

## CONDUCTING DIPLOMACY IN A GLOBAL AGE

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THURSDAY, MARCH 1, 2001

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Committee met, pursuant to call, at 11:20 a.m. in Room 2172, Rayburn House Office Building, Hon. Henry J. Hyde (Chairman of the Committee) presiding.

Chairman HYDE. I am please to convene this hearing on the personnel needs of the State Department. It is important for Congress and the Department to rethink its personnel operations from recruitment to hiring practices, to training its people with the tools, skills and managerial competence to handle an increasing number of complex tasks.

State's personnel system was designed for the Cold War and has not been changed since the fall of the Soviet Union. Several recent studies, including the Overseas Presence Advisory Panel and Frank Carlucci's task force on the State Department reform, declare that change must occur at the Department, and any modernization must include the personnel systems and structure. Human resources issues deserve priority attention so that the Department can better carry out the foreign policy of this country.

There have been many, many changes in our world over the last half century. Communications technology has changed, the world of diplomacy has changed, the work environment has changed, and perhaps it is time for the Department's personnel systems to change as well.

The State Department must also determine its objectives and policy priorities so it can staff the overseas posts and Washington appropriately. The changing work force and the demands of two working spouses must be recognized in a modern State Department.

Developing a work force plan for the State Department that addresses both the Civil and Foreign Services should be considered as soon as possible. It is even more difficult given the complexity of managing a transient work force.

We stand by ready to be of help to the Department as it advances these issues, and I hope the new Administration and the employees will seize this prime opportunity to make the changes. We look forward to receiving the Department's work force plan report and the testimony of today's witnesses.

I now yield with pleasure to the Ranking Minority Member, Mr. Lantos.

[The prepared statement of Chairman Hyde follows:]

PREPARED STATEMENT OF THE HONORABLE HENRY J. HYDE, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF ILLINOIS, AND CHAIRMAN, COMMITTEE ON INTER-  
NATIONAL RELATIONS

I am pleased to convene this hearing on the personnel needs of the State Department. It's important for Congress and the Department to rethink its personnel operations—from recruitment and hiring practices, to training its people with the tools, skills, and managerial competence to handle an increasing number of complex tasks. State's personnel system was designed for the Cold War and has not been changed since the fall of the Soviet Union.

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I now yield to the ranking minority member, Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman. Let me commend you for holding this hearing, which is an extremely important one. We on our side look forward to working with you on seeing to it that our Department of State is up to the task in the 21st century.

Let me also extend my praise and commendation to Secretary Grossman, who has served our nation in a variety of very important capacities with such extraordinary distinction. We are looking forward to Senate confirmation in his new position where he will follow in the footsteps of some of the giants of American diplomacy like Secretary Eagleberger and Secretary Pickering, and I am sure you will do that extremely critical assignment with equal distinction.

I also want to commend Secretary of State Colin Powell for fighting the most egregious cuts proposed by the Office of Management and Budget, but it is obvious that Secretary Powell will need considerable help from us because the President's international affairs budget is a profound disappointment. It is less in real terms than the amounts appropriated for fiscal year 1999 and fiscal year 2000. It is below the estimate of the Congressional Budget Office as to what would be needed to maintain current services as a minimum level.

The President did not provide many specifics in his budget proposal. I simply fail to see how Secretary Powell could achieve the increases he seeks in the Department of State operations without cutting funds for other important programs and agencies. Should that be the plan, we will strongly oppose that.

By the time the State authorization bill is completed, Mr. Chairman, it is my intention to insure that we provide considerably more

than the President is proposing for Embassy security, considerably more for information technology upgrades than the President, as we understand it, will propose and significant new resources for recruitment, training and improving the quality of life of our State Department personnel.

Our State Department is our first line of defense. I welcome the President's comment that he wants to improve the quality of life in our military. He wants to devote more resources to our military, but I profoundly deplore his failure to take a similar attitude vis-a-vis our diplomatic service. Diplomatic service has been starved for years.

I had expected that with the coming of Colin Powell with all his charisma and authority he would be able to fight the intents of OMB to squeeze this operation. Apparently he was only very partially successful, and we on our side, Mr. Chairman, will do our best to assist the Secretary of State to fund the resources of our diplomatic service at an adequate level. At the hearing we will have with the Secretary of State we will have a concrete proposal to make.

I want to thank you, Mr. Chairman, again for holding this hearing. I want to welcome our witness.

Chairman HYDE. Thank you, Mr. Lantos.

I want to welcome Mr. Marc Grossman, who is the Director General of the Foreign Service and the Director of Human Resources at the Department of State. Mr. Grossman is a 25 year veteran of the Foreign Service, and his assignments have included being the U.S. Ambassador to Turkey, and most recently he was Assistant Secretary for European and Canadian Affairs.

He has been leading the reform agenda within the Personnel Bureau, and we look forward to his review of those reforms and thoughts on the future of the Civil and Foreign Service at the State Department.

We appreciate your willingness to meet with the Committee today on these important issues. If you could summarize your statement, the full statement will certainly be made a part of the hearing record.

Mr. Grossman?

**STATEMENT OF THE HONORABLE MARC GROSSMAN, DIRECTOR GENERAL OF THE FOREIGN SERVICE AND DIRECTOR OF HUMAN RESOURCES, U.S. DEPARTMENT OF STATE**

Mr. GROSSMAN. Mr. Chairman, thank you very much for your kind words, and Mr. Lantos for yours. I am delighted to see so many old friends on the Committee and to have met new Members of Congress as well. Thank you very, very much for listening to me today.

I am very pleased to be here to report to you on the management of human resources at the State Department, and I very much intend to take the Chairman's offer and Mr. Lantos' offer to tell you about the reform efforts that we are trying to proceed at the State Department because, as the Chairman said, it is time now to rethink how we do business in the personnel and human resources area of the Department.

With your strong support, I think we can continue work that we have begun and move forward in this very important area. I should say that, without the support of this Committee, anything that we do really will not be possible, and so I very much appreciate this chance. I hope that you will find what I have to say here today both convincing and exciting so we can move forward together.

May I also say, and perhaps this is not my place, but I want to say it anyway, that I think it is a great thing that you all have invited representatives from the American Foreign Service Association and from the American Federation of Government Employees to testify here as well because when I show you a chart about some of the things that we have accomplished I want you to know that we have accomplished them very much in consultation and in coordination with our colleagues in AFSA and in AFGE, so I thank you very much for doing that as well.

As the Chairman said, the news right now is full of all of the studies of how we should change things at the State Department. Speaking for myself, I welcome all of this attention. The attention that we are getting at the Department right now is very, very helpful to us.

For our own purposes, of course, where we started, the most recent round of reform efforts started when Secretary Albright asked for the study that McKenzie & Company did on the State Department and she then convened the Overseas Presence Advisory Panel, both key parts of our reform effort.

At the Chairman's direction, I am going to focus today on the chapters that have to do with human resources from the Overseas Presence Advisory Panel. Obviously there are lots of other parts of OPAP, and other of my colleagues are better suited to talk about this, but I will focus in today on the human resources aspect of this.

Before we start our conversation, Mr. Chairman and Mr. Lantos, I think there is one important thing to say, and I want to say it out loud. You both have already talked about it. Whatever we talk about here today, however we rethink the business that we do, whatever suggestions that we make, we ought to stop and recognize that we have got great people who work at the State Department.

People who are in the Foreign Service, people who work in the Civil Service, people who work as Foreign Service Nationals are, as you both said, America's first line of defense. They work hard. Many live in some very difficult places. They produce every day for the Department.

As I have been saying in speeches, the State Department might not have satellites or ships or tanks or guns or planes or, as you are going to see today, Power Point, but we have great people, and those people really, really deserve our support, so this is a time of which I am particularly proud to be the Director General of the Foreign Service and Director of Human Resources at the State Department.

You both have referred to Secretary Powell. On the day he entered our Department, as he walked into C Street one of the things he said was that he was going to be the President's foreign policy advisor, but also the leader of the State Department, and he has

mandated the direction in which we should pursue reform, which is to fix things at the State Department one thing at a time.

One of the things I asked when I became Director General with all of your support 10 or 11 months ago, was to change the name of the Bureau of Personnel to the Bureau of Human Resources.

Why we wanted to do that was to follow the very first of OPAP's recommendation, and that first recommendation was stop thinking in terms of personnel and start thinking in terms of the kinds of requirements that you have to actually mandate in human resources, to change attitudes at the Department toward people, and that is something we have tried very hard to do.

As Chairman Hyde said, our goal today is to try to manage these foreign relations and do our human resources in an entirely new environment. As he said, our world is changing, and diplomacy is changing as well.

Again, in that very first town meeting that Secretary Powell addressed he said there are many new opportunities and new challenges for the United States in the international system, and so seizing these new opportunities and confronting the new challenges are going to be the work of 21st century diplomacy. As you all have said, Americans have a first line of defense, and that is America's diplomats.

I was thinking as the Chairman was speaking about the ways the State Department ought to change. Here is my list. I think if we are going to succeed in the 21st century the State Department has to keep changing from an organization whose job it was to observe and to report into one that very actively manages America's foreign policy, tells America's story, promotes America's interests, sells America's goods and confronts new dangers.

I can tell you that in thinking about the human resources aspect of this, that just as we are changing our goals and changing our job and confronting new challenges, we are also confronting a whole new generation of people who we want to become the diplomats of tomorrow.

I can tell you without fear of contradiction that we are in a war for talent, and it is a war for talent that we fight every day. It is a war for talent that we fight with other government agencies and with the private sector, but we want the very best people to come into the State Department to be in the Foreign Service and to be in the Civil Service.

Let me give you a take on my new colleagues. I spend a lot of time speaking to junior officer classes. They are sure a lot smarter than I was. Maybe that does not mean exactly brain power, but they have done so many other things.

I was born and raised in California. I had not really traveled very much. The people we are getting in now have been everywhere and have done a lot of new things, and that makes a big difference to the way we recruit them. They are certainly more technologically adept than I was. They are a lot less interested in hierarchy than I was, and they want a better balance between their work life and their family life, and they want more professional education, they want more training.

So in this war for talent it is not just enough for us to put up our shingle and say come on down and join the State Department.

Be a member of the Foreign Service. Be a member of the Civil Service. It is important now that we actively go out and seek the kind of people that we want.

To win this war for talent, Mr. Chairman, I would say we have to do several things. First, we have got to change the way that we recruit. We need to change because we need to have and follow the best practices of what is going on in other parts of the government, in other parts of the private sector, and we need to prove to people that a career at the State Department is as rewarding, full of opportunities and challenging as any of the professions that they might choose, both inside government and outside of government.

There is another reason that we need to do a better job of recruiting, and that is because we need to develop the most diverse work force we can possibly have to represent the United States of America. Diversity for us is an absolute top priority.

We have made some progress, but we need to do a lot better.

Last December, with Secretary Powell in attendance, Secretary Albright signed principles of cooperation between Howard University and the State Department. I will say, Mr. Chairman, that we owe special thanks to Congressman Rangel and also Congresswoman Norton for helping us make what has been a longstanding relationship with Howard University more formal.

Another area we have tried very hard to focus on again with Members of this Committee and Members of the House is trying to recruit more Hispanic Americans to be part of the State Department. We now have a Hispanic recruiting action plan and a retention plan for Hispanic members. Congressman Menendez, Congresswoman Roybal-Allard and Congressman Serrano have really been key in helping us achieve these tasks.

Secondly, we have to focus on quality of life issues. The Chairman mentioned more jobs for spouses, better balance between work and family. These are all things we need to pay attention to, and in fact Secretary Powell chose two of those issues to highlight in his first days as Secretary of State.

Third, we need to emphasize professional development. If we intend to be capable of dealing with the challenges of the 21st century, people are going to have to be trained and get professional education in a whole new way.

Fourth, we have to change the way that we work. One of the things I saw in the President's budget request for 2002 was the argument that the State Department needs to look forward and change the way people work and empower people on the line to do the jobs that are required.

Mr. Chairman, we have seized the OPAP report as our vehicle for change at the State Department, and these are the recommendations that OPAP made to us about what we ought to do. With your permission, I would like to show you a chart about some of the progress that we have made.

I will not take you through it. In my written testimony under each one of these categories you have all of the things that we have done. I know it is kind of—I did not know you all could do Power Point here, so the next time we come back we will do this more technologically.

These are the areas that OPAP said we needed to work on. I do not say that we have captured every single one of these charts as one of the things that we have accomplished, but you can see that in every area we have made progress. We are working on quality of life. There are new areas of training both for Foreign Service and Civil Service. We are trying to redefine the role of reporting in 21st century diplomacy.

As I say, we have got to change the way we recruit, and so we are changing the way we view Foreign Service examination. There is a huge effort going underway in information technology modernization, and down there under work force structure we have a very, very important set of initiatives going to help Civil Service people get overseas and be part of the whole environment of the State Department.

As I say, we have taken OPAP as our guide. We have seized this as our way forward. The reform program that we have pursued and any progress that we have gotten into so far is really only the beginning. It is a down payment. It is only starting our effort.

There is an interesting book that I read some months ago called *Blown to Bits* by a couple of people from the Boston Consulting Group. Their pitch is this. The future winners will not be players who understand the end game because there is no end game. The winner is the player who sees one or two moves further than competitors, and the only sure loser will be the fast followers, because fast followers will always be too late. We want a State Department that is a leader in this area and not a fast follower.

Mr. Chairman, Mr. Lantos, you both were nice enough to refer to President Bush's visit to the State Department. I think I would like to just end my short statement on that visit. He came to the Department, stood at C Street, stood in front of the large number of plaques that we have which honor the over 300 of our colleagues who have given their lives in the line of duty, and he talked a lot about the inspiration that this was for him and the support that we were going to need in the future.

I know that I can count on you to give us that same kind of support as we try, as the Chairman said, to rethink the way that we do business.

I would be glad to take any questions that you might have.

[The prepared statement of Mr. Grossman follows:]

PREPARED STATEMENT OF THE HONORABLE MARC GROSSMAN, DIRECTOR GENERAL OF THE FOREIGN SERVICE AND DIRECTOR OF HUMAN RESOURCES, U.S. DEPARTMENT OF STATE

Mr. Chairman and members of the Committee, I am pleased to be able to report to you today on the management of human resources at the Department of State.

I very much appreciate the Committee's interest in the people of our Department. Without your support, improvements in our human resource management would not be possible.

May I also say how much I welcome your invitation to AFSA and AFGE to testify today. We have worked closely with them on many of the initiatives I will highlight today, and I want to say on the record that I appreciate it.

The news is full of outside studies about how to reform the State Department. We are glad for all the attention. Inside the Department, our most recent reform efforts were initiated by former Secretary Albright. She commissioned the McKinsey Study and convened the Overseas Presence Advisory Panel (OPAP).

At your direction, my focus today will be on the OPAP Report's chapters on human resources. I cannot speak for the Department on other parts of our reform

efforts that are handled by colleagues who have a far better grasp of the challenges in their areas of responsibility.

Before we start our conversation, let me be clear about one thing: you should be proud of the people who work at the State Department. Our Foreign Service, Civil Service, and Foreign Service Nationals are America's first line of defense. They work hard. Many live in dangerous places. They produce every day for America. The State Department may not have tanks, ships, planes, or satellites, but it has great people. So I am proud to be the Director General of the Foreign Service and Director of Human Resources of the State Department.

As soon as he entered the Harry Truman Building for the first time as Secretary of State, Secretary Powell said he would be the leader of the Department as well as the President's foreign policy advisor. The Secretary has mandated our reform direction: to start fixing things in the Department "one by one by one."

When I became the Director General last June, I asked Secretary Albright if we could rename our Bureau of Personnel to the Bureau of Human Resources. "Human Resources" better captures our challenge in areas such as talent management and improving quality of life for employees. It also reflects a key theme of the OPAP Report, that we need to move away from personnel management to develop policies and attitudes oriented towards human resources management if we are to support our nation's foreign policy.

Today we support America's foreign policy in an entirely new environment.

#### THE WORLD IS CHANGING

Our world is changing and so is our diplomacy.

In his first Town Hall Meeting in the Department, Secretary Powell talked about the emergence of a new international system with the United States at its center. With all the opportunities for the United States in this new system, the Secretary cautioned us about the "new kinds of threats, transnational and cross-cutting: weapons of mass destruction, drugs, international crime, or regimes that haven't gotten the word."

Seizing the new opportunities and defending against the new threats is the challenge of 21st century diplomacy.

#### DIPLOMACY IS CHANGING

In that first town hall meeting, Secretary Powell also described the new front line of U.S. national security. He said, "In this new world, where we don't have the Red Army about to come across the Fulda Gap, those front-line troops who used to be on the border are no longer soldiers, they are now our colleagues at the embassies."

Our diplomats are America's first line of defense.

If we are to succeed in the 21st century, the State Department must keep changing from an organization whose main job was to observe and report to one that actively:

- manages America's foreign policy,
- tells America's story,
- promotes America's interests,
- sells America's goods, and
- confronts new global dangers.

#### DIPLOMATS ARE CHANGING

Just as the issues we are dealing with today are not the same as 25 or 30 years ago, the people who become diplomats today are not the same as when I joined the foreign service. We are in a "War for Talent."

Here's my take on our new colleagues: They are smarter than I was. They are more technologically adept. They have more career choices. They want more training. They are not as willing to accept hierarchy. And they believe in the need for a better balance between work and family.

To win the "War for Talent," we will have to do several things:

- First, we must improve the way we recruit. We need to follow best practices of the government and the private sector. We need to show that a career in the State Department provides as much challenge, opportunity, and recognition as careers with our competitors.

We must do a better job of recruitment because we need a more diverse workforce that fully represents America. Diversity is a top priority. While we have made some progress, we must do better.



Last December, with Secretary Powell in attendance, Secretary Albright signed the Principles of Cooperation between Howard University and the Department of State. We owe special thanks to Congressman Rangel and Congresswoman Norton for their support and leadership in making our long-standing relationship with Howard University even stronger.

We are equally pleased to have moved forward on implementing the Hispanic Action Plan for the Recruitment and Retention of Hispanics in the State Department. We have developed a recruiting calendar for 2001 and are now participating in the intern program of the Hispanic Association of Colleges and Universities. We thank Congressman Menendez, Congresswoman Roybal-Allard, and Congressman Serrano, the creator of the Serrano Scholars Initiative, for their crucial roles in steering our efforts in the right direction.

- Second, we must focus on quality of life issues. We need to find more jobs for spouses overseas. We need a better balance between work and family.

Secretary Powell has already moved to improve the quality of life of State employees by funding a pilot program to help our employees' spouses find meaningful employment on the local economy at our posts in Mexico, and by mandating the establishment of an interim child care facility at the Foreign Service Institute.

- Third, we need to emphasize professional development. We can't expect our people to meet the new challenges facing America without training. It will not surprise you that grooming leaders for a 21st century State Department is a priority for the Secretary. Led by our colleagues at the Foreign Service Institute, we will change attitudes toward professional education in order to develop a 21st century workforce.
- Fourth, as outlined in the President's 2002 budget document, our foreign policy can be made more effective by empowering highly talented and motivated foreign policy professionals. We will empower line officers to be at the center of foreign policy.

#### WE ARE CHANGING

We have seized the OPAP Report as our vehicle for change in Human Resources. The seven human resource recommendations of the Report serve as our checklist for reform.

#### OPAP PROGRESS

Here is a status report on our work on the main human resource OPAP recommendations:

##### *Developing a Comprehensive Human Resources Strategy*

- Our Diplomatic Readiness Plan defines our added human resource requirements to make us whole as an organization: to close extended staffing gaps, to allow full training cycles, for crisis management staffing and details to other agencies, and to improve our leadership and management skills.
- We still do not have a badly needed Department-wide, comprehensive staffing model. Our Overseas Staffing Model addresses our overseas needs, but there is no counterpart for the domestic side. We will develop a domestic staffing model to complete our workforce plan within the next 12 months.

##### *Improving the Quality of Life for Overseas Employees*

- During the next eight months, the Department's Family Liaison Office (FLO) will run a pilot program for establishing family member employment networks and placement support for our posts in Mexico. If successful, this effort would then be replicated for our posts worldwide.
- The Foreign Service Institute (FSI), the Bureau of Administration, and the Bureau of Human Resources are planning an interim child-care facility for start-up at FSI in the summer of 2001.
- We plan to introduce a less complicated, more user friendly electronic official travel management system worldwide over the next 12 months.
- We want to create a fully computer-based Foreign Service bidding and assignments information system. This system will allow assignment bids to be submitted and assignment status to be accessed directly from every American employee's computer terminal around the world.

*Expanding Training*

- Together with our colleagues at the Foreign Service Institute, we have set training milestones for leadership/ management designated positions. Upon assignment, we now identify employees in these categories and automatically place them in appropriate training.
- Over one thousand Civil Service employees have signed up for our Leadership Competencies Development Initiative to prepare for opportunities created by retiring “baby boomers.”
- Security is an individual responsibility. Our Bureau of Diplomatic Security has developed, and we have instituted, a new security accountability program (in effect as of 10/1/00).

*Reshaping the Reporting and Policy Functions*

- FSI plans to spearhead the reshaping of our workforce through expanded training for all officers as well as our senior leadership—Ambassadors, Assistant and Deputy Assistant Secretaries, Deputy Chiefs of Mission and Principal Officers.
- The Institute’s emphasis on this training will be on building expectations for operational and program management and leadership skills in a dynamic and non-traditional foreign affairs environment.
- In the course of this new training emphasis, we will actually re-define the model of a 21st century diplomat:
  - They will not only speak foreign languages, but be masters of intercultural communication.
  - They will be good managers, who know how to inspire excellence and give people the tools to reach their fullest potential.
  - They will understand the crosscutting global issues that affect all nations and respect no borders.
  - They will be masters of public diplomacy and use it to advance American interests with countries around the world.
  - They will be skilled negotiators who deal effectively with governments, the media, NGOs and others in the private sector.
  - They will keep up to date on the latest communications technologies and be able to use them to improve their bottom line efficiency and effectiveness.
  - They will practice the principles of preventive diplomacy and international peace operations.
  - And they will operate in a modern work atmosphere—one that rewards creativity, promotes innovation, empowers individuals, rewards achievement and demands accountability and excellence.
- We are not there yet, but all of our training, recruiting and human resource management reforms are aimed ultimately at creating a culture of management and leadership designed to produce the best possible product for the American people.
- This is our vision of the modern State Department professional.

*Improving Recruiting and Promotions*

- We need to increase our recruiting and advertising budget. We need to focus on diversity. We need to be smarter about how we recruit and market ourselves.
- We need to speed up the process. Next year, we plan to give the Foreign Service Written Examination twice a year, instead of once.
- We are going to experiment with “un-blindfolding” of elements of the Foreign Service Oral Examination. Our objective is—in line with a number of academic studies of best practices of other foreign affairs agencies—to allow examiners to know more about applicants’ backgrounds before recommending employment decisions.
- We have developed a voluntary “360-degree” manager evaluation system designed for management self-improvement. A pilot project with seven overseas missions and three domestic bureaus is starting this month. The project provides for confidential feedback from multiple sources (peers, subordinates, and customers).

- We want to consult again with the American Foreign Service Association about removing the time-in-grade requirement between Foreign Service promotions to allow faster advancement.
- Since October 1999, we have had in place a new language incentive program that provides for monetary rewards to employees who serve repeat tours in incentive language countries.

*Encouraging Knowledge Management in the Posts*

- We must review current document classification, technology, and work practices to set communications standards for the future.
- We must make the information technology infrastructure of the Department state-of-the-art. We are not yet there.
- Plans call for modernizing our information technology systems and putting the Department's unclassified network and Web browsing Internet access on every employee's desktop worldwide.
- Our Bureau of Information Resource Management also plans to get our classified network to every American employee who needs it worldwide.

*Tailoring Workforce Structure*

- We want to create better synergy between Foreign and Civil Service jobs in the Department and establish a senior Civil Service/Foreign Service rotational tour program for domestic positions.
- The Department has implemented new compensation incentives for "Most Difficult to Staff" posts and for hiring and retaining information technology professionals.
- The Department's new Civil Service Mobility Initiative (CSOMI) provides excellent career opportunities for Civil Service employees at grades GS-12 through GS-15 to serve at overseas posts for two-year tours of duty.

MORE TO BE DONE

Our reform progress so far is only an installment in an ongoing effort. In a book they call *Blown to Bits*, authors Philip Evans and Thomas Webster say, "The future winners will not be the players who understand the end game. There is no end game. The winner is the player who sees just one or two moves further ahead than the competitors." The authors go on to say, "The only sure loser will be the fast follower. Fast followers are always too late." We want the State Department to be a leader, not a fast follower.

REFORM AND RESOURCES

You asked me to come here today to report on our progress in implementing the OPAP recommendations. Linked to our reform efforts are of course resource needs. You will understand that I am not in a position to talk budget figures to you here today. Secretary Powell will speak to the Department's needs with this committee and your Senate colleagues next week.

The Secretary has the unqualified support of the State Department team. The Secretary has said that he will fight for us so we in turn can work effectively for America. Supporting him is now our responsibility and we will live up to his expectations. After all, no one wants to do push-ups!

Exactly two weeks ago at the State Department, President Bush stood before the plaques of names commemorating 300 of our colleagues who have fallen in the line of duty. The President spoke of "bitter reminders of the dangerous times we live in" and the example of these American heroes that inspires us. He described himself and Secretary Powell as the constituency some claim the State Department does not have. Mr. Chairman and members of this Committee, I count you among that same constituency.

I look forward to responding to your questions.  
Thank you.

Mr. BEREUTER [presiding]. Thank you very much, Ambassador Grossman. We will proceed under the 5 minute rule.

I want to congratulate you first on the new position I believe you will be soon assuming.

I noted with great interest that Secretary Powell was greeted with a hero's welcome when he arrived in the Department on several successive days. He can indeed build morale there dramati-

cally among the civil servants, the Foreign Service officers, all the people that work at the Department.

I would say to our colleague from California, the Ranking Member, the way that he suggests for proposals could well include those of us on this side of the aisle as well, and so we may be able to move forward in a bipartisan fashion in a more dramatic increase in assets available to the State Department.

I noted that the Secretary described what he saw when he arrived at the Department as he realized there were some deficiencies in funding and many other areas, but did not realize that the rations were really quite that short, to use his terminology.

I have a couple of very specific questions I am going to pose for you very briefly and see if you can respond to them now or in the future. First of all, I would ask the question whether or not most of the personnel reforms can be done without legislation. For those that cannot, do you expect to be sending forward a specific legislative request? I encourage you to do so for those items that are not possible to be done without legislation.

Next, the diplomatic readiness document prepared by your bureau identifies the need for 1,002 positions to fill all obligations, but historically I have noted, and there is documentation, the Department has had top people walking the halls not doing what they are capable of doing because they do not have enough senior level positions here in the Department when these diplomats, Foreign Service officers, return to the United States and to the capitol. How would that problem be addressed in light of such a large proposed ramp up?

Finally, the President's blueprint for the State Department says an effort will be made to delayer the bureaucracy by reducing the number of middle management positions. My question would be will that reduction be a mix of Civil and Foreign Service officers?

Try your hand at those, Ambassador.

Mr. GROSSMAN. Mr. Bereuter, thank you very much for all those questions.

If I could just first of all comment on the way that Secretary Powell has been received, because I think there is a very important subtext here. He has been received extremely enthusiastically, and rightly so.

What we have been trying to tell people at the State Department, though, is let's make sure we understand who has the burden here, and that is that we do not want to make it seem like somehow Secretary Powell has to live up to our expectations. The job really for us is to live up to his expectations, and I think that is going to be a very important thing to watch about the Department over the next few weeks.

Secretary Powell I think is going to open a door for us to walk through in all of the areas that you just talked about, sir, about empowerment and making sure people have got real jobs to do, and it will be up to the Department I think to walk through that door, so I hope that is something that you and I will be able to keep an eye on together.

In terms of your specific questions, let me try and take them in turn. First, I think there are going to be some reforms that will require changes in legislation. There is an effort underway at the

State Department now to respond to requests from the Office of Management and Budget, which is, of course, responsible for proposing those changes, to make some propositions. Yes, I think we will.

I cannot tell you obviously in exactly what areas, but if you look over the whole way that all of us are thinking about change, some of those are going to require the help of this Committee and the help of colleagues in the Senate, so you can expect to see a package of changes. Let me say for myself anyway I hope that you will be able to see that.

The second thing. In terms of the diplomatic readiness book, I think, sir, that your problem or our problem is really not so much with hall walkers. I know that that is something that people talk about at the Department, and it might have been true maybe 10 or 11 years ago, but senior people right now with few exceptions are really pretty much fully employed.

Our problem is this. From the days of the early 1990's, we went 4 years without hiring anybody. Now, somebody made that decision for good reasons, but what we are now faced with is jobs all over the world that go begging, and so our diplomatic readiness needs was our way to talk about what was required.

If you look at the chart we have put in there, we have tried to hit all of the areas that the Chairman talked about. More need for training, making sure that people have the opportunity to get the kind of language and non-language training that they need. The Department is never going to survive unless we pay more attention to training people for leadership in management, and to do that you have to have enough people to do it.

I will tell you an anecdote. Secretary Powell and I were talking the other day about our very different careers. Marc, he said, how much training have you had in your 25 years in the Foreign Service? I told him that language training aside—I have been trained in language twice—I have had 2 weeks of professional education. He looked at me, and he said you know, in 35 years in the Army the Army gave me 6 years of professional education.

I do not think we are going to survive this or really be able to meet the need of 21st century diplomacy unless we kind of get some flex here so that we can get some people trained.

Third, we want very much to try to focus in on this question of delayering. Part of it is going to be giving people real work to do. What value do they add? Secretary Powell has said that the job of bosses at the State Department now is to make sure that the people who work for them are empowered and can go forward.

A specific answer to your question is going to have to wait for a little bit more guidance from the Office of Personnel Management and OMB as to exactly what they want, but we are ready I think to relook at our ways of doing business.

Chairman HYDE [presiding]. Thank you.

Mr. Lantos?

Mr. LANTOS. Thank you very much, Mr. Chairman.

I would like to raise at the outset, Mr. Ambassador, some philosophical questions. Your comment about how much more training Colin Powell had than you during two distinguished and parallel careers, one in the diplomatic service and the other in the military,

brings to mind the distinction at Stanford University in my neck of the woods where students are divided into two categories. There are the techies, and then there are the fuzzies.

The techies have very precise requirements. You do not become an electrical engineer or a chemical engineer without doing all of these things. The fuzzies, in the liberal arts and other areas, are treated somewhat differently.

Now, it seems to me that as we look at the record the State Department has been treated over several Administrations really as an orphan, and I think it was Secretary Albright who indicated, and correct me on my figures, that between the 1980's, mid 1980's, and the late 1990's there was some 40 or 45 percent reduction in the real resources devoted to our diplomatic function.

As a matter of fact, I think I have it right here. Secretary Albright said that the international affairs budget declined in real terms by 41 percent between 1985 and recent times.

Now, this is an appalling fact, and if you couple this with the obvious and observable phenomenon that the cream of the crop at our best institutions who used to die to get into the State Department because that was the most noble and most satisfying and most exciting and most interesting job, in recent years these people have gone into venture capital, dot coms, investment banking and the top law firms in the private sector.

So it seems to me that we cannot just deal with very minor manicuring adjustments of how you take care of your human resources. On the one hand we have dramatic changes in the functions to be performed. I remember when one of the main functions of a Foreign Service officer was to do reporting. Well, with the internet certainly there is not much to report about local media because you can get the local media at your desk here in Washington instantaneously.

Therefore, the untold months and years spent on reading the local newspapers and translating them into English and shipping them to Washington, these are functions which are sort of quaint and cute, but have no relevance to what the diplomatic work is today.

I really would like to ask you to address the fundamental restructuring which clearly needs to be undertaken. Many, many functions will have to be centralized in the United States because they can be done far more efficiently, far more economically and in a qualitative sense at a far superior level than doing them out across the globe.

But the people we send out will have to have quality of life opportunities that will make them turn away from the quick millionaire approach of the dot coms and the investment bankers and the venture capitalists so they will again find it most exciting to represent the United States of America whether in Peru or Portugal with pride and with competence and with a feeling that they can deal with real issues and not with bureaucratic paperwork.

Are you ready to sort of at least tackle it?

Mr. GROSSMAN. I do not know if I am prepared to tackle it. I am certainly prepared to agree with what you said. You offer this opportunity for me to respond philosophically and I will if that would be acceptable.

First let me say, just for the record, you are very nice to say that, but I certainly would not put my career on a parallel with Colin Powell's. I just want to make sure that that distinction is clear.

The other thing I am not going to go anywhere near is to try to define whether people in the State Department are techies or fuzzies. I will also leave that to you, Mr. Lantos.

In terms of the philosophy that you put out, exactly right. I mean, what I have been trying to ask everybody is: Exactly what is the value added of the State Department? When you go abroad and represent your country or you represent your country here in the United States, what is your value added?

What it comes down to, to me, is that diplomats, the first line of defense, provide two very important things on a day to day basis. They provide context and integration. They are able to say to the other people in our government: If you would like to get something done in Greece, in Turkey, in Kazakhstan, in Italy, in England, here is how you do it. They provide context. They also provide integration for all of the wonderful Federal agencies that work abroad today.

I am not one of those people who says we ought to chop it back until only the State Department is overseas. I think that would be wrong. I think it would be bad for our country. The State Department is what integrates our foreign policy so that we are achieving the President's and the Secretary's goals.

How to do that. I think the fundamental change has to come, Mr. Lantos, partially from restructuring, but also from changing the way that we think about our jobs, from changing from what I have been calling a more or less passive institution, a reporting and observing institution, to a much more active institution, an institution that sells.

I do not mean just selling American goods, although that is very important, but selling what the United States is all about and trying to tell people in the rest of the world that we have this model and they ought to consider it, so I would like to see people be much more active.

You said that the technology is changing everything and the way that we do it. Absolutely right. There are some places we do not need the kind of reporting that we did in the past. There are other places where we need plenty of reporting, but it needs to be very focused on the needs of the United States.

People do not join this business for the money. What they join the business for is to be part of something that is happening, to be part of a profession that matters. I think the only way this profession will matter over the next 50 years really when you can look out to see an active profession, when people are proud to say we are members of the diplomatic service of the United States of America. We work at the State Department, Foreign Service, Civil Service or Foreign Service Nationals.

Mr. LANTOS. Could I ask a couple of questions, one relating to diplomatic security and the second relating to the changing nature of the diplomatic corps?

When Admiral Crowe, former Chairman of the Joint Chiefs, submitted his report many of us on this Committee welcomed that re-

port because it represented a significant recognition of diplomatic insecurity at many posts around the globe.

The implementation of Admiral Crowe's report seems to be typically bureaucratic. We stretch it out over a long period of years on the assumption that the friendly terrorists will gear their activities to the five or 7 year time span during which these embassies are made more secure.

I would like you to, and I realize you are not here to talk about the budget—that is not your function this morning—but I would like to ask you to address this issue again in a philosophical sense.

I mean, large numbers of American embassies today are physically insecure. Is it not incumbent upon a nation which has lively debate about whether to cut taxes by \$1,600,000,000,000 or only \$900,000,000,000 to say it is unfair to our diplomatic personnel not to take care of the security needs of the places where they live and they work before we deal with these other issues?

The second item I want to ask you to deal with relates to the growing presence of dual career couples within the service. Now, the diplomatic service was established in 1924. I remember it well. It was obvious that the diplomat was a man who may have been married or unmarried. He may have had children or no children, but there was really no problem of taking the husband and the wife along on a diplomatic career hopefully in the same place.

You now have a very large number of diplomatic couples where both the man and the woman are Foreign Service officers. They join the Foreign Service with the same motivation. They met, and they got married. As they move up the scale, you are having growing difficulty finding the appropriate positions for both of them in the same diplomatic post. Could you deal with that issue?

Mr. GROSSMAN. Sure. Mr. Lantos, let me try to answer both of your questions.

On the first, I am not the Assistant Secretary for Diplomatic Security, but let me offer to get you a response on how they are doing.

I will say in what has happened over the last 3 or 4 years, since Admiral Crowe made his report, I have been very impressed with the way that our colleagues in the Bureau of Diplomatic Security, not perhaps in building new embassies, but they have very immediately been able to respond to issues in our current embassies if they need locks, if they need cameras, if they need extra security. I think they have done a wonderful job with that.

Mr. LANTOS. I agree.

Mr. GROSSMAN. I will be glad to give you any further information that you need.

How we protect our people abroad is part of how people think about our career. People are not prepared to risk their lives unnecessarily. Three hundred people have given their lives in the diplomatic service, but no one wants to do it unnecessarily.

Secretary Powell has talked about this. He has given a couple of interviews in which he said look, how is it that in a matter of weeks we can put up something like Camp Bonsteel, which you have seen in Kosovo, and yet our diplomats who, after all, are sharing this mission for the United States of America are not afforded



the same kind of protection? I hope that you will hear him talk more about that. Diplomatic security is very much on his agenda.

On your second question in terms of diplomatic couples married to one another, I declare first my interest. I am one of those. My wife is also a Foreign Service officer and has been now for 25 years.

The numbers actually are quite substantial, Mr. Lantos. We have 960 Department of State employees who are members of what we not very romantically call tandem couples. Eight hundred and ninety of those people are married to one another, like I am, to another State Department officer, and another 79 are married to officers in other foreign affairs agencies, the Agriculture Department, the Commerce Department, other agencies, so it is a big block of people out of 8,900 Foreign Service officers altogether.

We have tried over the past year or so to make their lives easier in a number of ways. One, we have a commitment to try wherever we can to make sure that people are assigned together. The second thing we have tried to do is kind of ease up on some of the rules that we had about where people can work and how they work.

You have to always pay attention to questions of nepotism because I would not want to be testifying here to you today that we were violating the nepotism rules and laws, but there are ways to deal with it, and we are trying to be more creative about that.

We have also found some creative solutions in telecommuting.

We found some creative solutions in having someone live in a place and work in other places, but this is going to be an increasing challenge for us not just in terms of people married to one another inside the service, but, as you say, our society is changing.

We now have people who are not as they were 30 and 40 years ago, as you said, mostly women and when people were mostly in one or two professions. We have people who are now spouses, and they want to follow their own lives. One of the things that we tried to show on this chart, not too effectively, was our focus in on more employment for spouses.

Mr. LANTOS. Thank you very much, Mr. Chairman.

Chairman HYDE. [Inaudible response.]

Mr. Christopher SMITH. Mr. Grossman, good to see you again, and thank you for your testimony.

As you know, I was the prime sponsor of the Embassy Security Act. It took several months to get passed. It was comprehensive—287 pages of text—and it provided \$5,900,000,000 over 5 years for Embassy security, among other things.

What struck me as unconscionable in the last Congress was the Clinton Administration's proposal not to adequately fund Embassy security. We heard that fiscal year 2001 was going to be leapfrogged, and it was OMB that was at the core of the problem; that Secretary Albright had tried to get money for that year but failed. As a result of the bombings in Africa, we had \$1,400,000,000 in FY 2000. Then all of a sudden protecting our diplomats fell off in terms of interest and concern.

If you could bring back to the Secretary how important it is to all of us on both sides of the aisle that diplomatic security concerns be fully, fully funded.

I just want to raise a couple of additional issues. We know that Secretary Powell has talked about streamlining the State Depart-

ment with the possible result of eliminating some offices with specific mandates outside of the functions of existing bureaus.

As you know, many of those were created as an expression of congressional priorities, so I hope that any step that might be undertaken in that regard will be fully vetted with Members of the House and Senate and interested parties because they were not put there willy-nilly or by happenstance.

I note with encouragement that the special Tibet coordinator enjoys support from the Secretary of State, and that is good. You know, many of us pushed very hard for establishment of a coordinator and finally Secretary Albright did the right thing and came forward with the position.

As you know as well, in the last several years, the last Congress, in 1999 we were able to pass the International Religious Freedom Act, which created the Ambassador At Large for Religious Freedom. Ambassador Seiple, Bob Seiple, did a good job. He testified before our Committee a number of times and pushed hard for religious liberty around the world.

When we first introduced that bill and it was referred to my Subcommittee, there was vigorous opposition from the State Department and from the White House. John Shatick testified against it, as did Secretary of State Madeleine Albright. They talked about creating a hierarchy of human rights, which was a bogus \$3 bill argument then and has been proven to be very, very fallacious.

Now we hear, and one thing Ambassador Seiple said when he testified here—sitting where you are now—is that the legislation had mainstreamed religious freedom issues into the State Department. Now we hear of the possibility of double hatting that ambassadorship, which would be an outrage and significantly would be contrary to intent of the Congress.

I can say that because we worked on that language very vigorously. Can you assure us that that will not happen?

Mr. GROSSMAN. No, Mr. Smith, I cannot assure you it will not happen, but I can assure you that I will take both of the messages you have just given me back to the Secretary of State as soon as I am finished here.

Mr. Christopher SMITH. It is very, very important.

Let me just ask you two very other brief questions.

Mr. GROSSMAN. Please.

Mr. Christopher SMITH. As you know, contrary to what some of us have heard over the last years, most of the State Department's major accounts have grown by about 20 percent over the last 6 years, which is enough for a modest, and it is modest, real increase even after taking inflation into account.

The only exception has been the Migration and Refugee Account, which is about 20 percent lower in real dollars than it was in 1995, and yet the needs of refugees around the world and you and I and others, we have all been to refugee camps. We are awash in refugees.

U.N.H.C.R. continually comes forward and says we cannot handle the large numbers of people with assets at their disposal. I recently asked the head of the UNHCR and other interested leaders there why they do not ask for more, and they said they budget

what they believe they will get, but it does not adequately meet the need.

They are doing what they think they are capable of receiving rather than what the unmet need is out there. In 1995 we spent \$683,000,000 for refugees. Today we are up to \$700,000,000. We had to move heaven and earth to get that number up—which is inadequate.

I put \$750,000,000 for refugees into the Embassy Security Act and found several Members on the floor during consideration of the bill who wanted to cherry pick that money for other concerns. They failed. I hope you would take refugee protection as a high priority back to headquarters if you would.

Finally, yesterday at an International Operations and Humans Rights Subcommittee we heard from Marc Nathanson from the Broadcasting Board of Governors (BBG) and others about the status of their work. I was very concerned to hear that they are contemplating elimination of certain services including Uzbekistan.

There they are talking about a new Middle East broadcasting initiative, which is fine, and again this comes down to prioritization, but why must other vital services be nullified in order to achieve a new service? They are thinking within a box—this is all the money that is available—instead of making a case why the new Middle Eastern efforts warrant their own enhancements to their budget.

We also got into the issue, and you have it in your testimony, about how diplomats are the first line of defense, telling the American story, promoting American interest and certainly human rights are part of that interest. I would hope that a robust effort would be made on the part of our diplomats not only to raise human rights, but to raise other issues like freedom broadcasting jamming.

I know for a fact as I asked the question yesterday of the director of Radio Free Asia whether or not our Ambassador in Vietnam had been helpful on the jamming issue. He said he was not. I thanked him for his candor because we do not always get that kind of candor.

It has been my personal experience that when I have raised the issue with regard to jamming in China, I haven't gotten any real meaningful response in terms of a protest by our Ambassador or DCM, so I would hope that taking your words about promoting American interest and front line defense that radio jamming somehow gets into the portfolio as something more significant than a talking point.

Chairman HYDE. The gentleman's time has expired.

Mr. Christopher SMITH. Thank you, Mr. Chairman.

Chairman HYDE. The Chair has been remiss in not observing the 5 minute rule. We have two more witnesses.

You have been fine, Mr. Grossman. We have misbehaved up here, although it is all very important. I am going to be more circumspect.

Mr. Engel?

Mr. ENGEL. Thank you, Mr. Chairman. I am very happy to be back on the Committee.

Ambassador, I served on this Committee for many years, and after a few years' respite now I am back on the Committee. I want to echo the remarks of Mr. Lantos with regard to personnel and staffing and money because I think they were right on the money, so to speak.

It pains me when I go around the world and visit our embassies to see such good people that we have working for our country who really feel strapped and harried because they do not feel that the resources are there. The Embassy people, when they pull you aside and kind of frankly tell you they feel very makeshift. They have to be very industrious.

There are not enough personnel, and they do not have the resources. I think we are moving in the opposite direction than we should be. Mr. Lantos cited since 1985 until now there has been a reduction in personnel.

*The Washington Post* article on the State Department just last week noted that the Department is short 700 Foreign Service officers, which is 10 percent of the current total for Foreign Service personnel. How many vacant positions does the Department currently have, and what additional steps is the Department taking to fill those vacancies?

In account with that, my second question would be that while we do not yet have account level specificity on the President's budget, but is it your understanding that the Administration's request has sufficient resources to meet the operating needs of the State Department, particularly with reference to personnel, staff, training, resources?

Thank you.

Mr. GROSSMAN. I thank you for all of those questions. First let me say that it pains us as well obviously to put our colleagues in the position that they are in in many places in the world, not only as other members have talked about in terms of security, but actually the way we ask them to work.

I was trying to put a human face on all of this, and I asked somebody for a couple of examples of how it is that we end up with not enough people to do this work. In Osmama a consulate officer arrives to fill a position that had been vacant for 5 months while his predecessor was called away to take necessary language training for an onward assignment.

In another one, Dakar, Senegal, a 5-month gap so that an incoming financial management officer could receive necessary functional training. The previous incumbent could not remain at the post because she was needed for her onward assignment, a position that had already remained vacant in Cairo for a year. These are real human questions, as you very rightly point out.

Congressman, we have empty positions at the State Department right now in the sense that we have positions that we do not fill. As you know, the way the Department works is we try each year to fill the number of positions that are open in that year. The number varies from year to year.

We are about two-thirds through the assignment cycle today, and we have about 600 positions that we have not yet been able to fill. Now, I have about 300 Foreign Service officers that have not been assigned, so we are going to bring that number about in half to

300. Then I am going to try some experiments to fill a few more of them. Eighty of those positions, for example, sir, are in information technology, and we are going to try to hire to that gap.

We are going to ask our Civil Service people, who have been wonderful in trying to fill jobs that we consider hard to fill overseas, if 50 of them will go abroad and help us out. I think we will get people to do that.

To go back to the point Mr. Lantos was making, we are going to ask 20—we are going to try to put in 20 family members into some of these jobs, but it is still going to leave us with probably a couple of hundred, maybe a little bit less than 200, gap, and that is what we need to fill.

In terms of what you read in *The Washington Post*, that of course comes from the Carlucci commission. I think the numbers are all a little bit different. We have made our case in our diplomatic readiness report. I do not say that we have to have everything today. I am not here to say that. But as we go forward we need to make sure that in crisis management training, leadership training, our ability to send Foreign Service officers to other government agencies we have enough people.

You will understand I think, sir, that I am going to let Secretary Powell make a presentation to you all next week about the budget, and I will let you and he make the judgement about whether there is enough.

Chairman HYDE. Mr. Rohrabacher?

Mr. ROHRABACHER. Thank you very much, Mr. Chairman.

First of all, let me say for my own position I would be very supportive and will be very supportive of making sure our career Foreign Service officers get good pay, that their safety is looked after, and also just one suggestion I would make.

Perhaps we could make sure that the people working in our embassies have the right to keep their own frequent flyer miles. It seems to me that that would be a good policy. If Members of Congress can keep ours, I do not see any reason why members or people who are representing us overseas cannot keep theirs.

Let me put it this way about support, however. Support goes both ways. This particular Member requested documents from the State Department for 2 years concerning Afghanistan, and I was stonewalled. I am going to continue saying that until I get those documents.

Even though we changed Administrations, I did not particularly appreciate the fact that as a senior Member of this Committee that my oversight capabilities were intentionally restricted and undermined by people in the State Department who did not want me to know what the basis of our policy in Afghanistan was during the last Administration.

I was also thwarted by members of the State Department in attempts to go to the Spratley Islands for 2 years. Roadblocks would be put in my way. I traced it back to the local Embassy.

I hope that we are supportive of you and you folks will be supportive of us as our job is to oversee, you know, the job that you are doing and represent the taxpayers.

Lastly, I think that we need to fill the ambassadorships around the world as soon as possible. This Administration needs to move

forward very quickly to make sure that its own imprint on American foreign policy is overseen by its appointees.

I was recently in the Philippines. They have not had an ambassador there for over a year, and President Bush has personally recognized the importance of the Philippines. He placed a call to President Arroyo, who, as we know, has just emerged during this whole crisis there, and he made it clear that he was supportive of President Arroyo, yet last week the U.S. Embassy made a statement to the local media which caused total confusion as to whether or not the United States recognized President Arroyo's legitimacy.

I was there during that time period, and it caused great problems for that government by this faux pas on the part of our Embassy, so we need to fill those ambassadorships very quickly.

Last, but not least, we need professional people. We need to get the best people, but we also have to get people who understand that the United States of America is not just simply being a lawyer to a client when they are out there and that their client is the President, although, you know, I think that type of loyalty is important.

We are out there representing democracy and freedom and the things our country stands for, and all too often I find our career Foreign Service people are wonderful people, but have on the top of their prior list stability. You know, stability absent a value of freedom and democracy is a formula for tyranny.

It is a formula for supporting the worst possible elements just not to have a problem and just not to create some sort of overt crisis.

Our job is to be the champion of democracy and freedom. Watch out for people under those circumstances overseas who are struggling for their own freedom. When we get people overseas who recognize the American Embassy stands for honesty and integrity and decency and freedom, which is what our country should stand for instead of just stability, we will have—we will not have to have those thick gates and those security guards as much as we need to today.

Thank you very much, and thank you, Mr. Chairman.

Chairman HYDE. Mr. Nick Smith of Michigan?

Mr. Nick SMITH. Thank you. A couple questions of diversity.

Mr. GROSSMAN. Yes, sir.

Mr. Nick SMITH. Are you lowering your requirements on the grades? I am a little concerned with what impressed me as an aggressive effort on diversity bringing in Hispanics, other minorities. Do you lower your grade requirements for bringing people in?

Mr. GROSSMAN. No, sir.

Mr. Nick SMITH. And so it is strictly an outreach, and the competition is still based on interview and grades with no special consideration other than the outreach to get them to apply—

Mr. GROSSMAN. Yes.

Mr. Nick SMITH [continuing]. On the diversity effort?

Mr. GROSSMAN. So I am not in any way disingenuous here, I mean, we do each year, not for any purposes of minority recruitment, but just to get the right number of people we do adjust the scores of which we let people into the Foreign Service. If I need 500 people next year—

Mr. Nick SMITH. But when you talk about the right number of people, you are not talking about the right number to meet a quota—

Mr. GROSSMAN. No. No.

Mr. Nick SMITH [continuing]. Or something?

Mr. GROSSMAN. That is correct. That is absolutely correct.

What we found, though, is if we are aggressive in, exactly as you say, reaching out and then having people get connected to international affairs early in their lives, they are going to pass that Foreign Service exam and do much better on the orals than they would otherwise.

In fact, one of the most interesting statistics is that in 1992 17 percent of the people who took the Foreign Service exam were minorities. In the year 2000, that number was 29.4 percent, so outreach works. The other interesting number is that in 1992, 8 percent of the people who passed the Foreign Service exam were minorities, and in the year 2000 that number was 13.5 percent. That is still too low, but it is a result of the fact that we are out there pitching.

Mr. Nick SMITH. Do you still base it on the scores, or is there—

Mr. GROSSMAN. Yes.

Mr. Nick SMITH [continuing]. A range? If you get more than 80 percent you are eligible?

Mr. GROSSMAN. No. It is a score.

Mr. Nick SMITH. Let me ask you about I happen to be Chairman of the Science Research Subcommittee in Science. I am concerned over the years that we have pretty much abolished our foreign officers that were science specialists and so what concerns me a little bit is keeping track of the research that is taking place in other countries.

Mr. GROSSMAN. Right.

Mr. Nick SMITH. I see other countries sometimes are spending as much as 50 percent of their science research efforts simply reading our basic or fundamental research—

Mr. GROSSMAN. Right.

Mr. Nick SMITH [continuing]. And the other half trying to get it applied.

What is the outreach effort within our embassies in terms of trying to keep track of the science and research in those countries?

Mr. GROSSMAN. Well, I think people do the best they can, but, as we have been talking about here, sometimes there are not enough people.

What will help us though, Mr. Smith, is that last year, thanks to the Congress and the Administration, we do have a new science advisor to the Secretary, Dr. Nevrighter and he is going to bring a focus on science to the Department.

When you look at some of the things that we have to do now, there is so much science involved in every single one of them, so I think that is a good thing.

Chairman HYDE. The gentleman's time has expired.

The Chair is going to be arbitrary and foreclose further questions because we have two more witnesses, and we are all under the tyranny of the clock so, Mr. Grossman, thank you.

Mr. GROSSMAN. Thank you, sir.

Chairman HYDE. If we have more questions, we will pummel you with them by mail. How is that?

Mr. GROSSMAN. That would be fine, or I would be delighted to come back any time.

Chairman HYDE. Thank you, Mr. Grossman.

Mr. GROSSMAN. Thank you, sir.

Chairman HYDE. Our next witnesses comprise the second panel. Mr. Marshall Adair is the current president of the American Foreign Service Association, which is the professional association and exclusive bargaining unit for the five foreign affairs agencies. Mr. Adair is a career Foreign Service officer and has served 29 years in a variety of positions in Europe, Africa, Asia and Washington.

We also have Mr. Gary Galloway, who is the agency vice-president for the American Federation of Government Employees, representing the non-supervisory Civil Service employees at the State Department. He has been with State for 15 years and with the Federal Government for 24 years. Mr. Galloway is a senior policy analyst in the Bureau of Information Management Resources and is detailed as the full-time representative for the Department's 6,000 bargaining unit employees.

We very much appreciate your willingness to meet with the Committee today to discuss the important personnel issues at the State Department. I humbly request that you summarize your statement in 5 minutes. Your complete statement will be made a part of the record.

We will proceed with Mr. Adair.

**STATEMENT OF MARSHALL P. ADAIR, PRESIDENT, AMERICAN FOREIGN SERVICE ASSOCIATION, U.S. DEPARTMENT OF STATE**

Mr. ADAIR. Thank you very much, Mr. Chairman. I would not usually do this, but it is a little bit late now. I would have offered to cede my time to Ambassador Grossman because he was doing such a good job, but he is gone now.

Thank you for holding this hearing. As you said, I am president of the American Foreign Service Association, and on behalf of the 23,000 active duty and retired members of the Foreign Service I would like to thank you, sir, and the Committee for holding these important hearings on the state of our foreign affairs agencies.

Diplomacy is a critical component of our national security, along with our military forces and intelligence services. In many respects, diplomacy is our first line of defense. It has been mentioned earlier. We must keep that first line of defense in good working order.

At the core of our diplomatic apparatus is the Department of State, which is staffed by personnel from two services, the Foreign Service and the Civil Service. My colleague will cover the Civil Service, and I will speak from the perspective of the Foreign Service.

It was created by an Act of Congress in 1924. It was made deliberately different from the Civil Service in order to insure that a mobile corps of professionals would be available for worldwide service at the discretion of the Secretary of State and the President.

Foreign Service personnel and their families are posted in 183 countries around the world, often in difficult and dangerous envi-



ronments. We are the eyes, ears and voice of the U.S. Government and the American people, promoting and protecting American interests and values in the international arena by directly engaging the government officials of foreign nations, their community and opinion leaders and their people.

In performing this important work, Foreign Service personnel encounter more than their share of hardship, danger and disease. These are part of the professional environment with which we must cope.

As you know, the American Foreign Service Association sponsors two plaques in the diplomatic lobby of the State Department listing the names of Americans who have died under heroic or inspirational circumstances in this profession. There are currently hundreds of names on the plaque, and we are actually running out of space.

These dangers have not stopped the Foreign Service from performing its mission. If anything, the threats and challenges have been met with increased determination on the part of these dedicated men and women. However, recent studies have begun to point to a different kind of danger that does undermine that determination and undermine our diplomatic service, and that danger is neglect and lack of support at home.

Over the past several decades, the steady tightening of resources has resulted in a service that is now spread too thin, is behind on much needed training and is deficient in providing professional growth opportunities. The Foreign Service is becoming, unfortunately, a less attractive career to those contemplating entering and those who currently serve.

Recently we have seen some warning signs: The sudden appearance of a shortage of 300 mid level Foreign Service officers to positions in 1999, a decline in the pool of applicants for the Foreign Service written examination from 20,000 people in the 1970's to 9,000 in 2000, and recently an increase in attrition rates in the middle ranks.

The recent study on State Department reform by former Secretary Carlucci indicated that the Department's human resource practices need reform, and it emphasized leadership training, the promotion system and enhancing the quality of life for employees and their families.

We agree with that report. However, we would also like to point out that even more fundamental than those specific areas is the need for realistic and honest work force planning. The fiscal year 2000 and 2001 State Department authorization bill requires the Secretary of State for the first time to submit a report on work force planning. We appreciate very much that you put that in.

Mr. Chairman, we cannot urge you enough as part of this Committee's oversight to ensure that this requirement is taken seriously by the Administration and by the State Department. If we do not know what we have and are unable to project what we need to fill our diplomatic responsibilities, we will be always constrained to haphazard and ad hoc responses to events beyond our control.

The Department has now taken some initial steps in this direction. It will need your encouragement and support to continue. We at the American Foreign Service Association recently completed the

initial part of an independent work force planning study to encourage the Department to move in this direction.

Our initial study, which was conducted by Ambassador Will Depree, who is here today, assesses where we are now in terms of human resource needs, and I would like to ask that a copy of this report be included with my testimony in the hearing record.

Mr. BEREUTER [presiding]. Without objection. The copy will be included as part of the record.

Mr. ADAIR. Thank you.

We estimate in that study that the Foreign Service is currently short of more than 1,000 people if the Department is to staff all of its Foreign Service positions and train people to fill these positions without unacceptable staffing gaps. We need to make up this deficit, and we need to plan to avoid future deficits.

Mr. Chairman, the Carlucci report and other recent reports addressing the Department of State all point to two fundamental needs, reform and resources. I am very happy to say that everything we have seen so far indicates that Secretary Powell and this Administration are serious about reforming and rebuilding our professional diplomatic service. They will need the support of Congress, which has the authority and responsibility for appropriating resources.

Making this point, I also want to make very clear that we do not believe that Congress alone has been responsible for the insufficient resources dedicated to the civilian foreign affairs account in recent decades. This is something for which we all bear responsibility and on which we must work together to correct.

The functional budget figures for 2002 released by the Administration yesterday indicate an increase in the Administration's request from last year. We are very pleased to see this. We hope that Congress will appropriate this level, if not more.

In conclusion, I would say, Mr. Chairman, that serious work needs to be done to reform both the foreign affairs agencies and the way business is done in the Department of State and the Foreign Service. The many reports of the past 3 years on reform of the foreign affairs agencies are correct that if needed change is not made now, our national interest will suffer.

The time for more blue ribbon panels is over and action must take its place, but we must do it right. We need to plan and determine what is needed. We need to provide the necessary resources and support to protect and advance our national interest in the international arena.

In terms of personnel, we need to recruit the best, train them to be better, support and protect them, and use them to the best of their capability in serving the national interest of the American people. To do less is to waste this valuable and gifted resource and to waste our future.

Much can be done without new legislative authority, but leadership and political will at the highest levels, as well as the determined interest in oversight of the Congress, are essential. Change is difficult to accomplish, particularly for those being asked to change.

The American Foreign Service Association stands ready to assist the Congress and to serve the Administration in achieving the nec-

essary reform, and we again thank you for holding these important hearings.

I will do my best to answer your questions.

[The prepared statement of Mr. Adair follows:]

PREPARED STATEMENT OF MARSHALL P. ADAIR, PRESIDENT, AMERICAN FOREIGN SERVICE ASSOCIATION, U.S. DEPARTMENT OF STATE

Mr. Chairman,

I am Marshall Adair, President of the American Foreign Service Association. I have been a career member of the Foreign Service for the past 28 years. As part of my career, I have served in Europe, Africa, Asia, and here in Washington. On behalf of the 23,000 active-duty and retired members of the Foreign Service, I wish to thank you and the Committee for holding these important hearings on the state of our foreign affairs agencies and the Foreign Service.

Diplomacy is a critical component of our national security, along with our military forces and intelligence services. The latter two get a great deal of attention from the American public and the Congress. However, diplomacy, which in many respects is our *first* line of defense, is often overlooked or taken for granted.

At the core of our diplomatic apparatus is the Department of State and the American Foreign Service. The Foreign Service was created in 1924, by an act of Congress, the Rogers Act. At that time our national leadership recognized that our nation could no longer afford to conduct its diplomacy on an ad hoc, haphazard basis. Congress saw that we needed a single, professional diplomatic corps to ensure quality representation all over the world regardless of which political party occupied the White House. The 1924 Rogers Act created that professional service with a special system of rank and promotions similar to the military. It was made deliberately different from the Civil Service in order to ensure that a mobile corps of professionals would be available for worldwide service at the discretion of the Secretary of State and the President. The Rogers Act has been revised by several successive acts, but the essential character of the Foreign Service remains the same.

1. We carry our rank in person, as does the military, not according to the position that we are occupying, as does the civil service.
2. We are subject to a demanding service discipline, serve at the discretion of the President and the Secretary of State, and must be available for worldwide posting. There are legal and regulatory limits on the amount of time we can be posted in the United States
3. We have a bottom entry system that, unlike the Civil Service, has up-or-out promotion requirements, and unlike the Civil Service, we continue to have a mandatory retirement age (65).

Foreign Service personnel and their families are posted in 183 countries around the world; often in difficult and dangerous environments. We are the eyes, ears, and voice of the U.S. government and the American people, promoting and protecting American interests and values in the international arena by directly engaging the government officials of foreign nations, their community and opinion leaders, and their people. We monitor and analyze developments around the globe and make recommendations to our policy leaders on ways to advance and defend American interests. We are engaged in the entire array of issues confronting our nation, from preventing the proliferation of weapons of mass destruction to regulating the emission of greenhouse gases. We promote trade by U.S. companies overseas and investment by foreign companies in the U.S., and we work to make sure that U.S. companies are competing with foreign businesses on a level playing field. We provide support to over 35 other U.S. government agencies that also work abroad. Last but not least, we protect and assist Americans abroad, whether they are part of the over 5 million citizens permanently living outside of the U.S., or those travelling overseas for business or pleasure.

In performing this important work, Foreign Service personnel encounter more than their share of hardship, danger, and disease. They are part of the professional environment with which we must cope. The bombings of our embassies in Kenya and Tanzania two years ago are the most dramatic recent examples of the dangers we face. As you know, the American Foreign Service Association sponsors two plaques in the Diplomatic Lobby of the State Department listing the names of Americans who have died under heroic or inspirational circumstances in this profession. There are currently 186 names on the plaque and we are running out of space.

These dangers have not stopped the Foreign Service from performing its mission. If anything, the threats and the challenges have been met with increased deter-

mination on the part of these dedicated men and women. However, recent studies have begun to point to a different kind of danger that does undermine that determination of our diplomatic service: neglect and lack of support at home.

Over the past several decades, the steady tightening of resources has resulted in a Service that is spread too thin, is behind on much needed training and is deficient in providing professional growth opportunities. The Foreign Service is becoming a less attractive career to those contemplating entering, and even to those who currently serve. Some of the warning signs we have seen recently include:

- The sudden appearance of a shortage of 300 mid-level Foreign Service Officers to positions in 1999.
- A decline in the pool of applicants for the Foreign Service written examination from 20,000 in the 1970s to 9,000 in 2000.
- An increase in attrition rates in the middle ranks.

The recent task force on State Department Reform, sponsored by the Council on Foreign Relations and chaired by former Defense Secretary Frank Carlucci pointed out that:

*“ . . . while the State Department has traditionally recruited from the nation’s most talented ranks, fundamental reform of the department’s human resources practices is needed to reverse the decline in morale and falling retention rates”. Particular attention must be directed toward improving the department’s selection and recruitment of personnel, expanding professional development opportunities with an emphasis on leadership training, making the department’s promotion system more responsive to outstanding personnel, and enhancing the quality of life the department provides its employees and their families.”*

#### THE NEED FOR A WORK FORCE PLAN.

We agree with the Carlucci Report that these areas need to be addressed. However, even more fundamental than action in these areas is the need for a realistic and honest Workforce Plan. In the FY 2000 and 2001 State Department authorization bill honoring Admiral James W. Nance and Meg Donovan, Public Law 106-113, Section 326 requires that “Not later than March 1, 2001, and every four years thereafter, the Secretary of State shall submit a report” that includes, among other requirements, “a workforce plan for the subsequent five years, including projected personnel needs, by grade and by skill.” It then states that in determining needs, “foreign language proficiency, geographic and functional expertise, and specialist technical skills” must be considered.

Mr. Chairman, we cannot urge you enough, as part of the Committee’s oversight, to ensure that this requirement is taken seriously by the Administration and the State Department. If we do not know what we have, and are unable to project what we need to fulfill our diplomatic responsibilities, then we will remain constrained to haphazard and ad hoc responses to events beyond our control.

The American Foreign Service Association recently completed the initial part of an independent work force planning study to encourage the Department to move in this direction. This initial study is an assessment of where we are in terms of human resource needs. I would like to include a copy of this report with my testimony for the Hearing Record. We estimate that the Foreign Service is short 1,175 people if the Department is to staff all of its Foreign Service positions, and to train people to fill these positions without unacceptable staffing gaps.

The types of training, methods of recruitment, approaches to increase retention, and the promotion system are all important details that fill out the picture, but the canvas needs to have an outline sketch, and that sketch is a Work Force Plan.

#### THE NEED FOR RESOURCES

Mr. Chairman, all of the recent studies point to two fundamental requirements. First, the foreign affairs agencies need to undergo vast reform. Second, serious resource commitments need to be made. The Report by the Task Force chaired by Frank Carlucci states:

*“ . . . while resources will be necessary for reform, reform will be necessary to obtain those resources from Congress.”*

Everything that we have seen so far indicates that Secretary Powell and this Administration are serious about reforming and rebuilding our professional diplomatic service. They will need both the encouragement and the support of Congress.

Congress has the authority and responsibility for appropriating resources, and we look to you and your colleagues for this support. However, I also want to make clear

that we do not believe Congress alone has been responsible for the insufficient resources dedicated to the civilian foreign affairs account in recent decades. We all bear responsibility there, and we all must work together to turn around the situation we now face.

We have seen the funding for the International Affairs Account sharply decrease over most of the past dozen years, with a slight upturn in the past couple of years. We have also seen the operating accounts of the foreign affairs agencies remain relatively flat, even as demands on the foreign affairs agencies increased. We know that the funding requests the State Department has made to successive administrations have been cut, and the amounts the Administrations have requested from the Congress critically underfunded the foreign affairs agencies and their programs. The functional budget figures for FY2002, released by the Administration yesterday, indicate an increase in the Administration's request. We are appreciative of this and hope the Congress will appropriate to this level, if not more, with sufficient support for the operating accounts to accommodate the reforms that need to be made.

In talking to various offices on the Hill, we have often been told that if the Administration will not ask, and it will not fight for additional funding of the State Department, then the Congress will not provide it.

However, there have been times when the Congress, in exercising its oversight responsibilities, funded more than the Administration's request. In FY 2000 appropriations, for instance, even after the bombings in East Africa and the Accountability Review Boards recommendations to increase funding \$1.4 billion a year for 10 years to improve embassy security, the Administration requested an irresponsible \$50 million to improve security in our buildings and a total of \$300 million including manpower needs. It was only after the Congress demanded a realistic request that the Administration revised its numbers and increased the amount for embassy security by an additional \$250 million for construction. For this we wish to express our deep gratitude to both your committee that provided the necessary authorization levels, and to the appropriations committees that demanded a resubmittal.

In the FY 2001 appropriations, while the total 150 account went down again, funding for the Administration for Foreign Affairs Account, the State Department's operating account, was actually greater than requested.

Mr. Chairman, we all know that increased funding is not the total answer, but it is certainly part of the answer. Without additional funds, we cannot increase our staffing to meet real needs, and our workforce will continue to be over-extended. We will not be able to provide adequate training without sufficient staffing levels to allow training or the necessary resources at the National Foreign Affairs Training Center; and we will not be able to provide adequate security at our posts and missions abroad without more funds.

We do acknowledge that the Congress has fully funded the requested levels for Worldwide Security Upgrades, and we appreciate that. Unfortunately, to this date the Administration has not requested, and Congress has not deemed it possible to fund the levels of security upgrades recommended by either the Accountability Review Boards or the Overseas Presence Advisory Panel.

Mr. Chairman, with additional funding, for instance, we could recruit better and decrease the amount of time it takes to bring a person on board. We could provide for the written tests to be given several times a year on-line as the Graduate Record Exam (GRE) is done. With additional funding, we could increase the number of Oral Examination Boards and have them meet more often to examine potential candidates and shorten the waiting time for entering the Foreign Service.

One of the points of personnel emphasis in the Carlucci Report was "enhancing the quality of life the department provides its employees and their families." Some improvements can be made in this area at no extra cost to the government by changing the Department's methods of operations. However, others do require funds. When the operating budgets are so stretched, something has to give, and it is usually the improvements to employee quality of life. A small example is the way Part Time and Temporary employees (PITS) who work in our posts abroad were treated in 1989. These positions are often filled by family members because of limited employment opportunities for them abroad, regardless of their skills or degrees. Up until 1989, PITS were allowed to contribute into the federal retirement system during the times they worked and to accumulate creditable hours for their services. However, in changing over to the new retirement system, the Foreign Service Pension System (FSPS), the law said that part time workers could not participate and part time was defined as working one year or less. The Department, because of funding shortages, decided to define PITs as working on one-year contracts, and thus not eligible for retirement credit and the employer contribution. Thus, our PITs worked sequential one-year contracts without benefiting their retirement status. In

1998, the Department created a new category of employees, The Family Member Appointment (FMA), which had a different definition of work and allows them to participate in the federal retirement system. However, even to this day, PITs who worked after 1989, are still unable to claim retirement credit. Mr. Chairman, this is an issue of enhancing the quality of life and showing that the work of our PITs are needed and appreciated.

#### CONCLUSION

Mr. Chairman, the 1998 Center for Strategic and International Studies and the Stimson Center reports, the 1999 Accountability Review Boards and the Overseas Presence Advisory Panel Reports, and the 2001 Carlucci and the Hart-Rudman Reports are correct. Serious work needs to be done in reforming both the foreign affairs agencies and the way business is done in the Department of State and the Foreign Service.

Much can be done without new legislative authority, but leadership and political will at the highest levels, as well as the determined interest and oversight of the Congress, are essential. Change is difficult to accomplish—particularly for those being asked to change. Outside interest is needed to overcome the forces of inertia, and to provide the support necessary for success.

These reports are also correct in that if needed change is not made now, our national interests will suffer. Diplomacy is our first line of defense and is essential to our national interests. If diplomacy does not succeed then we will have to revert to the use of more costly and more risky resources of our military and intelligence services.

The time to act is now. More than 1,500 Foreign Service Officers recently signed a letter to Secretary Powell describing the Department of State as dysfunctional. The time for more Blue Ribbon panels is over, and action must take its place.

We believe that Secretary Powell is committed to seeking reforms of the Department and to securing the needed resources. In his public statements and his meeting with State Department employees, the Secretary clearly and consistently expressed his intent to remedy the serious underfunding of the international affairs account and to make needed changes in the Department. In AFSA's private meeting with the Secretary, we expressed our appreciation and support for his efforts to address these serious problems.

We must do it right. We need to plan and determine what is needed. We need to provide the necessary resources and support to protect and advance our national interests in the international arena. In terms of personnel, we must recruit the best, train them to be better, support and protect them, and use them to the best of their capabilities in serving the national interests of the American people. To do less is to waste this valuable and gifted resource, and to waste our future.

As always, the American Foreign Service Association stands ready to assist the Congress and to serve the Administration in achieving the necessary reforms, and we again we thank the Committee for holding these very important hearings.

Mr. BEREUTER. Thank you very much, Mr. Adair.  
Mr. Galloway?

#### **STATEMENT OF GARY R. GALLOWAY, VICE PRESIDENT, AMERICAN FEDERAL GOVERNMENT EMPLOYEES, U.S. DEPARTMENT OF STATE**

Mr. GALLOWAY. Thank you, Mr. Chairman. Good morning, Members of the Committee. I would like to thank Chairman Hyde and the Members of the Committee for the very kind and warm introduction.

Local 1534 is pleased and honored to testify before the Committee this morning as we examine new ideas for conducting diplomacy in the digital age. AFGE, at the agency and national level, is concerned with maximizing the efficiency and effectiveness of government to best serve the citizens of the United States. Our presence at this forum underscores the commitment of the Department's Civil Service employees to serving our nation.

I have submitted my full statement to the Committee, which I ask be made part of the record.

Mr. BEREUTER [presiding]. Without objection. It will be made part of the record.

Mr. GALLOWAY. Thank you.

Local 1534 is the exclusive bargaining representative for more than 6,000 Civil Service employees in the Department of State, the United States Agency for International Development and the Overseas Private Investment Corporation. As one of 1,100 AFGE locals nationwide, our State Department was certified in 1995 under the leadership of our local president, Fern Finley.

Local 1534 has fought a long, uphill battle for recognition in an agency where Civil Service employees have been long regarded as second class citizens. We have been historically overlooked and under appreciated. If I can convey one message from the Department's Civil Service employees to the esteemed Members of this Committee, it is that every human resource must be developed and utilized to his or her maximum potential in order for the Department to move forward into the 21st century.

Local 1534 would be remiss, however, if it did not acknowledge the efforts of Director General Marc Grossman and his predecessor, Ambassador Edward W. Gnehm, in their efforts to provide the Civil Service with a seat at the table. Despite Ambassador Grossman's best intentions, however, progress is slow.

We are very encouraged that the pace will quicken under Secretary of State Colin L. Powell. In our recent meeting with the Secretary, Local 1534 was elated to hear his vision of the Department as a single, unified work force. In that meeting, which was unprecedented—we had never had the opportunity to meet with the Secretary of State before—Secretary Powell promised that Civil Service employees would be treated as equals during his administration.

It is now critical that the Department think out of the box to find ways to tap the enormous talent that is within the Civil Service. Most employees, Civil Service and Foreign Service alike, join the State Department for the prestige and excitement associated with the conduct of foreign policy. Unfortunately, some Civil Service employees become dismayed when they discover that the opportunity to serve overseas will be afforded only to a few lucky and determined individuals.

The Department must find the courage to act upon what it already knows; that there is a willing and able cadre of smart, loyal and dedicated employees who are willing to perform any job in the Department for which they are qualified.

Finally, I would like to suggest several steps that AFGE Local 1534 believes are critical and eminently feasible. The first step is to open up more career development opportunities for the Civil Service. Many of my colleagues do not have upward mobility opportunities. Young Civil Service employees need mentoring and guidance.

There are a relatively few opportunities for senior Civil Service employees to rise to the sixth and seventh floor leadership positions. Rather than finding reasons not to fill vacancies with Civil Service personnel, the Department needs to recognize the human gold mine that is right under its nose. Many of the personnel shortages could easily be filled with experienced Civil Service personnel.

Secondly, the presence of dual personnel systems creates an atmosphere of inequity across the two systems. The Department must at least consider eliminating as many of the differences as possible and creating a hybrid system that will maximize benefits to all employees.

The rigidity of the Civil Service pay and merit promotion systems limits opportunity and reward for Civil Service employees. Many employees find that leaving the agency is their only path to advancement. The Department needs to be creative in finding new ways to compensate, promote and reward high performing individuals.

Third, strong leadership and good management must be valued and rewarded in an agency that has historically placed a low value on such matters. The Department needs people who can manage the information that it gathers so well.

Fourth, the Department desperately needs to catch up with the rest of the Federal Government and the world in terms of its information technology capability. The Department's IT deficiencies have been well documented, and it is critical that the Department provide its talented employees with the best available tools to conduct foreign policy. Most State Department employees actually have better capability at home than they do at the workplace.

Finally, the Department must commit itself to eliminating the vestiges of race discrimination that have plagued it for decades. There is not enough time to document the many injustices that have inhabited Foggy Bottom since the days of the late, great Dr. Ralph Bunche. Suffice it to say that among the employees that responded to my request for input to this Committee, race discrimination was by far the most important problem identified by Civil Service employees.

I would not only be remiss, but I would fail my constituents if I did not publicly cite this problem. Discrimination in the Foreign Service has been well documented and adjudicated to an extent. However, the problems exist on an even larger scale in the Civil Service. An employee's ability to perform has to be paramount in determining who advances to leadership roles in the Department.

There are other serious issues of concern to Civil Service employees that time does not permit a full discussion in this hearing. They include the planned relocation of more than 200 financial management jobs from the Washington, DC, area to Charleston, South Carolina, and the proposed creation of an Overseas Facility Authority to replace some functions of the Foreign Buildings Office that would eliminate jobs now performed by Civil Service personnel. I would be happy to discuss these concerns with the appropriate panels at a later date.

Finally, Mr. Chairman, I would like to thank you again for this opportunity to share the views of AFGE Local 1534 and its bargaining unit. Our voice has been silent and unrecognized for too long. We look forward to our journey with the Committee into the new millennium of foreign policy.

I will be happy to answer any questions that you or other Members of the Committee have at this time. If there are questions that I cannot answer, I will be happy to address them in writing for the record.



Thank you.

[The prepared statement of Mr. Galloway follows:]

PREPARED STATEMENT OF GARY R. GALLOWAY, VICE PRESIDENT, AMERICAN FEDERAL GOVERNMENT EMPLOYEES, U.S. DEPARTMENT OF STATE

Good Morning, Mr. Chairman and Members of the Committee. My name is Gary Galloway and I am proud to serve Agency Vice-President for the State Department Unit of the American Federation of Government Employees (AFGE), Local 1534. Local 1534 is pleased and honored to testify before the Committee this morning as we examine new ideas for "Conducting Diplomacy in a Digital Age." AFGE, at both the agency and national levels, is concerned with maximizing the efficiency and effective of government to best serve the citizens of the United States. Our presence at this forum underscores the commitment of the Department's Civil Service employees to serving our nation.

Local 1534 is the exclusive bargaining representative for more than 6,000 Bargaining Unit employees in the Department of State, USAID and the Overseas Private Investment Corporation. We are one of 1,100 AFGE locals nationwide, and our State Department Unit was certified in 1995 under the leadership of our Local President, Fern O. Finley. As a relatively young presence in the Department, Local 1534 has fought a long, uphill battle for recognition in an agency where Civil Service employees have long been regarded as second class citizens. We have been historically overlooked and underappreciated for much too long. If I can convey one message from the Department's Civil Service Employees to the esteemed members of this Committee, it is that every human resource must be developed and utilized to his or her maximum potential in order for the Department to move forward into the 21st Century.

Local 1534 would be remiss if we did not acknowledge the efforts of Director General Marc Grossman, and his predecessor, Ambassador Edward W. Gnehm, in initiating efforts to provide the Civil Service with a seat at the table. Despite Ambassador Grossman's best efforts, however, progress has been slow. We are very encouraged that the pace will quicken under Secretary of State Colin L. Powell. In our recent meeting with the Secretary, we were elated to hear his vision of the Department as a single workforce. In that same meeting, which was unprecedented (we had never been afforded the opportunity to meet with previous Secretaries), Secretary Powell promised us that Civil Service employees would be treated as equals.

It is now critical that the Department "think out of the box" to find ways to tap the enormous amount of talent that is within the Civil Service. Truth be told, most employees, Civil Service and Foreign Service alike, join the State Department because of the prestige associated with the conduct of foreign policy. Many Civil Service employees apply for any manner of positions in the agency with the hope that an opportunity to serve in a foreign policy-related area will present itself. Many employees become quickly dismayed when they soon discover that the opportunity will be afforded only to a few lucky and determined individuals. The Department must find the courage to act on what it already knows: that there is a willing and able cadre of smart, loyal and dedicated employees who are willing to perform any job in the Department for which they are qualified.

The first step is to open up more career development opportunities for the Civil Service. Many of my colleagues do not have a clear path upward and into leadership positions. There are relatively few opportunities for Civil Service employees to rise to the 6th and 7th floor leadership positions, due in part to those slots being reserved for the Foreign Service. With all due respect to my Foreign Service colleagues, there is nothing magical about the ability of a given individual to manage and lead foreign policy, except that the opportunity has not been afforded. Rather than finding reasons to not to fill vacancies with Civil Service personnel, the Department needs to recognize the human gold mine that is right under its nose.

Second, the presence of dual personnel systems creates an atmosphere of inequity (some perceived, some real) across the two services. The Department must at least consider eliminating as many of the differences as possible, if not creating a hybrid system that will maximize benefits for all employees. The rigidity of the Civil Service pay and merit promotion systems limits opportunity and reward for talented Civil Service employees. Many talented Civil Service employees find that leaving the agency is the only path to advancement.

Third, strong leadership and good management must be valued and rewarded in an agency that has historically placed a low premium on such matters. Demonstrated skills and abilities in these critical areas unfortunately have little to do with who ends up in those positions where those factors are critical for success. Why

not appoint a Chief Operating Officer with demonstrated success in leadership and management, who will take responsibility for changing the culture?

Fourth, the Department desperately needs to catch up with the rest of the Federal Government and the world in terms of its information technology capability. The Department's IT deficiencies have been well documented for the last decade. It is critical that the Department provides its talented employees with the best available tools to conduct foreign policy. Most State Department employees actually have better capability at home than at the workplace these days.

Finally, and perhaps most importantly, the Department must commit itself to eliminating the historic vestiges of race discrimination that has plagued it for decades. There is not enough time to document the many injustices that have inhabited Foggy Bottom since the days of the late, great Dr. Ralph Bunche. Suffice it to say that among the employees that responded to my request for input to this Committee, race discrimination was by far the most important problem cited by Civil Service employees. Unfortunately, many of the problems cited have much to do with the relative racial makeup of the respective services. I would not only be remiss, but likely unable to show my face in the Department if I did not publicly cite this problem. The problem among Foreign Service officers has been well-documented and adjudicated; however, there is a larger problem in the Civil Service that is little publicized, yet just as insidious as those at the other Federal agencies in town. This is not to say that the other "isms" are not alive and well in the Department. However, an employee's ability has to be paramount in determining who advances within the Department of State.

There are also other serious issues of concern to Civil Service employees that are probably outside the scope of this hearing. They include the planned relocation of more than 200 financial management jobs from the Washington area to Charleston, South Carolina, and the proposed creation of an Overseas Facility Authority to replace some functions of the Foreign Buildings Office that are now performed by Civil Service personnel. I would be happy to address these concerns with the appropriate panels.

Finally, Mr. Chairman, I would like to thank you again for this opportunity to share the views of AFGE Local 1534 and its Bargaining Unit. Our voice has been silent and unrecognized for too long. We look forward to working with the Committee on this journey into the new millenium of foreign policy. I will be happy to answer any questions that you or other members of the Committee may have at this time.

Mr. BEREUTER. Thank you very much, Mr. Galloway, for your testimony.

Mr. Adair, what is your take on the pilot program called the Alternative Examination Program that has apparently brought 34 government employees into the Foreign Service without taking the exam?

Mr. ADAIR. We have supported that pilot program.

We have supported the effort to look for different ways to bring people into the Foreign Service more quickly and more effectively.

I do not think that the AEP has been administered long enough to give any conclusions as to how successful it has been. We think it is worth a try. Our position is that the combination of a written examination and an oral examination is still the best way that we have found to screen people for the Foreign Service.

Now, that said, there is a lot that has to be done to administer those more effectively and more quickly so that we do not have the long gap, the long time, the long waiting period, between the time people take those exams and the time they actually get into the service.

Mr. BEREUTER. How long do you think? What is the time line necessary to adequately assess it? How would you suggest they go about assessing how well those who have gone through that route are performing their duties?

Mr. ADAIR. I would say that you need at least 5 years to be able to assess how well those people have done. Even that is not suffi-

cient, but obviously if you say you need 20 years you are not going to get very far. I would say you need at least 5 years.

Mr. BEREUTER. Mr. Galloway, I understand that there may be an effort to cap the number of civil servants that serve abroad. Is this a serious idea? What are your thoughts on this? How many people are currently filling the hard to fill positions domestically as well as abroad?

Mr. GALLOWAY. Mr. Chairman, I understand that there is an effort to cap the number at 50. We have been informed of that idea on an informal basis. We have not been informed in writing by the Department. I have spent a good deal of time trying to elicit a rational explanation, but I do not quite understand it.

My feeling is that if you have deficits, if you have vacancies and if there are qualified able, willing Civil Service employees to fill those positions then why should it be limited at 50?

My understanding is that there are 107 Civil Service employees currently filling hard to fill positions, and about 80 of those are overseas with the other 27 being domestic.

Mr. BEREUTER. Thank you.

The dispute over assigning a civil servant to be Deputy Chief of Mission in Peru. We have all heard of that, and it is very well known. Can you tell us were senior civil servants, especially senior civil servants who are not represented by the union, adequately involved in the bargaining process by which the agreement was reached, and do you have any thoughts on how that might be handled in the future?

Mr. GALLOWAY. Well, one of the advantages that my esteemed colleague, Mr. Adair, has that we do not have is the right to represent managers, certain managers who are in his bargaining unit. The Civil Service personnel rules do not permit AFGE to represent senior Civil Service personnel.

We certainly are concerned about situations where senior individuals do not have the right or the ability to fill those positions, but we would be more concerned with being able to represent them on a formal basis rather than having to be limited to just lobbying or expressing our opinion.

Mr. BEREUTER. Mr. Delahunt?

Mr. DELAHUNT. Thank you, Mr. Chairman. I do not have any questions.

I have had an opportunity to review both of your written testimonies. Let me just note that the benefit of serving on this Committee is that we often have opportunities to travel and to observe firsthand the quality of the people that serve the United States overseas.

If the American people really understood the incredible quality of the men and women who serve in the Foreign Service, they would be so pleased. It is first rate. I just simply want to say thank you for your hard work, your dedication, your love of country, for your courage in many, many instances.

Again, travel also gives us an opportunity to assess the need, and you certainly need more than less. I am one that also shares I think it was Mr. Adair's observation that Secretary Powell recognizes that. I am sure he would have preferred to see larger num-

bers emanate from the function dealing with the Department of State.

I think there are many Members on my side of the aisle that concur with that because it is the best investment that we can make. When we review the cost of the alternatives, both in human terms and also the bottom line, it is clear that diplomacy is the best investment.

Let me conclude with that and wish you well and let you know that we will be advocating for your recommendations. They are right on the mark.

Thank you.

Mr. ADAIR. Thank you, sir.

Mr. BEREUTER. Thank you, Mr. Delahunt.

Mr. Cantor?

Mr. CANTOR. Thank you, Mr. Chairman. I would say to Mr. Galloway and Mr. Adair thank you for giving me this opportunity to hear your testimony and engage in dialogue.

I am particularly interested in Mr. Galloway's assertion about perhaps the inability for the Civil Service to access, if you would, desirable positions in the Foreign Service area.

Am I correctly informed that civil servants mainly get to serve abroad in sort of the hard to fill jobs? I am curious as to that; perhaps what sort of jobs are these? Are there not some jobs in the Foreign Service here in Washington, too, that could be available?

Mr. GALLOWAY. Well, the Civil Service, Mr. Cantor, primarily occupies hard to fill jobs, as I understand it, in the specialist areas.

I am not an expert on Foreign Service personnel or terminology. They tend to be mainly in the administrative areas, the financial management officers, information technology specialists, general services officers, personnel officers and, to some extent, consular officers. These are largely folks in mid career, I would say, between Grades 11 and 13.

There has also been talk of eliminating what was called the domestic hard to fill positions, and I am still struggling to understand the rationale that has been again informally presented to me by management as to why they would no longer want to fill these positions with Civil Service personnel.

Again, my feeling is we have people. We have talented, qualified people that are to be given the opportunity.

Mr. CANTOR. If I could ask, and I guess, Mr. Adair, if you could maybe chime in on this?

If the civil servants are looking for added flexibility in terms of assignment, you know, perhaps, you know, what could be done or what type of additional flexibility could there be to allow the civil servants to access these more desirable positions in the Foreign Service, perhaps specifically in non-hardship posts?

Mr. ADAIR. Sure. First of all, I would like to say that there have been several comments made here about the difference. There are two personnel systems. This is part of the problem. There have been suggestions that we should do away with the idea of two separate systems and in fact there should be some unitary system.

If we can find a way to do that, we would be very supportive of that. This has presented the government and the Department of State with dilemmas going back for decades, not just recently. Part

of what AFSA has recommended and has encouraged the Department to do is to look at this situation more seriously to talk with us and with AFGE and look for ways in which we can actually mesh these systems better.

Now with regard to specifically trying to fill specific positions, the American Foreign Service Association did negotiate a program with the Department of State by which Civil Service employees of the Department could be assigned to positions overseas in hard to fill instances, and that has worked very well in recent years. It has actually been used a lot very recently, and the statistics that I have been given are that there are more than 200 Civil Service employees serving in Foreign Service positions overseas under this program and others.

Part of the reason that those positions have come available is that we have not had sufficient work force planning at the Department of State. As Ambassador Grossman pointed out, in the early 1990's we actually stopped hiring entirely into the Foreign Service, and that causes a lot of problems because the Foreign Service hires only or primarily at the bottom like the military services and then promotes people up through the ranks. When you stop hiring at the bottom, it is very hard to make that up later on.

Now with regard to—if I may just make a comment on the question that Mr. Galloway got about the Department putting a cap on this. My understanding is that the Department has wanted very much to use this opportunity to give Civil Service employees the opportunity to serve overseas, but that they sent so many overseas to fill these positions they actually began having trouble filling the positions in Washington and that that was the reason that they tried to slow down on that score.

Have I answered your questions?

Mr. BEREUTER. Thank you very much, Mr. Cantor.

Just two final questions, and then anything else you might want to add we would be very happy to receive.

Mr. Adair, one of the most serious concerns raised by the Foreign Service officers is that their jobs are not essential to the foreign policy agenda. Obviously it is human nature. Everybody wants what they do to have some meaning and to be part of a larger, hopefully very noble goal.

What do you think should be done to insure that the jobs that are being filled are in fact necessary? What would be your recommendations along those lines?

Mr. ADAIR. Well, first of all we have to be constantly reviewing the need for our positions overseas, and that means a constant review of the overseas staffing model to make sure that we do not have excess positions in some places where people do not have responsible work to do and shortages in other places.

Secondly, we have to make sure that when people come into the Foreign Service they have the chance to compete for promotions and that they do not remain bottled up in one part of the service at one grade level. Part of that has to do with resources and being able to insure those promotion levels.

Thirdly, we do have situations around the world where we have to draw Foreign Service officers from other sections into certain areas where there is a deficit or where the pressure, the work pres-

sure, is particularly high. In past years, this has happened most often in the consular area.

There has been a lot of work done in recent years led by Ambassador Mary Ryan to correct that situation, to employ better management procedures in the consular area and use imaginative ways to put resources into those areas. That is the kind of work we need to do more of.

Finally, it is very, very important to demonstrate to professionals in the Foreign Service that there are meaningful jobs available to them later on in their career; that the responsible jobs at the top of the service are available for Foreign Service officers to compete for. That is critical.

One of the problems there has been obviously the assignment or the use of political appointees. That is part of our tradition. We do not advocate ending that tradition, but it could be used less.

And then secondly, and this is a much more difficult and much more complicated issue, and that is the issue of what are Foreign Service positions? This is what we got into last year with the case that you cited.

When people enter the Foreign Service, which is a career service, they project outward. When I start, I may start at the bottom of the ladder. The next position I get I will have some management responsibility. Later I may be able to serve as a political or economic or administrative counselor, then hopefully serve as a deputy chief of mission and an ambassador.

We need to make sure that there are enough of those positions available so that the Foreign Service officers who have dedicated their careers and made the sacrifices can compete fairly for them. This is where we are getting into complications because there are others who would also like to compete for those positions. We do not say that nobody else should be able to compete, but we have to make sure that we maintain the integrity and effectiveness of the career service.

Mr. BEREUTER. Thank you.

The work force study that your association did advocates hiring more people than the available positions at the Department so that people can be in training without leaving vacancies. I think there was at least an allusion to that in terms of the need for training by Marc earlier in this testimony.

How do you prevent a mismatch of open jobs for available persons, and how many people do you think you would have to hire in addition to current?

Mr. ADAIR. How do you prevent the mismatch of available persons?

Mr. BEREUTER. Yes.

Mr. ADAIR. Part of it has to do again with planning and making sure that you look ahead. Number one, making sure that you know what positions you have and that they are justified. Number two, that you know when they are coming available and what you are going to need to fill them.

The other part—

Mr. BEREUTER. If I could, if there were 100 jobs how many additional people do you anticipate would be needed? What kind of built in factor are we anticipating here?

Mr. ADAIR. All right. What we have said in the initial part of our study is that we are short more than 1,000 people, and that is a combination of calculating jobs that are empty now, jobs that are not filled by Foreign Service personnel because there are not enough Foreign Service personnel, and how much training we are giving now and should be giving, as well as the need to send Foreign Service personnel on details to other agencies and have that cross fertilization.

We have calculated all of that into that 1,000 plus figure, and our view is that we need to start now in hiring to make up that 1,000 person deficit by hiring above the attrition rate when we hire, when we bring in new recruits.

Mr. BEREUTER. I want to thank both of you.

Mr. Galloway, do you have anything to add before we conclude?

Mr. GALLOWAY. No. No, I do not.

Mr. BEREUTER. I want to thank both of you for your testimony. Yes?

Mr. ADAIR. If I could just say one other thing? You thanked us. I would like to thank this Committee for the support that it has given to the Foreign Service and to the State Department. You have supported us on many issues.

I mentioned writing the work force planning requirement into the last authorization bill, but specifically you mentioned earlier the support on funding for Embassy security. That is one issue that the American Foreign Service Association has made a priority. We have been very concerned about that.

We deeply appreciate the support that you have given us there, and we are very happy that it appears that the Administration and the Congress working together are beginning to move those appropriation levels up to the point where hopefully we can actually make a difference.

Thank you.

Mr. BEREUTER. I appreciate that, and we will continue to do so. I can assure you.

Thank you for your testimony. We look forward to working with you in the future.

The hearing is adjourned.

Mr. ADAIR. Thank you.

[Whereupon, at 1:58 p.m. the Committee was adjourned.]

