Iraq | 8,638 | 8,351 | 8,490 | 139 |
| Alhurra Europe | 1,317 | 1,662 | 1,255 | (407) |
| Radio Sawa | 8,543 | 9,173 | 12,222 | 3,049 |
| Total, Programming | 50,057 | 46,585 | 53,533 | 6,948 |
| Overseas Offices | | | | |
| Radio Sawa Amman Bureau | 251 | 178 | 178 | - |
| Baghdad Bureau | 5,605 | 5,573 | 5,576 | 3 |
| Beirut Production Center | - | - | 2,954 | 2,954 |
| Cairo Bureau | - | - | 3,243 | 3,243 |
| Dubai Production Center | 3,068 | 2,922 | 4,342 | 1,420 |
| Morocco Production Center | - | - | 2,946 | 2,946 |
| Total, Overseas Offices | 8,924 | 8,673 | 19,239 | 10,566 |
| Administration | | | | |
| Technical and Engineering | 16,192 | 18,666 | 20,047 | 1,381 |
| Finance and Administration | 6,001 | 6,358 | 6,609 | 251 |
| Creative Services | 1,225 | 1,486 | 2,059 | 573 |
| Public Relations | 215 | 264 | 277 | 13 |
| Total, Administration | 23,633 | 26,774 | 28,992 | 2,218 |
| TOTAL, MIDDLE EAST BROADCASTING NETWORKS | 82,614 | 82,032 | 101,764 | 19,732 |
| Reconciliation: | | | | |
| (-) Balances In/Recoveries | (3,574) | (418) | - | 418 |
| (+) Balances Out | 418 | - | - | - |
| Enacted/Request Level | 79,458 | 81,614 | 101,764 | 20,150 |

**Broadcasting Board of Governors
International Broadcasting Bureau
Engineering and Technical Services**

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|-------------------------------------|-------------------|---------------------|--------------------|
| Funding | 157,671 | 149,547 | 136,090 |
| Emergency Supplemental P.L. 109-234 | 49 | 766 | - |
| Total Funding | 157,720 | 150,313 | 136,090 |
| Positions | 533 | 569 | 528 |

The *Office of Engineering and Technical Services* manages a complex network of over 70 transmitting sites worldwide. In addition to high frequency and medium wave (AM) facilities, the network includes a growing number of FM and TV stations. To further complement this broadcast delivery, Engineering leases broadcast time at nearly 20 transmitting facilities in over 10 countries. To meet the needs of its varied broadcast customers, Engineering is responsible for an extensive network of leased satellite circuits and other international telecommunication systems, which includes providing support to a worldwide array of hundreds of satellite receivers and earth stations and a rapidly growing Internet delivery system.

IBB Engineering's Network Control Center (NCC), the 24-hour operations hub and central distribution point for all BBG transmission systems, coordinates the flow of electronic broadcast signals from various broadcasters through many different paths to reach audiences. Most signals travel from satellite dishes at the IBB headquarters building in Washington, D.C. to leased communications satellites orbiting the earth. The NCC manages and coordinates scheduling for the satellites that carry BBG programming over 570 separate circuits and is responsible for over 835 daily switching events that involve 335 radio inputs and 570 outputs, and 30 video inputs and outputs. The NCC also manages 83 encoders used for the streaming and file transfer of nearly 912 hours of live and 1,289 hours of on-demand daily BBG programming via the Internet.

This global transmission network delivers the radio and television programs of VOA, RFE/RL (including Radio Farda), RFA, and MBN (Alhurra, Alhurra Iraq, Alhurra Europe, and Radio Sawa) to targeted audiences around the world. Engineering also supports segments of Radio and TV Martí's technical network and transmits the television signals of the Department of State to U.S. embassies worldwide on the American Embassy Television Network. The IBB's digital satellite system and other leased circuits, managed by the NCC, feed programs to transmission sites and affiliates in Africa, Asia, Europe, Latin America, the Middle East, and North America. The BBG's 1,400 affiliates worldwide rebroadcast radio and TV programs to local audiences. Other BBG program recipients include cable TV systems, individual home receivers, and U.S. diplomatic posts.

Engineering plays a prominent role in exploring, developing, and adopting new technologies to increase the efficiency and effectiveness of the BBG's broadcast network. Seizing on the Internet's ability to reach millions worldwide, Engineering delivers VOA's website and provides streaming support for all BBG audio programming and most BBG video programming. Engineering manages the web publishing system and the web hosting services for multimedia websites in all VOA languages, in addition to providing technical support for innovative delivery formats such as podcasts, text messages, and "on-line chat." IBB Engineering also uses anti-jamming technologies to enable people in China, in Iran, and other Internet-restricted countries to gain access to web pages that are currently blocked. A growing e-mail distribution system currently reaches millions in China and tens of thousands in Iran daily.

Engineering is also responsible for the IBB's information technology functions and provides a single, focused group to address many information technology endeavors from computer assistance to IBB staff to ensuring that e-mail is safe and secure. This support function covers computer-based technologies involved in current, state-of-the-art generation of digital audio and video programming for VOA to routine desktop applications essential to accomplish the agency's mission.

FY 2006 – FY 2007 Highlights and Program Accomplishments

Transmission Network

To satisfy evolving requirements with the most effective technologies, the BBG must continually assess the effectiveness of its transmission network assets and make changes to meet new programming requirements, to serve priority audiences, and to satisfy media preferences. Although shortwave will remain important in certain areas, audiences increasingly prefer local medium wave (AM) and FM stations where these are available. Moreover, audiences are increasingly turning to television to obtain the kind of information and news the BBG provides. Consequently, the BBG is shifting its investments in transmission assets from shortwave to the more popular media of AM, FM, and television. This shift requires either investing in new facilities constructed by the BBG, leasing from other broadcasters, or moving existing BBG assets from one location where needs are diminishing to another location where the equipment can remain in service productively and economically for years.

In the spring of 2006, the BBG closed the Greece Transmitting Station, a major shortwave and medium wave facility. The realities of funding, technology, and shifting audience preferences led the BBG to cease U.S. Government international broadcasts from this facility. Engineering dismantled two high power medium wave transmitters and associated equipment and two of the station's newer shortwave transmitters. One of the shortwave transmitters has been shipped to Tajikistan for installation at Teleradiocom's Orzu facility to upgrade the site's shortwave transmission capability. One of the medium wave transmitters was shipped to the BBG's Kuwait Transmitting Station to establish a Radio Farda broadcast capability. The other two transmitters will be stored for eventual redeployment to high priority areas to support the BBG's worldwide broadcast mission. With the assistance of the U.S. Embassy in Athens, the station's Rhodes transmitting site was formally turned over to the Government of Greece in October 2006 and the Kavala site in December 2006.

To support the BBG's expansion of FM broadcasting in capitals and major population areas around the world, Engineering successfully added over 50 FM transmitters to its broadcast inventory over the past several years. Most operate 24 hours a day, seven days a week. Included in this FM count are 24/7 transmitters delivering the programs of VOA and RFE/RL's Radio Free Afghanistan in the Afghan cities of Kabul, Kandahar, Herat, Jalalabad, and Mazar-e-Sharif and the addition of the new VOA *Radio Deewa* (Pashto) from the Afghan cities of Khost, Asadabad, and Gardez. FM service for Radio Sawa has expanded every year since its inception, and Arabic language programs are currently emanating from 30 transmitters located in 10 countries in the Middle East and Africa. In FY 2006, Radio Sawa began 24/7 broadcasting from five new FM transmitters in Iraq and from four new leased transmitters in Lebanon, and received permission from Sudan to broadcast on FM transmitters throughout that country. The agency's FY 2007 plans address potential FM expansion in Iraq, Lebanon, Palestine, Sudan and Oman. In addition, VOA is considering several new locations in Africa for 24/7 FM broadcasting.

The BBG also continued leasing a medium wave facility in Tajikistan to transmit the programs of *Radio Aap Ki Dunyaa*, the VOA Urdu language service to Pakistan. In October 2005, a new 800 kW medium wave transmitter became operational in Tajikistan. A new medium wave antenna system was placed into operation in November 2006. The medium wave transmitter and antenna system are further strengthening broadcasts into this important region. In addition, the BBG has a lease for a second 800 kW medium wave transmitter from the UAE to provide even more coverage into Pakistan. Broadcasts from this facility are expected to begin in the second quarter of FY 2007.

Over the past year, Engineering continued to support the requirements of the BBG's broadcast customers and to address their broadcast delivery needs in a timely and responsive fashion. As the number of FM, medium wave, and TV facilities increases so has the role of the BBG's transmitting stations in managing and maintaining this greatly expanded broadcast network.

To permit remote monitoring of distant stations, the BBG increased the number of satellite, telephone, and Internet-based monitoring systems. Engineering continued to expand monitoring networks in FY 2006 with a particular focus on assessing the technical effectiveness of radio and Internet transmissions. BBG's worldwide monitoring offices - 45 part-time human monitors and 72 remote monitoring systems - collect over 50,000 observations of BBG broadcasts weekly. These observations are used to verify the reception and audibility of these programs, confirm compliance with transmission scheduling, validate leasing and placement agreements, assess the impact of jamming, and avoid interference with other international broadcasters.

Satellite Distribution Network

Engineering develops, maintains, and manages an effective satellite distribution network - the essential link in the delivery of all BBG radio and television programming - from the main production centers in Washington, Miami, and Prague to cross-border or local transmission stations around the world and even directly to home audiences in many places. The BBG currently leases transmission services on different satellites and will adjust this capacity as needed to serve new requirements. The overall effectiveness of the satellite network capacity, measured in megahertz of bandwidth, has improved because of expanded capacity and the conversion of circuits from analog to digital. Digital transmission offers greater capacity,

flexibility, and economy in overall network operation. Engineering also acquires and maintains fiber optic circuits for program delivery to complement the satellite network where such links are cost effective.

Engineering established distribution facilities for a third video channel for MBN, Alhurra-Europe, to support broadcasts of programs that began on August 1, 2006.

Disaster Recovery Plans

Engineering continued to develop disaster recovery plans and strategies to safeguard against catastrophic network loss. Meeting transmission demands during crisis situations requires flexibility and a rapid response capability to ensure that BBG broadcasts can reach target audiences no matter where they are. In FY 2006, Engineering began establishing a facility to provide a technical contingency capability in the event of a catastrophic failure at the main headquarters building in Washington, D.C. Although most of the construction of the facility was completed in 2006, some construction work, configuration activities, and testing remain.

African Coverage

Growing instability in the African country of Somalia has prompted the BBG to launch a new VOA language service to the people in this information deprived society. Engineering will arrange appropriate transmission capabilities for a new VOA Somalia service. The new service will begin operations in FY 2007.

Iraqi Coverage

Engineering has worked diligently in recent years to provide comprehensive transmission coverage of Iraq and has developed plans for increased FM and television coverage. In addition to the FM stations currently broadcasting in Iraq, Engineering has identified other desirable FM station sites in other parts of that country. The BBG has an operating agreement with the Iraqi Media Network (IMN), the Iraqi Government broadcaster, to enable the BBG to install additional FM systems in Al Nasiriyah (January 17, 2006), Al Samawah (April 7, 2006), and Kirkuk (May 18, 2006), and Al Amarah (June 26, 2006). Security issues have delayed the completion of a major FM installation at Al Hilla.

In addition, in November 2005, the BBG dramatically improved FM broadcast coverage in Baghdad and Basrah by upgrading the antenna systems at the sites. A similar improvement will be made at Mosul as soon as security conditions allow. Costs were reduced when Engineering replaced a leased FM broadcast capability at Erbil with a BBG-owned and operated facility on January 26, 2006. A similar cost reduction improvement is planned in Sulaymaniyah in early FY 2007.

To increase television coverage in Iraq, the BBG has VHF TV transmitter systems in Baghdad and in Basrah. This past year Engineering installed a 5 kW VHF TV transmitter system in Mosul and a 10 kW UHF system near Al Hilla. Completion of these installations had hinged closely on security and logistical conditions in Iraq. These four TV transmitter systems now provide viewers with Alhurra-Iraq programming around the clock, seven days a week.

In October 2005, an insurgent bomb blast in the Green Zone damaged the MBN's satellite station in Baghdad. Engineering identified necessary replacement items, shipped replacement items from various locations to Baghdad, and successfully repaired the system in November 2005.

Afghanistan-Pakistan Border Region

To improve broadcasting to the border between Afghanistan and Pakistan, the BBG is deploying a 200 kW medium wave system near Khost, Afghanistan. A contract was awarded for the transmitter system in FY 2006, and an on-air date for broadcasts to this border region is projected for the end of the fourth quarter of FY 2007.

Middle East Coverage

In FY 2006, Engineering contracted to establish a six-station FM network in Lebanon to expand Radio Sawa broadcast coverage. On February 4, 2006 four new sites that can reach about 99% of the Lebanese population began delivering Radio Sawa programming. A fifth FM station began broadcasting towards Damascus on November 19, 2006. The sixth FM station is scheduled to start up in the 2nd quarter of FY 2007. Large numbers of Syrian listeners live in range of these last two Lebanese FM stations located near the Syrian border. During the recent Hezbollah-Israeli crisis, the FM facility in Terbol Bekaa near the Lebanon/Syria border was destroyed, delaying the installation of the last two facilities. In the meantime, a temporary FM station is in service while the destroyed station is rebuilt.

In May 2005, Engineering established terrestrial interconnects for Radio Sawa between the Cohen Building in Washington, D.C. and MBN's new facility in Springfield, Virginia. To further support MBN, Engineering completed microwave interconnects between MBN offices in Springfield and the Cohen Building in Washington, D.C. in December 2006. This microwave link provides essential backup to MBN's current fiber optic cable distribution system that enables the MBN to feed programs from Springfield to the Cohen Building for transmission overseas.

North Korea

In FY 2007, Engineering will continue to support the transmission of VOA and RFA broadcasts into North Korea.

Internet Presence

Over the past several years, Engineering has maintained and increased BBG's Internet presence, opening new doors to expanding its broadcast reach. With the technical tools in place, IBB can now move audio and video news stories more quickly to the web. Today, Engineering is examining distribution methods beyond the traditional web page technology to reach audiences. Using a tool offered by all major media organizations called Real Simple Syndication (RSS), VOA Internet users can customize the news feed they want to receive by language and subject matter. For example, users in China could subscribe to sports news in Chinese from VOA. VOA's broadcast reach also expands as other web sites and web log editors syndicate VOA and use VOA stories on their respective web sites and web logs (commonly called blogs). Engineering currently makes the RSS feature available to all VOA language sites.

In 2006, Engineering began to support podcasting, a method of distributing multimedia files over the Internet for playback on mobile devices and personal computers. Engineering first offered six different VOA English-language programs on podcasts to Internet users and is expanding its work to offer podcasts in ten other VOA languages. VOA podcasts are indexed on Apple's iTunes web site, currently the most popular comprehensive listing of podcasts. Also developed during 2006 was "on-line chat." This capability enables VOA hosts to have an on-line guest, located either in the studio or off site, answer questions submitted by e-mail, Instant Message, or interactive web site. The audience can view all of the moderator's questions and the responses of the guest. In addition, Engineering completed a full site upgrade of system hardware and software and deployed a new caching scheme that greatly decreased the time a page takes to load within a user's web browser.

Over the years, the amount of material streamed on the Internet for VOA, Radio Sawa, and Radio Farda has increased dramatically. For example, in early 2001, the IBB was streaming about 859 gigabytes of data each month for VOA; by 2006, this number had risen to nearly 18,000 gigabytes streamed per month for VOA. Streaming enables Internet users to quickly and easily access BBG broadcast products. VOA, RFE/RL, and RFA broadcasts are digitally encoded and sent to an Internet provider.

Engineering efforts in FY 2007 will focus on restructuring web sites to improve usability and on expanding RSS, podcasts, and streaming capabilities. Plans also are underway to develop a branded VOA flash player to display audio and video content. A working prototype currently is in place and undergoing evaluation.

Internet Anti-censorship Program

This program comprises an organized campaign on behalf of VOA, Radio Farda, and RFA to counter the Internet censorship imposed by China and Iran. Authorities in China and Iran have upgraded their web monitoring and Internet censorship tools. China has instituted a registration system whereby it can monitor all China-based web pages and blog sites and determine if they have followed the formal registration procedures. If not, the Chinese rapidly shut the sites down. Iran has touted its more detailed content monitoring tools that can now inspect nearly all traffic entering and exiting the country. In response, Engineering has moved in several new directions. BitTorrent is a peer-to-peer distribution system frequently used worldwide by users to bypass copyright restrictions placed by content developers. This technology, however, also has many other customers, including a consortium of Hollywood film companies that are partnering with BitTorrent for legitimate distribution of films. Engineering has taken VOA Chinese TV programs and placed them on BitTorrent servers with China. VOA advertises the links to these programs in its daily e-mails. Using peer-to-peer systems makes it more difficult for the authorities to block access to these materials.

The number of e-mail newsletters sent weekly grew from 32 million a week in November 2005 to 53.5 million a week in November 2006. The VOA Chinese lists were responsible for most of the growth, although the distribution of RFA Mandarin also expanded. Persian e-mail addresses increased from over 35,000 in 2005 to over 75,000 in 2006, mainly the result of a combined VOA Internet/TV campaign that informed Iranian TV viewers how to access VOA Persian using proxy sites. The number of Radio Farda e-mail addresses remained stable.

E-mail programs for China and Iran have reached relatively constant levels. Recent efforts center on exploring alternative ways to reach audiences where the Internet is censored. IBB Engineering awarded a contract to develop a service that allows the IBB to participate in various Instant Messaging (IM) exchanges, which is less subject to filtering than is e-mail or text messaging on cell phones. However, the major IM companies such as AOL, Yahoo, and Microsoft have redesigned their systems to make it more difficult to harvest IM buddy names (or handles). This change has temporarily suspended IBB progress in this area. On a more optimistic note, Engineering is reviewing a new, widely popular system called Tor for specific solutions for countering censorship actions in China and Iran.

A pilot program was initiated to provide VOA video content for mobile devices in the Ukraine. This pilot program is designed to study the feasibility of distributing VOA and RFA content using mobile phone technology.

FY 2008 Performance Goals

The Satellite Effectiveness Index, the quantitative measure of the ability of the satellite network to access the population of TV households, target is 10.6 for FY 2008, which continues the significant improvement since 2004 and maintains the index at this high level. This measure accounts for TV population, total satellite network capacity, signal strength, and prime-time flexibility. Also for FY 2008, the Radio Signal Strength Index target is 2.70. This index refers only to cross-border shortwave and medium wave radio signals and measures whether programs are audible to target audiences. The index has been understandably declining as the BBG broadcasting requirements are shifted from shortwave to other media, such as FM and television.

FY 2008 Program Changes

FY 2007 Proposals Included in the FY 2008 Request

The FY 2008 budget request includes increases and reductions requested in FY 2007. Enhancements include transmission costs associated with the VOA Spanish to Venezuela and leasing medium wave transmission for RFA programming to North Korea. The reductions are related to VOA and RFE/RL broadcast reductions proposed in FY 2007, including associated transmission costs.

FY 2008 Program Decreases

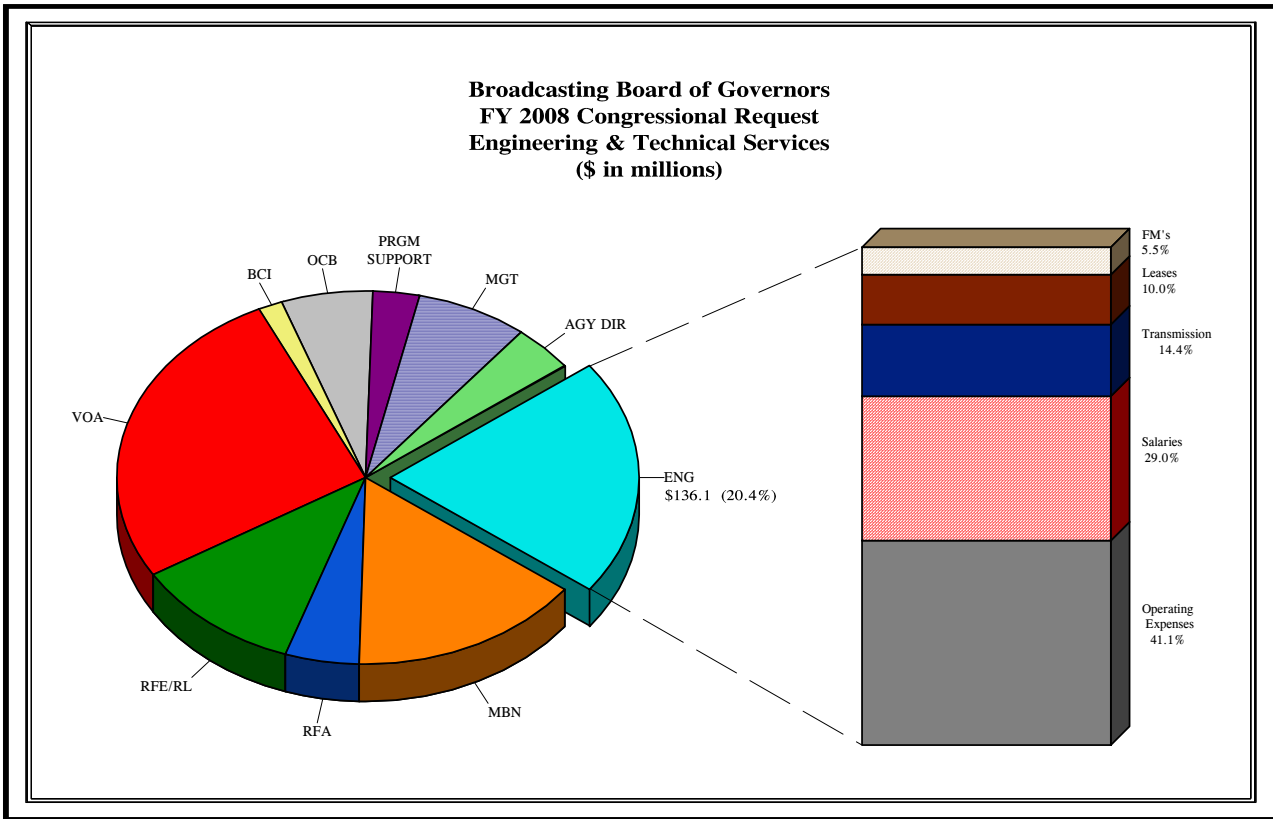
The FY 2008 request for Engineering reflects a reduction from base operations related to VOA, RFE/RL, and RFA broadcast program reductions, including associated transmission costs and management and administrative efficiencies. In addition, this request includes transmission savings associated with the reduction of shortwave transmission and the downsizing of the BBG transmitting station operations, including the closure of one transmitting station.

FY 2008 Program Increases

Enhancements for North Korea, Somalia, and Cuba (\$1.4 million)

Transmission costs associated with VOA and RFA programming to North Korea and VOA programming to Somalia and Cuba.

For FY 2008, we are requesting \$136.1 million for Engineering and Technical Services.



Engineering and Technical Services
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | |
|---|------------|
| FY 2007 Estimate | + 149,547 |
| Represents the FY 2007 estimate for Engineering and Technical Services including program delivery costs for VOA, RFE/RL, RFA and MBN. | |
| FY 2006 Emergency Supplemental (Public Law 109-234) | + 766 |
| Wage Increases: Domestic/American | + 910 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | |
| Wage Increase: FSNs | + 85 |
| Represents anticipated wage increases for overseas foreign service national employees. | |
| Other Wage Requirements | + 1,002 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008. | |
| Built-in Requirements | + 204 |
| Includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following: | |
| a) Internet Streaming and Information Technology | 162 |
| a) Annualization of operating costs associated with the FY 2006 emergency supplemental | 42 |
| Non-Recurring Costs | - (2,106) |
| The following costs are non-recurring in FY 2008: | |
| a) Rent/Utilities/Security | (108) |
| b) Program Delivery | (1,998) |
| FY 2007 Proposals included in the FY 2008 Request | - (253) |
| Reductions proposed in FY 2007 Request | |
| a) Transmission savings from VOA and RFE/RL broadcast reductions | (1,184) |
| Enhancements proposed in FY 2007 Request | |
| a) Strengthen Targeted Programming | 31 |
| b) Improve Transmission Capabilities | 900 |
| Program Decreases | - (15,499) |
| Reflects the following reductions to base operations: | |
| a) VOA, RFE/RL, and RFA broadcast transmission reductions | (1,393) |
| b) Transmission Network Reductions | (12,506) |
| c) Administrative and Broadcast Support Efficiencies | (1,600) |
| Program Increases | - 1,434 |
| Reflects the increase above base operations to fund the following enhancements: | |
| a) Broadcasting to North Korea | 1,329 |
| b) Targeting Extremism in Somalia | 60 |
| c) Enhance Programming to Cuba | 45 |

| | |
|---|----------------|
| TOTAL FY 2008 ENGINEERING AND TECHNICAL SERVICES REQUEST | 136,090 |
|---|----------------|

Engineering and Technical Services
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> | <u>2008</u> <u>Request</u> | <u>Increase or</u> <u>Decrease (-)</u> |
|---------------------------------------|-------------------------------|--------------------------------|-------------------------------|---|
| Domestic Headquarters | | | | |
| Director | 880 | 852 | 890 | 38 |
| Resource Management | 2,463 | 2,725 | 2,675 | (50) |
| Home Leave and Transfer | 596 | 1,352 | 954 | (398) |
| Operations | 14,580 | 16,419 | 14,317 | (2,102) |
| VOA Transmissions | 3,071 | 3,056 | 4,173 | 1,117 |
| RFE/RL Transmissions | 3,415 | 3,535 | 3,517 | (18) |
| RFA Transmissions | 3,635 | 3,086 | 5,315 | 2,229 |
| Host Government Transmissions | 348 | 647 | 633 | (14) |
| Worldwide Procurement (WWP) | 7,187 | 6,445 | 5,021 | (1,424) |
| Information Technology | 15,764 | 16,180 | 16,689 | 509 |
| Technical | 12,841 | 10,242 | 9,785 | (457) |
| Satellite Transmissions | 26,410 | 25,323 | 19,629 | (5,694) |
| Total, Domestic Headquarters | 91,190 | 89,862 | 83,598 | (6,264) |
| Domestic Transmitting Stations | | | | |
| Delano | 1,923 | 1,794 | 401 | (1,393) |
| Greenville | 4,795 | 4,980 | 4,994 | 14 |
| Tinian | 7,390 | 8,754 | 8,714 | (40) |
| Total, Domestic Stations | 14,108 | 15,528 | 14,109 | (1,419) |
| Overseas Transmitting Stations | | | | |
| Afghanistan | 1,272 | 1,941 | 1,942 | 1 |
| Botswana | 1,684 | 1,737 | 1,739 | 2 |
| Germany | 8,943 | 7,283 | 5,173 | (2,110) |
| Greece | 10,786 | 2,378 | | (2,378) |
| Kuwait | 1,901 | 2,387 | 2,662 | 275 |
| Morocco | 12,119 | 12,904 | 10,259 | (2,645) |
| Philippines | 5,553 | 5,444 | 5,344 | (100) |
| Sao Tome | 3,779 | 3,291 | 4,023 | 732 |
| Sri Lanka | 2,491 | 2,880 | 2,685 | (195) |
| Thailand | 3,543 | 3,735 | 3,613 | (122) |
| Total, Overseas Stations | 52,071 | 43,980 | 37,440 | (6,540) |
| Monitors | 1,192 | 1,143 | 1,143 | - |
| TOTAL, ENGINEERING | 158,561 | 150,513 | 136,290 | (14,223) |
| Reconciliation: | | | | |
| (-) Balances In | (599) | - | - | - |
| (-) Proceeds of Sale | (127) | - | - | - |
| (-) Reimbursements | (115) | (200) | (200) | - |
| Enacted/Request Level | 157,720 | 150,313 | 136,090 | (14,223) |

Broadcasting Board of Governors Agency Direction

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|------------------|-------------------|---------------------|--------------------|
| Funding | 25,286 | 28,704 | 27,333 |
| Positions | 80 | 100 | 97 |

Offices under the heading *Agency Direction* consist of:

Broadcasting Board of Governors (BBG)

Oversees all U.S. funded, non-military international broadcasting. The BBG oversees the operations of the IBB, which includes the worldwide broadcasting services of the VOA, the OCB, and Engineering and Technical Services. The BBG also oversees the three grantee organizations, RFE/RL, RFA, and MBN. The bipartisan Board consists of nine members – eight members who are appointed by the President, and with the advice and consent of the Senate, and the Secretary of State.

The BBG also oversees the consolidated audience research program for the broadcasting entities. To understand our markets, given the increasingly complex media environment into which the BBG services broadcast, timely and regular research is required.

Office of General Counsel (GC)

Reports directly to the BBG. This office provides legal advice to the Board, BBG staff and senior IBB officials including interpretations on the authority and application of laws, regulations, Executive Orders, international agreements, and other documents involving BBG operations.

Office of the Chief Financial Officer (CFO)

Responsible for managing the agency's budget and financial operations. The CFO provides advice and assistance to the Board and the IBB Director in managing agency resources by establishing financial policies and steering the agency's budget and financial information management.

Director of the International Broadcasting Bureau (IBB)

Provides the requisite leadership and guidance to manage the IBB.

Office of Policy (POL)

Produces daily editorials and other programs that convey official U.S. government policies for use by all VOA language services, including television. This office is also responsible for the International Crime Alert Programming.

Office of Civil Rights (OCR)

Manages the Federal Sector Discrimination Complaint, Affirmative Employment, and Special Emphasis Programs. This office is also responsible for counseling employees; conducting investigations; processing EEO complaints; providing EEO awareness training, and ensuring that EEO laws and regulations are implemented and that diversity within the organization is promoted. With assistance from OCR, the BBG manages its workforce without regard to race, color, religion, sex, sexual orientation, national origin, age or disability.

FY 2006 – FY 2007 Highlights and Program Accomplishments

The FY 2006 BBG Performance and Accountability Report (PAR) was submitted on time and the BBG received an unqualified opinion on the audit of all BBG FY 2006 financial statements. The agency received “Effective” ratings for the PART (Program Assessment Rating Tool) in FY 2006. The agency implementation of a new payroll system will be completed in mid-FY 2007. The BBG has selected the Defense Civilian Payroll System and is working with the Office of Personnel and Management, OMB, and the Department of State to implement the new system. By the end of FY 2006, the agency completed its transition to the E2 Solutions travel system. The BBG has also been a member of a task force for the proposed Budget Formulation and Execution Line of Business.

In FY 2006, the Office of Policy launched a weekly show, *On the Line Presents: A Woman's World*, devoted to presenting independent documentary films that focus on issues relevant to Muslim women around the world, particularly involving basic dignity and human rights. This program is supplemented by an interactive website. The Office of Policy also debuted “Punto de Vista”, a two-minute weekly TV segment on U.S. policy in Latin America broadcast by the VOA Spanish Service.

The Office of Civil Rights sponsored another successful mentoring program in FY 2006 providing substantive career guidance and training to employees. In FY 2006, a total of 85 cases were presented for counseling. This was a dramatic decrease from the previous year with cases totaling 138. Of the formal complaints filed during FY 2006, 93.54% of all EEO investigations were completed in a timely manner. All Final Decisions were issued by the agency within the required timeframe. During FY 2006 the complaint closure average of 406 days dropped to an average of 226 days.

FY 2008 Performance Goals

The offices included under Agency Direction provide essential oversight, leadership, and guidance in support of BBG’s strategic goals and performance objectives, including increasing BBG's total audience reach. The agency will continue the integration of budget, performance and financial management and associated systems.

FY 2008 Program Changes

FY 2007 Proposals Included in the FY 2008 Request

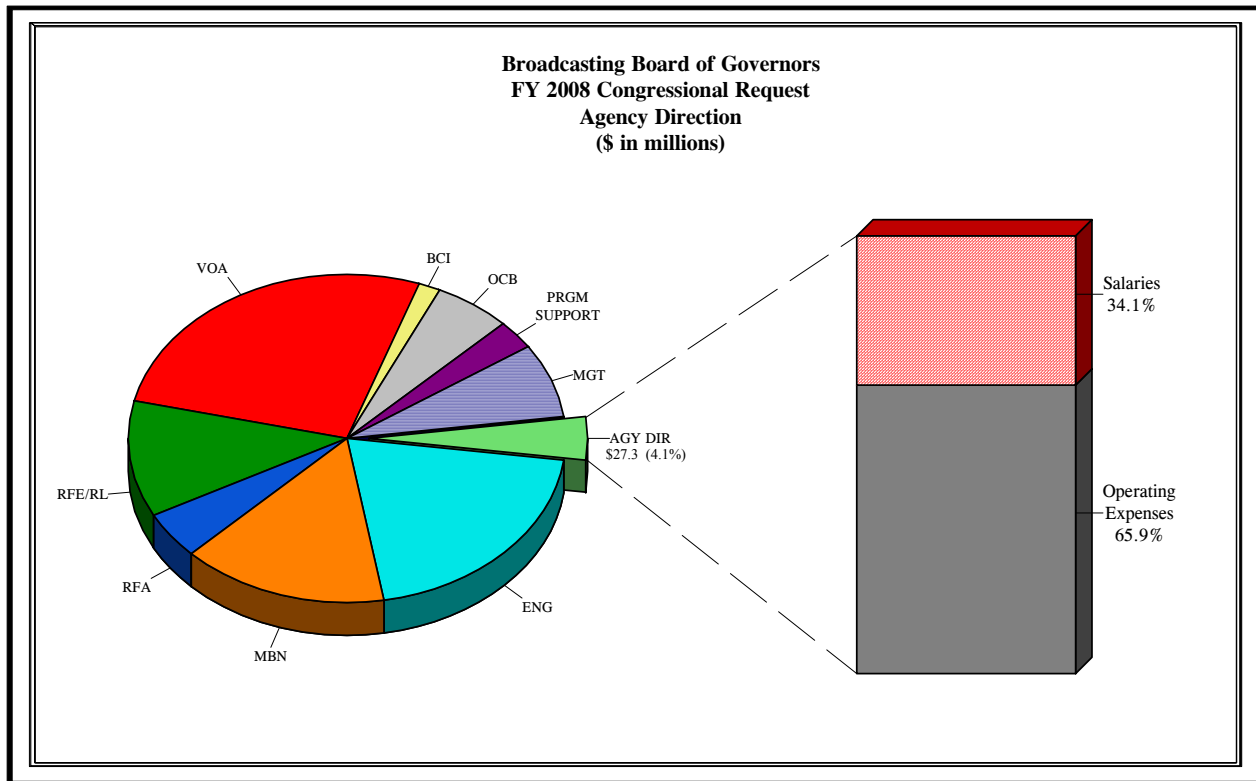
The FY 2008 budget request includes several of the increases and reductions requested in FY 2007. The FY 2008 request for Agency Direction includes an increase above base operations associated with enhancing VOA Spanish programming to Venezuela.

The FY 2007 request reflects a reduction to base operations related to broadcast service reductions and management administrative, and support efficiencies.

FY 2008 Program Decreases

The FY 2008 request for Agency Direction reflects a reduction from base operations related to VOA, RFE/RL, and RFA broadcast reductions and management and administrative efficiencies.

For FY 2008, we are requesting \$27.3 million for Agency Direction.



Agency Direction
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | |
|---|---------------|
| FY 2007 Estimate | + 28,704 |
| Represents the FY 2007 estimates for all offices within Agency Direction. | |
| Wage Increases: Domestic/American | + 295 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | |
| Other Wage Requirements | + 8 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008. | |
| Built-in Requirements | + 52 |
| Includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following: | |
| a) Consolidated research contract | 52 |
| Non-Recurring Costs | - (1,472) |
| The following costs are non-recurred in FY 2008: | |
| a) Payroll and financial management systems | (1,137) |
| b) International Cooperative Administrative Support Services (ICASS) | (335) |
| FY 2007 Proposals included in the FY 2008 Request | - (132) |
| Reductions proposed in FY 2007 Request | |
| a) VOA and RFE/RL broadcast reductions | (207) |
| Enhancements proposed in FY 2007 Request | |
| a) Strengthen Targeted Programming | 75 |
| Program Decreases | - (122) |
| Reflects the following reductions to base operations: | |
| a) VOA, RFE/RL, and RFA broadcast reductions | (97) |
| b) Administrative and Broadcast Support Efficiencies | (25) |
| TOTAL FY 2008 AGENCY DIRECTION REQUEST | 27,333 |

Agency Direction
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> | <u>2008</u> <u>Request</u> | <u>Increase or</u> <u>Decrease (-)</u> |
|--|-------------------------------|--------------------------------|-------------------------------|---|
| Broadcasting Board of Governors | 2,329 | 2,307 | 2,226 | (81) |
| Strategic Planning and Performance Measurement | | | | |
| Research | 8,049 | 8,584 | 8,598 | 14 |
| General Counsel | 1,074 | 1,178 | 1,277 | 99 |
| Chief Financial Officer | 4,227 | 4,492 | 4,648 | 156 |
| Financial, Payroll and E-Travel Services | 3,325 | 4,687 | 3,471 | (1,216) |
| International Cooperative Administrative | | | | |
| Support Services (ICASS) | 3,990 | 4,633 | 4,091 | (542) |
| Director, Int'l Broadcasting Bureau | 930 | 772 | 693 | (79) |
| Policy | 1,289 | 1,330 | 1,280 | (50) |
| Civil Rights | 1,092 | 1,042 | 1,049 | 7 |
| TOTAL, AGENCY DIRECTION | 26,305 | 29,025 | 27,333 | (1,692) |
| Reconciliation: | | | | |
| (-) Balances In/Recoveries | (1,088) | (279) | - | 279 |
| (+) Balances Out | 279 | - | - | - |
| (-) Reimbursements | (210) | (42) | - | 42 |
| Enacted/Request Level | 25,286 | 28,704 | 27,333 | (1,371) |

**Broadcasting Board of Governors
International Broadcasting Bureau
Management Directorate**

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|-------------------------------------|-------------------|---------------------|--------------------|
| Funding | 45,563 | 47,025 | 48,974 |
| Emergency Supplemental P.L. 109-234 | - | 180 | - |
| Total Funding | 45,563 | 47,205 | 48,974 |
| Positions | 96 | 108 | 107 |

Offices under the direction of the *Associate Director of Management* are responsible for administrative and support operations of the IBB. This Directorate strives to provide professional, timely, responsive, and innovative customer support to all agency employees. Efforts to accomplish this span a wide range of activities provided by the following offices:

Office of Administration

Manages headquarters facilities, property, travel policy, records management, internal controls and administrative operations.

Office of Contracts

Provides effective planning and implementation of BBG/IBB's worldwide acquisition program.

Office of Human Resources

The Office of Human Resources provides worldwide personnel management services to the BBG and its employees and develops personnel programs and policies to meet their unique journalistic, broadcasting and multicultural workforce needs and mission.

Office of Security

Directs and carries out all security activities to provide for the protection and security of all personnel and physical assets, domestic and overseas. The office also provides assistance to the grantees.

FY 2006– FY 2007 Highlights and Program Accomplishments

Strategic Management of Human Capital

The agency established a Human Capital Executive Oversight Committee, consisting of senior agency leadership to review the agency's Human Capital Plan, the new Performance and Pay System for SES members, and the results of the Federal Human Capital Survey and to discuss and provide continuing Human Capital advice to the IBB Director, the BBG Executive Director, and the Board.

As key tools in our strategy for reshaping the workforce and acquiring needed new skills, we obtained renewed authority for early retirements and buyouts. The first buyout window in 2006 yielded 50 buyouts and early-out retirements that have helped the Agency adjust the skills of its workforce and realign the workforce to achieve cost savings. This tool will continue to be used as the agency seeks to align the workforce with our priorities and budget. We also have initiated efforts to find placements for potentially affected employees within the Agency and with other organizations.

To recruit the workforce, we capitalize on our exciting mission and the attractive nature of our work in our outreach and advertising. We also use a number of strategies and new incentives to attract highly qualified candidates. We have revamped our vacancy announcements and our web page to be clearer and more attractive to applicants and information seekers. To expedite recruitment, we have implemented the USA Staffing system, category ranking, and have developed automated vacancy announcements, crediting plans, and USA Staffing questionnaire libraries. We also continue to use the volunteer intern program, with a highly talented and diverse group of more than 80 interns recruited last summer.

To enhance the selection process, we are working with OPM to identify and define the critical competencies required by the Agency's workforce, including the development of selection criteria. We also have taken steps to enhance the technical and consultative skills of our HR staff and are working closely with managers to define required competencies of vacancies, effective measures, sources of candidates, and recruitment incentives.

To maximize our use of technology, we have revamped our HR web site to enhance online access to guidelines for supervisors and personnel information for employees. We also have implemented new modules of the personnel system to provide employees online access to their personnel records and to provide supervisors online access to personnel information regarding their employees.

To promote effective leadership of the workforce, we have implemented a new performance and pay system for our SES members to ensure their performance goals are aligned with the agency's mission, goals, and program objectives and that their appraisals and compensation are linked to organizational performance. We also have implemented a new performance system for non-supervisory civil service employees to increase emphasis on communicating expectations and linking individual performance requirements to organizational goals. We have continued to assist managers in addressing performance and conduct issues and, as appropriate, taking disciplinary action, including suspensions and removals.

To improve communications and working relationships with the union and to foster more efficient resolution of issues when possible, the agency supported and participated in regular meetings between management and union officials at the agency level. We also initiated a resumption of similar meetings between the Office of Human Resources and union officials that has improved relations and helped resolve a number of issues without formal and prolonged proceedings.

As part of our retention strategy, we have conducted telecommuting seminars to assist managers in exploring and expanding telecommuting arrangements, where appropriate, as a means of attracting and retaining employees, improving employee productivity, and providing employees with increased flexibility to coordinate work and personal priorities as well as to reduce traffic congestion, pollution, and to conserve energy. As a result, the number of employees participating in the program has increased by 75 percent in FY 2006.

As part of our strategy to train the workforce we conducted a Training Needs Assessment Survey, identifying specific training needs to assist in focusing limited training funds on the agency's most critical needs. We continued to use the Training Advisory Group, with representatives from agency elements across the organization, to identify funding priorities. We also revamped our basic leadership course and continued a Supervisor Orientation Program for newly hired/promoted supervisors and managers.

As part of our strategy to retain the needed workforce, we participated in the Federal Human Capital Survey, published the results, and worked with senior management to develop an action plan addressing the concerns reflected.

Competitive Sourcing

The agency's FAIR Act submission reflects a commitment to finding the best possible means of accomplishing our mission. Contracting is used as appropriate to accomplish broadcasting initiatives. The agency has been working to appropriately utilize its personal services contract (PSC) authority. This authority has been extended through CY 2007.

Internal Controls

The agency has strengthened its management controls program. Training programs continue and compliance reviews and spot checks have been implemented to provide further assurance of compliance with the Federal Manager's Financial Integrity Act report agency-wide.

Property Management

The agency-developed property database has been expanded to include all agency property, both capitalized and non-capitalized property. A single-source property database provides a more efficient accounting and reporting tool. The agency continues to pursue an inclusive property management system.

Continuity of Operations (COOP)

The BBG continues to implement COOP plans as required by Federal Preparedness Circular 65 (dated June 15, 2004). Establishment of the BBG emergency facilities at the National Emergency Training Center in Emmitsburg, MD is nearing completion. Future phases are also under development that will improve the sustainability and quality of the broadcasts from this facility as well as the speed in which it can be activated.

FY 2008 Performance Goals

The Management Directorate provides critical management and administrative functions in support of BBG's strategic goals and performance objectives. The Directorate's responsibilities

for recruitment, hiring, work environment infrastructure, and security ensure the achievement of the agency’s broadcasting mission and support the President’s Management Agenda initiatives including Strategic Management of Human Capital and competitive sourcing.

FY 2008 Program Changes

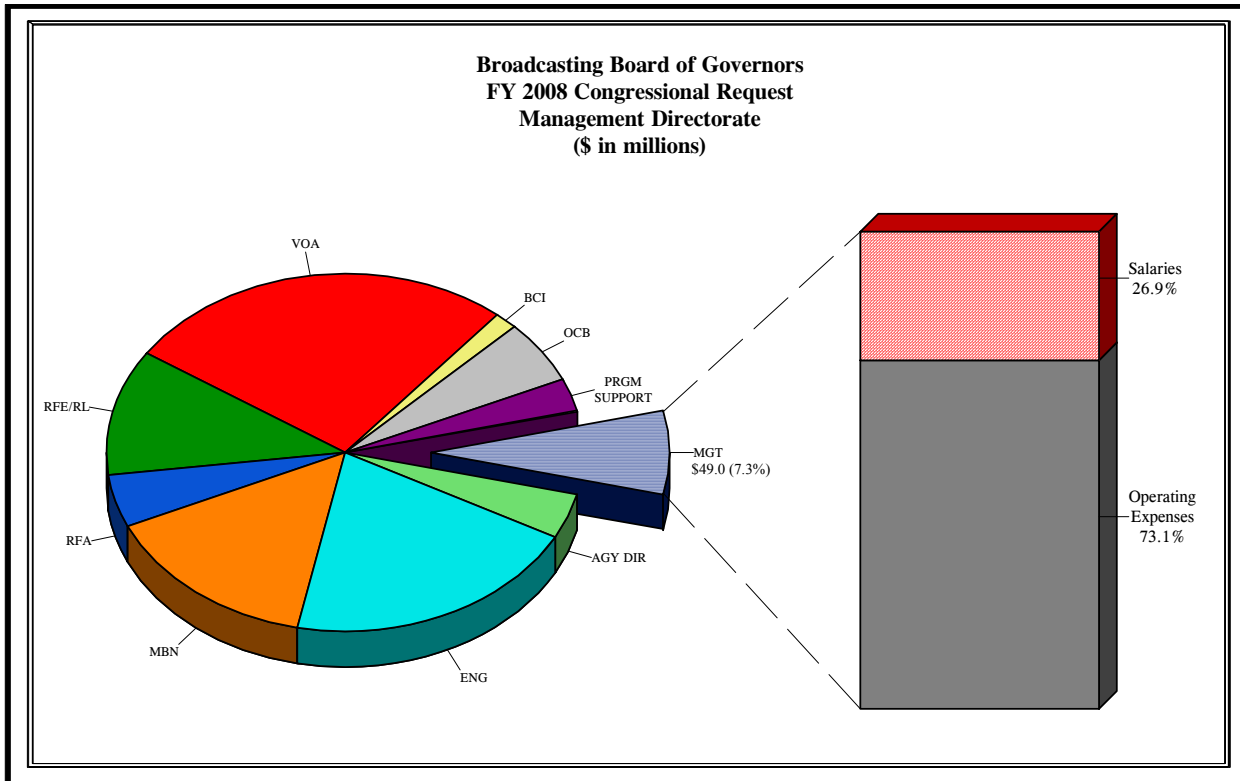
FY 2007 Proposals Included in the FY 2008 Request

The FY 2008 budget request includes increases requested in FY 2007 to adequately support the implementation of VOA Spanish to Venezuela programming initiative and to address two critical areas in our effort to develop our employees – training and awards.

FY 2008 Program Decreases

The FY 2008 request for Management reflects a reduction from base operations related to management and administrative efficiencies.

For FY 2008, we are requesting \$49.0 million for the Management Directorate.



Management Directorate
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | | |
|---|-------|---------------|
| FY 2007 Estimate | + | 47,025 |
| Represents the FY 2007 estimate for offices within the Management Directorate. | | |
| FY 2006 Emergency Supplemental (Public Law 109-234) | + | 180 |
| Wage Increases: Domestic/American | + | 316 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | | |
| Other Wage Requirements | + | 375 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008, including increased workers compensation. | | |
| Built-in Requirements | + | 878 |
| Includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following: | | |
| a) Rent/Utilities/Security | 678 | |
| b) Internet Streaming and Information Technology | 200 | |
| Non-Recurring Costs | + | (180) |
| The following costs are non-recurred in FY 2008: | | |
| a) One time costs associated with the FY 2006 emergency supplemental | (180) | |
| FY 2007 Proposals included in the FY 2008 Request | + | 462 |
| Enhancements proposed in FY 2007 Request | | |
| a) Strengthen Targeted Programming | 50 | |
| b) Employee Development | 412 | |
| Program Decreases | + | (82) |
| Reflects the following reductions to base operations: | | |
| a) Administrative and Broadcast Support Efficiencies | (82) | |
| TOTAL FY 2008 MANAGEMENT REQUEST | | 48,974 |

**Management
Summary of Funds
FY 2006 - FY 2008**
(S in thousands)

| | <u>2006 Actuals</u> | <u>2007 Estimate</u> | <u>2008 Request</u> | <u>Increase or Decrease (-)</u> |
|------------------------------|-------------------------|--------------------------|-------------------------|-------------------------------------|
| Associate Director | 188 | 198 | 205 | 7 |
| Human Resources | 6,781 | 6,927 | 7,799 | 872 |
| Administration | 33,886 | 34,709 | 35,184 | 475 |
| Security | 3,183 | 3,573 | 3,807 | 234 |
| Contracting and Procurement | 1,634 | 1,798 | 1,979 | 181 |
| TOTAL, MANAGEMENT | 45,672 | 47,205 | 48,974 | 1,769 |
| Reconciliation: | | | | |
| (-) Balances In | (107) | - | - | - |
| (-) Reimbursements | (2) | - | - | - |
| Enacted/Request Level | 45,563 | 47,205 | 48,974 | 1,769 |

**Broadcasting Board of Governors
International Broadcasting Bureau
Program Support Directorate**

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|----------------------|-------------------|---------------------|--------------------|
| Funding | 16,497 | 18,705 | 19,668 |
| USAID Transfer | 845 | - | - |
| Total Funding | 17,342 | 18,705 | 19,668 |
| Positions | 54 | 60 | 60 |

The IBB Office of the Associate Director for Program Support provides management direction and oversight for the following offices within the directorate:

Office of Marketing and Program Placement (OMPP)

This office is responsible for the marketing and placement of programming through local FM, medium wave (AM) and television stations and networks and the Internet. The office continues to broaden the reach of U.S. international broadcasting, guided by market research and commercial broadcasting techniques. The reach of U.S. international broadcasting is now at an historic high, in part because of efforts to place programs with more effective affiliates to reach larger audiences.

Office of Performance Review

This office is responsible for conducting annual reviews of television, radio, and Internet output from broadcast services of VOA and OCB, obtaining and processing audience data and market research from outside contractors, making it available through the program review process to VOA and OCB management and their broadcasters. Through both internal and external analysis of content and presentation, the Office of Performance Review continues its efforts to ensure that programming adheres to the highest standards of broadcast journalism, complies with applicable laws and guidelines, and effectively serves the information needs of intended audiences. This office fully employs performance review and performance measurement procedures as developed by the BBG and the IBB, and as required by GPRA and OMB.

Office of Public Affairs

This office plans and conducts comprehensive public affairs and outreach programs for IBB and its broadcasters; coordinates activities with the BBG Communications Director, the IBB Director, and the offices of the Directors of VOA and OCB. It also maintains contact with U.S. and overseas media organizations to explain the broadcasters' missions and their coverage of news events around the world. Services include managing the VOA Studio Tour and other events; drafting, editing, graphic design and

photography for printed materials; promotional items; and web-based public information, including the "About VOA" website.

FY 2006 – FY 2007 Highlights and Program Accomplishments

Audience Trends in Media Usage

BBG broadcast entities rely on the IBB Program Support Directorate to expand the reach and impact of U.S. international broadcasting efforts, and to develop new media products to meet new demands. Program Support has been instrumental in developing new rebroadcast affiliate relationships in West and Central Asia, India, Pakistan, Russia, China and the Middle East. New television initiatives directed at Iran have prompted positive responses from Iran and Persian speakers in nearby countries. Efforts are ongoing to coordinate journalism and station management training in Afghanistan and Iraq, and to increase the effectiveness of VOA's programming to sub-Saharan Africa. Cuban audiences have increased access to improved programming on TV Martí, and Radio Martí continues its efforts at developing new audiences among Cuban youth.

Certain regimes such as those in Cuba, Russia, China, and Uzbekistan either work to suppress the BBG's activities or counter the influence of our broadcasts. Worldwide, medium wave and shortwave broadcasting remain viable options for cross-border transmission, especially to information-deprived areas, but effective FM and alternative delivery will remain a top priority.

Program Placement

The Office of Marketing and Program Placement (OMPP) continues to work toward increasing audiences in high-priority markets through placement of programs, and to increase awareness of those programs through advertising and promotional campaigns.

Audiences for U.S. international broadcasting continue to expand, in part because of the addition of FM and TV affiliate stations in open media environments, and the establishment – when appropriate – of 24-hour-a-day, locally licensed FM stations in high-priority urban centers. Recent examples of placement of programming in strategically important areas include:

- ***Pakistan*** – *Beyond the Headlines*, on Pakistan's top satellite/cable television news channel, continues. GEO reports that *Beyond the Headlines* is now the number-two program in its timeslot – Monday-Friday, at 7:30 pm.
- ***India*** – OMPP continues to work with VOA to increase awareness of its television products in India – both by *Aaj Tak*, the most popular Hindi-Language satellite news channel in India, and by *Headlines Today*, the channel's English-Language counterpart.

- **Latin America** – OMPP, jointly with VOA’s Latin America Service, is working on a program stream for the large number of cable television systems on the VOA network.
- **Russia** – In an increasingly difficult media environment, OMPP facilitated the upgrade of Radio One Kultura, increasing the 18-hour daily RFE-RL coverage of this UKW (Eastern FM) band station. The office also placed VOA’s “Focus” daily television program with several stations and networks across Russia. These include Enio TV in central Moscow, the Krasnodar regional television network, and the Rostov-on-Don network, encompassing 20 cities in Southern Russia.
- **Ukraine** – Renegotiated an agreement with the country’s top-ranked nationwide radio network, *Nashe Radio*.
- **Azerbaijan** – In 2006, Azerbaijan’s National Council on Radio and Television Broadcasting banned rebroadcasts of programs produced by foreign broadcasters in the Azerbaijani language by local, private broadcasters. This resulted in the loss of ANS (the number one nationwide radio network) as a VOA and RFE/RL affiliate and VOA’s FM frequency in Baku. To counter this setback, the BBG launched a joint VOA-RFE/RL 24/7 radio stream on 101.7 FM in Baku. In addition, OMPP placed a VOA weekly 15-minute magazine show on Azerbaijan’s State TV network on January 10, 2007.
- **Cambodia** – In Phnom Penh, Beehive Radio is a popular, independent voice on the FM band. Beehive carries both RFA and VOA Khmer programming; OMPP is helping to facilitate an upgrade to transmission facilities that will make Beehive a more powerful and reliable voice.
- **Kyrgyzstan** - Placed RFE/RL Kyrgyz television program with the countrywide state television network.
- **Bangladesh** – Placed VOA television programs with one of the country’s newly independent channels, NTV.

OMPP is focused on the growing importance of Muslims in the global strategic balance. It is also expanding placement opportunities in South and East Asia. Marketing and outreach efforts have been done in close cooperation with the Department of State. Recent examples of advertising campaigns in strategically important areas include:

- ***Beyond the Headlines in Pakistan*** – In addition to coordinating the advertising campaign, OMPP organized the launch and worked with the associated media outlets in the run up to the November 14 launch of *Beyond the Headlines* on GEO-TV.

- ***Aap ki Dunyaa in Pakistan*** – OMPP coordinated an extensive advertising campaign for *Aap ki Dunyaa*, VOA’s Urdu radio initiative aimed at younger audiences.
- ***News and Views in Dubai*** – The Dubai advertising campaign includes ads running on the main concourse leading to flights between Dubai and Tehran until mid-June. In spring 2006, ads were also placed in in-flight magazines in the region.
- ***VOA Afghanistan*** – A billboard campaign in support of the launch of VOA’s “TV Ashna” was initiated in July, 2006.
- ***VOA Bangla*** – In Dhaka, IBB leases time on FM transmitters constructed on behalf of the State Broadcasting Authority. ‘Rolling billboards’ have been placed on city buses to raise awareness of VOA Bangla broadcasts.

Research

IBB Research is a component of the Office of Performance Review, the office responsible for evaluating VOA and OCB programming. An essential element of the program review process within the IBB, and all entities under BBG, is audience research conducted within the target areas for all broadcast services. Such field research, conducted annually for every service, usually includes three separate elements:

- regional or national surveys that provide a demographic profile of audiences, as well as a description of media usage;
- focus groups assembled to provide information on audience program preferences and media habits;
- panels of monitors intended to determine the effectiveness of a broadcast service in meeting audience expectations as well as standards for content and presentation.

In FY 2006, IBB Research oversaw more than 180 separate research projects, including surveys, focus groups, and monitoring panels around the world. IBB Research has taken the lead in developing new measurement methodologies to assess the effectiveness of VOA’s enhanced reliance on placement on affiliate stations and the audience for its television products. At the same time, IBB Research has developed relationships with providers of commercial research data, allowing far more accurate measurement of short-form placed programming than has been possible previously.

The results of the research efforts are provided to broadcasting managers, and help shape "Action Plans" to develop and improve programming, as well as informing management decisions on a broad array of strategic issues, including transmission strategies, marketing and affiliation plans, changing media habits, etc.

FY 2008 Performance Goals

In FY 2008, the Program Support Directorate will aim to further increase the number of high impact and high quality radio and TV stations regularly carrying U.S. government international broadcasting programming. Focusing on the addition of high impact and high quality stations will strengthen the U.S. international broadcasting system and make the broadcasts more robust. The Program Support Directorate performs essential program placement, marketing, outreach, research, and media training functions in support of BBG's strategic goals and performance objectives, including increasing BBG's total audience reach.

FY 2008 Program Changes

FY 2007 Proposals Included in the FY 2008 Request

The FY 2008 budget request includes several of the increases and reductions requested in FY 2007. Program Support's FY 2008 budget includes funds for popular UKV (Eastern) FM frequencies in Russia. After the initial success in FY 2005 of placing 18 hours of RFE/RL daily programming on an UKV station in St. Petersburg, the BBG proposes to expand efforts to place programming on UKV stations in up to five cities with populations of 1 million or more in Russia. The FY 2008 request also includes funding for audience development efforts including advertising and leases for BBG programs in high priority markets.

The FY 2008 request includes base reductions associated with the VOA and RFE/RL language reductions.

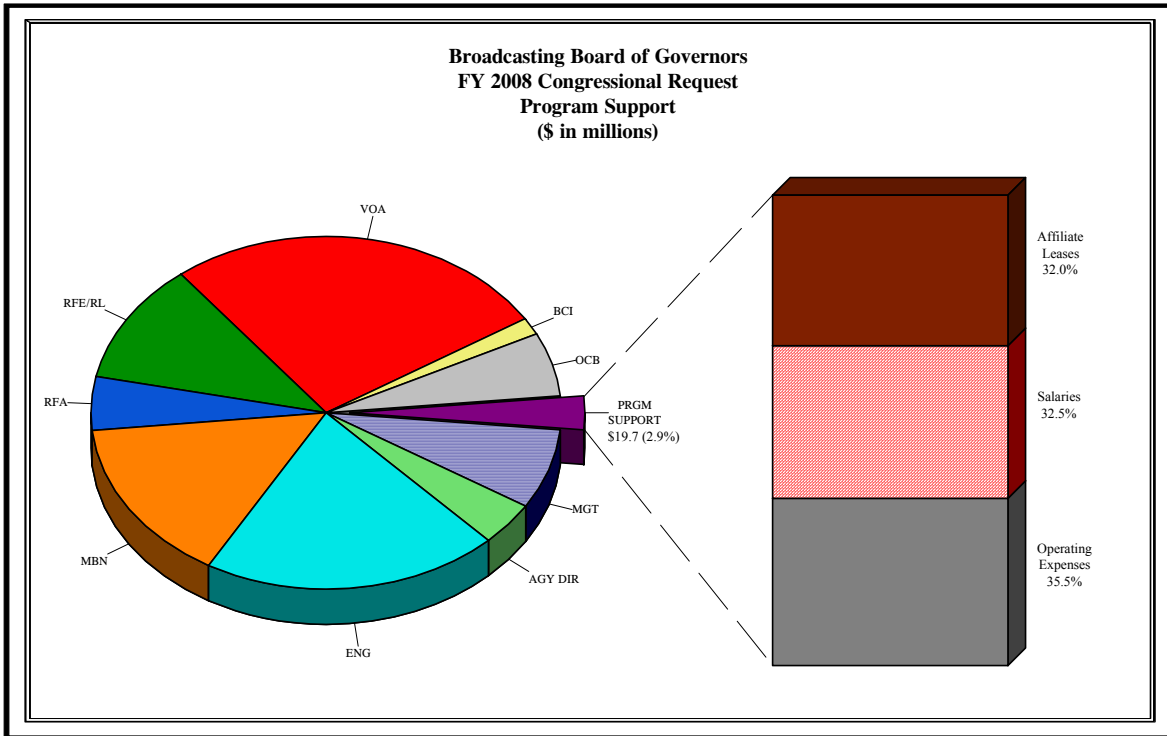
FY 2008 Program Decreases

The FY 2008 budget reflects reductions related to VOA and RFE/RL language reductions, affiliate program delivery, and administrative broadcast support efficiencies.

FY 2008 Program Increases

Program Support requires additional funds to support the BBG language programming initiative, Targeting Extremism in Somalia.

For FY 2008, we are requesting \$19.7 million for Program Support Directorate.



Program Support
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | | |
|---|---|---------------|
| FY 2007 Estimate | + | 18,705 |
| Represents the FY 2007 estimate for all Program Support elements. | | |
| Wage Increases: Domestic/American | + | 184 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | | |
| Wage Increase: FSNs | + | 2 |
| Represents anticipated wage increases for overseas foreign service national employees. | | |
| Other Wage Requirements | + | (52) |
| Provides for the annualization of salary and benefits to continue programming into FY 2008. | | |
| Non-Recurring Costs | - | (36) |
| The following costs are non-recurred in FY 2008: | | |
| a) Program Delivery | | (36) |
| FY 2007 Proposals included in the FY 2008 Request | + | 1,319 |
| Reductions proposed in FY 2007 Request | | |
| a) VOA and RFE/RL broadcast reductions | | (141) |
| Enhancements proposed in FY 2007 Request | | |
| a) Improve Transmission Capabilities | | 960 |
| b) Develop our Audiences | | 500 |
| Program Decreases | - | (484) |
| Reflects the following reductions to base operations: | | |
| a) VOA, RFE/RL, and RFA broadcast reductions | | (285) |
| b) Transmission Network Reductions | | (198) |
| c) Administrative and Broadcast Support Efficiencies | | (1) |
| Program Increases | - | 30 |
| Reflects the increase above base operations to fund the following enhancements: | | |
| a) Targeting Extremism in Somalia | | 30 |

| | |
|--|---------------|
| TOTAL FY 2008 PROGRAM SUPPORT REQUEST | 19,668 |
|--|---------------|

Program Support
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> | <u>2008</u> <u>Request</u> | <u>Increase or</u> <u>Decrease (-)</u> |
|---------------------------------|-------------------------------|--------------------------------|-------------------------------|---|
| Associate Director | 768 | 562 | 582 | 20 |
| Public Affairs | 1,562 | 1,660 | 1,709 | 49 |
| Performance Review | 3,700 | 4,130 | 4,242 | 112 |
| Marketing and Program Placement | 4,251 | 4,903 | 4,289 | (614) |
| Worldwide Networking | 5,339 | 5,735 | 6,261 | 526 |
| Regional Offices | 2,414 | 2,560 | 2,585 | 25 |
| TOTAL, PROGRAM SUPPORT | 18,034 | 19,550 | 19,668 | 118 |
| Reconciliation: | | | | |
| (-) Balances In | (1,537) | (845) | - | 845 |
| (+) Transfers from USAID | 845 | - | - | - |
| Enacted/Request Level | 17,342 | 18,705 | 19,668 | 963 |

**Broadcasting Board of Governors
Fiscal Year 2008 Budget Request**

Broadcasting to Cuba

Broadcasting Board of Governors Broadcasting to Cuba

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|------------------|-------------------|---------------------|--------------------|
| Funding | 36,920 | 33,579 | 38,700 |
| Positions | 153 | 169 | 173 |

The *Office of Cuba Broadcasting (OCB)* provides coordinated management of the Radio Martí and Television Martí programs from its headquarters in Miami, Florida. Radio Martí broadcasts to Cuba from its facilities in the Florida Keys, and from IBB transmission facilities in Greenville, North Carolina, and Delano, California, 24 hours per day, 6 days per week, and one day per week for 18 hours. TV Martí broadcasts from its facilities in Cudjoe Key, Florida, and from the Hispasat direct to home satellite service, 24/7. TV Martí is also broadcast on 176 cable stations throughout Latin America and is available on the Internet. Cuban citizens anywhere in the world with access to the Internet can visit the site 24 hours a day seven days a week.

The objectives of the Radio Martí and Television Martí Programs are:

- To support the right of the people of Cuba to seek, receive, and impart information and ideas through any media, regardless of frontiers;
- To be effective in furthering the open communication of information and ideas through the use of radio and television broadcasting to Cuba;
- To serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news, and;
- To provide news, commentary, and other information about events in Cuba and elsewhere to promote the cause of freedom in Cuba.

Radio and TV Martí are dedicated to providing a reliable source of news and information that is accurate, objective, and credible; and promotes freedom and democracy in Cuba, with a programmatic strategy based on the promotion of human rights. Primary areas of coverage include the Cuban economy, news relating to the independent human rights and dissident movements, U.S.-Cuban relations, and international stories such as elections around the world. Programming is focused on the promotion of civil society and democratic institutions in Cuba and the promotion of freedom of the press.

Administration

Office of the Director oversees all OCB operations including administration, broadcast operations, and engineering and technical services.

Office of Administration is responsible for OCB financial management, procurement, security, travel, and other logistical and administrative support. This office also manages all administrative support such as office space, guard service, and utilities.

Broadcast Operations

News Division

Radio Martí News

In keeping with its Congressional mandate to bring news and information to the people of Cuba, the Radio Martí format has been restructured into an all news and information service. Radio Martí broadcasts news and information format, six days a week, 24 hours per day, and one day per week for 18 hours. Radio Martí broadcasts news and information programming specifically tailored for the Cuban audience. Newscasts, as well as news features and updates, figure prominently in the daily schedule. In addition, a wide variety of programs address public affairs, political and economic issues, and other topics.

The all news format provides an uncensored, comprehensive and balanced perspective of current events through its extended news programming and new information programs that include roundtable discussions; expert analysis on political, economic, social and religious issues with emphasis on human rights; and in-depth focus on the Cuban opposition and political prisoners. Radio Martí also covers the social, economic and moral issues faced daily by Cubans, such as, alcohol and drug abuse, and domestic violence. Radio Martí aims to provide information to the Cuban audience that is denied by the government.

Radio Martí continues to broadcast five major newscasts Monday-Friday, from 5:00 a.m. to 9:00 a.m., 10:00 a.m. to 1:00 p.m., 2:00 p.m. to 4:00 p.m., 6:00 p.m. to 7:30 p.m., and the summary from 10:00 p.m. to midnight. On weekends the station broadcasts short news briefs at the top and bottom of the hour and has added three news newscasts, two half hour newscasts on Saturday and Sunday. Given the current situation in Cuba, Radio News is now staffed 24 hours seven days a week.

Radio Marti News extensively covered the presentation of the second report of the Commission for Assistance to a Free Cuba (CAFC II). Coverage has included translation of the press conference by Secretary of State Condoleezza Rice and Secretary of Commerce Carlos Gutierrez. Also included in the coverage were special interviews with Caleb McCarry from the State Department, and special segments on the content of the report. Radio Marti News programming also discussed the report in-depth, and provided extensive coverage of the transfer of power in Cuba. Radio News is also broadcasting the White House and State Department briefings on a daily basis.

Radio Martí News has expanded its network experts on Cuban and international affairs. Coverage of U.S. policy towards Cuba continues to be an important aspect of news coverage, providing all angles of the debate on this issue. Major presidential speeches, pronouncements by other U.S. government officials such as the Secretary of State, as well as important congressional discussions and votes, have been covered live, and with up to the minute updates. News coverage is also enhanced by the network of stringers in the U.S., Europe, and Latin America.

Other broadcasts allow newsworthy developments to be treated in a longer, more in-depth format, and include roundtable discussions; expert participation on political, economic, social, religious, and

human rights issues; and testimonies from former political prisoners, recent immigrants, and human rights activists. Given the flexibility of the new format and 24/7 newsroom staffing, special broadcasts are quickly produced when major events warrant it.

TV Martí News

TV Martí continues to provide daily newscasts including special segments on entertainment, and science and technology. A short segment has been added specifically on economic issues, and added news bulletins at the top of prime-time hours. Since February 2006, the TV Martí newscasts have had a whole new look and used a two-anchor format. These changes have greatly enhanced the TV Martí news programming. As of September 2006, TV Martí News began producing two daily newscasts – at 6:00 p.m. and at 10:00 p.m.

Programs Division

Radio Martí Programs

The program schedule includes daily discussion programs that fulfill an important need for the people of Cuba; the need for free and unfettered discussion, incorporating a wide range of opinions on issues such as addressing the needs of the black majority in Cuba. Some of the key programs included in the current schedule are the following:

Voces: (Voices) This daily program discusses the efforts of the Civil Rights Movement to achieve change. In a joint venture with the Mississippi Consortium for International Development (MCID), Center for the Understanding of Cubans of African Descent (CUCAD) and Jackson State University in Mississippi, the program aims at raising the awareness of Cubans of African descent in a variety of topics ranging from participatory government to dealing with issues of racial discrimination.

Lectura Sin Censura: (Reading Without Censorship) This program is coordinated with Independent Libraries in Cuba, and the MCID and Jackson State University program that supports the Independent Library Movement in the Island. This bi-weekly program allows Cuban writers to submit their work to the MCID and Jackson State and are read by them or the program's anchors, and then discussed on air. The program also allows the free discussion of other literary work that is banned by the Cuban Regime and is made available to the Independent Librarians in Cuba by the group at Jackson State. This program targets Cubans of all ages who can submit their requests as well as their writings.

Transicion: (Transition) A series of daily programs that are hosted by different members of the Radio Martí staff and cover all areas of the transition, with open discussion about changes from totalitarianism to democracy; changes in the economic infrastructure, as well as human and civil rights issues.

Con Voz Propia: (With Your Own Voice) This daily program deals with women's social issues including alcohol abuse, spousal abuse and prostitution.

Puntos de Vista: (Point vs. Counterpoint) This daily program, moderated by an OCB News Department professional, features two invited guests, experts in their field, who hold differing points of view in a vigorous discussion of a contemporary issue of importance to Cubans.

Opiniones: (Opinions) This daily program features an in-depth discussion by qualified experts, drawn from a large pool of notable professionals representing a broad spectrum of viewpoints, of a contemporary and relevant issue impacting Cuba.

Derechos Humanos: (Human Rights) This daily program explores the dissident movement and the Castro regime's violations of basic human rights. Various qualified experts and prominent dissidents in Cuba are featured. The program is hosted by an OCB News Department professional.

TV Martí Programs

TV Marti airs seventeen (17) weekly hours of in-house programs including:

1. News and information programming such as ***Cuba la Hora del Cambio*** (Cuba, the hour of Change), ***El Fracaso de la Revolución*** (The Failure of the Revolution), and ***Transicion*** (Transition). These programs present in-depth analysis of why the "Cuban Revolution" has failed and what must be implemented in the transition to rescue the economy, values, and infrastructure. The analysis is provided by expert economists, human rights advocates and social and political scientists.
2. Entertainment programming such as ***Resumen Deportivo*** (Sports Summary), a thirty minute program that showcases the lifestyles of renowned Cuban athletes in an effort to demonstrate their achievements at a professional and personal level after leaving Cuba. Examples are baseball pitchers Jose Contreras and Orlando "el duque" Hernandez; ***Hollywood en 30 Minutos*** (Hollywood in 30 Minutes), a weekly review of the most recent movie releases with interviews and clips; ***La Pantalla de Azogue*** (The Silver Screen), a cultural half-hour program that introduces the Cuban audience to films and documentaries produced in Cuba but censored by the regime; and ***Bonco en Miami*** (Bonco in Miami) with stand-up comedian "Bonco Quinongo," who recently arrived from Cuba, on stage in Miami, Washington D.C. and many other locations in his own personal comic style. Also included are shows aimed at the youth in Cuba, such as ***Alto Voltaje*** (High Voltage).
3. ***Voces*** (Voices), which, like its Radio counterpart, is a joint venture with the Mississippi Consortium for International Development (MCID), the Center for the Understanding of Cubans of African Descent (CUCAD), and Jackson State University, that aims at raising the awareness of Cubans of African descent.

In addition to the production of ***Voces***, and in view of the fact that the vast majority of the Cuban population (60%) is of African descent, TV Marti, working in conjunction with the MCID and CUCAD, has increased the production of projects dealing with issues of human and civil rights including:

1. Teleconferences - During 2006, with the help of the U.S. Interests Section in Havana (USIS), OCB began a series of teleconferences with members of various Cuban dissident organizations. The series opened with a visit to OCB by James Meredith, who spoke of his experience as a civil rights leader to the dissidents who had gathered at the USIS in Havana.

2. A series of programs are being produced to educate and re-engage all Cubans who have been living under a repressive regime. Program topics are:

- Journalism - educating the Cuban audience to exercise freedom of expression.
- Human Rights - experts will work on teaching the Cuban population about what Human Rights are and how to obtain them.
- Civil Rights - what Civil Rights are, how they differ from Human Rights, and how to obtain them.

TV Marti has also entered a new phase with daily broadcasts from an airborne platform. In 2006, TV Marti developed a series of specials including: Secretary of Commerce Carlos Gutierrez explaining the July 2006 report to the President by the Commission for a Free Cuba and what it means for the Cuban people during a democratic transition; Secretary of State Condoleezza Rice sending a message of support to the Cuban People on TV Marti during the transfer of power from Fidel Castro to his brother Raul; Senator Mel Martinez and Congresswoman Ileana Ros-Lehtinen discussing how the United States will help Cubans, if they ask for help from the U.S. government; a special program about hurricane preparedness and what to do after a hurricane, produced in conjunction with the National Hurricane Center, Homeland Security's FEMA, and the Emergency Preparedness Center in Dade and Broward Counties; and the Major League Baseball World Series games with pre and post game shows.

In 2007, the TV Marti Programs Department is coordinating with the Ambassadors to the United States from Hungary, Poland, Slovakia, and the Czech Republic to produce two roundtable discussion programs in Washington, D.C. The programs will feature the Ambassadors discussing the promotion of a peaceful transition to democracy from their perspectives and experience in Eastern Europe. TV Marti is also working closely with VOA to coordinate the use of their studio facilities for the production of these programs in Washington, D.C. These first two programs will give way to a series of programs in transition experiences with leaders from these countries as well as others.

Office of Engineering and Technical Services

OCB's Office of Engineering and Technical Services is charged with primary responsibility for the ongoing development, implementation, operation, maintenance, and management of technical facilities, staff and other resources necessary to accomplish and enhance OCB's ability to communicate with the people of Cuba by radio and television. Engineering applies current and emerging technologies to create new products, and seeks to improve existing products, services, and transmission capabilities for all OCB elements. The organization is also responsible for providing the architecture, tools, and infrastructure needed to meet the current and future automated information needs of the entire OCB organization. Engineering carries out these support responsibilities at the OCB Headquarters in Miami, Florida, and three transmission locations in the Florida Keys.

Continued Operation of Aircraft Dedicated to TV Martí Transmissions

On October 24, 2006, OCB's new airborne broadcast platform, made its maiden broadcast flight with full operational capabilities, including the live TV satellite antenna. OCB is now broadcasting five hours per day, six days per week from the airborne platform.

OCB is utilizing contractor-owned-and-operated aircraft rather than government-owned aircraft because the contractor has the specialized skills and resources to handle aircraft ownership responsibilities, including compliance with all FAA airworthiness directives, maintenance and repair requirements and liability issues. By mid-FY 2007, OCB will have two contract aircraft equipped and operational.

FY 2008 Performance Goals

The closed nature of Cuban society makes it extraordinarily difficult to conduct the survey research required to make reliable estimates of radio and television audiences. Research is limited to telephone surveys and respondents fear admitting to listening to or watching international broadcasts. However, the enhancements in 2008 will enhance OCB programming and expand transmission that will help combat jamming. Radio and TV Martí have received good or excellent program quality ratings for the last several years and will strive to maintain this rating in 2008.

FY 2008 Program Changes

FY 2008 Program Decreases

The FY 2008 budget achieves savings by reducing Radio and TV Martí program, technical, and administrative support programs.

FY 2008 Program Increases

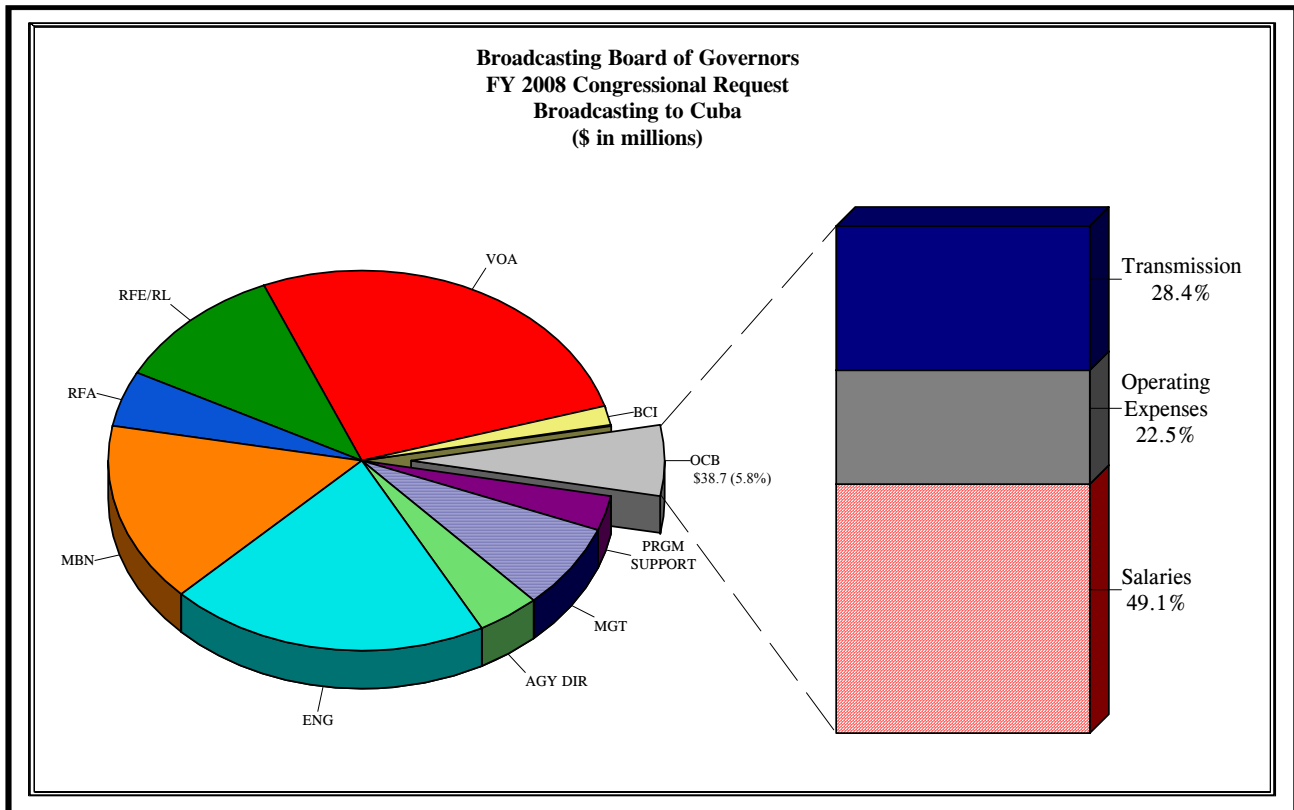
Enhance Programming to Cuba (\$2.9 million and 4 positions)

Radio and Television Martí will improve the reach into Cuba by adding additional transmission capability, including DirecTV, medium wave leases and enhancing programming and production.

Protect Our Broadcast Capability (\$.99 million)

This will support the OCB's migration to digital television production equipment.

For FY 2008, we are requesting \$38.7 million for Broadcasting to Cuba.



Broadcasting to Cuba
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | |
|---|---------------|
| FY 2007 Estimate | + 33,579 |
| Represents the FY 2007 estimate for broadcasting to Cuba, exclusive of research costs provided by the BBG. | |
| Wage Increases: Domestic/American | + 544 |
| Provides for the annualization of a 2.2% increase effective January 2007, and the projected 3.0% increase for January 2008. | |
| Other Wage Requirements | + 592 |
| Provides for the annualization of salary and benefits to continue programming into FY 2008. | |
| Built-in Requirements | + 884 |
| Includes built-in requirements to continue on-going projects and technical operations. These mandatory built-in requirements include the following: | |
| a) Program Delivery | 884 |
| Program Decreases | - (766) |
| Reflects the following reductions to base operations: | |
| a) Administrative and Broadcast Support Efficiencies | (766) |
| Program Increases | - 3,867 |
| Reflects the increase above base operations to fund the following enhancements: | |
| a) Enhance Programming to Cuba | 2,882 |
| b) Protect Our Broadcast Capability | 985 |
| TOTAL FY 2008 BROADCASTING TO CUBA REQUEST | 38,700 |

Broadcasting to Cuba
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> | <u>2008</u> <u>Request</u> | <u>Increase or</u> <u>Decrease (-)</u> |
|------------------------------------|-------------------------------|--------------------------------|-------------------------------|---|
| Broadcasting to Cuba | | | | |
| OCB Directorate | 543 | 776 | 846 | 70 |
| Broadcast Operations Directorate | 2,831 | 3,147 | 3,412 | 265 |
| News | 7,529 | 8,000 | 7,971 | (29) |
| Programs | 3,459 | 3,752 | 3,972 | 220 |
| Technical Operations Directorate | 16,159 | 10,549 | 13,916 | 3,367 |
| Radio | 1,283 | 1,284 | 1,437 | 153 |
| TV | 2,411 | 3,845 | 3,753 | (92) |
| Administration Directorate | 3,327 | 3,418 | 3,393 | (25) |
| Total, Broadcasting to Cuba | 37,542 | 34,771 | 38,700 | 3,929 |
| TOTAL, BROADCASTING TO CUBA | 37,542 | 34,771 | 38,700 | 3,929 |
| Reconciliation: | | | | |
| (-) Balances In/Recoveries | (1,814) | (1,192) | - | 1,192 |
| (+) Balances Out | 1,192 | - | - | - |
| Enacted/Request Level | 36,920 | 33,579 | 38,700 | 5,121 |

**Broadcasting Board of Governors
Fiscal Year 2008 Budget Request**

Broadcasting Capital Improvements

Broadcasting Board of Governors Broadcasting Capital Improvements

(\$ in thousands)

| | FY 2006 Actual | FY 2007 Estimate | FY 2008 Request |
|-------------------------------------|-------------------|---------------------|--------------------|
| Funding | 10,754 | 7,624 | 10,748 |
| Emergency Supplemental P.L. 109-234 | 99 | 25,727 | - |
| Offset of Balances | 16,000 | - | - |
| Total Funding | 26,853 | 33,351 | 10,748 |

Broadcasting Capital Improvements provides no-year funding for large-scale capital projects and for improvements and maintenance of the operating efficiency and reach of the organization's global broadcast network.

FY 2006-FY 2007 Highlights and Program Accomplishments

Engineering efforts over the past year continue to support the U.S. Government's mission to combat terrorism and to deliver critical programs from all BBG services to diverse listening and viewing audiences around the world.

Continued Realignment of BBG's Transmission Network

To meet evolving requirements with the most effective technologies, Engineering continually assesses the effectiveness of its transmission network and makes changes as BBG mission needs and shifting audience preferences dictate. The BBG also examines and adjusts the media mix available to reach target listeners and viewers. These efforts have included closing transmitting stations, realigning shortwave assets where shortwave remains an effective media, redeploying medium wave transmission assets to serve critical audiences, adding FM transmitters in key locations in the Middle East, and deploying two additional terrestrial TV facilities for Alhurra-Iraq.

Improved Broadcast Service for Radio Farda

To improve the reach of Radio Farda broadcasts to Persian-speaking audiences, Engineering will be entering into a lease agreement for an additional 24/7 FM transmitter in Dubai, United Arab Emirates in FY 2007 with Radio Farda broadcasts expected from this facility by the end of the fiscal year. In addition, Engineering is planning to construct an FM facility in Abdaly, Kuwait for Radio Farda broadcasts into Basrah, Iraq and the surrounding area. If the Government of Kuwait allocates an acceptable FM frequency, Radio Farda broadcasts could begin from the Abdaly facility by the end of FY 2007. Engineering also has initiated working to establish new radio transmission capabilities for Radio Farda to strengthen coverage in Iran and to help overcome jamming. An existing 600 kW transmitter and antenna towers have been deployed from Greece for use in constructing a new medium wave facility in Kuwait. Radio Farda broadcasts from this facility are expected to begin in FY 2008. To further broaden Radio Farda's

broadcast reach in Iran, Engineering is in the preliminary planning stages to establish additional shortwave capability from Kuwait.

Improved Broadcast Service to Pakistan

The Urdu language service to Pakistan, *Aap Ki Duniya*, is broadcast from a leased medium wave facility in Tajikistan and from BBG shortwave transmission facilities in other parts of the world. Geared to reach millions of listeners in Pakistan and northwest India between the ages of 15 to 39, *Radio Aap Ki Duniya* combines news, features, and music to introduce a fresh, new sound to South Asia. A new 800 kW medium wave transmitter became operational in Tajikistan in the first quarter of FY 2006 and provided improved Urdu service into Pakistan. A voltage regulator was installed in FY 2006 to improve reliability by providing a more stable power supply to the transmitter. A new medium wave antenna system was placed into service in November 2006 to further enhance broadcasts into this important region.

Strengthened Broadcast Service in the Far East

To improve broadcast capability to East Asia, the BBG developed plans to augment the leased Tajikistan radio facility with a high-power shortwave transmitter and associated antenna system. Negotiations with Tajikistan's state radio service were completed in May 2004, resulting in the contract award for the shortwave antenna system in late FY 2005. Manufacturing of shortwave antenna equipment was completed in FY 2006, and the materials were delivered to the installation site in Tajikistan in October 2006. An existing 250 kW shortwave transmitter from the closed Greece Transmitting Station will be used in conjunction with the new antenna. Facility modifications and installation of equipment are scheduled to commence in FY 2007. The projected on-air date for broadcasts is mid-FY 2008.

Facilitated Production of Broadcast Material for TV and the Internet

Technological advances have enabled the BBG to streamline the production of broadcast material. The installation of the digital video file server began in April 2005, and beta testing was initiated in September 2005. Five VOA language divisions began using the video server during the third quarter of FY 2006. Infrastructure enhancement and expansion initiatives planned for FY 2007 and beyond include low and high-resolution digital video storage space, improved servers, and additional fiber ports for video editing equipment. This state-of-the-art system provides VOA news staff with a streamlined workflow to digitally record, edit, archive, research, and broadcast video news and feature content. The system has the capability to import and export a variety of other media plus Internet video formats that enable users to share content with other BBG news delivery systems.

Engineering converted its primary Internet encoding and distribution equipment to a modern commercial system for video and audio streaming. Operational testing of the system started in late FY 2005 and full system activation occurred in March 2006. The new system is safeguarded with hardware redundancies, is integrated with BBG's satellite scheduling system, and has a completely digital signal path for improved signal quality. BBG broadcasters are now able to turn to one centrally located and controlled system for Internet streaming. Expansion of the new Internet streaming system, in addition to other improvements, will continue in FY 2006 and into FY 2007.

VOA Television Infrastructure

Engineering is managing the initiative to upgrade television studios and associated broadcast equipment to support television initiatives in Persian, Urdu, Dari, and Pashto and continue television programming in other languages. The upgrade will expand the existing TV broadcast equipment, increase digital video capability, and convert VOA TV's core infrastructure to an integrated digital system.

Security

Security operation programs continued both domestically and overseas in accordance with Overseas Security Policy Board (OSPB) Standards. Projects underway in FY 2006 included refurbishing anti-ram barriers in Kuwait; upgrading emergency radio network at Saipan and Tinian; replacing knee wall and fence section at the Philippines; installing outside perimeter guard house and replacing ballistic resistant glazing at Morocco; enhancing CCTV system in Miami; and upgrading access control system in Washington. FY 2007 plans include replacing operations area fences in Botswana, Sao Tome, Sri Lanka and Morocco; upgrade access control systems domestically; replacing Fence Protection Systems in Thailand, Philippines, Kuwait, Sri Lanka and Morocco; and replacing CCTV systems at various transmitting stations, as required by the OSPB standards

HVAC and Electrical Maintenance

In FY 2006, a preventive maintenance and replacement program for the Cohen Building's HVAC and electrical support equipment was established. The IBB must maintain HVAC and electrical support equipment to ensure an appropriate environment and consistent electrical supply for the BBG's around-the-clock broadcast mission. During FY 2006, the uninterrupted power source (UPS) was upgraded, and several HVAC units were replaced. Maintenance contracts for the UPS and HVAC systems have been established. In FY 2007, annual preventive maintenance programs and systematic replacement of aged equipment will continue to reduce or eliminate down time and preserve the reliability and integrity of BBG broadcasts.

The BCI program includes the following FY 2008 base requirements:

Maintenance, Improvements, Replacements and Repairs (MIRR) (\$7.0 million): This activity continues essential maintenance, repair, and security projects throughout the transmitting station network and Internet, radio, and television production facilities at the BBG's Washington, D.C. headquarters. The continuing maintenance and repair program addresses the ongoing needs of the BBG's worldwide network of transmitting sites and the capital plant and equipment at BBG headquarters.

Satellite and Terrestrial Program Feeds (\$0.7 million): These funds are used to install, maintain, and enhance BBG satellite distribution facilities worldwide, which include installations ranging from small satellite signal receivers to large satellite earth dishes, major satellite gateway facilities in Washington, D.C.; Germany; Kuwait; Czech Republic; Philippines; and a variety of mid-sized two-way earth station facilities at BBG transmitting stations.

FY 2008 Performance Goals

The BBG continues to support the performance goals through its transmission capability. The agency has reached and will maintain 99.5% network availability.

FY 2008 Program Changes

FY 2008 Program Decreases

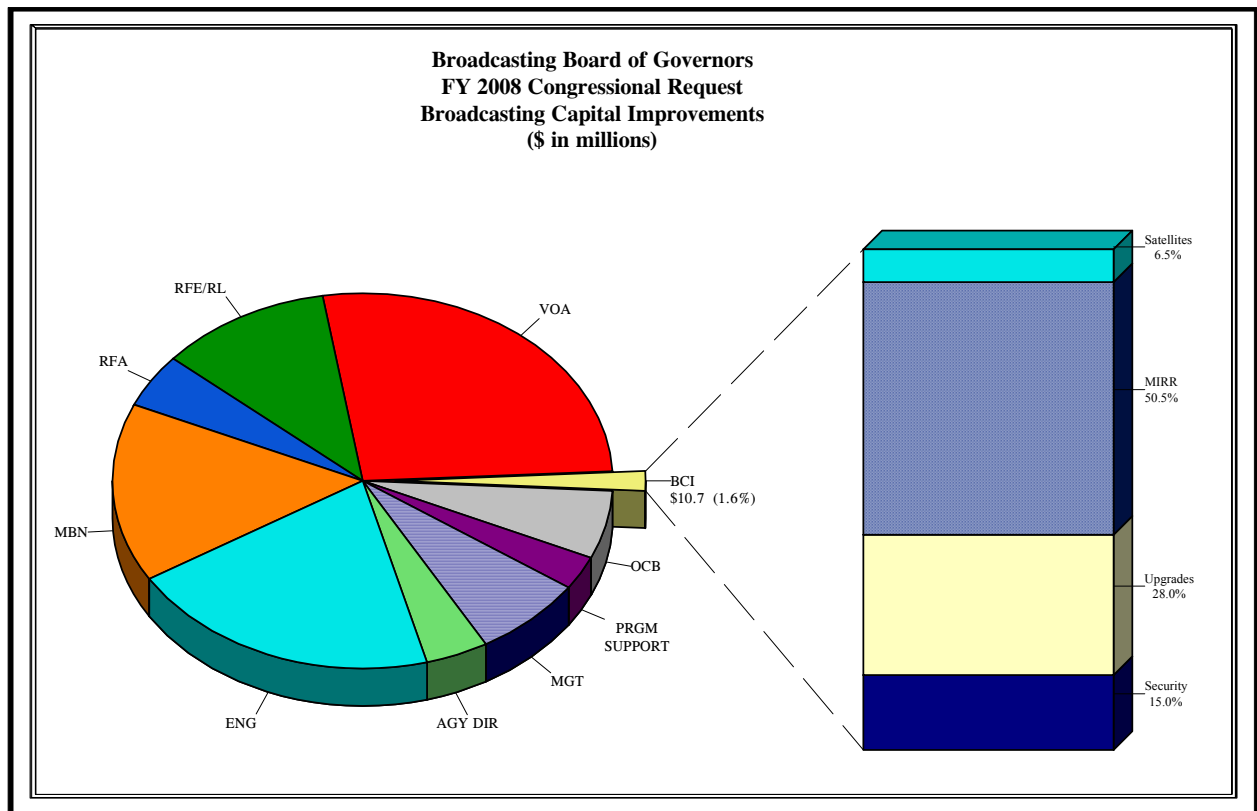
The FY 2008 request for BCI reflects a reduction from base operations related to maintenance and repair costs due to the downsizing BBG transmitting station operations.

FY 2008 Program Increases

Protect Our Broadcast Capability (\$3.0 million)

To enhance information security, safeguard the agency’s vital internal communications systems, and support VOA radio broadcasts, the BBG proposes to purchase server and computer replacements based on obsolescence cycles and to upgrade the agency’s e-mail. The request also includes funding to repair and upgrade the VOA radio studios.

For FY 2008, we are requesting \$10.7 million for Broadcasting Capital Improvements.



Broadcasting Capital Improvements
Summary of Increases and Decreases
FY 2007 - FY 2008
(\$ in thousands)

| | |
|---|------------|
| FY 2007 Estimate | + 7,624 |
| Represents the FY 2007 estimate for Broadcasting Capital Improvements. | |
| FY 2006 Emergency Supplemental (Public Law 109-234) | + 25,727 |
| Non-Recurring Costs | - (25,054) |
| The following costs are non-recurred in FY 2008: | |
| a) One time costs associated with the FY 2006 emergency supplemental | (24,961) |
| b) Other non-recurs | (93) |
| Program Decreases | - (564) |
| Reflects the following reductions to base operations: | |
| a) Transmission Network Reductions | (564) |
| Program Increases | + 3,015 |
| Reflects the increase above base operations to fund the following enhancements: | |
| a) Protect Our Broadcast Capability | 3,015 |

| | |
|--|---------------|
| TOTAL FY 2008 BROADCASTING CAPITAL IMPROVEMENTS REQUEST | 10,748 |
|--|---------------|

Broadcasting Capital Improvements
Summary of Funds
FY 2006 - FY 2008
(\$ in thousands)

| | <u>2006</u> <u>Actuals</u> | <u>2007</u> <u>Estimate</u> | <u>2008</u> <u>Request</u> | <u>Increase or</u> <u>Decrease (-)</u> |
|---|-------------------------------|--------------------------------|-------------------------------|---|
| New Construction | 164 | - | - | - |
| Maintenance, Improvements, Replace and Repair | 4,479 | 4,751 | 3,889 | (862) |
| Digital Project | 9 | - | - | - |
| VOA TV | - | 763 | 767 | 4 |
| Security | 1,663 | 2,920 | 1,638 | (1,282) |
| HVAC and Electrical Maintenance | 471 | 485 | 694 | 209 |
| Facility Leases and Land Rentals | 17 | 28 | - | (28) |
| Upgrade of Existing Facilities | 20,489 | 31,014 | 3,015 | (27,999) |
| Satellite & Terrestrial Program Feeds | 968 | 748 | 745 | (3) |
| TOTAL, BROADCASTING CAPITAL IMPROVEMENTS | 28,260 | 40,709 | 10,748 | (29,961) |
| Reconciliation: | | | | |
| (-) Balances In/Recoveries | (24,765) | (7,358) | - | 7,358 |
| (+) Balances Out | 7,358 | - | - | - |
| Enacted/Request Level | 10,853 | 33,351 | 10,748 | (22,603) |

Broadcasting Board of Governors Fiscal Year 2008 Budget Request

Performance Overview

Broadcasting Board of Governors FY 2008 Performance Overview

Introduction

Under the Administration's direction, the annual performance plan as required by the Government Performance and Results Act (GPRA) is now included as part of an integrated budget and performance submission. The Performance Overview satisfies all statutory requirements for the annual performance plan. The integrated budget submission connects the BBG strategic goal to the performance objectives, and links these to the budget presentation.

The Performance Overview includes the following sections: a summary of the BBG strategic plan, descriptions of the agency's performance indicators and a summary of the status of the agency's current performance efforts. We also link the performance objectives to expected results (performance measures and targets) based on the requested budget resources, including the enhancements.

The BBG has updated its 2002-2007 strategic plan. The 2008-2013 plan reflects the experiences gained over the past several years and a forward looking roadmap to achieve the goals of U.S. public diplomacy in reaching significant audiences in support of U.S. strategic interests. The new plan informs the FY 2008 budget request and continues the integration of performance and budget for the BBG.

Summary of the 2008-2013 BBG Strategic Plan

BBG Mission Statement: To promote and sustain freedom and democracy and to enhance understanding by broadcasting accurate and objective news and information about the United States and the world to audiences overseas.

The Contribution of U.S. International Broadcasting: The historical contribution of international broadcasting to U.S. national interests is premised on the belief that when given accurate information and a clear understanding of their own countries, of America, and of the world, people will make informed decisions that, in the long run, will be in their own and America's mutual interest. Those decisions will favor human rights, an acceptance of diversity and the freedom to share information. Given adequate information, people around the world will be more likely to embrace democratic ideals, environmental responsibility, principles of free trade, respect for the rule of law, non-proliferation of weapons of mass destruction, and many other values that, combined, will result in a more prosperous, healthy, and secure world for the American people.

Primary Strategic Goal: The primary strategic goal of U.S. international broadcasting is to create an increasingly effective and modern international broadcasting system that reaches significant audiences where most needed, in support of U.S. strategic interests. Its activities are designed to encourage the widest possible exchange of ideas and to foster an understanding of the U.S.'s values and culture, its institutions, and its policies.

Implementation Strategies: The implementation strategies of the BBG guide U.S. international broadcasting in fulfilling the agency’s primary strategic goal of reaching significant audiences in support of U.S. strategic interests. These implementation strategies provide direction to the agency and its broadcasting entities in making programming and budgetary decisions. Therefore, they form the foundation upon which all of our international broadcasting activities are supported. They are not goals that are measured, but guide the implementation of all of the BBG measurable performance goals. The following are the implementation strategies included in the BBG strategic plan:

➤ Enhance Program Delivery across All Relevant Platforms

The BBG must ensure that our content is available via the media, frequencies, networks, channels, and stations our audiences actually use. There is no one solution for all markets. Even as urban audiences gravitate to newer media and technologies, in many strategic countries in remote corners of the world or in crisis situations, shortwave radio remains a critical delivery means. The right distribution is a market-by-market determination, and we must be prepared to deploy traditional delivery means and cutting-edge technologies.

➤ Build on Our Reach and Impact within the Islamic World

The BBG has taken significant steps toward reaching the Islamic world with significant gains in weekly listeners and viewers. But, there are further domains in the Islamic world to be reached and the BBG will act assertively to reach them. At the same time, we must do more to broaden the substance of our broadcasts to meet the needs of our audiences not only for news and information but also for debate, discussion, and dialogue.

➤ Help Audiences in Authoritarian Countries Understand the Principles and Practices of Democratic, Free, and Just Societies

Recalcitrant authoritarianism strongly persists in the 21st century. Common characteristics shared by authoritarian countries include: media under heavy state control or influence; single control by one person who has stayed in power by manipulating media and rigging elections; no tolerance for negative coverage; and disregard for people’s welfare with the governments suppressing news of dangers and hardships faced by their citizens. Reaching audiences in authoritarian countries will continue to be a BBG priority and will present special challenges to our broadcasters.

➤ Employ Modern Communication Techniques and Technologies

Media competition continues to diversify and intensify, and broadcast and computer technologies leap forward. In the near future, audiences will be increasingly using mobile phones, podcasts, and other means of receiving news and information. We must not just stay abreast of the emerging technologies but strive to be on the cutting-edge. The aim is to expand audience reach by adopting formats and delivery means consistent with local circumstances and audience needs, while preserving the core mission of disseminating factual news and information.

➤ Facilitate Citizen Discourse

While many governments continue to stifle freedom of expression in all forms (and specifically seek to block U.S. international broadcasting), technology is nonetheless empowering unprecedented participatory discourse among ordinary citizens. BBG services have a special role in helping to open these channels of communication, especially in broadcast regions with this emerging access. We also have an important comparative advantage by often being among the few credible news sources in many vernacular languages. Thus, we have an opportunity for providing not only information access but also by facilitating information exchange and discourse as well.

➤ Engage the World in Conversation about America

The position and policies of America in the world today inspire strong international reaction. Ironically, this helps drive desire among millions of people to seek a conversation with America. The BBG will meet this demand for dialogue by seeking every opportunity possible to prompt two-way communication, without depending on one particular program format. At the same time, helping audiences understand clearly what America stands for, our principles, and our people is essential.

➤ Develop and Motivate the Workforce to Meet the Changing Conditions of U.S. International Broadcasting

Changes in broadcasting priorities and programming, reallocation of resources, and advancements in technology all impact the manner in which work is done in the broadcasting entities and determines the competencies required of our employees. At the same time, the federal workforce in particular will soon face unprecedented attrition with those employees eligible for retirement. All BBG broadcasters find themselves needing to attract employees with up-to-date technical skills suited to producing the multi-platform programming required in the contemporary broadcasting environment.

➤ Rationalize the Broadcasting Enterprise

Rationalizing U.S. international broadcasting following the end of the Cold War was the main impetus behind the 1994 U.S. International Broadcasting Act and the creation of the Board. The Board has acted to consolidate global transmissions and program delivery and has eliminated or reduced lower priority language services and expanded higher priority services. The Board recognizes the necessity of considering options to realign the agency's resources to meet the Agency's mission most effectively and efficiently. These ongoing evaluations will incorporate the annual language service review, proposals for restructuring, and input from GAO, OMB, and Congress.

- Preserve our Most Precious Commodity – Credibility – and Ensure Overall Programming Excellence

Credibility is key to success in broadcasting, and it is our greatest asset. If our audiences do not find our broadcasts to be credible, they will tune us out. If they tune us out, we sacrifice our mission. As a consequence, we must appreciate and overcome the impediments to being credible with any given audience, and we must resist any efforts to sway our news coverage or otherwise interfere with the content of our broadcasts.

- Broaden Cooperation within U.S. Public Diplomacy

The BBG’s information outreach to the world requires cooperation within the public diplomacy domain. On the one hand, a strict firewall prevents foreign policy makers from shaping the programs of the BBG broadcasting entities. On the other, in the annual language review process, we seek comment from the Department of State regarding U.S. policy towards given countries, and we have worked with USAID to develop programming in several countries and strengthen our local coverage. As the U.S. seeks to counter extremism and continues the struggle for freedom and democracy, it makes good sense to be aware of larger U.S. public diplomacy planning and coordinate our planning with other agencies.

BBG Performance Indicators

Delivering accurate news and information to significant audiences in target countries is the BBG’s core definition of success. This requires first that the programs deliver the news and information in a manner attractive to listeners or viewers, and second, that the programs reach large numbers of people on a regular basis. Both elements are equally important, and the BBG has implemented performance indicators to measure both at the entity level, together with other secondary measures. Scores for the performance indicators and secondary measures are measured for each language service annually and then aggregated at the entity level to summarize the accomplishments of each entity.

Definitions of the Indicators

Overall Weekly Audiences This indicator measures the number of people in target areas listening to or viewing BBG programming on a weekly basis. The measure is obtained for each language service and for the countries served by the BBG. It is based upon the measurement of the “regular listening audience”, a statistical standard long used to report international radio audience reach. Regular listening/viewing audience has over the years been consistently defined as all adults listening or viewing at least once a week, as determined by an audience survey that has an adequately designed sample.

Depending on the political, social, and media conditions in each country, measurement of audience size may be easily attained, attained with difficulty, or impossible. From both financial and logistical points of view, the ideal probability surveys may be impossible in all areas. Where full probability surveys cannot be done, the best feasible sampling method is used. These may cause some estimates to have a somewhat wider margin of error, and the BBG seeks to accurately

identify the margin of error for each survey, taking into account effects of different sample designs. Technical reports for each survey contain these details

In certain countries, however, political conditions may preclude any research from taking place in a given year. Therefore, performance values for the BBG as a whole and for each BBG broadcast entity may include the most recent survey data from each country within the last 24 months, although most will be from the current year. In rare cases where in the professional judgment of BBG market researchers, there is reason to believe that media conditions and behavior in a country have not changed, data from surveys from longer than 24 months may be carried forward, to avoid audience values changing strictly from the mix of countries included.

Internationally accepted statistical methods are used to estimate audience size from sample survey data. Only population components (national, urban, rural, capital city) covered by sample surveys are included in national estimates.

The increasing reliance on local rebroadcasts via affiliate radio stations and the addition of television outlets to the broadcast distribution scheme further complicate measurement in many countries. For example, when shortwave was the only program delivery the BBG used in Russia, it meant that a single national survey of Russia could be used to produce an accurate audience measurement. Now, most of the listening audience tunes in via local FM affiliates, which necessitates multiple city surveys at greater cost.

Another factor that complicates the measurement and reporting of audiences for U.S. international broadcasting is that estimates must be unduplicated as they are aggregated. Inevitably there is a certain amount of overlap in listeners among international broadcasters, which increases when television and the Internet are also considered. As a result, the BBG's computational methods avoid counting the same listener or viewer twice when computing country, region, or worldwide audience figures where feasible.

Affiliations As shortwave usage wanes in parts of the world, the importance of affiliations with local AM and FM stations grows. Types and degrees of affiliations are many, ranging from live simulcasts at scheduled times to occasional use of taped segments of programs. This indicator counts only those stations with contracts that regularly rebroadcast identified programs of U.S. international broadcasting entities on competitive media, in or near prime time in an uncensored manner, either nationally or in strategically important parts of the country.

Program Quality This indicator presents the percentage of an entity's language services whose programming is assessed as being of good-or-better quality. Ratings are based upon two broad criteria: (1) *content*, and (2) *presentation*. The *content* criterion includes evaluations of accuracy, reliability, authoritativeness, objectivity, comprehensiveness, and other variables reflecting distinct statutory, policy, and mission mandates for the different stations. The *presentation* criterion involves separate sub-criteria for each production unit unique to its media and the program. Content is given a 65% weight, and presentation a 35% weight. These are averaged and summarized on a scale from 1 – 4, where 1.0–1.3 = poor; 1.4–1.6 = poor to fair; 1.7–2.3 = fair; 2.4–2.6 = fair to good; 2.7–3.3 = good; 3.4–3.6 = good to excellent; 3.7–4.0 = excellent.

Measuring program quality required developing standardized criteria applicable to very different media and methods of delivery while minimizing subjective judgments on content and presentation. With the inauguration by BBG in 2001 of a single outside research provider, and definition by the Board of program review schedules and standards, harmonization of program quality techniques among the entities took a large step forward. The monitoring panels of regular listeners who can detect changes in the quality of programs and the expert listener both contribute components to the ultimate score by listening to a sample of programming. These are further balanced by reviews of other sections of programming conducted by in-house analysts. Ultimately, if follow up on the original critiques has had a chance to occur before the year is out, and identified weaknesses have been addressed, a second set of monitoring panels and/or internal review by in-house analysts may contribute to the ultimate program quality score.

Program Credibility This indicator is determined by the survey question about “trustworthiness of news and information” of those sampled respondents who listened at least once a week to each station. The answers are registered on a five-point scale -- very trustworthy, somewhat trustworthy, neither trustworthy nor untrustworthy, somewhat untrustworthy, or very untrustworthy. The credibility index is the percent of those answering the question in the survey (excluding those who did not respond or did not know) who endorsed very or somewhat trustworthy.

The mix of target countries underlying a credibility estimate for a BBG broadcaster as a whole is held constant so that changes in the value are attributable to survey data only, and not to a changing mix of countries surveyed from year to year. As local conditions under which surveys are conducted often change dramatically, the ability to re-survey is occasionally restricted or inhibited. As with the audience estimate, in order to stabilize the index, if a country was not capable of being surveyed in the current year, the most current value was used, usually up to 24 months, and on rare occasions going back further. Also, credibility estimates by regular listeners in countries where the number of regular listeners is so small ($n = <50$) that the estimate is too unreliable to use are eliminated. Typically, precisely because the audience is so small, this does not affect the overall credibility rating of a BBG broadcast entity as a whole.

Signal Strength This statistic refers exclusively to radio signal monitoring by IBB staff of cross-border shortwave and medium wave signals in or near target areas. Signal strength is an important register of whether the programs are capable of being heard by the target audiences. The IBB routinely compiles a program reception statistic for each language service. Typically, this is done for each of the two broadcast seasons: April to September, and October to March. The summary statistic aggregates the most recent readings for each service and averages them. While signal delivery lends itself well to GPRA measurement, since monitoring data is regularly collected, U.S. international broadcasting continues to examine this approach with an eye to improving its accuracy, sensitivity and usefulness as an analytical tool. Survey research data provides an independent source of data, yet to be integrated into the statistic. The scale is 1 – 1.5, nil; 1.5 – 2.5 poor; 2.5 – 3.5 fair or average; 3.5 – 4.5 good; and 4.5 – 5 excellent.

Satellite Effectiveness Index This index provides a quantitative measure of the ability of the satellite network to access the population of TV households. The measure accounts for TV population, total satellite network capacity, signal strength, and prime-time flexibility. This index considers five criteria: 1) Coverage of the satellite in channel-hours; 2) Coverage to small (3

meters or less) antennas; 3) Time-zone flexibility to ensure prime-time coverage; 4) TV households reached; and 5) Ability to feed other satellites as part of the network. The index was developed by the Office of Engineering in cooperation with the Broadcasting Satellite Users' Board to improve on an earlier index. The Satellite Effectiveness Index represents a refined, more useful planning tool than the original formula. The upper limit of the index is unknown since the potential number of TV channels and TV audiences around the world may change in the future.

Transmission Network Consumable Expense This indicator is equal to the total annual cost of power and parts to operate the transmitters in the BBG network around the world. Jamming by host governments drives the number up, as does a proliferation of media in the target market areas that requires more diverse delivery systems to successfully compete there.

Verification and Validation of Indicators

The performance indicators are a best effort to measure each broadcast entity's current level of performance, and to project how effective they will be in FY 2008. To achieve maximum objectivity, measurements are performed independently of the elements being evaluated. VOA, OCB, RFE/RL, RFA, and MBN audience research is carried out by InterMedia, an outside research provider under contract to the BBG. The Broadcasting Satellite Users' Group, a multi-element working group not affiliated with the Office of Engineering, calculates the Satellite Effectiveness Index. Evaluation of program quality is initially conducted by Intermedia Survey Institute and presented at program reviews for each entity. The appropriate entity research director or BBG research coordinator computes entity-wide performance values, and sends them to Intermedia for verification.

The standards of the Conference of International Broadcasting Audience Researchers and other standards-setting organizations are followed for the design and conduct of sample surveys. A technical report is produced for every survey which describes the sampling plan, the problems encountered in the field and the methods of resolution, and these are being improved to allow computation of margins of error that include design effects where feasible.

Table 1: BBG Performance Indicators

| | FY 2004 Actual | FY 2005 Actual | FY 2006 Target | FY 2006 Estimate | FY 2007 Target | FY 2008 Target |
|--|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| Regular Listening/Viewing Audiences: Number of people (in millions) in target areas listening or viewing at least weekly by program element. | | | | | | |
| VOA (Radio) | 87 | 87 | 86 | 85.2 | 78.3 | 83.4 |
| VOA (TV) | 20 | 25 | 29 | 41.8 | 43.8 | 46.9 |
| VOA (Radio + TV) | 99 | 107 | 110 | 117.7 | 114 | 123.3 |
| MBN (Radio Sawa) | 14.3 | 20.8 | 22 | 20.8 ⁱ | 21 | 21.5 |
| MBN (Alhurra) | 8.5 | 21.3 | 22 | 21.3 ¹ | 21.5 | 23 |
| OCB | NA | NA | NA | NA | NA | NA |
| RFE/RL | 33 | 31 | 33 | 34.7 | 30.4 | 31.5 |
| RFA | NA | NA | NA | NA | NA | NA |
| Affiliations and Transmitters: The count of high impact and high quality radio and TV stations regularly carrying U.S. international broadcasting programming, and of IBB-owned and -operated local transmitters, TV, FM, and AM. | | | | | | |
| VOA (Radio) – Affiliates | 188 | 215 | 226 | 226 | 237 | 246 |
| VOA (Radio) – Transmitters | 18 | 20 | 28 | 28 | 33 | 33 |
| VOA (TV) – Affiliates | 170 | 106 | 111 | 111 | 117 | 123 |
| MBN (Radio Sawa) – Transmitters | 21 | 21 | 29 | 31 | 44 | 46 |
| MBN (Alhurra) - TV Transmitters | 2 | 2 | 5 | 4 ⁱⁱ | 4 | 4 |
| RFE/RL – Affiliates | 58 | 63 | 66 | 66 | 70 | 74 |
| RFE/RL – Transmitters | 9 | 10 | 15 | 16 | 20 | 20 |
| RFA – Affiliates | 0 | 0 | 2 | 2 | 3 | 4 |
| Program Quality: Assesses the U.S. interest, content, balance, accuracy and quality of presentation of program material. Score is percent of services whose programs overall are rated "good or better". | | | | | | |
| VOA (Radio) | 100 | 98 | 100 | 100 | 100 | 100 |
| VOA (TV) | NA | NA | NA | NA | NA | 100 |
| MBN (Radio Sawa) | 100 | 100 | 100 | NA | 100 | 100 |
| RFE/RL | 100 | 100 | 100 | 100 | 100 | 100 |
| RFA | 100 | 100 | 100 | 100 | 100 | 100 |
| OCB | 100 | 100 | 100 | 100 | 100 | 100 |
| Program Credibility: Consists of the percent of those listening at least once a week who consider the station's news and information "very trustworthy/reliable" or "somewhat trustworthy/reliable" in an annual survey. | | | | | | |
| VOA (radio only) ⁱⁱⁱ | 83 | 90 | 100 | 90 | 100 | 100 |
| MBN (Radio Sawa) | 53 | NA | 70 | 70 | 71 | 71 |
| MBN (Alhurra) | 80 | NA | 74 | 74 | 75 | 75 |
| RFE/RL | 82 | 84 | 86 | 86 | 87 | 88 |
| RFA | 78 | 80 | 89 | NA ^{iv} | 90 | 90 |
| OCB | NA | NA | NA | NA | NA | NA |
| Radio Signal Strength Index: This overall network level indicator applies only to cross-border SW and medium wave (AM) radio signals, and measures whether programs can be heard by target audiences. Based on a 5-point scale. | | | | | | |
| BBG | 3.00 | 2.80 | 2.80 | 2.79 ^v | 2.70 | 2.70 |
| Satellite Effectiveness Index: Assesses whether the BBG satellite delivery is keeping pace with global media developments. | | | | | | |
| BBG | 7.9 | 9.0 | 10.0 | 10.0 | 10.0 | 10.6 |
| Transmission Network Consumable Expense: The cost (in millions) of power and parts to operate the IBB transmitters. | | | | | | |
| BBG | \$32 | \$32 | \$33 | \$27 | \$28 | \$29 |

¹ BBG is evaluating a GAO audit of MBN (Sept. 2006). The audience measures will be updated if the survey methodology changes. The targets for 2007 and 2008 reflect the 2006 base plus, where relevant, the added audience expected due to enhancements.

² The Alhurra TV transmitters in Iraq numbered four in FY 2006 but may not increase in the near future because of the security situation.

³ BBG has begun to collect data on VOA TV credibility and does not yet have adequate data to report.

⁴ The limited data for RFA in 2006 for this survey question is not sufficient to measure credibility for the entity.

⁵ The Radio Signal Strength Index only measures shortwave and medium wave (AM) transmissions, thus reflects the shortwave reductions across most of the global network.

Current BBG Performance Efforts

The BBG primary strategic goal -- to create an increasingly effective and modern international broadcasting system that reaches significant audiences where most needed, in support of U.S. strategic interests -- is funded by the BBG accounts as presented below.

Broadcasting Board of Governors Budget Information (\$ in thousands)

| | FY 04 | FY 05 | FY 06 | FY 07 | FY 08 |
|--|---------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| | Actual¹ | Actual² | Actual³ | Estimate⁴ | Request⁵ |
| International Broadcasting Operations | 573,801 | 569,021 | 596,859 | 612,233 | 618,777 |
| Broadcasting to Cuba | 26,491 | 26,585 | 36,920 | 33,579 | 38,700 |
| Broadcasting Capital Improvements | 11,275 | 10,946 | 26,853 | 33,351 | 10,748 |

¹ Includes additional funding pursuant to FY 2003 Emergency Supplemental P.L. 108-11 (\$20.0 million) and FY 2004 Emergency Supplemental P.L. 108-106 (\$40 million). Funding for Broadcasting to Cuba was appropriated in International Broadcasting Operations, but is shown separately for comparison purposes.

² Includes additional funding pursuant to the FY 2005 Emergency Supplemental, Global War on Terrorism, P.L. 109-13, (\$7.3 million) and the reallocation of \$7.7 million from prior year balances. Funding for Broadcasting to Cuba was appropriated in International Broadcasting Operations, but is shown separately for comparison purposes.

³ Includes additional funding pursuant to the FY 2006 Emergency Supplemental P.L. 109-234 (.6 million) also includes offset of balances of \$16 million. Funding for Broadcasting to Cuba was appropriated in International Broadcasting Operations, but is shown separately for comparison purposes

⁴ Includes additional funding from carryover pursuant to the FY 2006 Emergency Supplemental P.L. 109-234 (35.5 million).

⁵ Funding for Broadcasting to Cuba has been requested separately in FY 2008.

Current Situation

For diverse, often complex reasons, people in many countries still lack adequate sources of balanced news and information upon which to make fundamental decisions. As globalization increasingly interconnects populations it becomes more important than ever to the well being of our country that those fundamental decisions are based on correct, clear information. In support of the BBG mission to promote and sustain freedom and democracy and to enhance understanding, the BBG broadcasts in 58 languages. The increased complexity and competitiveness of media markets worldwide drive the BBG to commit resources to research, distribution, marketing and advertising in priority regions. The agency can demonstrate progress towards its strategic goal of reaching significant audiences where most needed in support of U.S. strategic interests through the accomplishments of the entities during the past year.

Voice of America: VOA continues to cover the war on terrorism, events in Iraq, the crisis in the Middle East and other areas of strategic importance to U.S. interests, as well as provides coverage of U.S. and international news and current affairs throughout the world through broadcasts of over 1,000 weekly hours of radio in 44 languages, more than 60 hours of original television in 25 languages, and a 24/7 website. The radio and television programs are broadcast to an estimated audience of over 100 million listeners and viewers, and its Internet site, VOANews.com, provides content in text, audio, and video formats aimed at a rapidly growing potential worldwide audience. In addition, the VOA broadcasts daily editorials representing the views of the U.S. Government that are prepared by the IBB's Office of Policy in coordination with the Department of State.

Radio Free Europe/Radio Liberty: RFE/RL is a non-profit international communications organization with a mission to promote democratic values and institutions by disseminating timely, accurate and objective news, information and analysis. Through radio, Internet and other information products, including television, RFE/RL continues a significant contribution to the U.S.-led global struggle against terrorism. RFE/RL broadcasts in 28 languages, with almost two-thirds (18) to countries or regions where the majority populations are Muslim. RFE/RL broadcasts more than 970 hours of radio programming and three hours of television a week from its operations center in Prague and bureaus. In 2006, RFE/RL's 19 Internet websites reached monthly averages of nearly 2 million unique visitors with 1.4 million visitors listening to radio content online. As of July 2006, RFE/RL programs were available on a total of 501 local AM and FM frequencies throughout 25 of its 30 vital target countries.

Radio Free Asia: RFA, a non-profit news organization, celebrated its tenth year in 2006 and continues its mission of providing objective, timely, in-country news and information in the native language of its target countries. Through its radio broadcasts and Internet presence, RFA directs vital broadcasts to people throughout the region. As an unbiased news source for Asian countries that do not tolerate a free press, RFA fills the news gap created by state-controlled media. RFA broadcasts in 9 languages and 3 dialects to China (including Tibet and Xinjiang), Burma, Cambodia, Laos, North Korea, and Vietnam. RFA broadcasts 252 hours of news and information weekly, transmitted by the IBB's shortwave and medium wave stations. In addition, all RFA programming is streamed over the Internet, which provides an increasingly accessible medium in reaching an expanded and younger audience. Internet streaming is particularly important in China and Vietnam, where governments attempt to jam RFA's radio signals.

Middle East Broadcasting Networks: Programming on Alhurra and Alhurra-Iraq concentrates on up-to-the-minute news, reporting, news analysis, discussion and informational documentaries and other programming on a variety of subjects including history, culture, sports, technology and health to Arabic speakers across the Middle East. Alhurra and Alhurra Iraq feature several one-hour prime-time newscasts and other news and news updates throughout the day. Alhurra Europe, begun in FY 2006, gives the U.S. a news presence for Arabic-speakers in Europe. In addition to over 335 live newscasts each week and daily 30-minute news magazines, Radio Sawa's *Free Zone*, *Ask The World Now*, the innovative open discussion and listeners' interactivity *SawaChat* and *Question of the Day* programming deal with a wide range of social and political issues of interest to Radio Sawa's audience.

Engineering and Technical Services: The Office of Engineering continues to explore, develop, and adopt new technologies to increase the efficiency and effectiveness of the BBG's broadcast network and to deliver on its mission. It has seized on the Internet's ability to reach millions worldwide by delivering VOA's website, providing technical support for innovative delivery formats such as podcasts, text messages, and weblogs and providing streaming support for BBG audio and video programming, while managing a complex network of transmission sites around the world. In addition to managing over 70 transmitting sites worldwide, shortwave and medium wave transmission facilities, FM and TV stations, Engineering leases broadcast time at nearly 20 transmitting facilities located in over 10 countries. Engineering is also responsible for an extensive network of leased satellite circuits and other international telecommunication systems.

Agency Direction: The BBG oversees all U.S. funded, non-military international broadcasting, including the operations of IBB, VOA, OCB, and the three grantees, RFE/RL, RFA, and MBN. It also oversees audience research for the broadcasting entities. The Office of the General Counsel provides legal advice to the BBG including interpretations on the authority and application of laws, regulations, Executive Orders, international agreements, and other documents involving BBG operations, BBG staff and senior IBB officials. The Office of the CFO is responsible for managing all agency budget and fiscal operations, including the integration of performance plans and goals. The Office of Policy produces daily editorials and other programs for VOA language services that convey official U.S. government policies. The Office of Civil Rights is responsible for the conduct of the IBB Civil Rights and Equal Employment program.

Management Directorate: The Management Directorate is responsible for IBB administrative support operations. The Office of Administration manages headquarters facilities, property, travel policy, records management, and administrative operations. The Office of Human Resources provides worldwide personnel management services to the BBG and its employees and develops personnel programs and policies to meet its unique journalistic, broadcasting, and multicultural workforce needs and mission. The Office of Contracts provides effective planning and implementation of BBG/IBB's worldwide acquisition program. The Office of Security directs and carries out all security activities to provide for the protection and security of all personnel and physical assets, domestic and overseas. The Office of Security also provides assistance to the grantees.

Program Support: The Office of Marketing and Program Placement is responsible for the

marketing and placement of programming through local FM, medium wave (AM) and television stations and networks and the Internet. The office continues to broaden the reach of U.S. international broadcasting, guided by market research and commercial broadcasting techniques for program placement. The reach of U.S. international broadcasting is now at an historic high, in part because of efforts to place programs on more effective affiliates with larger audiences. The Office of Performance Review continues its efforts to ensure that programming adheres to the highest standards of broadcast journalism, complies with applicable laws and guidelines, and effectively serves the information needs of intended audiences. The Office employs performance review and performance measurement procedures as developed by the BBG and the IBB, and as required by GPRA and OMB. The Office of Public Affairs plans and conducts comprehensive public affairs and outreach programs for IBB and its broadcasters

Progress in meeting BBG Performance Objectives Through FY 2007

In FY 2005, the BBG established performance objectives based on regional priorities that are generally long-term with underlying annual objectives for targeted focus. The following are highlighted accomplishments in each of the performance objectives during FY 2006, and expected in FY 2007.

Reach the Arabic speaking world through Alhurra TV and Radio Sawa broadcasts

During FY 2006, Alhurra's overall news programming included in-depth coverage of events in the Arab world and U.S. politics to compete with the growing number of Arabic-language satellite channels. Alhurra also developed programming to help Arab viewers understand "the story behind the story" including documentaries, town hall meetings from the Middle East, and analysis of U.S. policies.

In July 2006 when the Hezbollah-Israeli crisis began, Alhurra TV operated as an around-the-clock breaking news station, pre-empting all other programming. Alhurra also began broadcasting a daily three-hour program from downtown Beirut with live reports from around the country, bringing viewers the latest news and information from Lebanon. Equally important to Alhurra's coverage was the expansion of current affairs programming, which allowed for more in-depth exploration of the issues as well as several roundtable discussions.

Other accomplishments include producing programs on freedom and human rights that cannot be seen on other Arabic networks, new programs to bridge the cultural gap between the U.S. and the Arab world by giving Arabic-language viewers a better understanding of the United States. Alhurra Europe began broadcasting in FY 2006, to give the U.S. a news presence for Arabic-speakers in Europe. In August 2006, Alhurra-Iraq expanded its reach terrestrially with a transmitter in Mosul, Iraq.

Radio Sawa's live updated newscasts and daily 30-minute news magazines contain in-depth reporting and news analysis to reach audiences in the Arab world. Radio Sawa extended its newscasts during the Hezbollah-Israeli crisis and the in-depth current affairs program, *Free Zone*, discussed the conflict. Radio Sawa also further developed its popular all-news website. The site averages over 12 million page views a month. The site is cross-linked with Alhurra's website.

In FY 2006, Radio Sawa focused on maintaining and expanding the audience as media competition increases in the region. Arabic language programs are currently emanating from 28 transmitters located in 10 countries in the Middle East and Africa. In FY 2006, Radio Sawa began 24/7 broadcasting from four new FM transmitters in Iraq and from four new leased transmitters in Lebanon.

Expand audience reach in strategic locations in the Near East, South, Central Asia and Eurasia.

This regional performance objective includes three VOA divisions: Near East and Central Asia; West and South Asia; and Eurasia. It also includes all broadcasting by RFE/RL. Major accomplishments focus on the War on Terrorism and other areas of strategic importance where freedom and democracy are restricted or newly emerging. To accommodate additional TV newscasts in the Persian, Urdu, Dari/Pashto, Russian and Ukrainian services, VOA expanded its television production capabilities. Significant progress was also achieved for the Internet in the region by transitioning to a new content management tool that enables a more robust and comprehensive presentation of news and information and special news series.

Radio broadcasts of VOA Persian and Radio Farda are targeting younger listeners in Iran despite continued jamming by Iranian authorities. In a 2006 national telephone survey of adults inside Iran, 22.5% of respondents reported viewing VOA Persian TV during the previous week and 29% of respondents watched VOA Persian TV programs annually. Radio Farda initiated news programming and special coverage on the Hezbollah-Israeli crisis and the growing nuclear crisis in Iran.

Geared to reach millions of listeners in Pakistan between the ages of 15 to 39, VOA's *Radio Aap Ki Duniya* combines news, features, and music to introduce a fresh, new sound to South Asia. VOA's 30-minute prime-time television show, *Beyond the Headlines*, is on Pakistan's most widely watched satellite/cable television news channel. According to the national survey, *Radio Aap ki Duniya* and *Beyond the Headlines* have a combined national audience of more than five million. A new 800 kW medium wave transmitter became operational in Tajikistan in the first quarter of FY 2006 and improved transmission of VOA Urdu broadcasts into Pakistan.

Radio Free Afghanistan and VOA continue to rank as two of the top three international broadcasters in Afghanistan. VOA's Afghanistan Service continues to build on the success of its seamless daily 12-hour program stream in the Dari and Pashto languages. According to the national survey, 16% of Afghans viewed at least one VOA-produced piece on Afghan TV during the previous week. On August 14, VOA launched the initial phase of its new Pashto broadcasts to the 25 million Pashto-speakers living on the Afghanistan-Pakistan border. *Radio Deewa* (Light) programming includes a news hour with in-depth feature segments on international, regional, and local news, four top-of-the-hour newscasts, and music.

In FY 2006, RFE/RL improved coverage with the launch and promotion of television programs in Kyrgyzstan, Bosnia, Macedonia, Georgia and Ukraine, in partnership with local television where television is the most popular medium for news and information. RFE/RL has also fully embraced the Internet as a key delivery platform to increase delivery of its information products.

Elsewhere in the region, VOA Ukrainian provided extensive coverage of Ukraine's parliamentary elections in March 2006. Also, RFE/RL covered other major international stories that had special relevance to regional and local audiences, including the energy crisis in Ukraine, Russia and Georgia; negotiations between Armenia and Azerbaijan over the Nagorno-Karabakh dispute; avian flu; lessons learned on the 20th anniversary of the Chernobyl nuclear disaster; and the cartoon controversy in the Middle East. RFE/RL programs also bring together experts and ordinary people across regional and demographic lines to discuss contentious issues. Examples of such programming are the "*Caucasus Crossroads*" regional show broadcast to Armenia, Azerbaijan, Georgia, and Russia; and the regional program of the South Slavic and Albanian Languages Service.

Focus broadcasting to audiences of strategic priority in East Asia.

Despite continued obstacles to reach audiences in areas of jamming or government restriction, the BBG was able to expand its reach in this critical region of the world with particular attention to human rights conditions in North Korea and the security threats posed by North Korea's nuclear and missile activities. In August 2006, VOA and RFA changed their schedules to more popular broadcast hours. RFA also went to a two-hour live format, increasing original programming by 30 minutes. In FY 2007, RFA and VOA will increase the number of original hours of programming that is broadcast to North Korea.

The Chinese government is tightening control of the media, yet VOA and RFA continue to provide comprehensive reporting through in-depth coverage of U.S.-China relations, live call-in shows, local news, and a variety of new Internet-based techniques, including proxy servers and mirror websites sites, to circumvent efforts by the Chinese government to create an electronic firewall. VOA Tibetan's weekly 60-minute radio and television simulcast program, which includes a review of major international news and events of the week and a 40-minute live discussion and call-in segment, continues to provide an important forum for Tibetans inside China and other parts of the world. RFA is the only international radio station broadcasting news and information to China's far northwestern region, with a potential audience of 10 million Uyghur-speaking people.

The BBG continues to reach other areas in the region that restrict international broadcasting and press freedom. VOA and RFA broadcasting to Burma, Vietnam, Cambodia and Laos provides balanced coverage of both international and in-country news with enhanced or expanded programming and increased Internet use.

In 2006, VOA also continues to expand and diversify its programming to Indonesia, the world's most populous Muslim nation. VOA Indonesian currently delivers 65 hours and 45 minutes of radio and three hours and five minutes of television programming every week.

Target African broadcasting to areas prone to terror incidents, genocide or failed states.

According to a May 2006 survey commissioned by USAID-Harare – which sponsors VOA's popular daily *Studio 7* medium wave radio program targeted to Zimbabwe in English, Shona, and Ndebele – VOA's audience increased 300% since the last USAID survey in April-May 2005

(from 270,000 to more than one million listeners) despite signals being jammed in and around Harare.

VOA Hausa broadcasts reach out to a large audience in Africa. InterMedia research in 2005 indicated that more than 51% of Hausa speakers in Nigeria listen to VOA Hausa broadcasts on a weekly basis.

In April 2006, VOA's English to Africa Service launched a new, seamless four-hour program lineup for its African audience, providing millions of listeners across the continent with more in-depth local and world news, breaking news reports, and a broader range of topical features covering social and political issues, developments in science and technology.

Expand audience reach in strategic locations of Latin America.

Immediately following the announcement that Fidel Castro had temporarily given command to his brother Raul, VOA's Spanish Service extended its weekly radio call-in program *Hablemos con Washington (Let's Talk With Washington)*, from one to two hours, extended its daily radio program *Ventana a Cuba (Window on Cuba)*, from 30 to 60 minutes and for added coverage, VOA expanded its television news capsule *Desde Washington (From Washington)* from five to 10 minutes daily to provide more in-depth coverage of ongoing developments in Cuba. These TV programs are being carried by several major TV affiliates in Venezuela for VOA Spanish.

Radio Martí continues to enhance news coverage by expanding its network of experts on Cuban and international affairs and broadcasting three daily discussion programs. TV Martí also provides daily newscasts including special segments of interest to the audience, in-house programs and specials. TV Martí continues to produce programming for airborne transmission into Cuba.

On October 24, 2006, OCB's new airborne broadcast platform made its maiden broadcast flight with full operational capabilities, including the live TV satellite antenna. OCB is now broadcasting five hours per day, six days per week on the airborne platform.

Align essential support functions with broadcasting implementation strategies and performance goals.

Support functions throughout the BBG are dedicated to the broadcast mission in accordance with the agency's implementation strategies and performance goals. Under the direction of the CFO's Office, the agency has made significant progress in integrating performance goals, including annual objectives and measures, with budget requests and financial management. The BBG's 2006 Performance and Accountability Report (PAR) was submitted on time and the BBG received an unqualified opinion on the audit of all its financial statements. The BBG also continues its efforts to improve contracting and financial management functions.

To accomplish its mission, BBG requires an agile, skilled, diverse, and well-led workforce, shaped to respond to the agency's strategic goals and shifting priorities. Based on a comprehensive workforce analysis, the Federal Human Capital Survey, and a review of human capital plans and best practices of other Federal agencies, BBG developed a comprehensive, long-range Human

Capital Plan and Human Resource Strategies for providing the needed workforce. The plan includes specific strategies for shaping, recruiting, retaining, training, and leading the workforce to meet the agency's challenges and carry out its mission.

As an overall strategy for workforce needs, the action plan addresses competitive sourcing as appropriate to accomplish broadcasting initiatives. In addition, the agency has improved internal controls for compliance with the Federal Manager's Financial Integrity Act, instituted a single-source property management database, and met Federal-reporting requirements timely.

The centralized support functions of Engineering and Technical Services are essential to managing program delivery via the preferred media in targeted areas. To satisfy evolving requirements with the most effective technologies, the BBG must continually assess the effectiveness of its transmission network assets and make changes to meet new programming requirements, to serve priority audiences, and to satisfy media preferences.

The Office of Marketing and Program Placement (OMPP) actively works to ensure appropriate placement for BBG programs, and to market them effectively through advertising and promotional campaigns. For example, in Azerbaijan, VOA and RFE/RL lost their affiliation with the number one nationwide radio network (ANS), and VOA lost its FM frequency in Baku. To counter this setback, OMPP assisted VOA and RFE/RL in launching a joint 24/7 radio stream on 101.7 FM in Baku. OMPP also placed a VOA weekly 15-minute magazine show on Azerbaijan's State TV network on January 10, 2007. OMPP has also been instrumental in developing new rebroadcast affiliate relationships in West and Central Asia, India, Pakistan, Russia, China and the Middle East.

FY 2008 Annual Performance Objectives

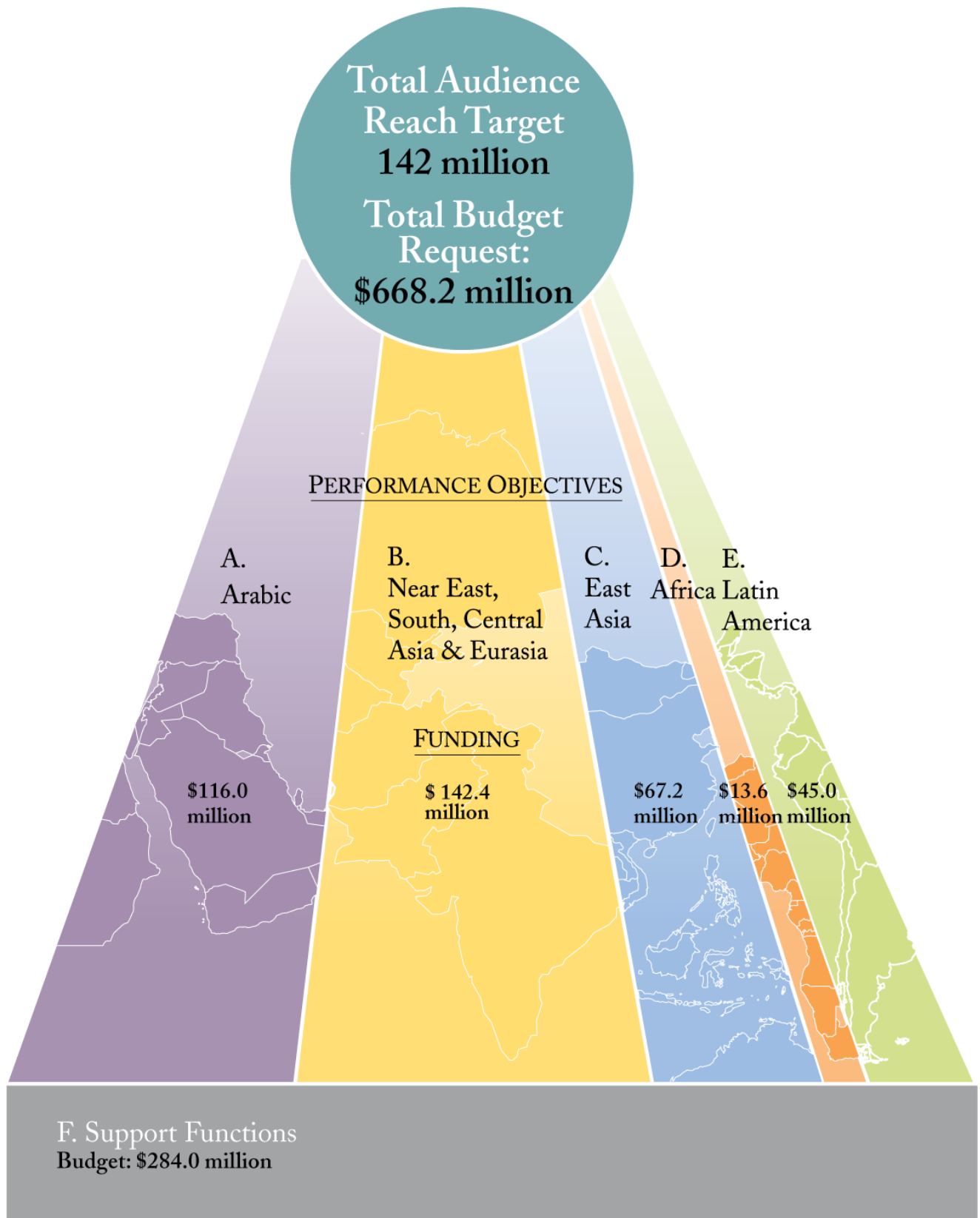
The BBG agency-level performance objectives and measures are further supported and linked to language service and support services performance plans that have action steps and detailed performance goals and measures. The language service plans are evaluated annually through the agency's Language Service Review process and all programs are evaluated by the Administration's PART process.

The following are the BBG annual performance objectives, including key initiatives supported by the FY 2007 and 2008 enhancements:

- A. Reach the Arabic speaking world.
 - Produce a daily 3-hour live Alhurra television program.
 - Expand overall news programming and increase reporting of local news.
- B. Expand audience reach in strategic locations in the Near East, South, Central Asia and Eurasia
 - Focus efforts to reach strategic audiences in Iraq, Iran, Afghanistan and Pakistan.
 - Continue efforts to place RFE/RL programming on UKV frequencies, which are popular frequency in Russia.
- C. Focus broadcasting to audiences of strategic priority in East Asia.
 - Establish a 10-hour coordinated stream of VOA and RFA daily programming to North Korea, including strengthening transmission capabilities to North Korea.
- D. Target African broadcasting to areas prone to terror incidents, genocide or failed states.
 - Sustain a VOA Somali Service to provide 30 minutes daily radio programming.
 - Broadcast local news in support of democratic reforms in countries with restricted press and political freedom.
- E. Expand audience reach in strategic locations of Latin America.
 - Add OCB transmission capability and enhance Radio and TV Marti programming to Cuba.
 - Add VOA Spanish 30-minute interactive music program to Cuba.
 - Convert from analog to digital all production equipment in the daily operation for TV Marti
 - Increase VOA programming and program delivery in Venezuela.
- F. Align essential support functions with broadcasting implementation strategies and performance goals.
 - Address BBG's most critical broadcast equipment maintenance and repair requirements.
 - Support all increases in programming with appropriate program delivery and administrative means.
 - Increase awareness of BBG programs in high priority markets through advertising and promotion.
 - Use research to identify appropriate target audiences; the preferred media, including TV; and the formats and content that would appeal to them.

- Maintain the firewall and continuously monitor programming quality in line with modern broadcast journalism principles through annual performance reviews of all broadcast services.
- Support the President's Management Agenda, including budget and performance integration and improved financial, travel and payroll systems.
- Maintain and retain a skilled workforce with training and awards.

FY 2008 *Linking Resources & Results*



For detailed explanation see table on next page.

Linking Resources and Results
 FY 2008 BBG Annual Performance Objectives
 (Funding and Audience Reach in millions)

| Performance Goals | Services | Audience (in millions) | | | |
|--|----------------------|------------------------|-------------------|-------------------|---------------------------|
| | | FY06 | FY07 | FY08 Base | FY 07 and 08 Enhancements |
| A Reach the Arabic speaking world | Radio Sawa | 20.8 | 20.9 | 20.9 | 0.5 |
| | Alhurra TV | 21.4 | 21.5 | 21.5 | 1.5 |
| | Radio Free Iraq | 3.5 | 3.5 | 3.5 | |
| | Total Funding | \$ 99,159 | \$ 97,194 | \$ 98,290 | \$ 17,675 |
| B Expand audience reach in strategic locations in the Near East, South, Central Asia and Eurasia | RFE/RL | 34.7 | 30.4 | 30.5 | 1.0 |
| | VOA Eurasian | 12.9 | 11.5 | 10.5 | |
| | VOA NE & Central | 4.9 | 4.5 | 4.0 | |
| | VOA W & S Asia | 31.8 | 33.0 | 34.5 | |
| Total Funding | \$ 132,731 | \$ 155,771 | \$ 141,446 | \$ 960 | |
| C Focus broadcasting to audiences of strategic priority in East Asia | RFA | NA | NA | NA | NA |
| | VOA | 13.6 | 14.5 | 14.5 | NA |
| | Total Funding | \$ 67,114 | \$ 65,603 | \$ 64,612 | \$ 2,858 |
| D Target Africa broadcasting to reach areas prone to terror, incidents, genocide or failed states | VOA Africa | 51.3 | 51.5 | 51.5 | 0.5 |
| | Total Funding | \$ 13,901 | \$ 15,349 | \$ 13,064 | \$ 600 |
| E Expand audience reach in strategic locations of Latin America | OCB | NA | NA | NA | NA |
| | VOA | 3.2 | 3.3 | 3.3 | 0.2 |
| | Total Funding | \$ 42,132 | \$ 39,663 | \$ 40,828 | \$ 4,137 |
| F Align essential support functions with broadcasting implementation strategies and performance goals. | Total Funding | \$ 317,772 | \$ 320,365 | \$ 278,063 | \$ 5,912 |

NOTES:

Performance objective A through E include all programming expenses to the region indicated, and expenses for program delivery leases, power, and parts.

Performance objective F includes expenses for BBG technical, administrative, and program support functions.

FY 2008 Enhancement Summary
Performance Goals and Targets

| Enhancement | Performance Goals | Performance Targets | | |
|---|--|---------------------|-------|-------|
| | | FY08 | FY09 | FY10 |
| Broadcasting to North Korea | 10- hour coordinated stream of VOA and RFA daily programming. Performance Measure: Cumulative Added Audience (in millions) | NA | NA | NA |
| Enhance Alhurra's Presence in the Middle East | Produce daily 3-hr program from the Middle East. Performance Measure: Cumulative Added Audience (in millions) | 1.0 | 1.5 | 2.0 |
| Targeting Extremism in Somalia | Sustain 30 minute daily radio programming (SW and FM). Performance Measure: Cumulative Added Audience (in millions) | 0.50 | 1.00 | 1.25 |
| Enhance Programming to Cuba | OCB - Add transmissions and enhanced program production. VOA – Add a 30 minute interactive music program to Cuba Performance Measure: Cumulative Added Audience (in millions) | NA | NA | NA |
| Protect Our Broadcast Capability | Performance Measure: Network Availability (%) | 99.5% | 99.5% | 99.5% |

Program Assessment Rating Tool (PART)

PART Results – Improved BBG Strategic Planning and Performance Integration

In FY 2002, the BBG put forward a new Strategic Plan and approach to international broadcasting that focuses on marrying the broadcasting mission to local media markets. The strategy lays out the primary long-term strategic goal and operational strategic goals linked to agency performance measures. A new strategic plan for 2008-2013 continues the roadmap to success, strengthens the budget and performance integration, and the approved framework informs the FY 2008 Budget Request. The BBG also continues to refine and explore new performance goals that can better measure overall impact and progress toward achieving the long-term outcome goal.

The Congressionally-mandated Language Service Review continues to be the foundation for making resource adjustments and setting strategic priorities at the language service level. The performance data gathered through this analytical process are common to the GPRA measures, internal Program Reviews and PART evaluations.

Since the PART began, the BBG has improved its ratings, due in large part to significant progress in strategic planning, budget and performance integration at all levels. The release of its first strategic plan since becoming an independent agency has served as the roadmap for the core strategy of “marrying the mission to the market” and individual performance plans have strengthened linkages to the mission, strategic goals and performance goals, which is a major section in the PART evaluation.

The agency’s goal is to integrate budget and performance information throughout all levels of the BBG. Previously evaluated programs look forward to similar ratings when re-evaluated in light of the improved strategic planning, budget and performance integration processes now in place.

Results of Prior Year PART Evaluations

Since the PART began, the BBG has significantly improved its ratings from “Results Not Demonstrated” in FY 2002 to “Moderately Effective” in FY 2003 and FY 2004 to “Effective” in FY 2005 and FY 2006.

| Year of Review | Programs Reviewed | Rating |
|----------------|---|---|
| FY 2002 | <ul style="list-style-type: none"> ▪ Broadcasting to Near East Asia and South Asia | <ul style="list-style-type: none"> ▪ Results Not Demonstrated. |
| FY 2003 | <ul style="list-style-type: none"> ▪ Broadcasting to Africa ▪ Broadcasting to Near East Asia and South Asia | <ul style="list-style-type: none"> ▪ Moderately Effective. ▪ Moderately Effective. Re-evaluation because of War on Terror and major enhancements for Alhurra Television. |
| FY 2004 | <ul style="list-style-type: none"> ▪ Broadcasting to East Asia and Eurasia ▪ Broadcasting to Near East Asia and South Asia | <ul style="list-style-type: none"> ▪ Moderately Effective. ▪ Moderately Effective. Re-evaluation due to continued priority on War on Terror and inclusion of additional language services in this program. Final score higher than previous assessment. |
| FY 2005 | <ul style="list-style-type: none"> ▪ Broadcasting to Latin America ▪ Engineering and Technical Services for International Broadcasting | <ul style="list-style-type: none"> ▪ Effective. ▪ Effective with 100% score. |
| FY 2006 | <ul style="list-style-type: none"> ▪ Programming Support for International Broadcasting ▪ Audience Development for International Broadcasting | <ul style="list-style-type: none"> ▪ Effective. ▪ Effective. |

PART recommendations

OMB’s recommendation that the BBG ensure that funding for each of the PART programs be explicitly linked to the accomplishment of relevant performance goals has been accomplished since the FY 2006. Another recommendation is to implement additional performance measures that capture the quality and credibility of the radio and television programs. The BBG added an

agency-wide measure of “credibility” (percent of the audience assessing BBG news and information as trustworthy or very trustworthy) and is now reporting radio and television results separately. We continue to explore and test specific Internet and television performance measures. The recommendation to revise the current agency strategic plan to build on a market-based approach to broadcasting will be completed with the issuance of the new BBG Strategic Plan covering 2008 - 2013.
